GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol Bae Abertawe

Swansea Bay University Health Board

ANNUAL REPORT

2019-20

A MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

We are delighted to present this, our first annual report as Swansea Bay University Health Board and Emma's first as our new Chair. We started as a different organisation in April 2019, following the transfer of the commissioning responsibility for the population of Bridgend to Cwm Taf Morgannwg University Health Board. Although there was sadness at losing colleagues who were moving organisations, there was also a sense of excitement as we developed our plans and ambitions for Swansea and Neath Port Talbot.

We have continued to develop our strategy *Better Health, Better Care, Better Lives* and have made progress in our determination to put health and wellbeing at the forefront of our delivery for the population we serve. Following the success in our Cwmtawe Cluster, the 'whole systems' approach is enabling each of our eight GP clusters to lead an integrated health and social care system for their area, made up of voluntary services, GP practices and integrated health and social care team managers, delivering a range of primary care and wellbeing services through your GP. This is funded through the national transformation fund, announced alongside *A Healthier Wales,* to support new models of local health and social care, delivered through regional partnership boards. Another is our 'Hospital to Home' initiative, providing new ways of working to deliver care closer to home, in line with the philosophy of *Prudent Healthcare*.

Delivering *Better Health, Better Care, Better Lives* cannot be done without the support, challenge and commitment of our partners, particularly Neath Port Talbot and Swansea local authorities, our local charities, Swansea University and Welsh Government. It is through the collaboration of our regional partnership board, renamed West Glamorgan Regional Partnership Board following the boundary change, that we have been able to develop not only our primary care and 'Hospital to Home' services but also a new approach to child and adolescent mental health services (CAMHS) and our framework for adult mental health services.

We said goodbye to our Chairman, Andrew Davies, in June 2019. Andrew leaves a strong legacy in our organisational values, *Caring for Each Other, Working Together and Always Improving*, which he championed tirelessly throughout his tenure and which we are determined should remain core to our behaviours and approach. Following Andrew's departure, Emma was appointed interim Chair and following a rigorous selection process, was confirmed as our substantive chair in April 2029. We are grateful to Martyn Waygood for replacing Emma in the vice-chair role on an interim basis. We were also very pleased to welcome Nuria Zolle as our third sector independent member. In relation to executives, we saw the departures of Sandra Husbands, Director of Public Health, and Lynne Hamilton, Director of Finance, who retired in February 2020 and were pleased to welcome Keith Reid as Director of Public Health, first on an interim basis and then, following a recruitment process, substantively appointed in December 2019. Darren Griffiths has taken up the Director of Finance role on an interim basis and we are grateful to him for supporting the health board during this time.

We know that having happy, well trained, and motivated staff is essential in ensuring that staff are able to give our patients the quality of care and experience that we all want to see and receive. Putting our values at the centre of all our behaviours means ensuring that every member of staff feels able and empowered to do their job and that they feel confident to tell us when things are not right in their area. Two key developments in 2019 were the commencement of our programme of leadership summits, where internal and external speakers provide up to date thinking in leadership best practice, and the pilot for the Guardian Service, which provides an independent service for speaking out. We were thrilled to have had one of our nurses, Jean Saunders, crowned as the Royal College of Nursing Wales 'Nurse of the Year' for her work to support asylum seekers in her care. It demonstrates the importance we place on patient care and experience, as well as equality and diversity, so to not only have one of our nurses celebrated in this way this, but to have others shortlisted, is a wonderful achievement.

In terms of performance, 2019/20 was a challenging year. Our unscheduled care performance was significantly below where it needed to be. Although the number of emergency admissions was not significantly higher than before, those who were admitted had higher complexity of conditions, and had commensurately longer stays in hospital. This created significant operational pressures, which, together with changes to the pension tax rules, meant that we were unable to deliver planned care to the necessary levels. These factors, combined with the fact that we were unable to reduce our cost base following the Bridgend transfer, meant that we did not deliver the breakeven position we had hoped for at the start of the year. Over the course of the year, we recognised that delivering on unscheduled care was fundamental both to delivering better patient experience and to improving our operational performance. We worked on a comprehensive plan for the winter, with 'Hospital to Home' a key component, and we did start to see some improvements after Christmas.

We end the year at a significantly challenging time not just for the health board, Wales or the UK, but on a global-basis, as the world continues to respond to the Covid-19 pandemic. The commitment and response we have seen from our staff as the pandemic has heightened has been incredible and testament to the hard work and commitment our people bring to their roles every day. We recognise that this is an extremely anxious and worrying time for all, as at the time of writing, we do not know what the future is going to bring. However, we are clear that we must take every opportunity to learn from the significant change we have made and 'lock-in' improvements wherever we can.

We thank our staff, patients, partners, and local communities for supporting us to continue to provide care to our patients and improve the health of our local population.

Stay safe.

Emma Woollett, Chair

Tracy Myhill, Chief Executive

WHAT THIS ANNUAL REPORT WILL TELL YOU

Swansea Bay University Health Board's annual report is part of a suite of documents about our organisation. It tells the story of the services and care we provide, what we do to plan, deliver and improve healthcare for you, and how we are setting out to meet changing demands and future challenges. It provides information about how we have performed this year, what we have achieved in 2019-20 and our aims for improving further next year. It explains how we are working with our patients, staff and local communities in developing services for the future, and how we recognise the value of listening to you and your needs in planning our services going forward.

Our annual report includes:

- Our **performance report,** detailing how we have performed against our targets and how we will seek to maintain or improve our performance further;
- Our **accountability report,** providing information about how we manage and control our resources and risks, and comply with our own governance arrangements.
- Our **financial report,** detailing how we have spent the funding allocation in meeting our obligations.

If you would like copies of any of these publications in print form and/or alternative formats or languages, please contact us using the details below:

Swansea Bay University Health Board,
1 Talbot Gateway, Port Talbot, SA12 7BR
01639 683376
SBU.boardservices@wales.nhs.uk

About Swansea Bay University Health Board: Services We Provide

Swansea Bay University Health Board was established in April 2019 and looks after the health needs, as well as the commissioning, planning and delivering of healthcare, for the people of Neath Port Talbot and Swansea. This work is not undertaken by the health board alone, with strong relationships in place with local authorities and other NHS Wales organisations, as well as through regional partnership arrangements such as public service boards and the West Glamorgan Regional Partnership Board.

Our intention is for the health board to move to being a population health focused organisation, commissioning services to meet patient and community needs. The two strategic aims, *Supporting Better Health* and *Delivering Better Care,* and associated enabling objectives, are clear as to our ambition to change, and we will become increasingly focused on working with partners to improve the wellbeing of our population.

The Services we Host

There are also two all-Wales services hosted by the health board:

- Emergency Medical Retrieval and Transfer Service (EMRTS) – provides advanced decision-making and critical care for life or limb-threatening emergencies which require transfer for time-critical treatment at an appropriate facility.

- NHS Wales Delivery Unit – provides professional support to Welsh Government to monitor and manage performance delivery across NHS Wales.

The Partners with Which We Work

The health board works in partnership with a number of organisations, including local authorities, Swansea University, other NHS organisations including the NHS Wales Collaborative and the third sector. In addition, it has joint executive groups with Cardiff and Vale, Cwm Taf Morgannwg and Hywel Dda university health boards. Until recently, the fora with Hywel Dda University Health Board was formally known as the Joint Regional Planning and Delivery Committee (JRPDC) of which Welsh Government was a member and was established to support and clarify clinical

services decisions across the two health boards. Due to the progress being made, it was agreed to stand down the formal committee arrangements in January 2020, although the partnership group still exists to plan and deliver care across south west Wales.

A Regional Collaboration for Health (ARCH) is a unique collaboration between three strategic partners; Swansea Bay University Health Board, Hywel Dda University Health Board and Swansea University. It spans the local authority areas of Ceredigion, Pembrokeshire, Carmarthenshire, Neath Port Talbot and Swansea. It has an ambitious portfolio of regional work, delivered through four programmes of work as set out in the ARCH Portfolio Development Plan and underpinned the Welsh Government publication 'A Healthier Wales'.

Key Activities, Developments, Celebrations during 2019-20

There have been a number of achievements throughout the year of which the organisation is proud. Here are some highlights:

- A new scheme titled 'Hospital 2 Home' was rolled out in November 2019 across Neath Port Talbot and Swansea which has been designed to reduce the length of time older people spend in hospital. It supports people over the age of 65 to return home as soon as they are well enough, allowing them to recover in more familiar surroundings. Evidence shows that the longer a person stays in hospital, the harder it becomes for them to regain their independence after being discharged.

- The Cwmtawe Cluster was instrumental in helping introduce a new way of seeing patients with ear and hearing problems in early 2019. The move is part of a wider Welsh Government led vision for transforming primary care across Wales in the 21st century which will see an emphasis on providing a range of quality health and social care services in the community. Under the new scheme, patients with ear and hearing problems are directed to the service via a telephone triage system in which their needs are assessed by trained professionals who are able to match them to the appropriate response without having to waste time making an appointment to see their doctor. If successful, the service could be part of a new model in primary care that is rolled out across Wales.

- A pilot rapid diagnosis centre (RDC) service at Neath Port Talbot Hospital has been found to reduce waiting times for some patients by up to 92% and is

also cost effective. Patients in Swansea and Neath Port Talbot presenting to GPs with vague but possibly cancerous symptoms can now be referred to the RDC where they have fast access to a range of specialist tests and senior clinicians. Swansea University reviewed the service between June 2017 and May 2018 when GPs referred 198 patients to the clinic, which runs twice a week. Patients were either diagnosed with cancer and then put on the correct cancer treatment pathway, given a diagnosis for a different condition, told no serious problem could be found or sent for further tests. Due to the success of the pilot, the health board has supported this as a permanent service.

- Following the success of Cwmtawe Cluster's audiology clinics, the cluster helped trial new 'talk in' sessions for parents with any concerns over their child's speech and language development. The initiative, by Swansea Bay University Health Board's paediatric speech and language therapy team, follows reports that in some areas of the country up to half of children experience delays in language development and were designed to offer advice and support to parents while aiming at catching any potential problems at the earliest stage possible.

- Leanne Walters became the second advanced multiple sclerosis (MS) champion to be appointed in the UK and the only one in Wales. It is the next stage of a career spanning 18 years, and involves her working closely with people with MS – a progressive neurological disorder of the brain and spinal cord. Her role ranges from visiting them on the wards to carrying out their annual reviews and meeting whatever needs they may have.

- Chief Executive Tracy Myhill scooped two leadership awards in 2019. The first being the Leadership in the Public Sector category in the Leading Wales Awards and the second the Leader Award at Chwarae Teg's Womenspire Awards. The Leading Wales Awards judging panel said Tracy led from the heart, and described her as humble, genuine and inspirational.

- Staff at Gorseinon Hospital opened a new tea room for patients and their visitors which included floral bunting, cake stands and china cups. "Poppy's" is based in the hospital's light and airy conservatory room, which previously functioned as a day room and is part of a weekly timetable of social activities that staff are putting together for patients. As well as visiting the tearoom, patients will be able to take part in arts and crafts classes, enjoy film afternoons and team up for quizzes.

- Volunteers helped make sure that a children's centre playground in Swansea is at its sparkling best during August 2019. A team from the city's Valuation Office spent a day at the playground, part of Hafan Y Mor, at Singleton Hospital. The centre is for children with complex long-term needs, and the all-inclusive playground and sensory garden outside has been hugely popular with them and their families since it opened in 2014.

- A ward at Singleton Hospital which was badly damaged in a fire in March 2019 re-opened in January 2020, following an extensive refurbishment. Ward 12 had undergone not only full repair, refitting and redecorating, but had new ceilings put in. Part of that work involved removing old asbestos which was installed when the hospital was built in 1968, and replacing it with modern fire-proofing materials. Repairs to the fire-damaged Ward 12 have also included new floors, new electrical wiring, a new nurse alarm call system, new furniture and fittings, new kitchen units and redecoration.

- An inspirational 99-year-old who regained her independence after a serious accident was rewarded with a surprise birthday party. Staff at Gorseinon Hospital in Swansea organised the bash for Kathleen Davies after being astounded by her recovery. Arriving by ambulance on the morning, for her weekly exercise class, she was stunned to see the room had been decorated with banners and balloons and a buffet and cake laid on.

- In the first Welsh Allied Healthcare Awards (for allied health professionals, healthcare scientist and pharmacists) held in November 2019, Swansea Bay University Health Board won four of the eight category prizes. The overall winner was head of paediatric occupational therapy, Amanda Atkinson, who was also named winner of the award for leadership and change management for leading patient and carer focussed service transformation within paediatric occupational therapy services.

- A celebration event took place to honour those who have made an outstanding contribution to practice education at Cardiff University's school of healthcare sciences. It celebrated the success of mentors and educators, who through their achievements, have made an impact on the care of patients and clients. Swansea Bay University Health Board stood out at this event winning a number of awards including the singleton radiology department and learning disabilities team for occupational therapy winning 'Best Placement Team.

- The health board launched its brand new bi-lingual website in 2019-20 which provides information about the services we provide to the communities we serve.

Charity Activity

In May 2019 the health board appointed a head of fundraising to establish a team for the health board. Following this, a framework was developed based on five key themes to develop and maximise the profile of charitable funds. Progress has been made across all five areas.

- **Strategic Planning**

A dedicated brand has been produced for the health board charitable funds, working under the name of *Swansea Bay Health Charity*. Staff were engaged in the creation of the brand and the logo was chosen via a staff vote. In addition, the bids panel, which considers the majority of requests to spend the monies, has re-launched as the *'Helping Hand Fund'*.

Another key development has been to establish the South West Wales Cancer Fund, which is the official fund of the South West Wales Cancer Centre and Velindre Cancer Centre. Through discussions and development work with former Welsh rugby international Jonathan Davies, president of Velindre fundraising, and both fundraising teams, a partnership to provide a fundraising platform for cancer for the whole of south Wales has been put in place. An initial joint fundraiser was held at the end of 2019.

- **Communications**

To set the charity apart, it needed its own communications channel. As a result, it has a dedicated fully bi-lingual website and social media channels, including Facebook, Twitter and Instagram, which is a new social media arena for the health board.

- **Engagement**

Engaging with staff, patients and the public is key to the charities ongoing success. The charity has an increased presence on the health board intranet and the team is working closely with individual fundraisers, creating a number of materials to support fundraising. It's also working closely with community groups, such as Ospreys in the

Community and has developed a volunteer fundraiser role for increased presence at hospital sites.

- **Fundraising**

Maximising the use of existing platforms can assist in fundraising, so as well as working with fundraisers, profiles have been established with Amazon Smile and eBay. Amazon Smile, through their corporate responsibility, donate a small percentage of all qualifying purchases to a charity of their customers' choice. By registering Swansea Bay Health Charity, valuable donations at no extra cost to customers can be received. With eBay, sellers can choose to donate a portion of their sales to a nominated charity. The charity is also registered as a seller in its own right and a donation account with PayPal has been created to make donating easier, while other online donation platforms are being considered.

- **Campaigns**

At Christmas a successful Amazon wish list appeal took place, where people could purchase gifts instead of giving cash donations and which benefitted children's palliative care and mental health services. A PayPal campaign for our Africa Health Links fund has now been created.

At the start of the financial year 2019/2020, charitable funds lost approximately 18% of the charitable funds portfolio to Cwm Taf Morgannwg University Health Board as part of the boundary change. This reduction in funds were regained through fundraising, donations and legacies by January 2020.

Suite of Annual Report Documents

As indicated on page four, Swansea Bay University Health Board's annual report is made up of a number of documents that describe our work between 2019-20.

The following documents can be read together or as stand-alone documents.

- Performance Report
- Accountability Report
- Financial Report

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol Bae Abertawe

Swansea Bay University Health Board

PERFORMANCE REPORT

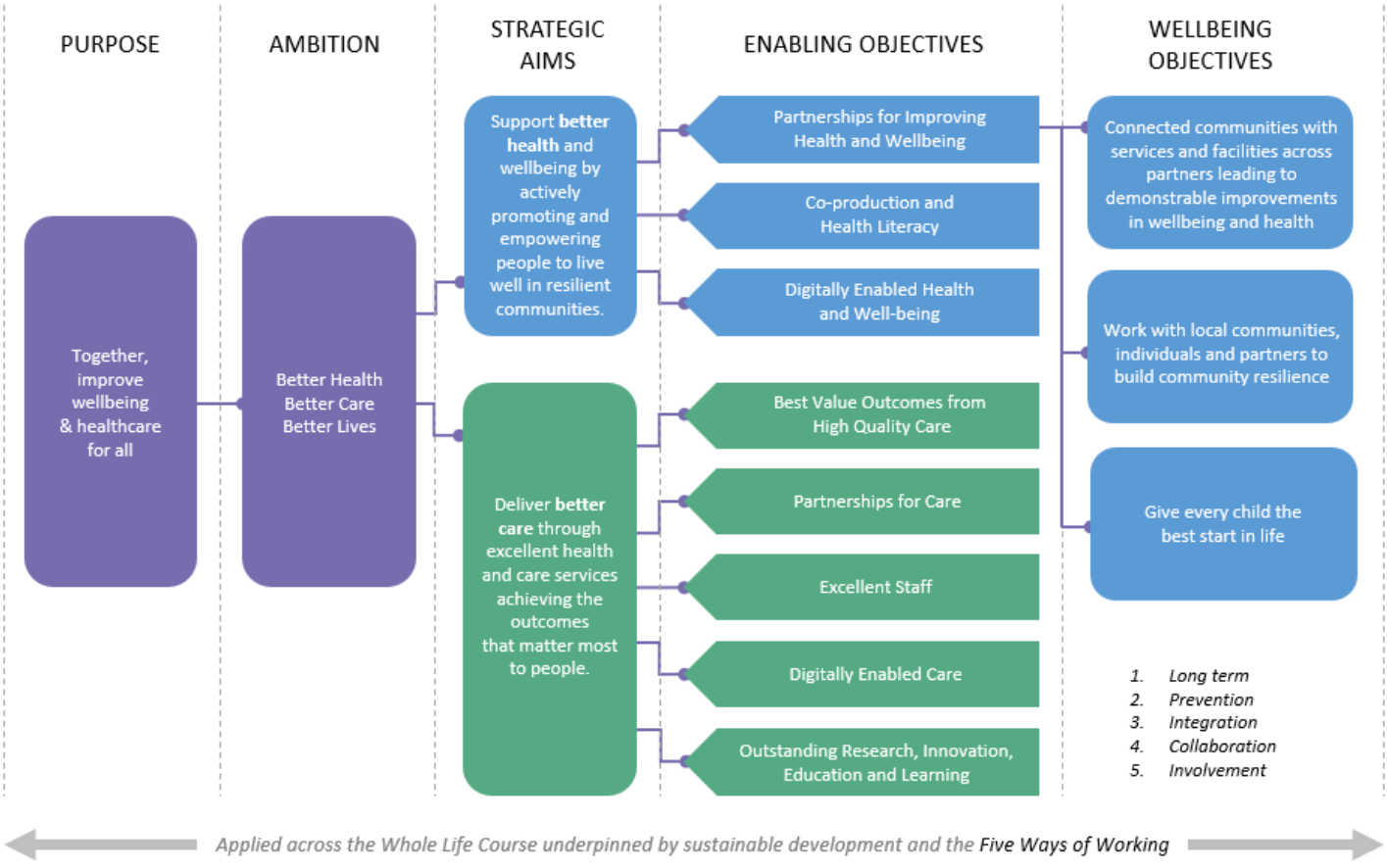
2019-20

Contents

Vision, Ambition and Strategic Direction

The board has a clear purpose, ambition, strategic aims, and enabling objectives have been developed to fulfil our civic responsibilities by improving the health of communities, reducing health inequalities and delivering prudent healthcare in which patients and service users feel cared for, confident and safe.

Our intention is for the health board to move to being a population health focused organisation, commissioning services to meet patient and community needs. The two strategic aims, *Supporting Better Health* and *Delivering Better Care,* and associated enabling objectives, are clear as to our ambition to change, and we will become increasingly focused on working with partners to improve the wellbeing of our population.



While our objectives ensure we meet national and locally priorities and professional standards, our ways of working are underpinned by a values and behaviour framework, which was developed following many conversations with staff, patients, relatives and carers.

CARING for each other | Working TOGETHER | always IMPROVING

Caring for each other in every human contact in all of our communities and each of our hospitals

We will: Be approachable, helpful, attentive to other's needs; be thoughtful and flexible about how to meet the needs of each person; be calm, patient, reassuring and put people at ease; protect others' dignity and privacy and treat others as we wish to be treated.

Working together as patients, families, carers, staff and communities so we always put patients first

We will: Listen closely; consider other's views and include people; appreciate others: be open, honest and clear; give constructive feedback and be open to and act on feedback ourselves; be supportive and say "thank you."

Always improving so that we are at our best for every patient and for each other

We will: Be vigilant about safety and risk; never turn a blind eye; look for opportunities to learn; enthusiastically share ideas and actively seek solutions; be accountable for our behaviour and hold others to account; keep promises; be positive, a role model and inspiration to others.

Performance Report

Chief Executive's Statement

2019-20 was a challenging year for us, not least as we were starting it as a brand new organisation following the Bridgend boundary change, which had left us with some challenges financially as well as how we operate within the new model. We were disappointed not to have had an approved integrated medium term plan (IMTP – three-year plan) but good progress was made against the annual plan. While we had intended for a breakeven plan at the end of the year, a number of challenges including operational pressures, continuing healthcare and changes to pension tax rules meant that this was no longer achievable for us and also caused numerous challenges providing planned care to our patients, which meant we also did not achieve the performance targets we originally set. While this report sets out how we have performed in 2019-20, it does so in the context of Covid-19 which had, and continues to have, a significant impact on the way we provide our services, with business as usual not an option for us for the time being.

Workforce

❖ Valuing Our Staff

Great staff experience results in great patient experience and every role counts - what people do and how they do it, matters. Having the very best people working for

the health board means the very best care can be provided for patients and communities. It is important that staff feel proud about the care they provide and feel connected to the health board and the teams they work within.

In 2017, the first staff experience plan "*In Our Shoes: Creating Great Staff Experience*" was launched and continues to be an organisational priority. This strategy has since evolved into the #ShapingSBUHB movement, which was created by staff on the back of a programme of executive and staff engagement workshops following the results of the NHS Wales staff survey in 2018. It focuses on delivering the actions identified and voted on by staff themselves under the categories of:

- Great leaders, great managers;
- Healthy workplaces and wellbeing and;
- Innovation, learning and development;

- **Our Values and the #LivingOurValues Campaign**

Values and behaviours are key to how staff operate and interact with each other and patients on a day to day basis. The #LivingOurValues campaign was launched in July 2019 at a leadership summit and invites staff to sign a pledge card which describes how they live the organisational values. The campaign is inclusive and encourages participation from every corner of the organisation, from ward to board, including the committee structures, senior unit teams and trade union partnership groups. The campaign is also integral to the internal development programmes, from induction through to leadership programmes.

To date there have been more than 800 pledges signed by a combination of teams and individuals, with more than 30 #LivingOurValues workshops planned and a pledge-o-meter created measuring how many pledges have been received.

In December 2019 the '*Living Our Values Awards*: *Celebrating the Swansea Bay Way'* were launched as part of a programme of recognition and reward, with 151 nominations received. The awards will be used along with other ways of recognising staff, as a vehicle to help bring the organisation back together and celebrate what they will have achieved throughout the Covid-19 pandemic.

- **Listening and Supporting Staff to Raise Concerns**

The health board aims to create a culture of openness, honesty and respect which goes hand in hand with the values. In listening and engaging with people as part of the raising concerns processes, there have been clear messages around the importance of confidentiality and the need for an independent service model.

In responding to this feedback and as part of the commitment to supporting healthy workplaces and wellbeing, a number of actions have taken place to accompany the #LivingOurValues campaign. These include the commissioning of ACAS (Advisory, Conciliation and Arbitration Service) to run workshops for managers, workforce and trade unions in addressing inappropriate behaviours at work, including bullying, and the introduction of The Guardian Service in May 2019 as a one-year pilot. The service provides independent, confidential and non-judgmental support to staff raising concerns and focuses on working with both individuals and the organisation to reach a resolution on a 24/7 365 basis. The health board is the first in Wales to trial the service model. To date there have been, 91 contacts, 42 of which have been closed/resolved, and 127 awareness sessions delivered across the health board. As the contact was initially for one year, a retendering process is now underway for a service to be continued.

- **Valuing and Appreciating Our Staff**

The long service recognition and patient choice awards continued in 2019-20.

This year, the qualifying criteria for long service recognition was reviewed and amended to cumulative years NHS service, rather than continuous, in order to make it more inclusive. In addition to recognising 25 years or more NHS service, a special recognition was introduced for those reaching 40 years or more. Celebrations were held on 1st October 2019 and 5th November 2019, and 175 qualifying staff attending.

Patient choice awards continue to provide patients, carers, relatives and visitors with the opportunity to have their say and nominate a member of staff, who they feel have made a real difference, and gone above and beyond their duty. 194 staff members, teams and wards were recognised this year during five events across main hospital sites, with one event for primary and community services delivered in conjunction with social services.

- **Developing Leadership Capacity and Capability**

2019 saw the first of the leadership summits with more than 100 managers across the health board attending. This number steadily increased by the third summit, which welcomed more than 200 delegates. A mix of internal and external speakers has ensured that these events are engaging, informative and focussed on up-to-date thinking in leadership best practice, ensuring our staff are supported to deliver excellent patient care.

Leadership development programmes continue to expand. Following the implementation ‘Footprints’, the programme for middle-management, further programmes have been developed for those in more senior leadership positions as well as aspiring managers or team leaders, ‘Bridges’ and ‘Impact’ respectively. To date, more than 1,300 people have attended one of these programmes.

The health board is fully committed to developing, implementing and embedding the just culture and compassionate leadership models. Its leadership conference focussed on this and work in 2020-21 will continue to develop and embed these principles.

Clinical leadership has also been a focus this year with the launch of our consultant development programme and is now entering its third cohort, with 37 consultants enrolling to date.

The new managers’ pathway was launched in June 2019 and provides a framework for all new managers to ensure they can develop the skills and knowledge they need to successfully carry out their role. As well as behavioural programmes, this mandatory framework ensures that essential knowledge is gained with a focus on topics such as finance, HR policies and project management.

In order to create and embed a culture of coaching within the health board, a number of staff have become qualified workplace coaches. A network of over 30 coaches is now working to provide tailored 1-1 development to colleagues.

- **Supporting Staff Health and Wellbeing**

The delivery of Mindfulness based groups and ‘Managing your Wellbeing’ courses have supported the health and wellbeing of staff and a return to work after sickness absence. Managers have been supported to understand mental health in the workplace and the team has delivered training on the use of the stress standards to enable early support for staff experiencing stress in the workplace. Increased partnership working with Time to Change Wales to reduce stigma and discrimination associated with mental health in the workplace has seen volunteers sharing their personal stories of overcoming mental health issues and remaining or retuning to work. The Chief Executive signed the Time to Change Wales pledge on behalf of the health board in September 2019, demonstrating the commitment to this campaign.

A successful wellbeing week in September 2019 saw staff take advantage of a variety of informative and interactive resources provided by the smoking cessation team, nutrition and dietetics and the living life well programme. Health checks by the occupational health team and podiatry department proved to be a big hit with staff members as did the ‘Mindful Menopause’ workshops. This year the events were supported by the wellbeing team. Fruit was also provided throughout the week and lunch time concerts proved to be a great addition, demonstrating how music can improve wellbeing.

A refreshed staff flu marketing campaign for 2019-20 using the theme ‘Winter is Coming’ along with the new role of staff flu campaign coordinator helped increase uptake of the flu vaccination to 58.6% of frontline staff, with nearly 9,000 receiving the vaccination.

The health board continues to deliver the European social funded ‘In Work Support’ service which delivers mental health and musculoskeletal support to local employees working in small to medium size enterprises. 1,072 local employees have been assisted to return to work or to remain in work whilst experiencing health conditions and more 227 local companies have received support to help manage the health and wellbeing of their staff, thereby supporting the local economy.

❖ Equality, Diversity and Human Rights

The health board is committed to treating everyone fairly as well as prioritising its duty to:

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not share it;
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.

The nine ‘protected characteristics’ are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage and civil partnership (in relation to being treated differently at work).

Under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011, the health board is required to prepare and publish equality objectives every four years. As such, it engaged and consulted with stakeholders, public and third sector organisations and staff to gather views on the priority areas of inequality to be addressed. This feedback and the evidence contained within the Equality and Human Rights Commission report ‘Is Wales Fairer 2018?’ informed the development of the equality objectives for 2020-2024.

Updates on progress with taking forward the actions supporting the delivery of the equality objectives are highlighted in the equality annual report, which was shared with the Workforce and Organisational Development (OD) Committee in February 2020, along with the strategic equality objectives for 2020-24, which were subsequently approved by the board in March 2020.

Examples of key equality highlights for 2019-20 include:

- The primary care children and families’ wellbeing team won the Improving Health and Wellbeing Category of the NHS Wales Awards 2019, alongside Swansea Council, for their work to reduce the impact of adverse childhood experiences in the Penderi ward, which takes in some of the most deprived areas of the city;

- The collaborative Diversity and Inclusion Conference with Hywel Dda University Health Board ‘This is Me’ celebrated the diversity of our workforce and promoted an inclusive workplace for everyone.

- Calon, the health board's LGBT+ and allies staff network, joined NHS Wales colleagues at Swansea Pride and Pride Cymru.

- A new black and minority ethnic network was set up to raise cultural understanding, improve staff support and boost patient care across the health board. It was launched during a Black History Month event to celebrate ethnic and cultural diversity at Morriston Hospital.

- Swansea Bay staff organised a major event to mark World Mental Health Day at the leisure centre. More than 60 groups and organisations were represented demonstrating the range of services available for people needing support.

- The health board launched 'PROJECT SEARCH' which offers work experience in a variety of departments to interns with learning disabilities whilst they gain a qualification with Gower College.

- Trans awareness training sessions were delivered through the health board by Stonewall Cymru to help staff gain a basic understanding of gender identity and terminology.

Staff Composition

❖ By Gender

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

Gender	Headcount	FTE	% of headcount
Female	10058	8621.70	77.4
Male	2933	2797.08	22.6
Grand Total	**12991**	**11418.78**	**100.0**

(*FTE – fulltime equivalent*)

A breakdown of the board members and senior managers by gender is set out in the table below. This figure represents the composition as at 31st March 2020.

Job Title	Gender	Headcount	FTE	% of headcount
Assistant Director of Planning	Male	1	1.00	2.44%
Assistant Director of Strategy (Estates)	Male	1	1.00	2.44%
Chairman	Male	1	1.00	2.44%
Deputy Chief Operating Officer	Male	1	1.00	2.44%
Deputy Director of IM&T and Performance Improvement	Male	1	1.00	2.44%
Director	Male	1	1.00	2.44%
Director of Public Health	Male	1	1.00	2.44%
Executive Director of Nursing	Male	1	1.00	2.44%
Head of Workforce Localities and Systems	Male	1	1.00	2.44%
Interim Director of Finance	Male	1	1.00	2.44%
Medical Director	Male	1	1.00	2.44%
National ENT Transformation Lead	Male	1	0.60	2.44%
Secondment - HEIW Medical Director	Male	1	1.00	2.44%
Secondment - Velindre Director of Commercial and Strategic	Male	1	1.00	2.44%
Non-executive Member	Male	3	1.00	7.32%
Service Director	Male	2	2.00	4.88%
Assistant Director of Finance	Female	1	1.00	2.44%
Assistant Director of Informatics: ICT Band	Female	1	1.00	2.44%
Assistant Director of Planning (Service Planning)	Female	1	1.00	2.44%
Associate Director of Finance	Female	1	1.00	2.44%
Associate Director of HR- Learning and Development Band	Female	1	1.00	2.44%
Board Secretary	Female	1	1.00	2.44%
Chairman	Female	1	0.00	2.44%
Chief Executive	Female	1	1.00	2.44%
Deputy Director of Recovery and Sustainability	Female	1	1.00	2.44%
Director	Female	1	1.00	2.44%
Director of Planning	Female	1	1.00	2.44%
Director of Therapies	Female	1	0.80	2.44%
Director of Workforce and Organisation Development	Female	1	1.00	2.44%

Head of HR Delivery Units Band	Female	1	1.00	2.44%
HR Manager	Female	1	1.00	2.44%
Secondment - Public Health Wales Band	Female	1	0.40	2.44%
Non-Executive Member	Female	3	3.00	7.32%
Service Director	Female	3	3.00	7.32%

❖ By Staff Group

During, the year, the average full time equivalent number of staff permanently employed 12,991. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year. The table below provides a breakdown of the workforce by staff grouping and in addition to permanently employed staff, shows staff on inward secondment, agency staff, and other staff.

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2019-20 Total	2018-19 Total
Administrative, clerical and board members	2,106	16	35	0	2,157	2,535
Medical and dental	1,044	0	13	31	1,088	1,392
Nursing and midwifery registered	3,449	0	171	0	3,620	4,636
Professional, scientific and technical staff	360	0	0	0	360	448
Additional clinical services	2,297	0	25	0	2,322	2,767
Allied health professionals	760	0	16	0	776	921
Healthcare scientists	298	0	5	0	303	324
Estates and ancillary	1,036	0	21	0	1,057	1,410
Students	2	0	0	0	2	5
Total	11,352	16	317	0	11,685	14,438

❖ Sickness Absence

	2019/20	2018/19	Variance
Total days lost (long term):	185,261.07	224,747.37	-39,486.30
Total days lost (short term):	75,095.71	78,448.06	-3,352.35
Total days lost:	260,356.78	303,195.43	-42,838.65
Total staff years lost: (average staff employed in the period - full time equivalent)	11,321.07	14,093.05	-2,771.98
Average working days lost:	14	13	1
Total staff employed in period (headcount):	12,902	16,088	-3,186
Total staff employed in period with no absence (headcount)	4771	6521	-1,750
Percentage staff with no sick leave:	36.30%	40.32%	-0.04

Welsh Language

The health board is committed to making the Welsh language as visible and accessible as possible. It has a Welsh language delivery group with representation from across the organisation to help with progress and compliance with the Welsh language standards.

The organisation has produced an action plan to deliver the necessary requirements during 2019/20 into 2020/21. This is based upon joint working with other health boards to ensure a consistent approach making best use of resources. Progress against Welsh language standards are reported to our Welsh language delivery group, the health board, Welsh Language Commissioner and Welsh Government with annual monitoring and statistical reports being submitted to the Welsh Language Commissioner and Welsh Government.

In March 2020, a Welsh language standards report was produced which provides the health board with a position statement and analysis of a full financial year of operating under the Welsh language standards. The report builds on previous positive work, and contains a plan and recommendations of actions for the forthcoming year. It is acknowledged that whilst good progress has been made, the health board recognises that there is much more to do to improve its Welsh language services.

A full annual report setting out compliance with the Welsh language standards will be available on our website in autumn 2020.

Digital Transformation

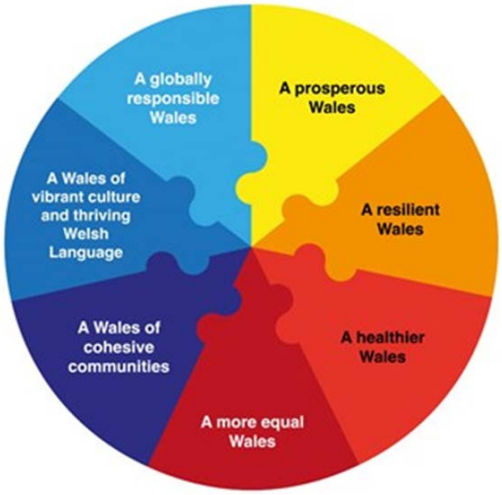
The health board's organisational strategy *'Better health, better care, better lives'* states that the organisation will maximise digital opportunities and use it to transform how people's health is improved and how care is delivered. To deliver this digital goal, there is an ambitious digital strategy *'Destination Digital'*. The aim of this is to ensure that health, care and wellbeing activities carried out by everyone in our health economy will, with pace and scalability, be enabled using digital technology.

During 2019-20, the health board has established five digital transformation programmes of work to deliver change and a number of essential digital enabling programmes to support delivery. The pace and scale of the digital transformation has been significant during the period. Highlights have included.

- **The Swansea Bay Patient Portal -** a digital tool that provides our citizens with access to their own care records, empowering them to take more responsibility and play an active role in their care;
- **The Signal E-Whiteboard Solution -** replaces physical whiteboards on wards with a digital alternative, to ensure live information is available for every patient in our hospitals;
- **Mobilisation of Community staff -** all of our community staff have access to an iPad to help them work more efficiently and have more time for patients;
- **Heath Records Modernisation -** the implementation of electronic tags on paper based patient records. This has improved the effectiveness and efficiencies of paper records provision whilst we transition from paper to electronic;
- **Enabling business intelligence and analytics -** accelerating the use analytics and BI dashboards across the organisation to support evidence based decision making.

Our Approach to the Wellbeing of Future Generations Act

The health board has a statutory requirement to publish its wellbeing objectives. It must clearly set out its wellbeing objectives and the steps being taken to meet them, including how the five ways of working and seven national wellbeing goals have been used to inform the setting of the objectives and steps to achieve them. The board agreed its final wellbeing objectives through the approval of the organisational strategy in November 2018.



These are:

- *Giving every child the best start in life;*
- *Connecting communities with services and facilities;*

- *Maintaining health, independence and resilience of communities of individuals, communities and families.*

In May 2019, a board development session was held to consider how the organisation could embed the sustainable development principle, and the principles of the act, in its thinking and actions through all that the organisation does. This provided the health board with the opportunity to showcase some of the good work that we are progressing, for example, on green infrastructure, procurement and early years.

The Future Generations Commissioner was in attendance and provided some challenges to the organisation and also made it clear that public bodies needed to clearly demonstrate that the five ways of working are integrated in our business processes and aligned with explicit well-being objectives, which are mapped to those of the act. The commissioner set out that the health board needs to commit to 'owning its ambition' in meeting our well-being objectives and embedding the five ways of working.

Some of the progress to date has been:

Service Area	**Progress Against Sustainable Development Principle**
Procurement	- All frontline procurement staff have received sustainable procurement training; - Procurement services has created a sustainable procurement portal which is open access for suppliers, customers and staff; - Standard ESPD (European Single Procurement Document) templates for assessing suppliers have been updated to include questions on the act; - Sustainable procurement, including the act being discussed at all supplier meetings as part of the standard supplier meeting template.
Adverse Childhood Experiences	- Health visitors have undertaken training; - Pilot being undertaken in Swansea; - Currently working directly with colleagues to set up bespoke national school nurse training.
Safe and Resilient Communities	- Working with communities in a neighbourhood area to "Build on what is Strong Not What is Wrong''. - Pilot being undertaken in two areas in Neath Port Talbot: • Briton Ferry and Melyn • Upper Amman Valley (Cwmllynfell, Rhiwfawr, Gwaun Cae Gurwen and Brynamman)
Green Growth	- The health board is using its environment to improve physical and mental health. There is untapped potential to link the green space resource to primary care, social care and community development collaboration with National Botanical Gardens of Wales, Natural

Service Area	Progress Against Sustainable Development Principle
	Resources Wales, Swansea University to promote health through increased access to nature; - Continued Wildflower Planting for the promotion of pollinator insects and increased use of indigenous species; - Successful funding bid from the Welsh Government Communities rural development programme 2014 -20 for a “Biophilic Wales”, to develop 40 sites within the estate as points for community co-developed projects
Partnership Working	- The health board is a key member of the West Glamorgan regional partnership board, the Swansea public service board, Neath Port Talbot public service board and the ARCH programme; - In order to better align the health board’s approach, the well-being objectives of these plans have been mapped to the health board’s wellbeing objectives; - Each of the projects within the West Glamorgan programme have to demonstrate how they are ensuring the five ways of working are being delivered.

Organisational Strategy, Clinical Services Plan and Transformation Programme

❖ Organisational Strategy

During 2018-19 the health board developed and approved an organisational strategy, ***Better Health, Better Care, Better Lives,*** and a refresh of the clinical services plan.

The organisational strategy describes the ambition and opportunities for the health board for 2019-20 and beyond to:

- Play a full role in the local and regional health economy;
- Increase focus on improving population health and wellbeing;
- Integrate services with partners in communities;
- Ensure sustainability and delivery of consistently high quality care;
- Support better health and wellbeing by actively promoting and empowering people to live well in resilient communities;
- Deliver better care through excellent health and care services achieving the outcomes that matter most to people.

❖ Clinical Services Plan

The clinical services plan is the five-year programme to transform the health and care services in Swansea Bay University Health Board. The development process took place throughout 2018, led by clinicians and supported by our staff and partners and was approved by the board in January 2019.

It describes how wellness, primary and community services will be transformed to underpin significant service change in major hospitals, enabling them to dedicate

their expertise to meeting the needs of those who most need their care, in particular the frail, elderly and acutely ill.

To deliver the priorities identified within both documents, the health board established a transformation portfolio and governance structure, including a *Better Health, Better Care, Better Lives Transformation Board* and *Clinical Services Plan Board* to design and govern arrangements for the following:

- Clinical services plan;
- Enabling programmes such as digital modernisation and the health board's operating model;
- Improvement boards;
- Regional working.

❖ Transformation Programme

The transformation board was established formally in May 2019. It meets monthly and includes all members of the executive board together with a small number of programme leads and is chaired by the Chief Executive, with a summary report received by the senior leadership team regularly to update on broader progress and to ensure links with joint planning arrangements through the regional partnership board.

Following the integration of the programme management office, value based healthcare and improvement team in June 2019, work has focussed on the development of an integrated approach and methodology for transformation within Swansea Bay University Health Board. The approach will set out:

- The approach to improvement – how does the organisation systematically develop the right skills, mindset and tools to embed continuous improvement within the board and how do we align our specialist resources with the overall goals and priorities of the organisation, including our quality priorities;
- The approach to programme and project management – an approach to standardised project management was established during 2019 and there are now around 50 trained Prince2 managers in the organisation. A major focus now is on developing the approach to benefits management so there is a unified approach to assessing, identifying, tracking and realising benefits across financial and non-financial domains.
- Value-based healthcare work has accelerated since June 2019 and the work programme is now fully aligned with the national strategic direction. In aligning the resources within the transformation team, the focus now is on developing an integrated approach so that there is synergy between the improvement approach and the work being taken forward around value. To support the design phase, a local improvement event took place on 21st November 2019. 49 improvement champions across the organisation came together to focus on skills development and shaping the 'Bay Way'. The output from the workshop is being summarised and a further board development session to share the proposed 'Bay Way' and focus on improvement is being explored.

Risk Management

The risk management framework sets out the way in which risks are identified, evaluated and controlled, with delivery of the framework overseen by the Audit Committee, and individual executives and senior managers having specific delegated responsibilities.

While more detail is provided within the annual governance report, there are key risks which impacted on the delivery of performance within the health board, which comprised:

- **Coronavirus**

The biggest risk currently faced by the health board is the Covid-19 pandemic, which started to impact on the organisation's ability to function as 'business as usual'. A gold command structure was quickly established to manage the health board's response and all non-urgent services, such as outpatients and elective surgery, were stopped. The need to plan and respond to the Covid-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will continue both for the organisation and wider society throughout 2020-21 and beyond. The organisation's governance framework will need to consider and respond to this need. The pandemic had a significant impact on the health board's ability to function 'normally' and this is reflected in the performance data for the last quarter of the year.

- **Unscheduled care**

The health board experienced unprecedented levels of unscheduled care pressures throughout the year which meant that planned care procedures needed to be cancelled to accommodate the emergency cases. Therefore not only were the unscheduled care targets a challenge to achieve, the health board also could not deliver on planned care.

- **Pension Changes**

Due to pension changes made by HM Revenue and Customs, the ability of the anaesthetic service to work flexibly ceased, with a number of consultants reducing their number of sessions to the minimum, which impacted on the number of planned care cases which could take place.

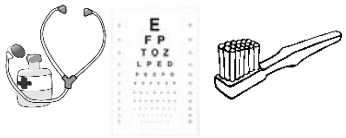
- **Financial Position**

The health board commenced the year with a forecast to breakeven but due to operational pressures, diseconomies of scale following the Bridgend boundary change and increased continuing healthcare costs, this transpired into a year-end position of a £16.3m deficit.

- **Workforce Capacity**

Due to challenges in recruiting, the health board is running with a number of vacancies which has increased its reliance on agency and bank staff.

Primary Care



393,602 registrations in SBU GP practices

17,828 patients recevieved care from Eye Health Examination Wales (EHEW)

(Apr-19 to Feb-20)

88% of GP practices offering daily appointments between 17:00 and 18:30 hours

278,608 NHS dental patients treated

(2 year total up to Sept-19)

Unscheduled Care

180,302 new A&E attendances

25,648 ambulance arrivals

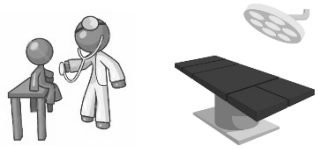
70,924 emergency admissions

537 stroke admissions

(Apr-19 to Feb-20)

3,557 trauma cases

Planned Care



232,338 referrals for new outpatient appointments

16,601 new outpatient appointments missed (Did Not Attend)

15790 Urgent suspected cancer referrals

28,179 total operations performed

171,039 new outpatient attendances and **341,039** follow-up attendances

11,905 cancelled operations

3,706 new mental health attendances and **19,029** follow-up attendances

2,468 newly diagnosed cancer patients treated

The section that follows provides a summary of the health board performance in 2019-20.

Welsh Government's NHS Outcomes and Delivery Framework focuses on improving the health and wellbeing of the people in Wales through the identification of key population outcomes and indicators under the following seven domains:

- Staying Healthy
- Safe Care
- Individual Care
- Our Staff and Resources
- Timely Care
- Effective Care
- Dignified Care

In the section that follows, we set out how we have performed against these Welsh Government measures. We work on the basis of a 'balanced scorecard' approach which provides us with information as to how we are performing over the year and it assesses whether our performance has improved, declined or remained the same over that period.

Performance against measures within the framework is traditionally assessed on a financial year basis i.e. 1st April through to 31st March. This aligns financial and performance data reporting periods within NHS organisation's annual accounts. However, a consistent approach was agreed by all health boards for the 2019-20 annual report that the assessment by Welsh Government would be based on nine months of data (April to December 2019). This was due to the following reasons:

- From April 2019 responsibility for the population of Bridgend transferred from Abertawe Bro Morgannwg University Health Board to Cwm Taf University Health Board. Thus creating two new organisations in 2019-20; Swansea Bay University Health Board and Cwm Taf Morgannwg University Health Board. Published disaggregated data for both organisations prior to the transfer in April 2019 is not available therefore only data from 1st April 2019 can be used. For consistency, all Welsh health boards agreed that they would adopt the same approach and report from April 2019.
- The Covid-19 pandemic presented a number of challenges to the organisation which are represented in the following disclosures within the performance reporting and scorecard. Complete performance data for the organisation has been presented for the first three quarters of 2019-20 only. The remaining quarter (January 2020 to March 2020) was impacted by the pandemic and the suspension of performance monitoring mid-March. Performance trends have been assessed using the April 2019 to December 2019 period. Only those measures which have an absolute monthly/quarterly target for December 2019 or quarter three 2019-20 have been included in the 'targets achieved' column on the scorecard. The organisation has

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

In addition, a number of measures within the framework are based on annual comparisons or trends and due to the unavailability of published disaggregated data, Welsh Government were not able to provide an assessment of the health board's performance for a number of measures. These include healthcare acquired infections, flu vaccinations, GP practice opening hours, clinical coding accuracy audit, hospital admissions with self-harm and pregnant women giving up smoking. Where possible, reference to these measures have been included in the narrative sections that follow.

The table below provides Welsh Government's summary of the health board's performance against the measures in the framework for 2019-20. There are 93 measures in the framework, however only 24 measures are included in the above trend analysis, and 13 in the target achievement

Swansea Bay UHB	Improved performance	Sustained performance	Decline in performance	Performance summary	Targets achieved*
STAYING HEALTHY: People in Wales are well informed and supported to manage their own physical and mental health	3 measures	0 measures	1 measure	↑	1 measure
SAFE CARE: People in Wales are protected from harm and supported to protect themselves from known harm	3 measures	1 measure	4 measures	↓	
INDIVIDUAL CARE: People in Wales are treated as individuals with their own needs and responsibilities	2 measures	1 measure	2 measures	→	2 measures
OUR STAFF AND RESOURCES: People in Wales can find information about how their NHS is resourced and make careful use of them	4 measures	0 measures	1 measure	↑	
TIMELY CARE: People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care	8 measures	2 measures	13 measures	↓	7 measures
EFFECTIVE CARE: People in Wales receive the right care and support as locally as possible and are enabled to contribute to making that care successful	3 measures	0 measures	4 measures	↓	2 measures
DIGNIFIED CARE: People in Wales are treated with dignity and respect and treat others the same	1 measure	0 measures	0 measures	↑	1 measure
***Note:** This scorecard relates to the April to December 2019 period.*	SUMMARY	**24 measures**	**4 measures**	**25 measures**	↓	**13 measures**

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

The remainder of this section provides a summary of performance for each of the domains within the framework and further detail and analysis of performance is outlined

for a number of key quality and access measures. Where available, performance data up to March 2020 has been included in addition to the summary tables provided by Welsh Government, which only report up to December 2019.

Targeted Intervention Priorities

The health board was placed in “targeted intervention” by the Welsh Government in 2016 as part of the NHS Wales escalation and intervention arrangements. The following table highlights the performance measures which Welsh Government deemed to require significant improvement (in addition to finance which is covered in further detail later in this report).

The health board continues to strongly focus on the targeted intervention priorities through routine performance reporting and structured performance management. All of the targeted priorities were core to the health board’s annual plan in 2019-20 and continues to be a pivotal element of the 2020-21 annual plan.

Further detail on the targeted intervention priorities are included later in this section of the report.

			Quarter 1			Quarter 2			Quarter 3			Quarter 4		
			Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Unscheduled Care	4 hour A&E waits	Actual	74.5%	75.9%	75.0%	74.5%	74.3%	71.4%	71.0%	73.2%	70.9%	71.6%	74.1%	72.8%
		Profile	*77.1%*	*80.0%*	*81.9%*	*83.8%*	*84.6%*	*85.5%*	*72.4%*	*74.5%*	*77.3%*	*78.4%*	*80.2%*	*80.4%*
	12 hour A&E waits	Actual	653	602	644	642	740	939	890	927	1,018	1,038	783	557
		Profile	*484*	*374*	*273*	*283*	*266*	*238*	*799*	*693*	*656*	*612*	*444*	*297*
	1 hour ambulance handover	Actual	732	647	721	594	632	778	827	821	868	848	704	462
		Profile	*320*	*233*	*201*	*220*	*193*	*200*	*673*	*634*	*508*	*451*	*388*	*291*
Stroke	Direct admission within 4 hours	Actual	62.0%	54.5%	57.0%	56.8%	41.8%	28.6%	55.1%	55.1%	39.0%	23.5%	61.8%	*March 2020 data not avaialble*
		Profile	*76%*	*77%*	*78%*	*78%*	*79%*	*80%*	*80%*	*81%*	*82%*	*82%*	*83%*	
	CT scan within 1 hour	Actual	*62%*	*56%*	*52%*	*59%*	*48%*	*42%*	*47%*	*49%*	*44%*	*43%*	*38%*	
		Profile	*47%*	*52%*	*50%*	*53%*	*51%*	*58%*	*53%*	*58%*	*55%*	*58%*	*56%*	
	Assessed by Stroke Specialist within 24 hours	Actual	96%	93%	100%	98%	95%	95%	94%	98%	100%	90%	97%	
		Profile	*87%*	*89%*	*92%*	*89%*	*91%*	*94%*	*91%*	*93%*	*96%*	*93%*	*95%*	
	Thrombolysis door to needle within 45 minutes	Actual	*27%*	*17%*	*0%*	*40%*	*27%*	*0%*	*0%*	*0%*	*20%*	*0%*	*0%*	
		Profile	*20%*	*25%*	*25%*	*30%*	*30%*	*30%*	*35%*	*35%*	*35%*	*40%*	*40%*	
	Patients receiving the required minutes for Speech and Language Therapy	Actual	*57%*	*47%*	*41%*	*48%*	*48%*	*50%*	*49%*	*45%*	*38%*	*33%*	*28%*	
		Profile												
Planned care	Outpatients waiting more than 26 weeks	Actual	*236*	*323*	*297*	*479*	*925*	*1,039*	*1,152*	*1,120*	*1,305*	*1,453*	*1,306*	*2,055*
		Profile	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	Treatment waits over 36 weeks	Actual	*1,976*	*2,104*	*2,318*	*2,690*	*3,263*	*3,565*	*4,256*	*4,587*	*5,141*	*5,623*	*5,729*	*6,509*
		Profile	*1,970*	*1,894*	*1,904*	*1,856*	*1,763*	*1,686*	*1,450*	*1,393*	*1,435*	*1,247*	*1,061*	*938*
	Diagnostic waits over 8 weeks	Actual	*401*	*401*	*295*	*261*	*344*	*294*	*223*	*226*	*569*	*628*	*424*	*1,407*
		Profile	*480*	*400*	*390*	*370*	*330*	*250*	*180*	*150*	*130*	*100*	*50*	*0*
	Therapy waits over 14 weeks	Actual	*0*	*0*	*0*	*0*	*1*	*0*	*1*	*0*	*0*	*0*	*1*	*51*
		Profile	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Cancer	NUSC patients starting treatment in 31 days	Actual	91%	91%	94%	91%	93%	91%	98%	95%	92%	99%	93%	87%
		Profile	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*
	USC patients starting treatment in 62 days	Actual	87%	80%	81%	76%	84%	86%	84%	86%	92%	86%	78%	73%
		Profile	*91%*	*94%*	*93%*	*96%*	*96%*	*94%*	*94%*	*94%*	*95%*	*95%*	*95%*	*89%*
Healthcare Acquired Infections	Number of healthcare acquired C.difficile cases	Actual	3	11	10	13	10	10	19	17	11	11	15	8
		Profile	17	12	12	15	12	9	12	12	12	13	14	11
	Number of healthcare acquired S.Aureus Bacteraemia cases	Actual	14	11	11	17	7	8	13	11	11	13	8	9
		Profile	11	14	12	13	12	11	11	15	15	10	16	11
	Number of healthcare acquired E.Coli Bacteraemia cases	Actual	27	22	29	35	22	23	25	15	32	33	31	23
		Profile	41	36	37	40	38	39	40	32	34	40	36	39

STAYING HEALTHY-

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

The measures in this section focus on prevention and the actions that the health board takes to support people to manage their own health.

In the following summary of the health board's performance in this domain, an indication of achievement of target has only been provided for the two childhood immunisation measures because the other two measures do not have a complete dataset at the time of writing this report. However, the trend for both measures based on three-quarters does show an improving trend.

	3 Quarter Trends			
	Q1	Q2	Q3	Trend
% of children who received 2 doses of the MMR vaccine by age 5	92.5%	92.6%	91.5%	↓
% of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1	95.6%	95.7%	96.0%	↑
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	83.8%	91.8%	90.4%	↑
European age standardised rate of alcohol attributed hospital admissions for individuals resident in Wales*	451.0	438.1	405.8	↑

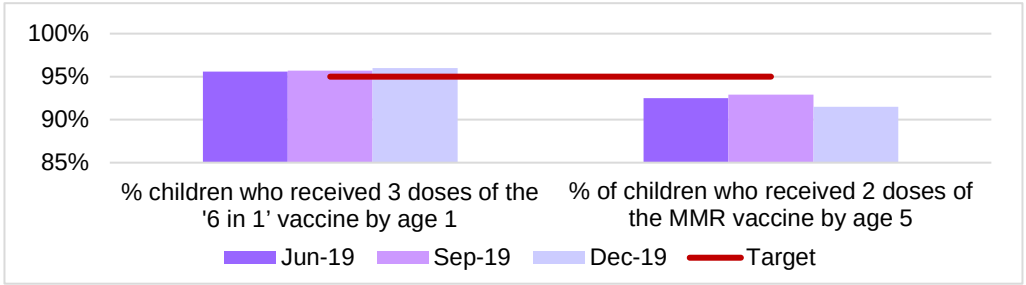
*Taken from April APC refresh

Achieved in Target Compliance

Not achieved in Target Compliance

Childhood immunisations

Good progress was made throughout the year to increase childhood immunisations rates. Between April 2019 to December 2019, 2,690 (96%) of children received three doses of the hexavalent 'six in one' vaccine by age one and 2,867 (92%) of children received two doses of the MMR (measles, mumps and rubella) vaccine by the age of five. The health board achieved the 95% target for MMR for five year olds but fell short of the 95% for the 'six in one' vaccine for one year olds.



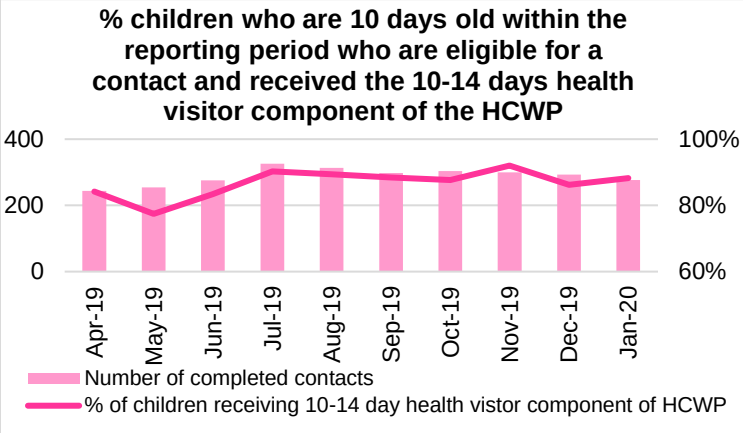
The national target of 95% is important so that herd immunity can be achieved. In order to improve the uptake over the next 12 months, health professionals (GPs, health visitors, school nurses and practice nurses) will continue to check the immunisation status at every contact, and waiting lists/ cancelled clinics will also be closely monitored by the primary care team. In addition, the local public health team will ensure that the recommendations of the measles eradication task group are implemented locally.

STAYING HEALTHY

Healthy Child Wales Programme (HCWP)

The HCWP was released by Welsh Government in 2016 and is an agreed all-Wales approach to support and improve child development. The programme sets out the planned contacts that children and their families can expect from their health boards from maternity service handover to the first years of schooling. These universal contacts cover three areas of intervention: screening; immunisation; and monitoring and supporting child development (surveillance).

The only measure within the programme that has a set target is for the percentage of children who are 10 days old who are eligible for a contact and received the 10-14 days health visitor component of the HCWP.



Even though the complete dataset for the year was not available at the time of writing this report, there has been an improving trend throughout 2019-20. In order to maintain and improve on this further, the health board will ensure that all infants not receiving 10-14 day contact in month will be reviewed, and remedial actions identified. We will also ensure that any breach in 10-14 day contact is recorded on the health board's incident reporting system (DATIX); and we will review the data collection process to ensure that the data published is accurate and submitted on time.

There are another two key measures included in the staying healthy domain which have not been included in Welsh Government's assessment of the health board's performance, as full datasets were not available at the time of writing the report. These are Influenza vaccinations and smoking cessation services.

Influenza vaccination

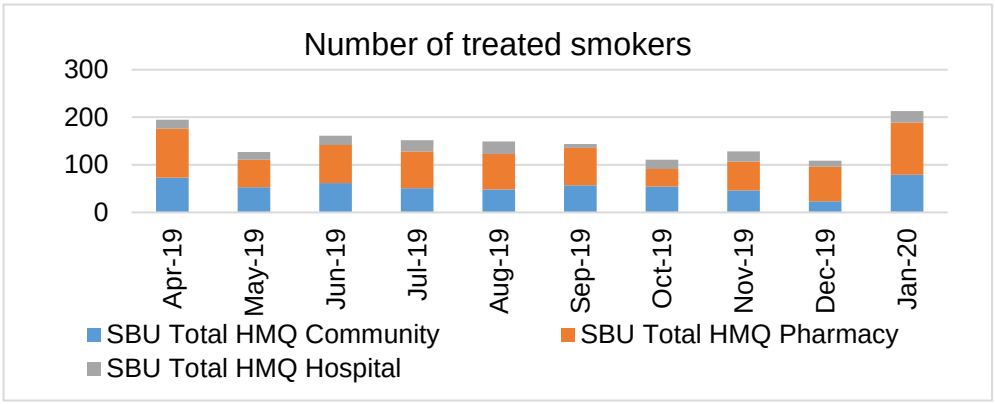
The complete data for the uptake of the influenza vaccination was not available at the time of writing this report, however internal data suggests that the health board fell just short of the 60% target for healthcare workers with 59%. Internal data suggests that the uptake among children two to three years old was achieved in 2019-20, however the targets for over 65 year olds and under 65s in at risk groups were not achieved. The

final uptake figures are likely to be published in the summer of 2020.

STAYING HEALTHY-

Smoking Cessation Services

The two measures relating to smoking cessation relate to adult smokers who make a quit attempt via smoking cessation services (Help Me Quit) and those smokers who are co-validated as quit at four weeks. Whilst full data is not yet available, early indication shows that we will achieve the measure for the percentage of smokers co-validating as quit at four weeks but not the percentage of smokers making a quit attempt via cessation services.



In partnership with the local public health team, the health board will:

- Strengthen smoking cessation services through the development of a tobacco needs assessment to inform service planning for the Help Me Quit integrated cessation service model in line with population need;
- Enhance engagement through GP practices by using the primary care clusters and increase the level of service provision by community pharmacies;
- Continue to enforce the no smoking on-site policy;
- Strengthen pathways for maternal community services; inpatients; and for patients undergoing elective procedures.

SAFE CARE-

People in Wales are protected from harm and supported to protect themselves from known harm

The measures in this section focus on safety and ensuring that no harm comes to patients.

We did not achieve any of the targets in this domain however, internal data suggests that the number of never events was nil in March 2020 and the number of healthcare

acquired infections improved throughout the year. All of the quality measures in this section are explored further in the Annual Quality Statement.

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales*	58.3%	7.7%	22.2%	47.6%	70.6%	12.5%	44.4%	57.1%	38.9%	↑
Number of new Never Events*	0	1	1	1	1	0	1	0	1	→
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	0.0%	50.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	↓

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
Opioid average daily quantities per 1,000 patients	4,450.69	4,485.51	4,409.03	↑
Number of patients aged 65+ prescribed an antipsychotic	1,433	1,470	1,474	↓
Total antibacterial items per 1,000 STAR-PUs	294.01	279.13	336.51	↓
Fluoroquinolones, Cephalosporins, Clindamycin & Co-amoxiclav per 1,000 patients	13.94	13.30	13.59	↑
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	0	1	1	↓

Note: Sepsis Emergency measure has been excluded as data for this measure is not submitted by the HB.
*Data as at 29/04/20

Achieved in Target Compliance
Not achieved in Target Compliance

National Prescribing Measures

The health board has made significant progress in the last year to reduce overall antibacterial and antibiotic prescribing. To maintain focus, the following are in place:

- Prescribing management scheme for 2020-21 will focus on 4C prescribing via a pre-qualifier audit on cephalosporin prescribing. This will build on the success seen with the previous co-amoxiclav audit and also inform the development of the antibiotic guidelines;
- Consultant Antimicrobial pharmacist is in post and providing strategic direction for the stewardship programmes across both primary and secondary care. Primary care based antimicrobial pharmacist is also in post;
- Targeted work planned with care homes to improve sampling and provision of clinical information to prescribers for urinary tract infections management;
- Focus on highest prescribing practices, with antimicrobial pharmacist's audits and feedback within practice;
- Links with 'Your Medicines, Your Health' to promote antibiotic messages to the public

SAFE CARE

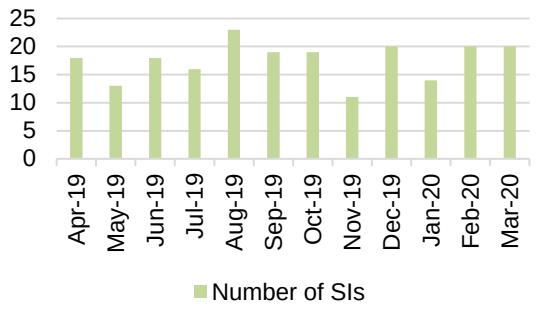
Serious Incidents and Never Events

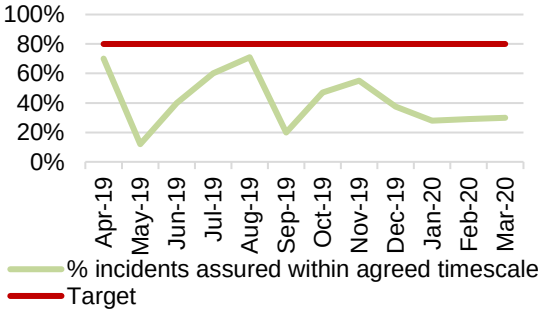
Never events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. During 2019-20, the health board had seven never events. Each of the incidents were investigated and learning obtained in order to mitigate the risk of reoccurrence. Examples of learning that

have been introduced and will continue to be taken forward in 2020-21 are outlined below:

- Review of current Welsh Health Organisation (WHO) checklist and audit compliance;
- Six monthly audits to assess compliance in the use of the correct site surgery checklist (1000 Lives+ checklist or similar);
- Review of 'Local Safety Standards for Invasive Procedures' (LocSSIPs) for the prevention of wrong implant/prosthesis and wrong site extraction/ surgery;
- Review of governance practice and risk assessments prior to any change in practice;
- Introduction of safety briefing at start of all invasive procedures with allotted appointment time;
- Sharing anonymised learning with Welsh Government, HEIW (Health Education and Improvement Wales), the local dental committee, health board quality and safety groups and its local practitioners via the newsletter and end of year practice visits.

Serious incidents reported on a monthly basis are set out in the graph below by month. There was a peak which related to the change in mental health serious incident reporting. Any unexpected death of a patient known to the mental health services within a year of their last contact is reported to Welsh Government as a serious incident. This peak has started to stabilise in 2019-20 however the increase in numbers is having a detrimental effect on the health board's ability to close incidents within agreed 60 working days.





Welsh Government are reviewing the serious incident framework and recognise that mental health serious incidents are often difficult to investigate and conclude within 60 working days, given the families are often still grieving and the cause of death is not available until some time after, given timescales regarding toxicology. From 1st April 2020, the 60 working day target will no longer be a requirement for the health boards to be monitored against.

SAFE CARE

Infection Prevention and Control

The infection control measures are based on an annual reduction trend, however due to the Bridgend boundary change in April 2019, it is not possible to accurately compare

data from 2019-20 to 2018-19. Therefore, these measures have been excluded Welsh Government's assessment of our performance.

However, infection control and reducing the number of healthcare acquired infections is a targeted intervention priority for the health board, therefore it is important to note our performance for 2019/20 and actions we plan to take forward.

The following table provides a summary of how the health board performed in 2019-20 for all five of the national infection control measures. We achieved all of our internal reduction profiles in 2019-20.

	Cumulative cases 19/20 (Apr-19 to Mar-20)	Internal reduction profile for cumulative cases 19/20	Acheivement of internal recduction profile
E.coli	317	452	✓
S.aureus bacteraemias (MRSA and MSSA)	133	151	✓
C.difficile	138	151	✓
Klebsiella sp	82	116	✓
Aeruginosa	28	32	✓

Even though reductions in rates of HCAIs (healthcare acquired infections) has been made in each of national measures over the last 12 months, further focus is required to achieve the targets set by Public Health Wales in line with all health boards across Wales.

A focus is required on environmental cleaning and the essential repairs and replacement of antiquated infrastructure within ward areas in 2020-21. Overcrowding and lack of decant facilities have a significant impact on the health board's ability to reduce transmissions and all associated risks are monitored by the bi-monthly Infection Control Committee and escalated as appropriate to the Quality and Safety Committee.

In order to shift the focus from control to prevention, we are continuing with initiatives to reduce the presence of invasive devices across the health board; we are increasing the number of aseptic non-touch technique (ANTT) competency assessors each month; and utilisation of the ARK (antibiotic review kit). In addition, the new infection prevention and control (IPC) resource within community and primary care will assist with moving the focus to preventing HCAIs and associated admissions will reduce rates of HCAIs.

INDIVIDUAL CARE-

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

Access to helplines and mental health services are the themes of the five measures in this section.

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	88.9%	89.0%	86.9%	87.5%	91.1%	92.1%	91.5%	91.7%	91.5%	↑
% of HB residents sent their outcome assessment report within 10 working days after assessment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	→

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	198.0	188.0	128.4	↓
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	4.0	8.0	4.0	↑
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	41.3	39.3	32.4	↓

Achieved in Target Compliance
Not achieved in Target Compliance

Mental health

The two mental health measures in this section are taken from the Mental Health Measures (Wales) Act and the targets for both measures where consistently achieved throughout the year. More details regarding performance against the mental health measures can be found in the timely care section.

Access to national helplines

These measures focus on three helplines available to Welsh residents which include the C.A.L.L. helpline; the DAN 24/7 helpline and Wales dementia helpline. The community advice and listening line (C.A.L.L.) service offers emotional support and information/literature on Mental Health and related matters to people in Wales. The Wales dementia helpline offers emotional support to anyone, of any age who is caring for someone with dementia as well another family members of friends plus it supports those who have been diagnosed with dementia. DAN 24/7 is a telephone drugs helpline providing a single point of contact for anyone in Wales wanting further information or help relating to drugs or alcohol.

The latest data available at the time of writing this report is for quarter three of 2019-20 which shows that the uptake rate to the Wales Dementia helpline increased whereas uptake for the DAN 24/7 and C.A.L.L. helplines reduced.

The health board actively promotes the C.A.L.L. helpline through the use of leaflets and call cards which are made available in community sites and wards. Care co-ordinators also advise people they come into contact with about the helpline. In addition, as the helpline is for all people with any mental wellbeing concerns not just severe mental health difficulties, the helpline is featured in our Choose Well materials. However, it is recognised that more needs to be done to promote all three helplines.

OUR STAFF AND RESOURCES-

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

The measures in this domain focus on using resources efficiently and ensuring that staff are quality trained in order to deliver excellent care.

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of headcount who have had a PADR/medical appraisal in previous 12 months	63.9%	64.4%	64.3%	64.4%	65.3%	67.0%	65.4%	68.7%	69.9%	↑
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	74.2%	74.7%	75.1%	76.7%	78.2%	78.4%	78.8%	79.7%	79.9%	↑
% staff sickness absence (rolling 12 months)	5.94%	5.97%	5.98%	5.98%	5.96%	5.95%	6.01%	6.02%	6.07%	↓

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% adult dental patients in the HB pop re-attending NHS primary dental care between 6 & 9 mths	32.2%	32.2%	32.1%	↑
% of critical care bed days lost to delayed transfer of care (ICNARC definition)	31.3%	30.3%	21.3%	↑

Achieved in Target Compliance
Not achieved in Target Compliance

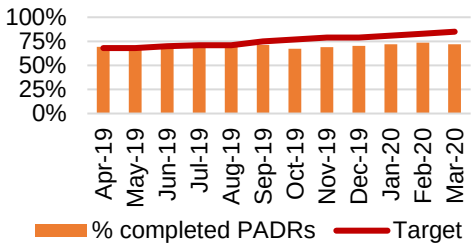
Personal Appraisal Development Review (PADRs)

The health board recognises that its employees are its most valuable resource in providing excellent care to its patients and service users and are critical to the effective and efficient provision of good health care services.

The delivery of high quality patient care depends on every employee:

- Having a clear understanding of the health board's vision and values, their role and the part they play in their team and within the organisation;
- Having an agreed set of priorities and objectives for their work;
- Possessing and applying the knowledge and skills they need to perform their role effectively and to achieve their objectives;
- Being given the opportunity to develop their career supported by a personal development plan.

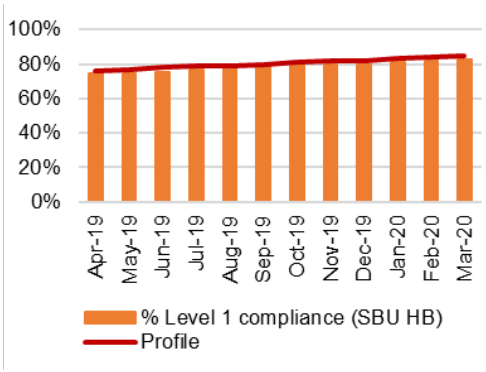
In 2019-20, we did not meet the national target of 85% however performance improved over the year achieving a year-end position of 72%. Actions being undertaken to improve include:



- PADR training will be mandatory for all new managers who have people management responsibility.
- A research project is being undertaken which will make recommendations to improve future compliance.

OUR STAFF AND RESOURCES-

Statutory and Mandatory Training



Compliance against the core skills and training framework has significantly improved over the year with an achievement of 83% in March 2020 against the national target of 85%. In order to improve on this level of performance we are ensuring that our systems are accurately recording compliance especially in relation to face to face training. We are increasing delivery of e-learning workshops; and all relevant subject matter experts are continuing to examine the current mandatory training framework to ensure it is fit for purpose and to comment on any changes required

Sickness Absence

The cumulative sickness absence rate for the health board is above 6% which is higher than the all-Wales average. Focused work by the service delivery units is reflected in a reduction in the number of staff on long term sickness absence however short term sickness continues to be a challenge. The top reason for absence remains stress, anxiety, depression and other mental health illnesses, accounting for almost 30% of all absence. We have adopted the all-Wales managing attendance at work (MAAW) policy which reinforces the focus on staff health and wellbeing activities to increase attendance at work. The core objectives of the policy are to support the health and welling of employees in the workplace; support employees to safely and quickly return to work following a period of absence; and to support employees to sustain their attendance in work. As well as embedding the MAAW policy into everyday practices within the organisation, we are taking forward a number of actions to help reduce the rate of sickness absence. These actions include:

- Developing a plan for implementation of learning from best practise case study conducted in three areas of good sickness performance;
- Learning events and collaborative action plan with workforce, occupation health working in partnership to improve attendance;
- Rolling out the early intervention process that was successfully piloted within Morriston facilities department;
- Delivering invest to save project ‘Rapid Access - Staff Wellbeing Advice and Support Service’, enabling early intervention for Musculoskeletal (MSk) and mental health;

- Trialling implementation of the “Adopt a Manager” approach following MAAW training. Workforce colleagues have been assigned managers from specific hot spot areas and will now be providing specific coaching and support back in the workplace following completion of training of managers.
- 350 staff wellbeing champions trained to support their teams and signpost to HB support services promoting a prevention/ early intervention approach

TIMELY CARE-

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

The focus of this section is access to services and the measures primarily focus on waiting times. Significant progress was made during the year to in relation to stroke, cancer, delayed follow-ups and mental health.

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% survival within 30 days of an emergency admission for a hip fracture***	75.6%	86.3%	88.6%	90.5%	82.6%	89.7%	95.9%	78.7%	84.4%	
% of patients waiting less than 26 weeks for treatment	88.8%	88.1%	88.0%	87.8%	86.4%	85.1%	84.5%	84.1%	82.6%	
Number of patients waiting more than 36 weeks for treatment	1,973	2,101	2,319	2,691	3,262	3,563	4,254	4,586	5,138	
Number of patients waiting more than 8 weeks for a specified diagnostic	401	401	295	261	344	294	222	226	569	
Number of patients waiting more than 14 weeks for a specified therapy	0	0	0	0	1	0	1	0	0	
Number of patients waiting for a follow-up outpatient appointment	135,093	136,216	137,057	135,400	134,363	132,054	131,471	130,648	131,263	
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	24,642	25,703	26,545	24,398	25,758	23,537	21,778	20,498	20,579	
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)*	60.8%	56.8%	55.6%	54.9%	41.8%	28.6%	55.1%	55.3%	39.3%	
Assessed by a stroke consultant (<24 hours)**	96.1%	93.3%	100.0%	98.1%	94.7%	95.3%	93.9%	98.0%	100.0%	
Patients receiving the required minutes for SALT	57.4%	47.0%	40.0%	47.3%	48.3%	49.6%	45.3%	52.8%	37.7%	
% of emergency responses to red calls arriving within 8 mins	66.0%	73.5%	74.5%	70.9%	70.7%	66.7%	66.4%	58.8%	61.8%	
Number ambulance handovers over one hour	732	646	720	594	632	778	827	821	863	
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	74.5%	76.5%	75.0%	74.5%	74.3%	71.5%	71.0%	73.2%	71.0%	
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	653	583	644	642	740	939	889	927	1,017	
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	90.8%	91.4%	93.7%	91.5%	93.3%	91.1%	97.7%	94.5%	91.9%	
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	87.0%	80.2%	80.8%	75.9%	83.8%	85.7%	84.3%	85.7%	92.1%	
% of patients starting first definitive cancer treatment within 62 days from point of suspicion	73.1%	67.8%	73.1%	68.6%	68.1%	72.7%	69.5%	70.7%	77.0%	

TIMELY CARE

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of MH assessments undertaken within 28 days from the date of receipt of referral	97.5%	96.3%	84.6%	80.7%	79.4%	81.9%	92.8%	92.2%	87.2%	↓
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	98.6%	94.9%	98.5%	97.9%	91.6%	92.9%	97.6%	92.2%	94.5%	↓
% of patients waiting less than 26wks to starts a psychological therapy	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	→
% of children/young people waiting less than 26 wks to start ADHD or ASD neurodevelopment assessment	42.7%	44.1%	40.8%	47.1%	39.2%	38.3%	38.8%	36.0%	35.8%	↓
% R1 ophthalmology patients waiting within target date or within 25% beyond target date for an OP appointment	67.0%	64.3%	62.4%	64.4%	63.6%	65.7%	69.5%	70.8%	71.6%	↑

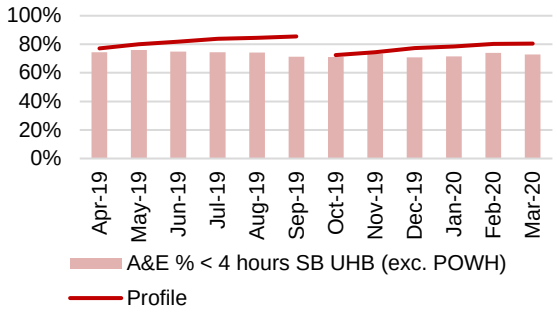
	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	→

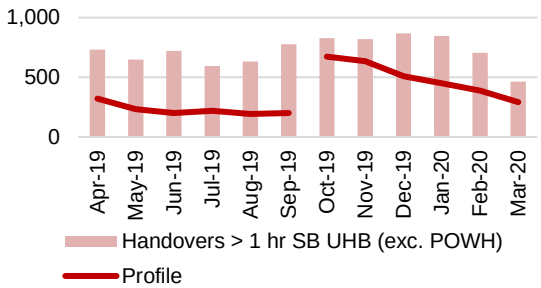
*Target used is the SSNAP Oct-19 to Dec-19 UK average of 53.3%
**Target used is the SSNAP Oct-19 to Dec-19 UK average of 84.1%
***Taken from April CHKS refresh

Achieved in Target Compliance
Not achieved in Target Compliance

Unscheduled care

2019-20 was a challenging year in relation to unscheduled care due to increased demand. There was an unforeseen reduction in inpatient capacity in Singleton Hospital due to a ward fire and a reduction in Morriston Hospital due to a particularly resistant infection control issue. In order to provide additional capacity and to enable a deep clean in Morriston Hospital, a decant ward was opened in Neath Port Talbot Hospital. However, all of these issues placed increased pressure on the unscheduled care system which resulted in none of the national targets being met. Local data for March 2020 confirmed that performance was improving however not to the level that would have meant achievement of the national targets or local improvement profiles.





Unscheduled care is one of the health board's targeted intervention priorities, therefore actions to improve the unseduced care system are integral to the health board's 2020-21 annual plan. A whole system plan has been developed for unscheduled care which highlights key actions that will be progressed over the next 12 months. These actions

include standardising the front door frailty model across all sites; development and implementation of a revised service model for acute care medicine in Morriston and Singleton hospitals; new pathways from the emergency department to the mental health distress sanctuary and advancement of the role of urgent primary care paramedics.

TIMELY CARE

Stroke

Demand on stroke services was stable throughout 2019-20, however achieving the four-hour direct admission target was challenging. This is a direct reflection of the pressures on the unscheduled care system. At the time of writing this report, February 2020 was the latest internal data available, and it confirms that the health board achieved 62% against the four-hour direct admission measure therefore achieving the national target of 53.3% (which is based on the UK Sentinel Stroke National Audit Programme SNAPP average).

The health board is consistently one of the best performers for the 24-hour stroke assessment measure and has achieved 100% a number of times throughout 2019-20.

In February 2020, 97% of stroke patients were assessed by a stroke consultant within 24 hours, therefore exceeding the national target of 84.1%. Access to speech and language therapy (SALT) continues to be a challenge with only 28% of patients receiving the targeted level of provision in February 2020.

As detailed in the health board's 2020-21 annual plan, our stroke whole system plan is structured around the following five components:

1. **Preventing stroke**: supporting smoking cessation, obesity and healthy behaviours;
2. **Pre-hospital**: ensuring people and professionals recognise a stroke and know what to do in the event of one;
3. **First 72 hours**: including rapid access and treatment in the most appropriate hospital or ward;
4. **Rehabilitation and life after stroke:** co-production approach to recovery planning and access to therapies and community support;
5. **TIA (trans-ischemic attack):** identifying and supporting those who have had a TIA early and effectively.

Planned Care

Planned care refers to services for pre-arranged health appointments either in a community setting or in the hospital. The planned care measures referenced in this section include referral to treatment (RTT) waiting times, diagnostic and therapy waiting times and the eye care measures.

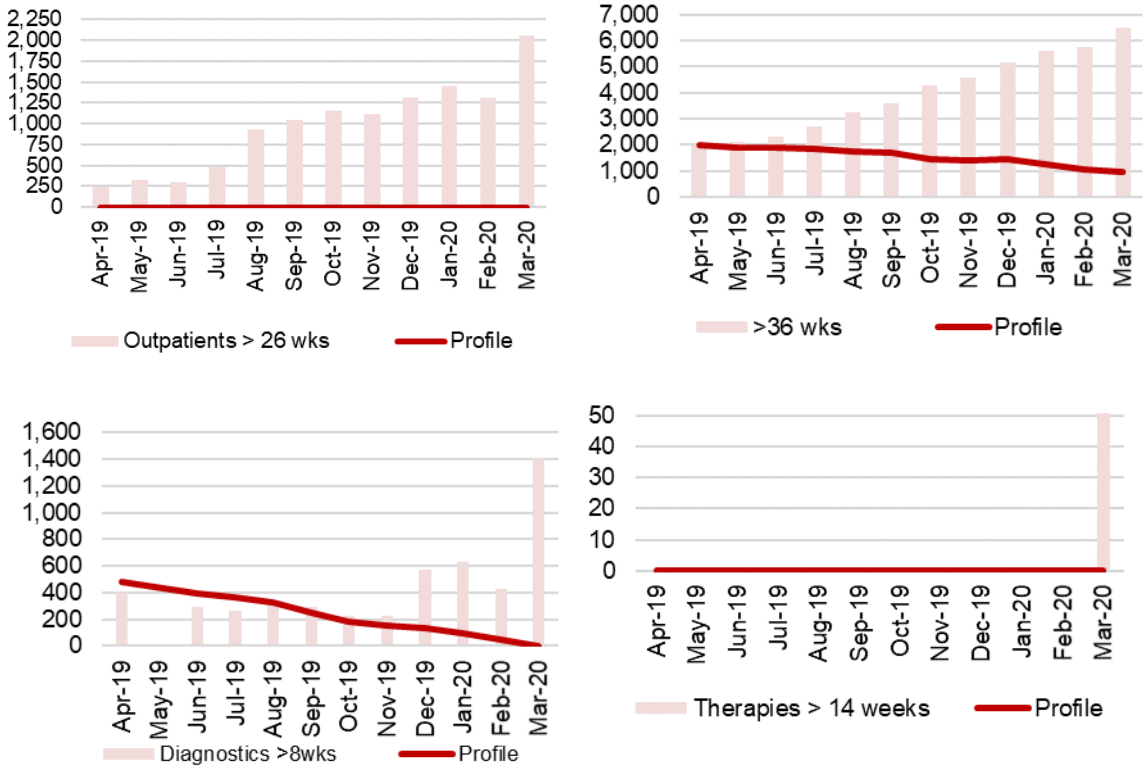
Elective waiting times (RTT, diagnostics and therapies)

2019-20 has been a challenging year for RTT and this is reflected in a significant increase in waiting times for new outpatient appointments and treatment. The main contributors to the increase were unforeseen unscheduled care pressures and the impacts of the tapering allowances on NHS pensions which have reduced our surgical and outpatient capacity. In addition, during March 2020, we were instructed by Welsh

Government to cease all elective appointments in response to the Covid-19 outbreak. This significantly impacted on the health board's year end position for RTT as well as diagnostics and therapy waiting times. In March 2020, there was 2,055 patients waiting more than 26 weeks for an outpatient appointment and 6,509 patients waiting more than 36 weeks for treatment. In addition, there was 1,407 patients waiting more than eight weeks for specified diagnostics and 51 patients waiting more than 14 weeks for therapies.

TIMELY CARE

Elective waiting times (RTT, diagnostics and therapies) cont.



Significant focus will be needed on planned care in order to recover the position and work towards stabilising the RTT position in 2020-21. The actions in the 2020-21 annual plan form the foundation for the actions that will be progressed over the next 12 months.

Our planned care whole system plan is structured around the following five components:

1. Helping people choose and live well
2. Timely access to the most appropriate clinical practitioner to manage the presenting condition
3. timely access to modern diagnostic services
4. Timely access to sustainable treatment appropriate to the presenting condition and the most appropriate clinical practitioner to manage ongoing requirements
5. Timely access support to manage the ongoing requirements of the presenting condition

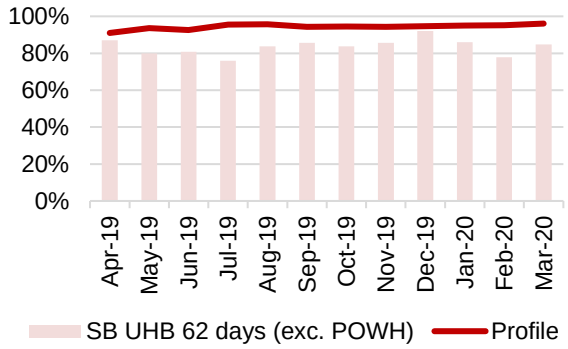
Eye care measures

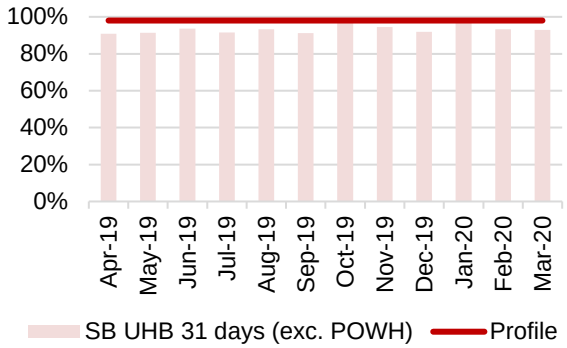
A new eye care measure commenced reporting in 2019-20 which is based on priority and urgency of care required by each individual patient. Priority is the risk of harm associated with the patient's eye condition if the target appointment date is missed and urgency is how soon that patient should be seen. Patients with a health risk factor of 'R1' are the highest priority patients and the target is that 95% of 'R1' patients should have an appointment within their clinical target date or within 25% in excess of their clinical target date. We have made steady progress against this target from 67% in April 2019 to 76% in March 2020, and we are above the all-Wales average.

TIMELY CARE

Cancer

Timeliness of treatments offered to newly diagnosed patients with cancer in Swansea Bay via the urgent suspected cancer (USC) and non-urgent suspected cancer (NUSC) routes have generally compared well with other health boards across Wales. In March 2020, 85% of cancer patients who were referred by their GP as urgent with suspected cancer commenced treatment within 62 days of their referral, against a minimum expected standard of 95%. In addition, 93% of patients who were on a "non-urgent suspected cancer" pathway commenced treatment within 31 days of the requirement for treatment being agreed with them. This was against the national target of 98%. The following charts show how we performed against the national targets in 2019-20 and the table provides our cumulative position for 2019/20 by tumour site.





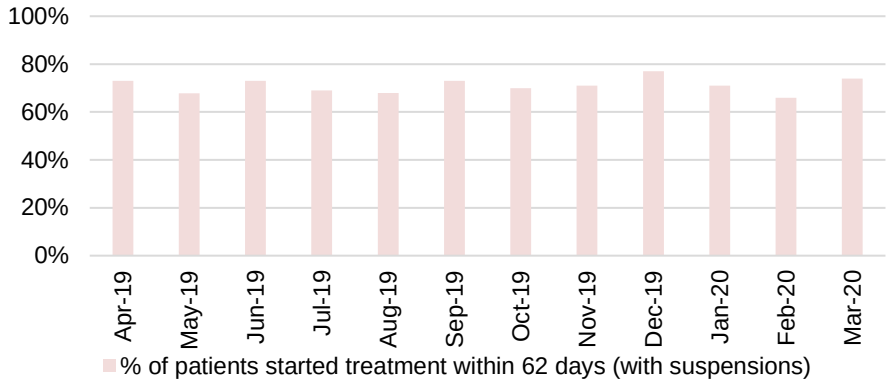
Tumour Site	USC – 62 day target				NUSC – 31 day target			
	Total No. of patients treated	No. of patients treated within target	Patients who breached target	%	Total no. of patients treated	No. patients treated within target	Patients who breached target	%
Head & Neck	80	73	**7**	91%	43	35	8	81%
Upper GI	63	52	**11**	83%	69	66	3	96%

Lower GI	112	81	**31**	72%	118	110	8	93%
Lung	145	132	**13**	91%	193	189	4	98%
Sarcoma	21	14	**7**	67%	7	5	2	71%
Skin	355	350	**5**	99%	165	154	11	93%
Brain/CNS					23	22	1	96%
Breast	125	67	**58**	54%	119	115	4	97%
Gynaecological	80	31	**49**	39%	41	27	14	66%
Urological	270	245	**25**	91%	200	184	16	92%
Haematology	54	41	**13**	76%	88	88	0	100%
Acute Leukaemia	2	2	**0**	100%	7	7	0	100%
Children's cancer					3	3	0	100%
Other	37	34	**3**	92%	48	48	0	100%
Grand Total	**1344**	**1122**	**222**	**83%**	**1124**	**1053**	**71**	**94%**

In November 2018, the Welsh Government announced the move to public reporting of the single cancer pathway (SCP), alongside the existing two cancer targets. Official reporting against the pathway by Welsh health boards commenced in April 2019.

The single cancer pathway measures the wait of patients on the two traditional pathways however a patient's waiting time will begin from the point of a suspicion of cancer rather than the point of diagnosis. The single pathway is for all cancer patients, whether referred by the GP or identified through an emergency presentation, an incidental finding, screening or during an appointment in secondary care.

Performance against this target has remained fairly stable in 2019-20 ranging from 66% to 77% and we compared well with the all-Wales average.



We delivered a number of achievements in 2019/20 including embedding the Rapid Diagnostic Centre into Neath Port Talbot Hospital. An evaluation of the service found that waiting times for some patients were reduced by up to 92%. We have increased our surgical and radiotherapy capacity by working in partnership with other NHS providers, and we have developed a cancer programme business case which will modernise and improve service delivery in our South Wales Cancer Centre.

We now need to do more to improve performance and we have a developed cancer whole system plan, which we will progress over the next 12 months. The components of the plan are set in the health board's 2020/21 annual plan and these include:

1. Preventing cancer
2. Detecting cancer early
3. Delivering fast effective treatment and care
4. Meeting people's needs
5. Improving information
6. Targeting research

TIMELY CARE

Mental Health

The indicators in the framework for mental health relate to the Mental Health (Wales) Measure and psychological therapy waiting times/ The Mental Health (Wales) Measure was a new law passed in 2010 by the National Assembly for Wales and, as such, has the same legal status in Wales as other mental health acts.

The measure is intended to ensure that where mental health services are delivered, they focus more appropriately on people's individual needs. The four parts are as follows.

- **Part one** seeks to ensure more mental health services are available within primary care;
- **Part two** gives all people who receive secondary mental health services the right to have a care and treatment plan;
- **Part three** gives all adults who are discharged from secondary mental health services the right to refer themselves back to those services;

- **Part four** offers every in-patient access to the help of an independent mental health advocate.

Part One Performance
Part one of the measure requires local health boards and local authorities to work together to establish a local primary mental health support services (LPMHSS) to provide:

- Assessment
- Short-term interventions
- Information and advice
- Onward referral to other services, where appropriate

LPMHSS Target (Assessments) - Target 80% within 28 days of referral
The inclusion of child and adolescent mental health service (CAMHS) data into the reporting framework in June 2017 has seen a negative impact to the assessment target.

The following table shows that we achieved the 80% for 10 out of the 12 months and consistently achieved the target every month with the exclusion of CAMHS. CAMHS is provided by Cwm Taf Morgannwg University Health Board on our behalf and we are actively working in partnership to address the challenges they face in relation to waiting times for under 18s.

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
% assessments within 28 days (inc. CAMHS)	86%	85%	85%	81%	79%	82%	93%	92%	87%	77%	82%	90%
% assessments within 28 days (exc. CAMHS)	97%	97%	97%	97%	98%	98%	98%	97%	98%	93%	97%	97%
Target	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

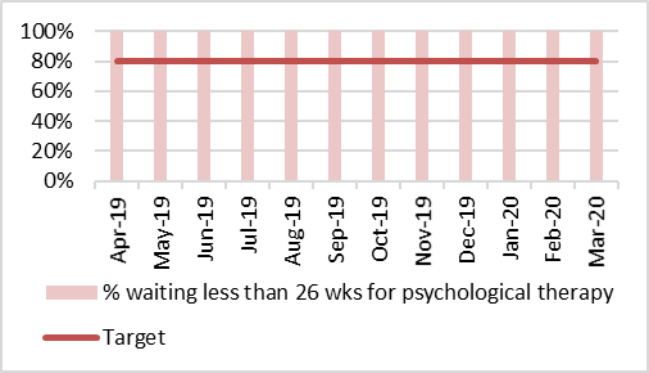
TIMELY CARE

LPMHSS Target (Interventions) – Target 80% of therapeutic interventions within 28 days following assessment by LPMHSS
We met the target for every month in 2019-20 and are consistently above the all-Wales average.

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
% therapeutic interventions within 28 days (inc. CAMHS)	98%	94%	99%	98%	92%	93%	98%	92%	95%	90%	97%	96%
% therapeutic interventions within 28 days (exc. CAMHS)	99%	98%	100%	99%	93%	96%	97%	90%	92%	89%	94%	97%
Target	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

From the 1st of January 2018, each health board is responsible to report the new "Access to Psychological Therapies in Specialist Adult Mental Health Services". This was having a negative impact on part one intervention performance. However, in quarter three we approved funding to aid the service in reducing the backlog and to implement more efficient management of the waiting list and this

resulted in a sustained performance of 100% of patients waiting less than 26 weeks for psychological therapy since January 2019.



Part 2 Performance
Part two of the measure places duties on local health boards and local authorities in Wales to work together to ensure people of all ages within secondary mental health services have a care coordinator and a statutory care and treatment plan (CTP) that is reviewed at least once every year.

Part 2 Care and Treatment Plans (CTP) - Target 90% in receipt of secondary care to have CTP at the end of each month.
This includes adults, older people, CAMHS and learning disability services, including those placed with independent providers in our catchment area. Despite not achieving the 90% target between April and July 2019, we consistently met the target for the remaining 8 months of 2019/20.

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
% who have a valid care and treatment plan (CTP)	89%	89%	89%	88%	91%	92%	92%	92%	91%	93%	92%	91%
Target	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

TIMELY CARE

Part 3 Performance
The aim of part three of the measure is to make it easier for people who are not currently receiving secondary mental health services, but who have done so in the previous three years, to access services again. It gives them the right if they believe their mental health is deteriorating to the point where they need specialist care and treatment again, to refer themselves directly back to secondary services, without first having to see a GP or go elsewhere for a referral.

Part 3 All health board residents who have been assessed under part three of the mental health measure to be sent a copy of their outcome assessment report up to and including 10 working days after the assessment has taken place: target 100%

Under part three of the measure, a copy of a report on the outcome of assessment following self-referral must be provided to the individual no later than

10 working days after the conclusion of the assessment. We consistently achieved 100% for this measure for every month in 2019/20.

Part 4 Performance
Part four of the measure ensures all inpatients in Wales who are receiving assessment or treatment for a mental disorder are entitled to request support from an independent mental health advocate (IMHA).

Part 4 Percentage of qualifying patients (compulsory and informal/voluntary) who had their first contact with an IMHA within 5 working days of their request for an IMHA: target 100%
We consistently achieved the 100% target for every month in 2019/20.

EFFECTIVE CARE-

People in Wales receive the right care and support as locally as possible and are enabled to contribute to making that care successful

The measures in the effective care domain focus on ensuring patients receive the right treatment and that effective processes are followed.

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending*	0.74%	0.74%	0.75%	0.76%	0.76%	0.77%	0.76%	0.77%	0.79%	↓
% of episodes clinically coded within one reporting month post episode discharge end date	95.6%	95.5%	96.9%	96.0%	95.9%	96.4%	95.6%	95.5%	95.4%	↓
% comp of completed level 1 IG (Wales) training element of Core Skills & Training Framework	84.3%	84.0%	83.3%	84.2%	85.3%	84.8%	84.6%	84.5%	84.4%	↑
Number of health board non mental health DToC	49	67	70	61	69	69	76	61	53	↓
Number of health board mental health DToC	18	23	27	20	18	19	22	22	22	↓
% universal mortality reviews undertaken within 28 days of a death	98.5%	97.8%	99.4%	99.3%	100.0%	100.0%	95.9%	100.0%	98.5%	↑

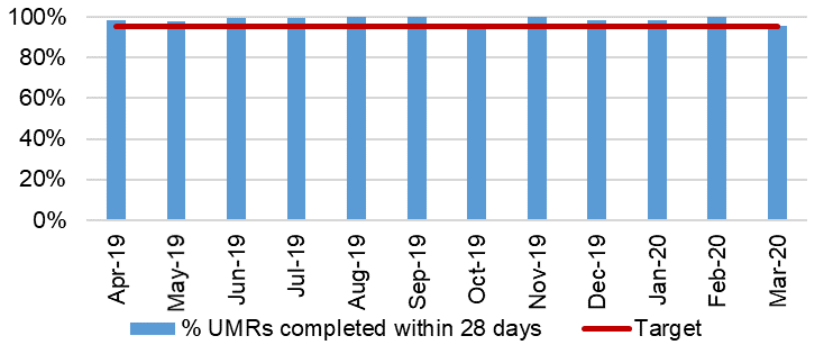
	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals	98.4%	98.5%	98.6%	↑

*Taken from April CHKS refresh

Achieved in Target Compliance
Not achieved in Target Compliance

Universal Mortality Reviews (UMRs)
The Welsh health service has undertaken pioneering work to ensure that reviews are completed of the clinical records of patients that die in hospital. The process has been developed using a Universal mortality review (UMR) tool to standardise the review process across Wales. The UMR means that every case has a stage one review to see whether there was good care, or whether there are some triggers present that mean a more detailed stage two review is needed. Throughout 2019-20 the health board met and often exceed the 95% national target for this measure and were consistently the

best performing health board in Wales. In March 2020, 96% of UMRs were completed within 28 days against the national target of 95%.



EFFECTIVE CARE

Delayed Transfer of Care (DTOCs)

Delayed transfers of care continue to be a challenge for many health boards across Wales.We continue to focus on reducing length of stay but also reducing the number of people who are “discharge fit” and it is not in their best interest to be in a hospital bed.

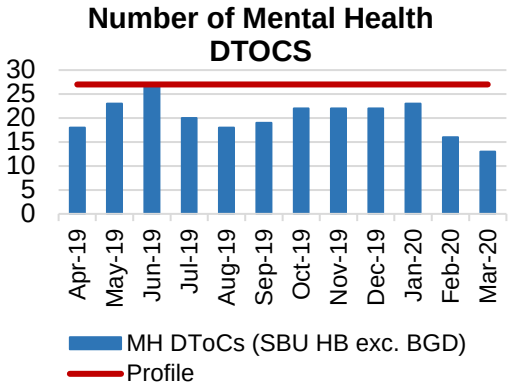
A major cause of the ambulance delays is the flow (release of beds) through the hospital and despite the improvements at the front door, delays at the back door continue to be a key contributory factor. The number of medically fit patients occupying hospital beds across the health board continues to constrain both scheduled and unscheduled care flow. In 2019-20, the health board in partnership with our local authority colleagues, introduced the ‘Hospital to Home’ pathways to support more timely flow of patients from hospital into the community.

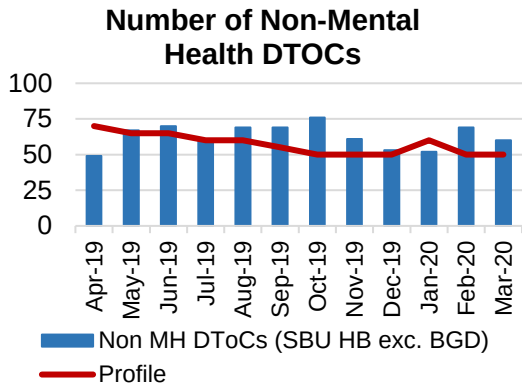
‘Hospital to Home’ provides provision that encompasses the physical and mental well-being of individuals including those living with dementia and cognitive impairment with conversations centered on “What matters to me”. It is felt that this service has the potential when fully implemented to help to maximise the use of the existing social care capacity to best effect and ensure there is flow across the system.

Phase one of ‘Hospital to Home’ for less complex patients was implemented in December 2019 and initial figures show that there has been a positive impact on medically fit for discharge (MFFD) patients, however the evaluation will include the impact on our numbers of delayed transfers of care (DTOC) which remains higher than our 2019-20 annual plan trajectory. The eventual aim is that ‘Hospital to Home’ will help to right-size demand and capacity for domiciliary care which is underlying cause of delays in the area.

The below charts show our performance for mental health and non-mental health DTOCs over 2019-20. Mental health has remained below our internal profile throughout the year however non-mental has been more challenging. It is hoped

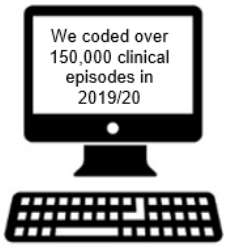
that as the ‘Hospital to Home’ model matures the effectiveness of the model will be reflected in reduced MFFD patients and DTOCs.





EFFECTIVE CARE

Clinical Coding



We have significantly improved our compliance against the coding measure relating to the percentage of episodes clinically coded within one month by increasing performance from as low as 20% in 2016 to 94% in March 2020. Even though we fell slightly short of the 95% target, we have eliminated the historical backlog of un-coded episodes and also achieved 91% compliance of the NHS Wales Informatics Services (NWIS) national audit on coding accuracy which provide assurance of the quality of the coding completed. The findings and recommendations will be incorporated into the Clinical Coding audit and development plans for 2020/21.

DIGNIFIED CARE

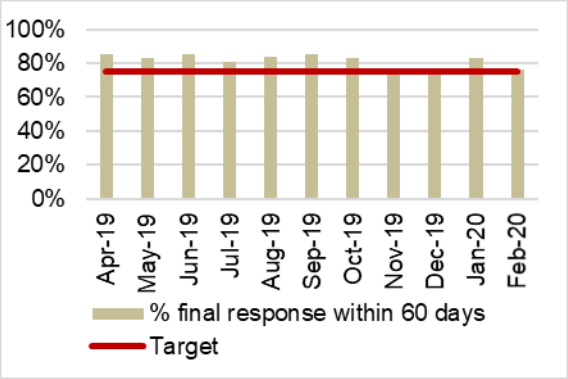
People in Wales are treated with dignity and respect and treat others the same

The focus of the Dignified Care domain is patient experience and feedback. The following table shows that we consistently achieved the 80% target for responding to patient complaints. A number of local measures relating to patient feedback have also been included in this section to provide a more informed overview.

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% complaints that had final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	80.7%	83.7%	88.6%	↑

Achieved in Target Compliance
Not achieved in Target Compliance

Complaints
During 2019-20, over 1,300 complaints were received by the health board and the main themes related to communication issues, admission, and clinical treatment. Throughout 2019-20, 100% of complaints were acknowledged within two working days and every month we achieved the national target of providing a final response to complaints within 30 working days.



On a monthly basis, the health board conducts a concerns redress assurance group (CRAG) where the corporate complaints team reviews recently closed complaints. A 'deep dive' review is undertaken on each service delivery unit in turn, as well as the review of a selection of closed complaints from the other service delivery units. During this review, any agreed actions by the service delivery units are monitored by the corporate complaints team to confirm actions are completed to ensure compliance. CRAG is continually developing and evolving to ensure that the best possible learning and assurance is attained by the health board. We have also introduced CRAG workshops where learning is shared with senior members of the service delivery units.

DIGNIFIED CARE

Patient Experience and Feedback
The health board uses feedback from incidents, complaints, 'Friends and Family' questionnaires and systems such as "Let's Talk" and "Care Opinion" to

learn following feedback from patients, relatives and staff.

We have been collecting the 'Friends and Family' data (real time - short surveys) across the organisation for a number of years. This questionnaire enables us to capture real-time feedback and weekly reports are generated to all wards and clinical areas in parallel with the all-Wales survey.

Each of the service delivery units receives a monthly detailed report identifying the themes and they develop an action plan for improvement at unit level. The main themes identified in the low scoring areas include car parking on all sites; better food; and communication issues between staff.

In order to improve the way we capture data further, here are some of the actions we plan to progress over the next 12 months:

- An all-Wales approach is being taken to the purchase of a patient experience electronic system which will allow more flexibility in relation to the ability to capture more patient experience feedback and also analyse the data. It is anticipated that the new system will be implemented in the autumn/winter of 2020-21. However this timescale may be delayed due to Covid-19.
- 'Happy or Not' machines were placed in Morriston emergency department during late February 2020. They were removed after three weeks due to the outbreak of the Covid-19 and infection issues. They will be re-installed after this outbreak.
- The structure of the 'Friends and Family' surveys is not user friendly for mental health and learning disability service users. A new approach to capturing patient feedback within the service is being implemented and once the data is available it will feature as a key component in our approach to learning from patient experience.

✓ **95%** of patients would recommend or highly recommend the health

90% of all-Wales surveys scored 9 or 10 on overall satisfaction

In accordance with HM Treasury public sector annual reporting, the health board is required to publish data relating to key sustainability metrics including, but not limited to:

- utilities consumption;
- waste production;
- environmental management.

The following submission is in accordance with the HM Treasury guidance issued in March 2016 and all CO^2 (carbon dioxide) conversion factors are as per the UK Government greenhouse gas reporting conversion factors except specialist clinical waste CO^2 conversion factors sourced from the health board's clinical waste contractor.

The health board is responsible for 67 sites comprising three acute hospitals, four community hospitals, clinics, health centres and learning disability units, as well as three associated support buildings without direct patient access including headquarters and central laundry.

- **Environmental Management Governance**

In 2015-16, the health board established an environmental committee to which the annual environmental management report was submitted in 2019-20. The committee was responsible for identifying and ensuring that policies and strategies were in place to meet the health board's corporate objectives with regard to environmental management. However it is to be superseded by a new Wellbeing and Future Generations Committee chaired by the Director of Strategy in 2020.

All six sites that require ISO14001 Environmental Management accreditation have successfully retained it in 2019-20.

- **Environmental Targets**

The following targets on waste, electricity, and gas and water for 2019- 20 had been set as part on the health board's environmental objectives:

Waste	Target	To increase recycling/recovery by 4.5%
	Outcome	The health board's overall waste volume reduced by 23.22% (1,125 tonnes). This was mainly due to the boundary changes and the creation of Swansea Bay University Health Board. There has been an increase in the reused/recycled waste recorded against non-clinical waste of 3%, which saw the figure rising to 28% (606 tonnes).
Electricity	Target	To reduce electricity consumption by 1%
	Outcome	The total kWh of electricity consumed has reduced by 24%, this is largely due to the reduction in size of the building portfolio when boundary changes were implemented in the creation of Swansea Bay University Health Board.
Gas	Target	To reduce gas consumption by 1%

	Outcome	The total kWh of gas consumed has reduced by 20%, this is largely due to the reduction in size of the building portfolio when boundary changes were implemented in the creation of Swansea Bay University Health Board
Water	Target	To reduce water consumption by 1%.
	Outcome	The total m^3 of water consumed has reduced by 34%, this is largely due to the reduction in size of the building portfolio when boundary changes were implemented in the creation of Swansea Bay University Health Board

- **Sustainable Development**

The health board is fully committed to reducing its carbon footprint and in previous years achieved and retained ISO14001:2015 accreditation for the environmental management systems at all its hospitals. This demonstrates the commitment to achieving legal and regulatory compliance.

A carbon reduction strategy was approved in 2016 by the environment committee which continues to co-ordinate the health board's corporate responsibilities and the ten year vision regarding carbon reduction. The vision identifies six areas for action within the health board:

- Buildings without carbon
- Journeys without carbon
- Waste without carbon
- Procurement without carbon
- Culture without carbon
- Future without carbon

Associated targets and key performance indicators have been developed and are monitored by the Environment Committee.

- **Policy and Procedures**

The health board revised its environmental policy in 2020, and the ISO14001 environmental management systems control procedures manual has been updated to reflect the 2015 version of the standard.

- **Greenhouse Gas Emissions**

Greenhouse Gas Emissions		**2017 -18**	**2018 -19**	**2019 20**
Non-financial indicators (1,000t CO2e)	Total gross emissions	40	34.2	21.9
	Gross emissions scope 1 (direct) - (Fuel Oil)	0.17	0.18	0.14
	Gross emissions scope 1 (direct) - (Gas)	17.32	16.04	11.77

	Gross emissions scope 1 (direct) - (owned transport)	0.41	0.36	0.03
	Gross emissions scope 2 (indirect) - (purchased electric)	20.32	15.17	8.32
	Gross emissions scope 3 (other indirect) - (business travel)	1.79	2.34	1.6
	Gross emissions scope 3 (other indirect) – waste	0.156	0.136	0.106
Related energy consumption (million kWh)	Electricity: total consumed	49	49.8	37.3
	electricity: self-generated (PV)	0.083	0.085	0.056
	Gas	94	87.4	64.0
	LPG	0	0	0
	Other (oil)	0.6	0.6	4.4
Financial indicators (£million)	Expenditure on energy ex VAT	7.41	8.21	6.53
	CRC license expenditure (2010 onwards)	£580,117	£521,845	Scheme Finished
	Expenditure on accredited offsets (e.g.GCOF)	0	0	0
	Expenditure on official travel	2.78	3.29	2.24

- **Energy**

Gas consumption reduced by 20%. This was largely due to site rationalisation, however the benefit of the 2018-19 building management system project at Singleton Hospital which is used to control a range of energy consuming equipment. This project has provided better control of temperatures within the hospital and a reduction gas consumption and associated CO^2 production. The new burners purchased for the hospital's boilers and have also helped to reduce gas consumption due to their greater efficiency.

The health board continues to purchase 100% renewable electricity, for which it pays renewable source energy levies. It has also progressed with the "ReFIT - Green Growth" loans via Welsh Government. The fund allows the health board for the first time

to borrow money to fund carbon-reducing schemes, comprising a two year programme of works, across two phases, with phase one expenditure totalling £7.7 million pounds for demand side energy conservation measures. This will be reimbursed from the energy savings made.

Work with Welsh Government's ReFfit Cymru scheme investment commenced in January 2019 with finalised energy conservation measures agreed in quarter three to the value of £7.7m and a budget payback of six to eight years which would equate to savings of around £1.8m of (inflated at 4 %) and 2,500 tonnes CO^2 savings per annum. On site work commenced in January 2020, however works have been suspended due to the Covid-19 pandemic.

- **Solar Farm**

Phase two of the ReFIT programme saw the health board assess the viability of a building of a five megawatt solar farm on third party land. It has negotiated exclusivity rights with the landowner. The solar farm will cost an estimated £5.8m with a suggested overall project payback of about nine years, equating to savings of 1,000 tonnes of CO^2 and around £500,000.

- **Waste**

Waste		**2017-18**	**2018-19**	**2019-20**
Non-financial indicators (tonnes)	Total Waste	5301	4843	3718
	Landfill	185	152	147
	Reused/recycled	583	683	585
	Composted	0	21	21
	Incinerated without energy recovery	0	0	0
	Incinerated with energy recovery	4533	3987	2965
Financial indicators (£)	Total Disposal Cost	1,380,383	1,241,240	941,174
	Landfill	43,070	36,215	36,009
	Reused/recycled	177,947	180,122	153,126
	Composted	0	1,838	1,844
	Incinerated without energy recovery	0	0	0
	Incinerated with energy recovery	1,159,366	1,023,064	750,195

(*No VAT is recorded in the waste financial indicators as per EFPMS [Estates and Facilities Performance Management System] guidance*)

Based on the total waste figures outlined in the table above, the breakdown of hazardous clinical waste, offensive waste, domestic waste, dry mixed recycling and food waste is as follows:

Domestic waste	42% (1543 tonnes)
Hazardous clinical waste	38% (1415 tonnes)
Dry Mixed recycling waste	14% (530 tonnes)
Offensive waste	4% (153 tonnes)
Waste electrical and electronic equipment and hazardous chemical waste	1.5% (56 tonnes)
Food waste	0.5% (21 tonnes)

This year has seen a 23.22% (1,125 tonnes) reduction in the total waste produced by Swansea Bay University Health Board and the overall cost has also fallen by 24.17% (£300,066). This is mainly due to the boundary changes while the continued awareness raising and greater emphasis on the waste hierarchy and reduction of waste across sites continue to improve performance.

The health board's domestic waste and recycling contract continues to maintain a near 100% landfill diversion, with the waste being sorted at a material recovery facility and residual materials being utilised at an 'Energy from Waste' facility. This helps the health board comply with Welsh Government's strategy 'Towards Zero Waste'. The health board continues to pursue the implementation of separate food waste collections across the estate and the target is to implement food waste collections on all acute hospital sites in 2020-21 in-line with Welsh Government legislative targets.

The health board recognises the factors leading to an increase in waste produced due to the continued introduction of single use medical items which restrict the ability to to re-use and repair items within clinical areas. However, suitable recycling routes are being explored to provide a sustainable economic and environmental option for the disposal of these items.

While there has been a decrease in the overall amount of waste the health board is recovering or reusing, there will be continual drive to implement better segregation of clean dry mixed waste recycling in 2020-21 to reduce disposal costs. Dry mixed recycling volumes have increased at the acute and community hospital sites in 2019-20 and the health board will continue to strive to increase the amount of source segregated recycling in-line with the Welsh Government's Environment Act 2016 and associated targets.

It should be noted that the health board has exceeded its annual ISO14001 target of a 4.5% increase for recycling/recovery and is on target to achieve the Welsh Government strategy target of 70% recycling/recovery rate for all by 2025.

Projects for improving the recycling and recovery rates for waste are being developed through the health board's environmental management system ISO14001. These targets seeks to ensure that all of the waste generated is managed correctly and the organisation achieves its recycling and recovery objectives in accordance with the waste reduction strategy 2020-25.

Capital funding has been granted to enable additional recycling bin stations to be located in high volume areas to increase the recycling capacity of hospital sites.

- **Use of Resources**

Finite Resource Consumption			2017-18	2018-19	2019- 20
Non-financial indicators (000m^3)	Water consumption (non-office estate)	Supplied	494	439	291
		Sewerage	411	367	245
		Abstracted	0	0	0
Financial indicators (£million)	Water consumption (non-office estate)	Supplied	0.5	0.52	0.33
		Sewerage	0.57	0.54	0.37
		Abstracted	0	0	0

Water consumption equated to 24.3m^3 per full time equivalent (FTE) (12,000 FTE) per annum, which is a reduction of 0.7 m^3 per person compared to 2018-19 and reduction of 5.7m^3 per person compared to 2017-18.

- **Other Sustainability Initiatives**

The health board has progressed its collaboration with Welsh Government local partnerships regarding the possible purchase of the rights for a solar farm and a private wire from a large solar farm located approximately two miles from Morriston Hospital.

- **Green Infrastructure**

Since the enactment of the Wellbeing of Future Generations Act, the health board has actively engaged with other bodies within Wales who are responsible for the stewardship of the natural environment in order promote green infrastructure within the health board and contribute the health board's well-being objectives. The organisation has produced a

portfolio of the health board's sites, detailing land areas, including habitat and geological surveys where available, and has engaged with third parties to undertake further reviews.

As per the NHS pollinator friendly estate guidance, for the fifth year in a row, the health board continues planting wild flowers at the main sites.

Additional measures have been undertaken at Moriston Hospital allowing the areas of land to revert to natural habitat by not cutting the borders around the car parks, for example. A range of biodiversity habitats (bug hotels/ bird boxes) have been purchased, expressly for inclusion in the sites in urban settings.

National Lottery Funding 'People's Choice' – the health board was successful in securing a grant from the National Lottery administered by Keep Wales Tidy. The health board received £50,000 to improve two courtyards at Morriston and Gorsenion hospitals. The design and on-site work has progressed well using a network of volunteers, however this project has had to be suspended due to the Covid-19 pandemic.

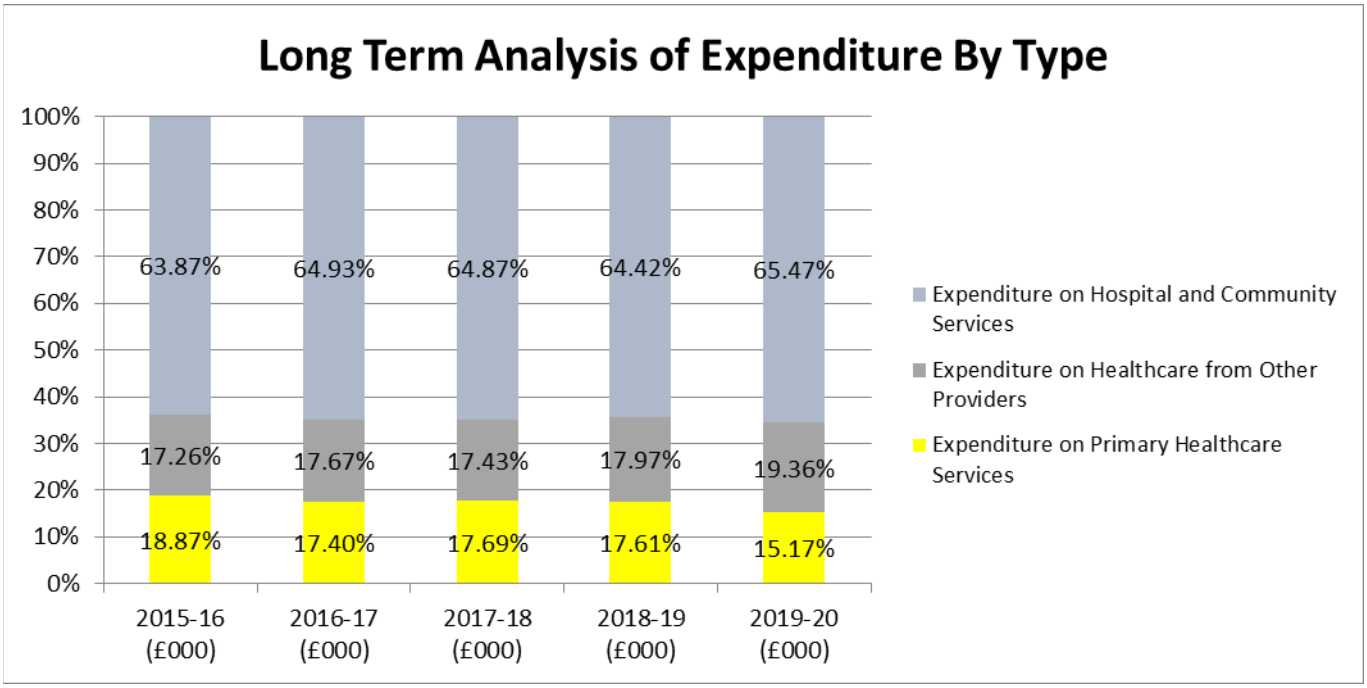
Collaboration with National Botanic Garden of Wales, Natural Resources Wales and Swansea University has promoted health through increased access to nature. The funding bid to the Welsh Government communities' rural development programme 2014 - 20 was made for a "Biophilic Wales" and was successfully awarded £1.2m for a three year programme. The study commenced within the Swansea and Neath Port Talbot area, reviewing 40 sites as focal points for community co-developed green infrastructure projects. These included hospitals, health centres and mental health facilities. The project seeks to increase biodiversity value, accessibility, ecosystem services and connectivity as well as create inspirational green spaces for people and evaluate what works best to develop models that can be applied throughout Wales. Work on this project commenced however on on-site work has had to be suspended due to the COVID 19 pandemic.

The "Growing the Future" project developed by the National Botanic Garden of Wales saw the design of a wellbeing garden in January 2019. Subsequently a planting display of the wellbeing garden was exhibited at the Royal Horticultural Society in Cardiff which is to be replicated at Morriston Hospital. The in-situ design has been finalised, however on on-site work has had to be suspended due to the COVID 19 pandemic.

❖ Long Term Expenditure Trends

The expenditure reported in this report for the 2019-20 financial year relates to Swansea Bay University Health Board while expenditure in previous years relates to the former Abertawe Bro Morgannwg University Health Board, and this must be borne in mind when making comparisons of expenditure between years. To help understand the reduction in expenditure between years it is important to note that the baseline resource allocation to the Swansea Bay University Health Board is 28% lower than the baseline allocation for the former Abertawe Bro Morgannwg University Health Board.

		2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Primary healthcare services		237,071	232,790	242,052	245,546	181,823
Healthcare from other providers		216,761	236,363	238,469	250,518	232,061
Hospital and community services		802,341	868,757	887,423	898,238	784,902



Expenditure on primary healthcare services comprises expenditure on the primary care contracts for general medical services, pharmaceutical services, general dental services, general ophthalmic services, prescribed drugs and appliances and other primary health care

expenditure. For 2019-20, expenditure reduced to £181.823m, a reduction of 26% which is broadly in line with the reduction in the allocation of the new Swansea Bay University Health Board as compared to the former Abertawe Bro Morgannwg University Health Board. The reduction was consistent across all areas of primary care expenditure.

Expenditure on healthcare from other providers comprises expenditure with other NHS organisations, local authorities, voluntary organisations, private providers and for NHS funded nursing and continuing healthcare. In 2019-20 expenditure incurred reduced by 7.4% as a result of the health board change. A significant factor in the 2019-20 expenditure was the almost doubling of expenditure with other NHS Wales bodies from £21.9m in 2018-19 to £42m in 2019-20. This was due to the clinical service level agreements put in place for services at Neath Port Talbot Hospital with Cwm Taf Morgannwg University Health Board as a significant number of services at the hospital are provided by clinical staff based in Bridgend who transferred to Cwm Taf Morgannwg University Health Board as part of the Bridgend boundary change on 1st April 2019. Expenditure with the majority of external healthcare providers reduced in year as a result of the health board change with the exception of local authorities and voluntary organisations due to the intermediate care fund (ICF).

Expenditure on hospital and community services comprises expenditure on services provided by the health board across all its hospital sites and within community settings. In 2019-20 expenditure reduced to £784.902m representing a reduction of 12.6% (£113.3m) reflecting the change from Abertawe Bro Morgannwg University Health Board to Swansea Bay University Health Board. Staff expenditure reduced by £90.2m (13.7%) with non- staff costs reducing by £23.1m (9.6%). Included within staff costs are increases of £23.584m in respect of the 6.3% increase in employer pension contributions and £8.8m in respect of the 2019/20 pay award. Non staff costs reduced in all areas apart from an increase of £3.262m in asset impairments, £2.468m in losses, special payments and irrecoverable debts and £1.181m in amortisation charges in respect of intangible fixed assets.

❖ Finance Report

This report provides summary financial statements which describe the financial performance of Swansea Bay University Health Board for the year ending 31st March 2020. The 2019-20 financial year represents the first year of the Swansea Bay University Health Board following the Bridgend boundary change effective from 1st April 2019. It must be noted that the 2018-19 values reported in these accounts relate to the former Abertawe Bro Morgannwg University Health Board, while the 2019-20 values relate to Swansea Bay University Health Board. A full set of the health board's annual accounts can be found on the Swansea Bay University Health Board website.

Bridgend Boundary Change

The Cabinet Secretary for Health and Social Services announced on 14th June 2018 that from 1st April 2019, the responsibility for providing healthcare services for the people in the Bridgend County Borough Council area would move from Abertawe Bro Morgannwg University Health Board to Cwm Taf University Health Board.

The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019 transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg

University Local Health Board to Cwm Taf University Local Health Board and also changed the health board names to Cwm Taf Morgannwg University Local Health Board and Swansea Bay University Local Health Board,

In accordance with the Local Health Boards (Area Change) (Transfer of Staff, Property and Liabilities) (Wales) Order 2019 made on 19th March 2019 and effective on 1st April 2019, assets and liabilities relating to Bridgend services transferred from Swansea Bay University Health Board to Cwm Taf Morgannwg University Health Board on 1st April 2019. The transfer was accounted for as a 'Transfer by Absorption' in accordance with the Government Financial Reporting Manual. The recorded amounts of net assets were brought into the financial statements of Cwm Taf Morgannwg University Local Health Board from 1st April 2019. Prior year restatement of the closing balances at 31st March 2019 was not required.

The balances which transferred to Cwm Taf Morgannwg University Health Board on 1st April 2019 amounted to £150.340m of fixed assets (land, buildings and equipment), £6.089m of current assets (stock and receivables) and £26.150m of current liabilities (payables and provisions). The transfer of services also resulted the Swansea Bay University Health Board receiving a reduction of 28% in its baseline funding from Welsh Government compared with the funding previously provided to Abertawe Bro Morgannwg University Health Board.

❖ Financial Duties Performance

Statutory Targets

There are two statutory financial duties which Swansea Bay University Health Board is required to achieve. The duties which came into effect from 1st April 2014, are that each health board must ensure that it does not spend more than the total funding allotted to it over a three-year period, instead of within each financial year (NHS (Wales) Act 2014). This duty covers both revenue resource funding (the revenue resource limit) and capital resource funding (the capital resource limit). The fourth three-year period is 2017/18 to 2019/20.

Revenue Resource Limit	Year one of three 2017-18 £000	Year two of three 2018-19 £000	Year three of three 2019-20 £000	Total £000
Revenue resource funding	1,096,250	1,133,300	913,670	3,143,220
Total operating expenses	1,128,667	1,143,179	929,954	3,201,800
Under/(over) spend against allocation	(32,417)	(9,879)	(16,284)	(58,580)
As % of target	2.96%	0.87%	1.78%	1.86%
This health board did not meet its financial duty to break-even against its revenue resource limit over the three-years 2017-18 to 2019-20.				

Capital Resource Limit	Year one of three 2017-18 £000	Year two of three 2018-19 £000	Year three of three 2019/20 £000	Total £000
Capital resource funding	40,093	36,447	30,901	107,441
Total operating expenses	40,051	36,407	30,873	107,331
Under/(over) spend against allocation	42	40	28	110
As % of target	0.10%	0.11%	0.09%	0.10%
This health board did meet its financial duty to break-even against its capital resource limit over the three years 2017-18 to 2019-20.				

❖ Duty to Prepare a Three-Year Plan

Following the health board being placed in targeted intervention in September 2016, it was not in a position to submit a three-year integrated medium term plan (IMTP) for 2019-20 and therefore did not achieve the duty to have an approved three-year IMTP. Instead the health board has operated, in agreement with Welsh Government, under annual planning arrangements. The health board's annual operating plan for 2019/20 identified a balanced financial plan which was approved in principle by its board in March 2019, subject to agreement on the impact of the Bridgend boundary change.

During 2019-20 the health board experienced significant operational pressures which resulted in the health board planned annual deficit being increased to £16.3m. The health board's eventual deficit for 2019/20 was £16.284m.

Non Statutory Target

The health board also has a target to pay organisations and people who provide it with goods and services within 30 days of delivery. This is not a statutory duty; however Welsh Government requires health boards to pay their suppliers in accordance with the CBI Prompt Payment Code and Government accounting rules (Public Sector Payment Policy (PSPP). It should aim to pay 95% of these invoices within 30 days of delivery.

The table below shows performance against this target for the last 3 years:

	2017/18	2018/19	2019/20
No of Invoices Paid	**300,160**	**310,861**	**300,160**
Invoices Paid within Target	**282,150**	**294,597**	**282,150**
% of Invoices Paid within Target	**94.0%**	**94.8%**	**94.0%**

The Auditor General issued a qualified audit report on the health board's financial statements and this was supported by a substantive report. The basis for the qualified opinion on regularity was that Swansea Bay University Health Board breached its

resource limit by spending £58.580m over the £3,143m that it was authorised to spend in the three-year period 2017-18 to 2019-20. The £58.580m constitutes irregular expenditure.

The Auditor General's report confirmed that the financial statements gave a true and fair view of the financial position of the health board and of its net operating costs for the year and that they had been properly prepared.

❖ Review of 2019-20

Having reported a deficit of £9.879m in the previous financial year, the new Swansea Bay University Health Board faced a very challenging financial outlook heading into the 2019/20 financial year, with an underlying deficit brought forward from 2018/19, managing the temporary and transitional diseconomies of scale following the Bridgend Boundary change on 1st April 2019, and facing cost and demand growth for the services which it provides. Despite these service and financial pressures, the health board was initially able to identify a balanced financial plan, subject to agreement on the impact of the Bridgend boundary change. During the year, however, the health board experienced significant operational pressures which resulted in the health board planned annual deficit being increased to £16.3m comprising the following components:

The 2019/20 IMTP Financial Framework Plan	
	£m
Forecast Opening Position Post Bridgend Transfer	23.3
Unavoidable Cost Pressures	42.3
Core Funding Uplift	-33.2
LTA Benefit	-0.4
Welsh Government Non Recurrent Funding Supporting Developments	-10.0
Required Savings	22.0
Savings & Cost Containment	-22.0
Position Prior to Bridgend Boundary Change	0.0
Bridgend Boundary Change Diseconomies Not met	3.0
Savings Delivery Shortfall	3.0
Operational Pressures	10.3
2019/20 Forecast Deficit Position	16.3
2019/20 Actual Position	16.284

The health board plan for 2019-20 was extremely challenging, particularly given the impact of the Bridgend boundary change on service delivery and clinical and corporate management costs.

The plan required £22m of savings to be delivered which was higher than the level being pursued in the previous financial year and needed to be delivered on a significantly smaller service footprint and expenditure base.

The health board maintained its focus on recovery and sustainability during 2019-20 and further developed its transformational agenda through the identification of high value opportunities. Through recovery and sustainability, the health board was able to deliver £19m of the £22m savings requirement, which was a higher level of delivery than in previous years.

During 2019-20, the health board experienced significant demands on its service, which were in excess of those planned. This resulted in increased expenditure levels arising from the need to increase to capacity and workforce requirements to meet service demands and patient acuity.

In response to the pressures being faced and the challenging financial position the health board established a delivery support team to provide enhanced support within the health board to revisit savings schemes, review processes for the management of expenditure and support the organisation to identify new opportunities to improve financial performance.

The health board was also supported by KPMG during the latter part of 2019-20, which helped to enhance control mechanisms and provide further focus on the key efficiency opportunities.

At the end of 2019-20, the health board reported a year-end deficit of £16.284m.

❖ Looking Forward

The health board's clear ambition and focus is on developing and delivering a sustainable and balanced financial plan. In light of the scale of the challenge the health board's plan for 2020-21 stabilises the 2019-20 financial performance. The future years are based on improving efficiency and financial performance aligned to changes in service delivery models.

The approach to financial planning in 2020-21 is straightforward, as the organisation strives to stabilise its cost base. The focus will be on the stringent management of cost pressures and cost avoidance; developing and delivering savings through local schemes and the key efficiency opportunities. The latter builds on the work undertaken in 2019/20 with KPMG which used local and national benchmarking information and service intelligence to identify and assess opportunities. Understandably this approach has been affected by the organisational response to Coivd-19, but the ambition for a sustainable financial plan for future years remains unfaltering and the approach to achieving this underpins activities in 2020-21.

A significant focus will also be supporting the implementation of the refreshed clinical services plan over the short and medium term, which will be progressed as part of the wider organisational transformation portfolio. This will be a fundamental enabler in facilitating the reshaping and transformation of our services, within the strategic context of delivering better integrated care with our partners, and improving population health

outcomes and wellbeing. The board will need to progress in 2020-21 the agreed priority projects and developments to ensure it transitions smoothly and quickly into delivery, making the most of every opportunity to do so. Financial support will be key in terms of considering costs, benefits and affordability to ensure that the portfolio delivers best value.

The health board is working to an annual plan in 2020-21, which is subject to ongoing discussions and review with Welsh Government. This is viewed as a precursor to progressing an approvable IMTP for 2021-22 onwards, which demonstrates the health board's ability to deliver sustainable financial balance alongside other key priorities.

Darren Griffiths
Interim Director of Finance

Statement of Comprehensive Net Expenditure for the Year Ended 31st March 2020

This statement summarises Swansea Bay University Health Board's operating costs, in the same way you would operate a household expenses account. That is, it shows the broad areas where the health board has spent its money, minus income it has received over and above that allocated to it from the Welsh Government, to show its net operating costs (or household budget). In a household, this would include costs such as rent or mortgage payments, rates, utility bills, food, holidays and cars, less any ad-hoc monies received such as interest on savings or monetary gifts etc. The health board's operating cost statement includes payments to primary care contractors (i.e. GPs, pharmacists, opticians and community dentists), nursing homes, its staff, suppliers and the running costs of its hospitals and other premises etc. This information is reported monthly to the board and the Welsh Government who need to monitor the health board's financial performance, and it is audited annually to ensure that it is accurate.

Statement of Comprehensive Net Expenditure	2019/20 £000	2018/19 £000
Expenditure on Primary Healthcare Services *Includes Payments to GPs, Pharmacists, Opticians and community dentists*	181,823	245,546
Expenditure on Healthcare from Other Providers *Includes Payments to other NHS healthcare providers, Nursing Homes and private healthcare providers*	232,061	250,518
Expenditure on Hospital & Community Health Services *Includes Payments to staff and suppliers and the running costs of hospitals and community premises*	784,902	898,238
Sub Total	1,198,786	1,394,302
Less: Miscellaneous Income *All income excluding that allocated by Welsh Government e.g. from other healthcare commissioners, accommodation & catering charges, income for goods and services provided to other health boards etc*	-271,930	-255,796
	926,856	

LHB Net Operating Costs before Interest & Other Gains and Losses		1,138,506
Other (Gains) / Losses *From disposals of land, buildings and equipment*	-5	-292
Finance Costs *Interest payments on Fixed Assets & PFI Contract*	4,926	5,165
Net Operating Costs for the Financial Year	931,777	1,143.379
Net Gain/(Loss) on Revaluation of Property, Plant & Equipment	-3,487	-3,526
Net Gain/(Loss) on Revaluation of available for sale financial assets	88	0
Transfer to/(from) other bodies in the Resource Accounting Regime *(Transfer of asset balances due to the Bridgend boundary change)*	150,340	0
Total Comprehensive Net Expenditure for the Year	1,078,718	1,129,853

Statement of Financial Position as at 31st March 2020

This statement works in the same way you would record your net financial worth at a point in time. For example, you could include the value of your house and car (non-current assets), your money in the bank, interest due from savings (current assets, trade and other receivables) and whether you have any bills you need to pay (current liabilities, trade and other payables). For Swansea Bay University Health Board, this statement records the value of its land, hospitals, clinics and equipment, the money we are owed from other organisations (e.g. other health boards, local authorities and private patients) and how much we owe to our suppliers and other organisations. This statement is monitored monthly and it is audited annually to ensure that it is accurate.

Statement of Financial Position as at 31st March	**2020 £000**	**2019 £000**
Non Current Assets: (*the Health Board's land, buildings and equipment)*		
Property, Plant & Equipment	460,560	611,982
Intangible Assets	4,928	2,751
Trade & Other Receivables	102,559	108,880
Total Non Current Assets	**568,047**	**723,613**

Current Assets:		
Inventories *(stocks of drugs, fuel etc)*	10,012	10,234
Trade & Other Receivables (a*mounts owed to the Health Board)*	66,267	66,331
Cash and Cash Equivalents *(bank account and petty cash balances)*	486	830
	76,765	77,395
Non Current Assets Classified as “Held for Sale”	475	155
Total Current Assets	**77,240**	**77,550**
Total Assets	**645,287**	**801,163**
Current Liabilities:		
Trade & Other Payables (a*mounts owed by the Health Board)*	-127,631	-151,171
Provisions (*sums set aside by the Health Board to meet expected future costs e.g. clinical negligence, pension costs & Continuing Healthcare)*	-28,761	-35,458
Total Current Liabilities	**-156,392**	**-186,629**
Net Current Assets / -Liabilities	**-79,152**	**-109,079**
Non-Current Liabilities :		
Trade & Other Payables *(amounts owed in future years for PFI Contract & other Finance Lease Contracts)*	-37,136	-40,178
Provisions (*sums set aside by the Health Board to meet expected costs in future years e.g. clinical negligence, pension costs & Continuing Healthcare)*	-108,031	-115,048
Total Non Current Liabilities	**-145,437**	**-155,226**
Total Assets Employed	**343,458**	**459,308**
Financed by: Taxpayers Equity		
General Fund	310,914	408,417
Revaluation Reserve	32,544	50,891
Total Taxpayers Equity	**343,458**	**459,308**
Signed on behalf of the Board on 25th June 2020		
Tracy Myhill		
Chief Executive		
Statement of Changes in Taxpayers Equity for the Year Ended 31st March 2020		

This statement summarises the movement on Swansea Bay University Health Board’s general fund and revaluation reserve in year. It shows that its overall worth has reduced by £115.850m during the year. The main reason for the reduction is the transfer of £150.340m of land, buildings and equipment to the Cwm Taf Morgannwg University

Health Board on 1st April 2019, this representing the assets associated with the provision of healthcare services in the Bridgend area, responsibility for the provision of which transferred to Cwm Taf Morgannwg University Health Board on 1st April 2019 as a result of the Bridgend boundary change.

Also with effect from 1st April 2019, the employer NHS Pension contribution increased by 6.3%. The increased employer contributions were paid on behalf of NHS Wales by Welsh Government. In order to recognise the increased costs in the accounts of NHS Wales bodies, the staff costs identified in the statement of comprehensive net expenditure include these costs which amounted to £23.584m in 2019/20 with the costs matched by notional Welsh Government funding accounted for through the general fund.

Statement of Changes in Taxpayers Equity	**General Fund £000**	**Revaluation Reserve £000**	**Total Reserves £000**
Balance at 31st March 2019	**408,417**	**50,891**	**459,308**
Net Operating Cost for the Year	-931,777		-931,777
Net gain/(loss) on revaluation of property/plant & equipment	0	3,487	3,487
Net gain/(loss) on revaluation of assets held for sale	0	-88	-88
Transfers Between Reserves	2,895	-2,895	0
Transfer (to)/from other LHB's	-131,489	-18,851	-150,340
Total Recognised Income & Expense for 2019/20	**-1,060,371**	**-18,347**	**-1,078,718**
Net Welsh Government Funding	939,284		939,284
Notional Welsh Government Funding	23,584		23,584
Balance at 31st March 2020	**310,914**	**32,544**	**343,458**

Statement of Cash Flows for the Year Ended 31st March 2020

The cash flow statement shows the incoming and outgoing money during the financial year. Overall, the Statement shows that the health board has reduced its cash balances over the course of the financial year.

Statement of Cash Flows	2019-20 £000	2018-19 £000
Cash Flows from Operating Activities		
Net Operating Cost for the financial year	-931,777	-1,143,379
Movements in Working Capital	-18,657	27,348
Other Cash Flow Adjustments	62,689	22,203
Provisions Utilised	-19,699	-25,389
Net Cash Outflow from Operating Activities	-907,444	-1,119,217
Cash Flows from Investing Activities		
Purchase of Property, Plant & Equipment	-34,882	-35,340
Proceeds from Disposal of Property, Plant & Equipment	43	644
Purchase of Intangible Assets	-381	-994
Net Cash Inflow/(Outflow) from Investing Activities	**-35,220**	**-35,690**
Net Cash Inflow/(Outflow) before Financing	**-942,664**	**-1,154,907**
Cash Flows from Financing Activities		
Welsh Government Funding (including capital)	939,284	1,151,658
Capital Grants Received	197	384
Capital Element of Payments in Respect of Finance Leases and on SoFP PFI Schemes	2,839	3,204
Net Financing		
Net Increase/(Decrease) in Cash & Cash Equivalents	**942,320**	**1,155,246**
Cash & Cash Equivalents (and bank overdrafts) at 1st April 2019	**-344** **830**	**339** **491**
Cash & Cash Equivalents (and bank overdrafts) at 31st March 2020	**486**	**830**

Capital Grants received in year related to grant funding from bodies other than Welsh Government towards the cost of capital schemes undertaken within the health board. The Capital Element of Payments in respect of Finance Leases and on statement of financial position PFI (private finance initiative) schemes relates to payments made against the capital element of the Neath Port Talbot Hospital PFI project and other finance leases. The interest element of the payments is shown in net operating cost for the financial year.

ACCOUNTABILITY REPORT

2019-20

Signed : Tracy Myhill (Chief Executive)

Tracy Myhill

Date: 25th June 2020

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, Swansea Bay University Health Board has produced an accountability report for the financial reporting period 2019-20.

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

The accountability report will be signed and dated by the Chief Executive as the accountable officer and is made up of the following sections:

- Annual Governance Statement;
- Remuneration and Staff Report;
- Annual Accounts.

CONTENTS

Annual Governance Statement

2019-20

Corporate Governance Report

Director's Report

This directors' report brings together information about the health board including the independent members and executive directors, the composition of the board and other elements of its governance and risk management structure.

It also includes the disclosures and reporting required of Swansea Bay University Health Board relating to the day to day execution of the business.

The board is made up of executive directors, who are employees of the health board, and independent members, who were appointed by the Minister via an open and competitive public appointment process. Current board members and other members of the senior team are listed below, but there have been some changes throughout 2019-20, with Lynne Hamilton and Sandra Husbands, former Directors of Finance and Public Health respectively, leaving the health board to take up new opportunities, along with the university independent member, Julian Hopkin. In addition, Andrew Davies stepped down as chair in May 2019.

❖ Chair and Independent Members

Emma Woollett, Chair (Interim Chair until 31st March 2020)

Appointment:
Emma was appointed as vice-chair in October 2017 but became interim chair in May 2019. She was appointed substantive chair in April 2020.

Board and Committee Membership
Emma chairs the board, Remuneration and Terms of Service Committee and the Chair's Advisory Group. She is supported by a number of independent members.

Martyn Waygood , Interim Vice Chair

Appointment:
Martyn was appointed as independent member in June 2017 but became interim vice-chair in July 2019

Area of Expertise:
Legal

Board and Committee Membership

Martyn chairs the Quality and Safety Committee, Charitable Funds Committee and Mental Health Legislation Committee. He is a member of the board, Remuneration and Terms of Service Committee, Health and Safety Committee, and the Chair's Advisory Group.

Maggie Berry, Independent Member

Appointment:
Maggie was appointed as independent member in May 2015.

Board and Committee Membership
Maggie chairs the Health and Safety Committee. She is a member of the board, Remuneration and Terms of Service Committee, Chair's Advisory Group, Quality and Safety Committee and the Mental Health Legislation Committee.

Martin Sollis, Independent Member

Appointment:
Martin was appointed as independent member in June 2017.

Area of Expertise:
Finance

Board and Committee Membership
Martin chairs the Audit Committee. He is a member of the board, Remuneration and Terms of Service Committee, Chair's Advisory Group, Charitable Funds Committee and Performance and the Finance Committee.

Jackie Davies, Independent Member

Appointment:
Jackie was appointed as independent member in August 2017.

Area of Expertise:
Trade union

Board and Committee Membership
Jackie is a member of the board, Mental Health Legislation Committee, Quality and Safety Committee, Chair's Advisory Group, Workforce and Organisational Development, Health and Safety Committee and Charitable Funds Committee.

Tom Crick, Independent Member

Appointment:
Tom was appointed as independent member in October 2017.

Area of Expertise:
Information and Communications Technology.

Board and Committee Membership
Tom chairs the Workforce and OD Committee. He is a member of the board, Health and Safety Committee, Remuneration and Terms of Service Committee, Chair's Advisory Group and Audit Committee.

Mark Child, Independent Member

Appointment:
Mark was appointed as independent member in October 2017.

Area of Expertise:
Local authority

Board and Committee Membership
Mark is a member of the board, Remuneration and Terms of Service Committee, Chair's Advisory Group, and Performance and Finance Committee.

Reena Owen, Independent Member

Appointment:
Reena was appointed as independent member in August 2018.

Area of Expertise:
Community.

Board and Committee Membership
Reena chairs the Performance and Finance Committee. She is a member of the board, Remuneration and Terms of Service Committee, Health and Safety Committee, Chair's Advisory Group and the Quality and Safety Committee.

Nuria Zolle, Independent Member

Appointment:
Nuria was appointed as independent member in October 2019.

Area of Expertise:
Third sector

Board and Committee Membership
Nuria is a member of the board, Audit Committee, Workforce and OD Committee, Remuneration and Terms of Service Committee and the Chair's Advisory Group.

❖ Associate Board Members

Andrew Jarrett, Director of Social Services, Neath Port Talbot Council

Appointment:
Andrew was appointed as an associate board member in April 2020.

Board and Committee Membership
Andrew attends the board, Remuneration and Terms of Service Committee and the Chair's Advisory Group.

❖ Chief Executive and Executive Directors

Tracy Myhill, Chief Executive

Appointment:
Tracy was appointed as Chief Executive in February 2018.

Board and Committee Membership
Tracy attends the board, Remuneration and Terms of Service Committee and the Chair's Advisory Group.

Tracy is supported by seven executive directors as well as other members of the executive board.

Chris White, Chief Operating Officer/ Director of Therapies and Health Sciences/ Deputy Chief Executive

Appointment:
Chris was appointed as Chief Operating Officer in December 2017.

Board and Committee Membership
Chris attends the board, Quality and Safety Committee, Health and Safety Committee, Mental Health Legislation Committee, Performance and Finance Committee and Workforce and OD Committee.

Gareth Howells, Director of Nursing and Patient Experience

Appointment:
Gareth was appointed as Director of Nursing and Patient Experience in July 2018.

Board and Committee Membership
Gareth attends the board, Audit Committee Quality and Safety Committee, Health and Safety Committee, Mental Health Legislation Committee and the Workforce and OD Committee.

Richard Evans, Medical Director

Appointment:
Richard was appointed as Medical Director in November 2018.

Board and Committee Membership
Richard attends the board and Quality and Safety Committee and Workforce and OD Committee.

Hazel Robinson, Director of Workforce and Organisational Development (OD)

Appointment:
Hazel was appointed as Director of Workforce and OD in April 2018.

Board and Committee Membership
Hazel attends the board and Workforce and OD Committee, Health and Safety Committee and Remuneration and Terms of Service Committee.

Darren Griffiths, Interim Director of Finance

Appointment:
Darren was appointed as Interim Director of Finance in February 2020.

Board and Committee Membership
Darren attends the board, Performance and Finance Committee, Charitable Funds Committee, Audit Committee and Quality and Safety Committee.

Siân Harrop-Griffiths, Director of Strategy

Appointment:
Sian was appointed as Director of Strategy in November 2014.

Board and Committee Membership
Siân attends the board, Quality and Safety Committee, Performance and Finance Committee and Charitable Funds Committee.

Keith Reid, Director of Public Health

Appointment:
Keith was appointed as Director of Public Health in December 2019.

Board and Committee Membership
Keith attends the board, Quality and Safety Committee and Health and Safety Committee.

❖ Members of the Executive Team (Non-Board Members)

Pamela Wenger, Director of Corporate Governance

Appointment:
Pam was appointed as Director of Corporate Governance in January 2018.

Board and Committee Membership
Pam is the main governance advisor to the board. She attends the board, Quality and Safety Committee, Health and Safety Committee, Charitable Funds Committee, Audit Committee, Mental Health Legislation Committee, Performance and Finance Committee, Remuneration and Terms of Service Committee and the Workforce and Organisational Development Committee.

Hannah Evans, Director of Transformation

Appointment:
Hannah attends the board in a non-voting capacity and Performance and Finance Committee.

Board and Committee Membership
Hannah attends the board and Performance and Finance Committee.

Matt John, Associate Director of Digital Services

Appointment:
While Matt has worked at the health board for a number of years, he was appointed as Associate Director of Digital Services in August 2018.

Board and Committee Membership
Matt attends the board in a non-voting capacity.

Irfon Rees, Chief of Staff

Appointment:
Irfon was appointed as Chief of Staff in August 2018.

Board and Committee Membership
Irfon attends the board in a non-voting capacity.

Public Interest Declaration

Each board member has stated in writing that they have taken all the steps that they ought to have taken in order to make the auditors aware of any relevant audit information.

Board members and senior managers have declared any interests in companies which may result in a conflict with their corporate board responsibilities. No material interests have been declared in 2019-20 and a full register of interests is available upon request from the Director of Corporate Governance.

Disclosure Statements

Swansea Bay University Health Board would make the following disclosure statements for 2019-20.

- It has had seven cases where weaknesses in the security of data required reporting to the Information Commissioner's Office as detailed on page 111:

- Whilst there is no requirement to comply with all elements of the corporate governance code for central government departments, Swansea Bay University Health Board has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the assessment of governance and also evidenced by internal and external audits. The health board 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. It recognises that not all reporting elements of the code are outlined in this governance statement but are reported

more fully in the wider annual report. There have not been any reported/identified departures from the Corporate Governance Code during the year.

- Welsh Government has an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales. 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), the health board has contingency plans for extreme weather conditions. The health board has achieved and maintained ISO:14001, the accreditation for our environmental management system, since 2012. It has a comprehensive risk assessment matrix for the identification and monitoring of all environmental impacts and aspects, subject to independent audit. The environment management committee approved the carbon reduction strategy (Care without Carbon: Vision 2025) in 2016, which set out clear carbon reduction objectives, and targets have been set. Progress against these objectives and targets is documented in the annual environment management system report. In 2019, the committee was replaced by the Wellbeing and Future Generations Committee – in order to address the requirements of The Well-being of Future Generations (Wales) Act 2015. The health board's carbon reduction strategy comprises six key visions covering scopes one, two and three of the Green House Gas Protocol, as set by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD) and has a number of objectives:
  - Decarbonise its facilities in line with national targets;
  - Decarbonise our travel and transport operations and minimise the environmental and health impacts associated with the movement of staff and materials;
  - Contribute to staff and well-being by supporting a shift away from car dependency to more sustainable travel options that deliver additional environmental and health benefits
  - Reduction waste CO^2 emissions;
  - The health board will reduce waste through our operational activities in-line with Welsh Government targets to recycle or recover 70% of waste by 2025 (baseline year 2007);
  - Eliminate waste from our supply chain through the implementation of our procurement policies and tendering processes and through proactive collaboration with our major supply chain partners;
  - Develop its training programme to ensure all staff receive carbon reduction and climate change training as appropriate to their role;
  - Inform, empower and motivate our workforce to take action to deliver high quality care today that does not compromise our ability to deliver care in the future and ensure this becomes part of the values;
  - Commitment to a future without carbon.

  The health board recognises the vital role our staff can play in helping us deliver this strategy as well as the power of partnership to accelerate progress and achieve success.

- Data quality has a dedicated section in the SIRO (senior information risk owner) annual report. The importance of good quality information is a fundamental requirement for the effective and prompt treatment of patients and to meet the

needs of clinical governance, management information, accountability, health planning and service agreements. Poor quality data may not only affect a patient's treatment, but may also adversely affect income to the health board and the ability to accurately plan and develop the services needed by the community. Accuracy of information is also a key requirement and principle of data protection legislation. The report includes the data quality indicators which are mandated within NHS Wales and cover the following datasets:-

- Admitted Patient Care (APC) dataset
- Outpatient Activity (OPA) dataset
- Outpatient Referral (OPR) dataset
- Emergency Department (ED) dataset
- Critical Care(CC) dataset

In recent years, the health board comparing extremely well alongside others in Wales, as shown in the annual performance reports published by NWIS and the SIRO report.

- 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 are in accordance with the scheme rules, and that member records are accurately updated in accordance with the timescales detailed in the regulations.

Statement of the Chief Executive's Responsibilities as Accountable Officer

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

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

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

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

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

Date: 25.06.2020 Chief Executive: 

Statement of directors' responsibilities in respect of the accounts

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

In preparing those accounts, the directors are required to:

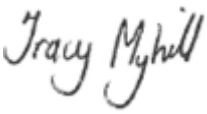
- apply on a consistent basis accounting principles laid down by the Welsh ministers with the approval of the Treasury;
- make judgements and estimates which are responsible and prudent;
- state whether accounting standards have been followed, subject to any material departures disclosed and explained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

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

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

By order of the board, signed:

Chair  Date: 25.06.2020

Chief Executive  Date: 25.06.2020

Interim Director of Finance  Date: 25.06.2020

Governance Statement

Introduction

During 2019-20, the health board had a budget of £913,670,000 and employed 12,991 staff. The pre-audited end-of-year financial position was reported as a deficit of £16.3m however this was not in-line with the forecast throughout the year, which had originally been breakeven. The health board meeting on 28th November 2019 considered the actions required to deliver a breakeven position and whilst agreeing a number of improvement actions, did not agree actions which would have adversely affected patient care. Therefore following period eight, the health board adjusted its year-end forecast to an overspend of £12.3m. A further discussion took place on 27th February 2020 during which the deficit of £16.3m was agreed. This was the organisation's first year as Swansea Bay University Health Board following the Bridgend boundary change which saw responsibility for health services provided in that local authority area transfer to Cwm Taf Morgannwg University Health Board.

The health board provides primary care services (GPs, opticians, pharmacy and dental services) and secondary care services, which are based in three acute hospitals; Morriston, Singleton and Neath Port Talbot. In addition, tertiary services are also provided, which are more specialised services for example, plastic surgery, and only available in a smaller number of hospitals across Wales. As well as these, forensic mental health services are provided for the whole of south Wales in addition to learning disability services from Swansea to Cardiff and into Rhondda Cynon Taf and Merthyr Tydfil areas. Finally, some services are also provided in patients' homes, in community hospitals, health centres and clinics as well as general medical and dental services to Hillside children's secure unit and HM Prison Swansea.

Scope of Responsibility

The board is accountable for good governance, risk management and the internal control processes of the organisation. As Chief Executive, I have responsibility for maintaining appropriate governance structures and procedures, as well as ensuring that an effective system of internal control is in place that supports the achievement of the organisation's policies, aims and objectives, while safeguarding the public funds and the health board'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. In discharging this responsibility I, together with the board, am responsible for putting into place arrangements for the effective governance of the health board, facilitating the effective implementation of the functions of the board and the management of risk.

At the time of preparing this annual governance statement, the health board and the NHS Wales are facing unprecedented and increasing pressure in planning and

providing services to meet the needs of those who are affected by Covid-19, while also planning to resume other activity where this has been impacted.

The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders, and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS chief executives in Wales, with regard to “Covid -19- Decision Making and Financial Guidance”. The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available. Nevertheless, our organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with ‘Managing Welsh Public Money’ and demonstrating value for money after the Covid-19 crisis has abated and the organisation returns to more normal operating conditions.

To demonstrate this, the organisation is recording how the effects of Covid- 19 have impacted on any changes to normal decision making processes. Where relevant these, and other actions taken have been explained within this annual governance statement.

❖ Our Purpose, Vision and Values

The board has a clear purpose, ambition, strategic aims, and enabling objectives which have been developed to fulfil our civic responsibilities by improving the health of communities, reducing health inequalities and delivering prudent healthcare in which patients and service users feel cared for, confident and safe.

Our intention is for the health board to move to being a population health focused organisation, commissioning services to meet patient and community needs. The two strategic aims, *Supporting Better Health* and *Delivering Better Care,* and associated enabling objectives, are clear as is our ambition to change, and we will become increasingly focused on working with partners to improve the wellbeing of our population.

While our objectives ensure we meet national and local priorities and professional standards, our ways of working are underpinned by a values and behaviour framework, which was developed following many conversations with staff, patients, relatives and carers.

❖ Quality Priorities

Twenty quality priorities were agreed as part of the 2018-19 annual quality statement. These were selected to address some of the areas for which we are within targeted intervention status, and in response to business intelligence which indicated areas for quality improvement. More details are available in this year's annual quality statement which will be published in September 2020.

❖ Targeted Intervention

The health board remained in 'targeted intervention' as part of the NHS Wales escalation and intervention arrangements throughout the year. A firm focus for improvement was set for specific service areas which include unscheduled care, cancer, planned care, infection control, stroke and financial management.

Extensive improvement actions were put in place to address unscheduled care performance, including the implementation of the 'Hospital 2 Home' programme, which started to take affect towards the end of the year, with the four hour performance reaching 75%, category A response rates above the all-Wales target of 65% as well as reduction in lost hours and month-on-month improvements in the delayed transfer of care position.

Planned care performance was significantly affected by the unscheduled care pressures as well as the changes to the pension taxation rules which reduced the flexibility of the anaesthetic workforce. As a result, the numbers of patients waiting more than 36 weeks for treatment increased to above 5,000 and as such, an end-of-year target could not be agreed with Welsh Government, as the range continued to vary. A number of actions were put into place to address the numbers waiting and the position stablised in the last quarter of the year.

In terms of cancer performance, steady improvement was evidenced in the second half of the year in relation to urgent cases, with a reduction in the number of breaches in January 2020, as well as reaching 90% performance for the first time in a year. Healthcare acquired infections has seen the number of *e-coli* cases better than trajectory for every month throughout the year and there has also been some improvement in relation to *clostridium difficile*, *klebsiella, pseudomonas aeruginosa* and *staph.aureus,* with minor spikes in the trajectories reported in the year. Since November

2019, a multi-resistant bacteria has been present on ward G at Morriston Hospital which resulted in its closure until remedial actions could be taken to remove it.
Financial management has been strengthened significantly, with the delivery of the savings plan over the course of the year. However the operational pressures, continuing healthcare costs and diseconomies of scale relating to the Bridgend boundary change meant the health board was unable to deliver breakeven as it forecast at the start of the year. In November 2019, the decision was made to change its forecast to £12.3m and again in February 2020 to £16.3m, which it achieved. During the year, Welsh Government commissioned KPMG to undertake a financial governance review, which gave the health board a number of recommendations and areas to consider to improve its financial management.

System of Governance and Assurance

❖ Overview

The health board has a statutory requirement to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 and comprises chair, vice-chair, chief executive, nine independent members and seven executive directors. In May 2019, the substantive vice-chair, Emma Woollett, took on the post of interim Chair, with Martyn Waygood, legal independent member, taking on a dual role as interim Vice-Chair also. Emma was appointed as chair in April 2020 and the recruitment process for the vice-chair position will commence once the Covid-19 pandemic slows down. For the latter part of the year, the health board had a vacant university independent member posts which mean the remaining ones took on additional duties to ensure meetings remained quorate and corporate commitments were fulfilled. This post was appointed to in May 2020. There are also three associate member posts, two of which are currently vacant; chair of the health professionals' forum, which is in the process of being agreed as the forum has now restarted after a period of absence, and chair of the stakeholder reference group, as the chair stood down in March 2020 due to a new role.

All of these ensure that the board is made up of people with a range of backgrounds, disciplines and expertise, and this is enhanced further by non-member executive posts comprising director of transformation, associate director of digital services and the chief of staff. There was also an associate director of performance and finance until the post-holder took on the role of interim director of finance in February 2020.

The board works as a corporate decision-making body with executive directors and independent members as equal members sharing responsibility. Its main role is to exercise leadership, direction and control which includes setting the overall strategic direction for the organisation (in-line with Welsh Government policies and priorities) and establishing and maintaining high-levels of corporate governance and accountability, including risk management and internal control. It is also there to:

- Ensure delivery of aims and objectives through effective challenge and scrutiny of performance across all areas of responsibility;
- Ensure delivery of high quality and safe patient care;
- Build capacity and capability within the workforce to build on the values of the health board and creating a strong culture of learning and development;

- Enact effective financial stewardship by ensuring the health board is administered prudently and economically with resources applied appropriately and efficiently;
- Instigate effective communication between the organisation and its community to ensure its services are planned and responsive to the identified needs;
- Appoint, appraise and oversee arrangements for remunerating executives.

The day to day running of the board is covered through its approved standing orders and standing financial instructions which localises the statutory requirements of the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009, together with a scheme of delegation which is relevant for officers as well as the board and its committees. The standing orders and standing financial instructions are reviewed regularly and are supported by a suite of corporate policies and procedures.

During 2019-20, the following improvements have been made:

- Development of the Workforce and OD Committee to have more of an assurance and scrutiny focus;
- Development of the board assurance framework;
- Development of an independent member local induction programme;
- Walkaround guidance and programme for service visits;
- Work programme for the Remuneration and Terms of Service Committee;

During the year, there have been some external reviews which have been critical to corporate governance, clinical governance and the assurance of the board, including:

- **KPMG (Financial Planning and Delivery Support)**

Welsh Government commissioned KPMG to provide support to the health board with a focus on improving the organisation's financial position, testing the underlying plans and the organisation's delivery framework.

The overall report presents some challenges to the organisation and while it is clear that the health board has made improvements to governance and delivery over the last few years, a step change in pace of transformation and a strengthened focus on compliance against controls is required. The health board has been actively engaged in addressing the recommendations of the reports, for example, in ensuring that the priorities from within the clinical services plan are aligned with the need to deliver savings in key areas (including outpatients, patient flow and theatres). However there is a need for greater urgency and direction given the assessment of the scale of the financial challenge for next year. An action plan was developed and shared with the board in March 2020 along with the full report, with progress to be carefully monitored by the Audit Committee throughout 2020-21.

- **Health and Safety Executive (HSE) Improvement Notices**

As part of the HSE inspection programme of violence and aggression and musculoskeletal disorders in healthcare 2018-2019, the health board received inspection visits between 27th and 29th November 2018, resulting in nine improvement notices in February 2019, followed by a 10th in July 2019. A robust action plan was put in place with a deadline for actions to be completed and a response to be submitted to the HSE by 10th September 2019, with a re-inspection of all the areas highlighted in the

improvement notices on 16th and 17th September 2019. Following this confirmation was received that the majority of the notices were to be closed, with an extension agreed for the remaining, and the last one was closed in February 2020.

The Health and Safety Committee has played a critical assurance role in overseeing the implementation of the actions as highlighted in the improvement notices.

- **A review of quality governance arrangements at Cwm Taf Morgannwg University Health Board**

The overarching objective of the joint review arrangements at Cwm Taf Morgannwg University Health Board was to examine whether its governance arrangements supported the delivery of high quality, safe and effective services. To gain assurance on the robustness of quality governance arrangements across NHS Wales, Welsh Government asked that all health boards undertook a self-assessment against the recommendations by January 2020, and provide a current level of assurance and outline any action required. The health board's review was considered by the executive board and scrutiny and challenge was undertaken by the Chair's Advisory Group in its December 2019 submission, with the board ratifying the final version at its meeting in January 2020. A quality governance work programme has been established to address outstanding actions and progress is monitored through the Quality and Safety Committee.

- **Review of Maternity Services at Cwm Taf Morgannwg University Health Board**

The Royal College of Obstetricians and Gynaecologist and Royal College of Midwives review into maternity services at Cwm Taf Morgannwg University Health Board was published in April 2019, with 77 recommendations. Every health board in Wales was required to submit a report to Welsh Government to benchmark their maternity services against the recommendations. Swansea Bay University Health Board reported no red actions, 25 amber and 43 green, with nine recommendations not applicable. As at February 2020, three recommendations remain amber and the executive board regularly scrutinise progress.

- **Human Tissue Authority Site Visit: Morriston Hospital**

In June 2019, the Human Tissue Authority inspected Morriston Hospital. Although the inspection found that the health board had met the majority of the standards, shortfalls were found against the consent, governance and quality systems, traceability and premises, facilities and equipment standards. This was reported to the Quality and Safety Committee which then monitored the progress against the actions until all were reported as closed.

❖ Role of the Board

The board has the overall responsibility for the strategic direction of the organisation and provides leadership and direction. It also has a key role in ensuring that there are sound governance arrangements in place as well as an open culture and high standards in the way in which its work is conducted. Board members share corporate responsibility for all decisions and play a key role in monitoring the organisation's performance.

As a standard, the board meets in public six times a year, but there will be occasions during this period when special board meetings will be arranged, for example in May to agree the annual accounts. Each regular meeting begins with a patient story, setting out the personal experience of someone who has used one the health board's services. This is an opportune way to learn lessons and help improve and plan services for the future. Due to the Covid-19 pandemic, changes were made to the way in which the public board meetings were run from March 2020 in order to comply with social distancing guidance and to ensure public and staff safety, these sessions were closed to the public but a summary of the discussion publicised on the health board's website within a few days of the meeting.

In addition to formal board meetings, development sessions take place six times a year which is a chance for the board to undertake training or hear about good practice internal and external to the organisation. Members are also involved in a range of other activities on behalf of the board, such as service visits and meetings with local partners.

To support the board's annual programme of work, it undertook a skills assessment to identify areas of work for the coming year. Alongside this, all members complete an annual appraisal of their individual contribution and performance as board members, and in the case of the executive directors, this differs from their operational and leadership role.

❖ Committees of the Board

The health board has established a number of committees as set out in the diagram at **appendix one**. Each one is chaired by an independent member and has a key role in relation to the system of governance and assurance, decision making, scrutiny, assessment of current risks and performance monitoring. Following each meeting, a summary of the discussion is shared with the board at its next formal meeting and all the papers for the public sessions of board and committee meetings are on the health board's website. There are some meetings which do not take place in public either because of the confidential nature of the business or the items are in a developmental stage.

On 1st April 2020, chair's action was taken to streamline the board and committee arrangements to reduce the pressure on the organisation due to the current pandemic. Specifically this meant moving to monthly board meetings lasting no more than three hours and bi-monthly Audit and Quality and Safety committees focussing on Covid-19 and essential services. All other committees were stood down. Following this, guidance was received from Welsh Government as to how these meetings should function

Two assurance committees the health board is required to have are the Audit Committee and Quality and Safety Committee:

Audit Committee

The Audit Committee supports the overall board assurance framework arrangements, including the development of the annual governance statement, and provides advice and assurance as to the effectiveness of arrangements in place around strategic governance, risk management and internal controls. More specifically it has:

- Overseen the system of internal controls;
- Continued focus on the improvements of the financial systems and control procedures;
- Overseen the development and implementation of the board assurance framework;
- Monitored local counter fraud arrangements;
- Sought assurance in relation to the risk management process;
- Considered and recommended for approval revisions to standing orders and standing financial instructions;
- Reviewed findings of internal and external audits and progress against corresponding action plans;
- Held executive directors to account where appropriate;
- Discussed and recommended for approval by the board the audited annual accounts, accountability report, annual report and head of internal audit opinion;
- Continued to monitor the implementation of the recommendations as set out in the governance work programme.

Quality and Safety Committee
The Quality and Safety Committee is the main assurance mechanism for reporting evidence-based and timely advice to the board in relation to the quality and safety of healthcare as well as the arrangements for safeguarding and improving patient care in line with the standards and requirements set out for NHS Wales. Each meeting begins with a patient story and also includes updates from internal and external regulatory bodies, and where reports have raised concerns, action plans are monitored by the committee.

A summary of board and committee dates, memberships, attendances and key matters considered are included within **appendices two to five**.

❖ Advisory Groups and Joint Committees

As well as its board level committees, the health board has three advisory groups which report to the board; Stakeholder Reference Group, Health Professionals' Forum and Local Partnership Forum. In addition to these there are a range of boards and groups with external partners with which the organisation engages and also report to the board.

Advisory Boards

- *Stakeholder Reference Group*

The Stakeholder Reference Group is formed from a range of partner organisations from across the health board's local communities and engages with the strategic direction, provides feedback on service improvement proposals and advises on the impact on local communities of the current ways of working. Its membership includes representatives from wide ranging community groups, including children and young people, LGBT (lesbian, gay, bisexual and transgender), older people and ethnic minorities, as well as statutory bodies such as police and fire, rescue services and environment agency. As a result, the group has excellent links to the wider general public and each member can highlight issues raised by their particular communities. The group provides a report to each meeting summarising its discussions.

- *Health Professionals' Forum*

The role of the Health Professionals' Forum provides balanced, multidisciplinary professional advice to the board on local strategy and delivery. During 2019-20 the Health Professionals' Forum was re-instated with refreshed membership. The forum provides a report to each meeting summarising its discussions.

- *Local Partnership Forum*

The local partnership forum's role is to provide a way by which the health board, as an employer, and the professional bodies, such as trade unions, who represent staff, can work together to improve health services. It is an opportunity to engage with each other, inform debate and agree local priorities for workforce within health services. The chair of the forum alternates between the health board and staffside representatives. A report is submitted to each board meeting summarising the discussions of the group.

Joint and all-Wales Committees

There are three all-Wales committees as detailed below:

- *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.

❖ Partnership Working

The health board works in partnership with a number of organisations, including local authorities, Swansea University, other NHS organisations including the NHS Wales Collaborative and the third sector. In addition, it has joint executive groups with Cardiff and Vale, Cwm Taf Morgannwg and Hywel Dda university health boards.

During 2019-20, the organisation comprised five service units:

- Morriston Hospital;
- Singleton Hospital;
- Neath Port Talbot Hospital;
- Primary Care and Community Services;
- Mental Health and Learning Disabilities.

Each one is led by a service director, supported by unit nurse and medical directors, and in the case of primary and community services, there is also a unit dental director. Corporate directorates, such as finance, governance, workforce, digital services and strategy/planning also play a central role in supporting the units as well as the organisation as a whole. All of these elements of the structure are subject to regular performance reviews.

The responsibility for commissioning and planning services for the population of Bridgend moving to Cwm Taf Morgannwg University Health Board on 1st April 2019 resulted in the population size we serve, our budget and workforce becoming smaller by a third. The health board agreed to review the structures of the new Swansea Bay University Health Board to ensure that the new organisation is appropriately structured, focused and reflects the ambition of the organisation as outlined in the organisation's strategy, *Better Health, Better Care, Better Lives*.

Changes to the organisational structure were agreed in 2019-20 and will be implemented in 2020-21. These changes will mean that the health board will move from five units to four service groups:

Group 1 - Primary, Community, and Therapies
Group 2 - Mental Health and Learning Disabilities
Group 3 - Singleton and Neath Port Talbot
Group 4 – Morriston

Throughout the year, there have been some changes to the executive team, namely the departures of Sandra Husbands, Director of Public Health and Lynne Hamilton, Director of Finance, who were replaced on an interim basis by Keith Reid and Darren Griffiths respectively. Following a successful recruitment process, Keith Reid was appointed as the substantive Director of Public Health while the Director of Finance role will be advertised in 2020-21. The only other change to note within the executive team was the addition of the Director of Therapy and Health Science portfolio to Chris White's role as Chief Operating Officer.

In order to ensure effective delivery of high quality and safe services fit for the future, a transformation portfolio is in place to centralise all such work, moving away from varying approaches across the organisation. Through this programme, the board has a clear mechanism to oversee the delivery of the organisational strategy, clinical services plan and other key priorities.

Systems of control are designed to understand and 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 health board's system of internal control is based on an ongoing process designed to identify and prioritise the risks to it achieving its policies' aims and objectives, evaluate the likelihood of those risks being realised and the potential efficient, effective and economic impact of having to manage them. This has been in place for 2019-20 and up to the date of approval of the accountability report and annual accounts.

❖ Capacity to Handle Risk

The work to develop and embed the risk management process throughout the organisation has progressed during the year. Understanding of risks informs the board's priorities, actions and overall approach to how it manages them, and ensures high quality and safe care to the local communities as well as a safe and effective work environment for staff.

Overall responsibility for the management of risk sits with the Chief Executive, but the lead is taken by the Director of Corporate Governance, which until March 1st 2020, was in partnership with the Director of Nursing and Patient Experience. Arrangements are in place to effectively assess and manage risks across the organisation, which included the ongoing review and updating of the health board risk register. The Chief Executive also delegates elements of risk management to other senior managers, and this is set out on the risk management framework.

❖ Risk Control and Framework

The risk management framework sets out the way in which risks are identified, evaluated and controlled, with delivery of the framework overseen by the Audit Committee, with individual executives and senior managers having specific delegated responsibilities.

There is a commitment across the health board to ensure staff are trained and confident to assess, manage, escalate and report risks and the work is informed by best practice examples through internal audit, Wales Audit Office and the NHS Wales Delivery Unit.

Due to the variability of healthcare services, the health board's risk profile continually changes, with the key risks scored and documents within the risk register based on the ability to affect the delivery of the objectives. The risk register is updated on a quarterly basis and reported to Audit Committee and the board, feeding into the annual plan.

The risk register was most recently reviewed by the Audit Committee and the board at the March 2020 meetings. As part of the risk management framework, the board gave consideration to its main objectives, both strategic and operational, and identified the risks most likely to prevent the achievement of these. As such it is aware of potential risks and would therefore not just be reactive should a risk come to fruition. When determining the board's risk appetite, it 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 as they are taken from all the risks flowing through the organisation.

The risk appetite was previously considered by the board during a risk management workshop in 2017-18 and again in March 2019 by the risk management group to review the organisations risk management policy. Attendees included independent members, internal audit and Wales Audit Office.

The board, when deciding if a risk should be tolerated, considers a number of factors, such as legislation, quality and safety, patient experience, requirements of commissioners and the appetite for these risks. Risk appetite and tolerance considers what risks the health board is prepared to take in pursuit of achieving its objectives. This risk management policy sets out levels of risks and within these levels there is a management structure which supports decision making in terms of risk appetite and tolerance. Risks rated up to and including a risk score of 15 are managed, including determining the risk appetite and tolerance, within the units. Risks rated 16 and above are considered at executive level in terms of the risk appetite and tolerance levels. Each risk is considered individually to determine the level of risk appetite and tolerance. It also ensures that risks are not considered in isolation as they are taken from all the risks flowing through the organisation.

Appendix six sets out the health board's key risks by their ratings.

Each executive director is responsible for managing risk within their area of responsibility ensuring that there:

- are clear responsibilities for clinical, corporate and operational governance as well as risk management;
- is appropriate training for staff in risk assessment and risk management;
- are mechanisms in place for identifying and managing significant risks through regular, timely and accurate reports to the senior leadership team, committees and the board;
- are systems in place to learn lessons from any incidents or untoward occurrences, and that corrective action is taken where required;
- are processes which allow details of the key risks to be reported to the board;
- is compliance with health board policies, legislation, regulations and professional standards for the functions.

Within the units, the service directors manage risk and ensure there are effective arrangements to carry this out. Any risks outside the units' control are escalated to the Chief Operating Officer as the professional lead for the units as well as the executive director responsible for the area in which the risk has been identified.

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. 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.

Effective internal and external communication is important to ensure that those responsible for implementing risk management, and those with a vested interest understand the basis on which decisions are made and why particular actions are required. External stakeholders will vary depending on the type of risk and the risk lead for the unit will need to consider which external stakeholders will need to be notified and included on or briefed following establishment of task and finish groups/executive gold command groups set up to oversee actions to minimise the risk. All significant risks will be reported to Welsh Government through the weekly brief from organisations and quarterly performance review meetings.

❖ Risk Management During Covid-19

The health board is in unprecedented times, responding to Covid-19, but it remains accountable. Therefore it is important it is seen to be doing the right thing and the rationale behind key decisions is transparent.

On 13th March 2020, the Minister of Health and Social Services announced a framework of actions within which local health and social care providers could make decisions to ensure that preparations could be made in a planned and measured way for managing Covid-19. This included but was not limited to:

- Suspending non-urgent outpatient appointments and ensure urgent appoints are prioritised;
- Suspending non-urgent surgical admissions and procedures (whilst ensuring access for emergency and urgent surgery);
- Prioritising the use of non-emergency patient transport service to focus on hospital discharge and ambulance emergency response;
- Expediting discharge of vulnerable patients from acute and community hospitals;

To enable services to prepare and deal with the Covid-19 pandemic, all executive team performance reviews have been stood down to the end of June 2020, and only essential committee meetings are going ahead, therefore while risk reporting can be stood down, it remains that management remain accountable for the service they provide.

While there is recognition of the significant pressure on services, there needs to be a proportionate response to risk balanced with the current capacity pressures and challenges presented by the pandemic and managing the ‘business as usual’ issues and risks.

Executive directors (corporate functions) and service directors supported by unit nurse and medical directors remain responsible for risks outside of the Covid-19 risk register. Self-governance, transparency and management of these risks is crucial at a time when external scrutiny is at its lowest, with Healthcare Inspectorate Wales, HSE and internal and external audit having unprecedented reduction in activity,

Managers will also need to decide whether they have the capability (available resources and skills) to implement their planned actions, and maintain the effectiveness of their existing controls.

To do this, the Director of Governance asked executive directors/service directors to review their existing operational risks on Datix Risk Module (taking into account the positive /negative impacts that Covid-19 may have had on them) and

- Agree the risks that remain a priority to manage and mitigate during the Covid-19 pandemic;
- Agree (archive) the risks that do not present a significant risk during the Covid-19 pandemic (however they must ensure that existing controls are in place and remain effective otherwise risk could increase);
- Consider new and emerging risks to their service as a result of the Covid-19 pandemic (including potential risks in respect of returning to normal business)

In April 2020, the board reviewed its risk appetite and set new levels which act as a guidance as to the risk boundaries that are acceptable and how risk and reward are to be balanced, as well as providing clarification on the level of risk the board is prepared to accept. This meant that any risks scoring more than 20 were now reviewed by the board, as opposed to those scoring more than 16.

❖ Top Health Board Risks

As of March 2020, there were 35 risks on the health board risk register, with the scores ranging from 12 to 25, with the highest noted as:

- Access to unscheduled care;
- Target breaches to radical radiotherapy treatment;
- SACT (systemic anti-cancer treatment);
- Infection control;
- TAVI (*transcatheter aortic valve implantation) service;*
- Ophthalmology clinic capacity;
- Access to planned care services;
- Access to cancer services;
- Screening for fetal growth assessment in-line with gap-grow;
- CTG (cardiotocography) monitoring in labour wards;
- Coronavirus pandemic;
- Adolescents being admitted to adult mental health wards;
- Data centre outages.

Actions being taken to manage these risks are included on the health board risk register.

❖ Managing Risks

While the Audit Committee has the overarching responsibility for overseeing risk management, it has delegated relevant risks to each of the other board sub-committees to ensure their work programmes are aligned to these to ensure they review and receive reports on the progress made to mitigate key risks as far as possible.

In 2019-20, the health board managed a number of risks, including:

- *TAVI*

In 2017, the health board became aware of prolonged waiting times for TAVI procedures. A review of cases was commissioned by the Royal College of Physicians, followed by a site visit and a second cohort review, to determine if the length of wait contributed to the death of some of the patients on the waiting list. The findings were received in the last quarter of the year and a comprehensive action plan and communications plan developed as the reports were made public during the board's March 2020 meetings. Prior to this, regular updates were provided to the Quality and Safety Committee and the board on the improvements made.

- *Ophthalmology*

In September 2019, the health board reported that it had a large number of patients (in excess of 10,000) who were beyond their target date waiting for follow-up appointments in ophthalmology, which was a common issue across Wales. This required an urgent and robust response, with executive level leadership, to reduce risk of harm to patients, reduce financial and reputational damage. An ophthalmology gold command was set up to coordinate and expedite mitigating action plans and monitoring of risk reduction. Regular reports regarding this are made to the Quality and Safety Committee.

- *Coronavirus*

The biggest risk currently faced by the health board is the Covid-19 pandemic, which started to impact on the organisation's ability to function as 'business as usual'. A gold command structure was quickly established to manage the health board's response and all non-urgent services, such as outpatients and elective surgery, were stopped. The pandemic had a significant impact on the health board's ability to function 'normally' and this is reflected in the performance data for the last quarter of the year. As the new financial year commences, the risk is still ongoing and the organisation will be significantly changed in the annual reports for 2020-21.

❖ Integrated Medium Term Plan

The organisation was unable to submit an IMTP in 2019-20 however it did submit a draft annual plan to the board in January 2019, which was approved, before it was received by Welsh Government, but without a financial plan due to the uncertainty around the Bridgend boundary change. While this had been resolved by autumn 2019, the planned and unscheduled care trajectories had been revised due to various pressures experienced during the year. As such, the board committed to revised unscheduled and planned care trajectories in October 2019 and accepted the need to change its financial forecast to a £12.3m deficit in November 2019 and then to £16.3m in February 2020. A quarterly report setting out progress against the annual plan is discussed at the Performance and Finance Committee prior to its submission to Welsh Government. On 18th March 2020, the health board received a letter from Welsh Government confirming that the IMTP/annual plan process was on pause to enable NHS Wales organisations to focus on the immediate actions needed in response to the Covid-19 pandemic.

- **Assessment Against Section 175 of the National Health Service (Wales) Act 2014**

Under the act, there are two requirements for the health board:

- to secure that expenditure does not exceed the aggregate of the funding allotted to it over a period of three financial years;
- to prepare a plan which sets out the strategy for securing compliance with the duty while improving healthcare, and for that plan to be submitted to and approved by Welsh Government.

For 2019-20, while the health board met its financial duty to breakeven against capital resource limit, it failed to meet its first requirement as it did not achieve financial balance, as set out below. In addition, as it did not have a three year plan approved by Welsh Government, it also failed to meet the second requirement.

	2017-18	2018-19	2019-20	**Total**
	£'000	£'000	£'000	£'000
Net operating costs for the year	1,129,492	1,143,379	930,886	**3,203,757**
Less general ophthalmic services expenditure and other non-cash limited expenditure	726	1,484	993	**3,203**
Less revenue consequences of bringing PFI schemes onto SoFP	(1,551)	(1,684)	(1,925)	**(5,160)**
Total operating expenses	1,128,667	1,143,179	929,954	**3,201,800**
Revenue Resource Allocation	1,096,250	1,133,300	913,670	**3,143,220**
Under /(over) spend against Allocation	(32,417)	(9,879)	(16,284)	**(58,580)**

❖ Development of the Annual Plan 2020-21

The intention for 2019-20 had been to develop an approvable IMTP for 2020-23, and the work throughout the year was reported to the board, as it was seen as an enabler to support the health board in improving its escalation status. At a meeting with Welsh Government in January 2020, while the feedback on the work to date had been positive, an expectation had been raised that there needed to be a detailed one-year plan within a three-year plan, to be submitted by the end of March 2020. The capital, performance and financial plans were scrutinised by the Performance and Finance Committee in February, at which it was felt that a significant amount of work was still needed, particularly in terms of the financial plan, and as such a special board meeting was arranged for early March 2020 to consider the revisions prior to members being asked to agree the plan at its scheduled meeting in March 2020. However, due to the emerging Covid-19 situation, the decision was made to submit the plan to Welsh Government at the same time it was shared with the board as a point in time document.

❖ Corporate Governance Code

For NHS Wales, governance is defined as 'a system of accountability to citizens, service users, stakeholders and the wider community, within which healthcare organisations work, take decisions and lead their people to achieve their objectives". This ensures NHS bodies are doing the right things, in the right way, for the right people, in a manner that upholds the values set for the public sector.

An assessment of compliance with the code was undertaken in April 2020 and reported to the Audit Committee in May 2020 which found no departures from the code, although it did note that the review of board effectiveness, taking account of unit based self-assessments against the health and care standards has been deferred due to the Covid-19 pandemic.

Breaches in standing orders are reported to the Audit Committee, with one discussed in July 2019 relating to the refurbishment to ward 12 at Singleton Hospital following a fire. A building contractor was engaged to undertake the remedial work and a retrospective single tender action form was completed for £310,786.67, excluding VAT (value-added tax) a month after the work had commenced. While there were clear reasons for the need for the work to start as soon possible to ensure service continuity, the course of action did not meet the requirements of public contract regulations or the health board's standing financial instructions, as time constraints are not a justifiable reason for a single tender action. While no remedial action could be taken, it was agreed that procurement would be engaged earlier in the process in future to determine a viable and compliant strategy.

In addition, the failure to meet the two financial duties as discussed earlier in the report is also a breach in standing orders and standing financial instructions.

❖ Health and Care Standards

The current standards came into being in April 2015 and form Welsh Government's common framework of standards to support NHS Wales and partner organisations to provide effective, timely and quality healthcare services. Its framework incorporates the 'Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'. They place the patient at the centre, emphasising the importance of strong leadership, governance and accountability.

Swansea Bay University Health Board has fully embedded the standards within its quality and safety governance processes, to help ensure we deliver on our aims and objectives for the delivery of safe, high quality health services. We do this through routine governance and a self-assessment against the standards across all activities, with service directors, unit medical and unit nurse directors collectively responsible for

embedding and monitoring the standards within their areas. Furthermore, reporting on the standards through governance groups and committees ensures registered risks are incorporated and acted upon.

In October 2019, a health and care standards group was introduced to manage and oversee the self-assessment process. In addition, mini scrutiny panels were established to oversee submissions received from service delivery units, in readiness for the annual year-end self-assessment report, which is submitted to the board, and Quality and Safety Committee for approval. The scrutiny panel membership comprises representatives from workforce, health and safety, public health, infection control and performance.

❖ Equality, Diversity and Human Rights

The health board is committed to treating everyone fairly and does not tolerate discrimination on the grounds of age, disability, gender identity, marriage or civil partnership status, pregnancy or maternity, race or nationality, religion or belief, sex or sexual orientation. To support this, equality objectives were set as part the strategic equality plan 2017-20, which identifies the actions that will drive forward progress of achieving these. An annual update on progress is provided to the Workforce and OD Committee, who, in February 2020, agreed the strategic equality plan for 2020-24. Examples of key equality highlights for 2019-20 include:

- Three nurses were nominated for the inaugural Learning Disability and Autism Awards for the learning disability nurse award, and one of whom, Denise Bromfield, was the winner;
- The Wales Fertility Institute worked with the Pride Cymru staff to raise awareness of IVF (invitro fertilisation) services to the LGBT+ (lesbian, gay, bisexual, trans) community;
- A speech and language therapist, Rhian Grounds, teamed up with a mum to write a book based on their experiences communicating with children with autism;
- Staff from mental health and learning disabilities worked together to promote World Suicide Prevention Day;
- The wellbeing champions' network has been developed and expanded with more than 340 staff members trained;
- 'Mindful Menopause' workshops were rolled out;
- Work continues to embed the 'Living our Values' programme;
- An increase in four rankings in the Stonewall workplace equality index to 150.

❖ Emergency Preparedness, Civil Contingencies and Disaster Recovery

The health board must be capable of responding to incidents of any scale, in a way that delivers optimum care and assistance to those affected, minimises the disruption and has a timely return to 'business as usual'. As part of the Civil Contingencies Act (2004), the organisation is required to show that it can deal with such incidents while maintaining critical services, and is a category one responder as defined in the Act, making it accountable for six civil protection duties, including risk assessment and emergency planning.

There is a specific emergency preparedness, resilience and response (EPRR) risk register, which is aligned with that of the one nationally and regionally, and is reviewed quarterly. It includes the necessary scorings and mitigations to either manage or tolerate the risks identified and there is an EPRR strategy, training and exercising strategy and programme. All related work is overseen by the EPRR strategy group which includes representation from each unit, health board-wide services and corporate departments. The six civil duties are the foundation for the EPRR work programme and emergency planning arrangements, together with a health board lessons identified register and as such, there are a range of response plans in place for the high risks, incorporating appropriate lessons identified to ensure maximum resilience. There is full engagement with the Local Resilience Forum where there are category one and two responders. In addition, there is full engagement with Welsh Government health emergency planning, where there are three distinct groups; mass casualties, pre-hospital and training and exercising; overseen by the Emergency Planning Advisory Group. In addition the health board works in collaboration with other appropriate local and national groups and in particular, there is excellent collaboration with other health boards, Welsh Ambulance Service Trust (WAST), Welsh Blood Service and Public Health Wales.

The health board is also represented at the Wales Counter Terrorism Prepare Delivery Group in order that there is preparedness in terms of potential threats as well as providing a facility to identify hazards. Annual updates are provided to the board while the executive team is kept up to date on a quarterly basis, sometimes sooner if there is a need to do so.

Over recent months the health board has been fully engaged in the preparedness for Brexit and currently the preparedness arrangements for the rising tide emergency associated with Wuhan Novel Coronavirus as it has been declared a global emergency of world interest. Consequently, full command, control and coordination structures are in place in accordance with the health board pandemic plan; this is in conjunction with close collaboration with other partners in order that the health board is as prepared as possible to respond to the consequences arising from this high consequence disease.

During December 2019, the health board declared a major incident as a result of a bus collision with a railway bridge and the major incident procedure was successfully invoked in order to respond to the incident. In addition, there have been incidents during 2019 and January 2020, where the health board business continuity procedure was invoked to respond safely and effectively. As standard practice, a debrief has been held and a report is currently being compiled. The lessons identified will be captured on the lessons identified register and will help to inform health board emergency response procedures and consequently improve resilience.

❖ Data Security

Information governance is robustly managed within the health board and the framework includes the following:

- An information governance group whose role it is to support and drive the board agenda and provide the health board with the assurance that effective information governance best practice mechanisms are in place;

- A Caldicott Guardian whose role it is to safeguard patient information;
- A Senior Information Risk Owner (SIRO) whose role it is to manage information risk from a corporate viewpoint;
- A data protection officer whose role it is to ensure the health board is compliant with data protection legislation;
- Information governance group leads within each unit and corporate department whose role it is to champion within their areas.

The health board actioned a dedicated work plan to enable organisational compliance with the new data protection legislation that came into force in May 2018. The health board continues to improve its data protection compliance via a number of measures, and assurances that the organisation has compliant information governance practices are evidenced by:

- Quarterly reports to the information governance group, including key performance indicators;
- A detailed operational strategic work plan, taken to the information governance group quarterly, detailing progress made against actions required to ensure compliance with data protection legislation;
- A raft of information governance and information security policies, procedures and guidance documents;
- An Information Commissioner's Office (ICO) commended intranet site;
- A comprehensive biannual mandatory training programme for all staff, including proactive targeting of any staff who are non-compliant;
- A proactive audit programme across the health board;
- A robust management of all reported breaches, including proactive reporting to the ICO;
- An information asset register used to manage information across the health board;
- Registers of data sharing agreements and of data protection impact assessments taken to information governance group quarterly;
- Report taken to information governance group quarterly of identified and managed health board-wide risks;
- Audit reports from Welsh Audit Office and internal audit;
- Annual senior information risk owner (SIRO report;
- Information governance group chair's assurance report taken to both Audit Committee and the executive team following all meetings.

Under the new data protection legislation, those breaches reaching the agreed threshold score must now be reported to the ICO. All information governance incidents are reviewed by the information governance group, and during the year, there were seven relating to data security that required reporting. All information governance incidents have been investigated internally, whether ICO reportable or not. Support and co-operation has been provided to the ICO to inform their investigations if the breach met the reporting threshold.

Of the seven reportable incidents, six have been closed by the ICO, with no further action considered necessary, but recommendations were made which have been actioned by the health board.

Breach Summary	Actions Taken	Information Commissioner Status
Patient health screening questionnaire containing medical information was sent to the wrong address	• Apology provided • Review of administrative processes to avoid duplicate breach • Information governance training requirements considered • Information governance audit undertaken	Closed
Disclosure of information about patient in attendance to clinic	• Apology provided • Disciplinary process followed, but member of staff left health board so was not completed • Information governance audit undertaken	Closed
Letter sent to wrong address due to incorrect typing of house number. Letter contained sensitive information relating to a child's attendance at the children's centre	• Apology provided • Requested return of letter for destruction • Review of administrative processes to avoid duplicate breach • Information governance training requirements considered • Jointly reported with Cwm Taf Morgannwg University Health Board; ICO closed both reports	Closed
Secure address accidentally disclosed to father by letter. Actual address later determined to be incorrect, however due to the postcode being	• Apology provided • Review of administrative processes to avoid duplicate breach	Closed

within the same vicinity, there was still a potential risk of impact.	• Information governance training requirements considered • Information governance audit undertaken	
Alleged inappropriate access of records and subsequent disclosure. Disciplinary process commenced.	• Disciplinary process followed • Information governance training requirements considered • Information governance audit undertaken	Sent further info to ICO, remains open
Doctor's bag believed to have been stolen from registrar office. Bag contained patient lists and referral letters. Bag was later found within an office on site with the content intact – ICO notification subsequently withdrawn.	• Non-event as bag was later found in tact • Information governance training requirements considered • Information governance audit undertaken	Closed (notification with-drawn)
Legal defence documents relating to a clinical claim stolen from car of barrister working on behalf of health board.	• The theft was reported to the police – the bag had been kept in a locked boot out of sight and parked in a recognised council parking area • Review of contracts	Closed

❖ Ministerial Directions

Welsh Government has issued non-statutory instruments and Welsh health circulars (WHC)since 2014-15, and a list of ministerial directions circulated for 2019-20 can be found on the Welsh Government website. All relevant directions have been fully considered and implemented appropriately, with Welsh health circulars logged corporately and an executive lead assigned, as well as reported to the board. The ones which had particular reference to the governance of the organisation were:

Ministerial Direction/ Date of Compliance	**Year of Adoption**	**Action to demonstrate implementation/response**
WHC 2019 (027) Model Standing Orders, Reservation and Delegation of Powers	2019	Standing orders amended and approved by board
Ministerial Direction referred to in letter from	2019	Following the letter the Director General on the

Dr Andrew Goodall on 19th December 2019 Action on 2019-20 Pension Tax Impacts	19th December 2019, all health board medical staff were made aware of the all-Wales position regarding pensions and the ongoing tax implications and details circulated to all staff affected. The Medial Director issued communication to all medical staff backed up with detailed discussions through the local negotiating committee and local British Medical Association representatives

❖ Welsh Language

The health board is committed to ensuring Welsh and English languages are treated equally in the services provided to the public and other organisations, both internal and external to NHS Wales, which is in line with the Welsh language scheme as well statutory legislation including the Welsh Language Standards (No7) Regulations which were approved in March 2018 and replaced existing schemes. It is recognised that care and language go hand-in-hand, with many people only able to communicate and participate in their care through Welsh.

A Welsh language delivery group was re-introduced on the 14th May 2019 with the purpose of supporting the board in discharging its responsibilities for organisation-wide compliance with the statutory Welsh language standards, for leading and monitoring delivery against bilingual service delivery and the supporting improvement plan with the aim of improving service user experience. This will be achieved by informing its agenda, determining its priorities and carrying out tasks and duties in accordance with the agreed cycle of business.

Progress against delivering and embedding Welsh language into the organisation includes:

- Fully bilingual internet site;
- Welsh language publication protocol implemented to support staff in the requirements for the publication of bi-lingual documentation;
- Social media accounts are bi-lingual with guidance provided to the owners on the requirements of the standards;
- A bi-lingual clinical appointment reminder texting service has been launched in phases across all of the main specialities. The default first text received is bi-lingual, and from that point forward the patient may specify whether they wish to receive further texts in Welsh or English;

- All patient letters are available bilingually. These include referral acknowledgment, day case and inpatient and outpatient appointment confirmations;
- Proactive communication and marketing campaign to promote the Welsh language across the organisation and distributing Welsh language marketing materials to staff, e.g. posters, mouse mats at various events.

The health board is recording the lowest level of recording of Welsh language competency of staff across NHS Wales which is an area of concern highlighted by the Welsh Language Commissioner. The units are working to identify the Welsh Language competency of staff, staff who are willing to be recognised as Welsh speakers for the purpose of engaging with patients and staff who have an interest in learning Welsh or strengthening their existing Welsh language skillset, for example building confidence in staff who can speak Welsh but are reluctant to converse in Welsh in the workplace.

Review of Effectiveness

As accountable officer, I have responsibility for reviewing effectiveness of the system of internal control. This is informed by the work of internal audit and executive directors who are responsible for the development and maintenance of the internal control framework and comments made by external auditors. Work has continued to improve the performance information provided to the board and its committees so that it can be assured on its accuracy and reliability as well as ensure the achievement of organisational objectives. As part of the implementation of the board assurance framework, committees now have delegated responsibilities to monitor developments in their areas, as the board is accountable for maintaining a sound system of internal control which supports the delivery of the organisation's objectives, primarily through the Audit and Quality and Safety committees.

❖ Internal Audit

Internal audit provides me, as accountable officer, and the board through the Audit Committee, with a flow of assurance on the systems 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 (NWSSP). The scope of this work is agreed with the Audit Committee and is focused on significant risk areas and local improvement priorities.

The overall opinion provided by the head of internal audit on governance, risk management and control is an outcome 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.

As a result of the Covid-19 pandemic and the response to it by the health board, the audit programme was not completed in full. However, the head of internal audit has concluded that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the public sector internal audit standards. The findings of each review that was completed and the actions agreed, and

where possible, already taken, are summarised in the head of internal audit's annual report.

- **Head of Internal Audit Opinion**

The scope of the opinion is confined to those areas examined in the risk based audit plan, which has been agreed with senior management and approved by the Audit Committee. The head of internal audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

The head of internal audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

 - + Reasonable	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.

Basis for Forming the Opinion
In reaching the opinion, the head of internal audit has applied both professional judgement and the audit and assurance "*Supporting criteria for the overall opinion*" guidance produced by the director of audit and assurance, which is shared with key stakeholders.

Further information on the limitations to the audit opinion and the period it covers are set out in the Head of Internal Audit Opinion and Annual Report 2019-20.

The head of internal audit has concluded that *limited assurance* can be reported for the following domains:

- Corporate governance, risk and regulatory compliance.

Reasonable assurance can be reported for:

- Clinical governance, quality and safety;
- Strategic planning, performance management and reporting;
- Financial governance and management;
- Information governance and security;
- Operational services and functional management;
- Workforce management
- Capital and estates.

During the year, internal audit issued final audit reports with a conclusion of *limited* assurance in the following areas:

- Risk management and board assurance framework;

- Declarations of interest, gifts and hospitality;
- Health and safety;
- Annual plan: quality impact assessment;
- Procurement (no purchase order/no pay);
- World Health Organisation (WHO) checklist;
- Unit governance: primary care and community services;
- HTA (Human Tissue Act) mortuary (part two);
- Capital systems - financial safeguarding;
- Estates assurance: management of contractors;

Action plans have been agreed to improve performance in these areas. Progress will be monitored through the Audit Committee, with follow up internal audit reviews where necessary. Reports issued in draft (nine), or not concluded within the 2019-20 reporting period (one), will be subject to the same management consideration, action and monitoring arrangements as those already finalised.

Some planned assignments were deferred during the year following Audit Committee approval and carried forward into future audit planning. These are:

- Fire safety;
- Clinical governance;
- Mortality reviews;
- IT digital strategy: clinical information reporting;
- Consultant contract job planning;
- Locum on Duty;
- ARCH (A Regional Collaboration for Health).

Further detail on all audit work is included within Audit Committee papers and the Head of Internal Audit Opinion & Annual Report 2019-20.

❖ External Audit

The Auditor General for Wales issued a qualified opinion on the 2018-19 financial statements, and in doing so, brought the following to the attention of the Audit Committee and the board:

> *"I have concluded that the health board's accounts were properly prepared and materially accurate, and my work did not identify any material weaknesses in the health board's internal controls relevant to my audit of the accounts. I have therefore issued an unqualified opinion on their preparation.*
>
> *"The health board did not achieve financial balance for the three-year period ending 31 March 2019 and so I have issued a qualified opinion on the regularity of the financial transactions within its 2018-19 accounts.*
>
> *"Alongside my audit opinion, I placed a substantive report on the health board's financial statements to highlight its failure to achieve financial balance and also its failure to have an approved three-year plan in place."*

The organisation's financial planning and management arrangements, governance and assurance arrangements and progress on improvement issues identified in the previous year's structured assessment were examined by Wales Audit Office and it was concluded that:

> *"The health board is organising itself to deliver an ambitious transformation programme. There is a systematic approach to strengthening governance arrangements, including important aspects of quality governance. Progress is being made to address workforce issues. However, action to improve finances and performance have not yet secured the improvements needed. It is unlikely that the health board will achieve financial balance in 2019-20;*
>
> *"The health board has made progress in applying the sustainable development principle but recognises there is more work to do;*
>
> *"My performance audit work has identified positive progress in addressing issues identified by previous audits but there is scope to secure further improvements."*

To inform the board as to compliance with governance standards and wider frameworks, the structured assessment for 2019 identified governance arrangements and improvements throughout the year. These included starting the implementation of the clinical services plan, an ambitious transformation programme, a focus on delivering greater value and efficiency, displaying visible leadership and strengthening overall governance but is aware that there is more to do in some aspects of quality governance and a more strategic approach to workforce management and, while acting to address workforce risks, recognises further opportunities and challenges.

The full structured assessment report is available from Wales Audit Office's website and the management actions have been incorporated into the governance work programme monitored through the Audit Committee.

Conclusion

As accountable officer, and based on the process outlined above, I have reviewed the relevant evidence and assurance relating to internal control. While the challenges faced remain similar to those outlined in 2018-19, with the support of the board there is confidence these can be addressed and improvement in governance has been demonstrated. Work is continuing to develop an IMTP deemed approvable as well as a focus on improving quality, reducing waiting times and improving access.

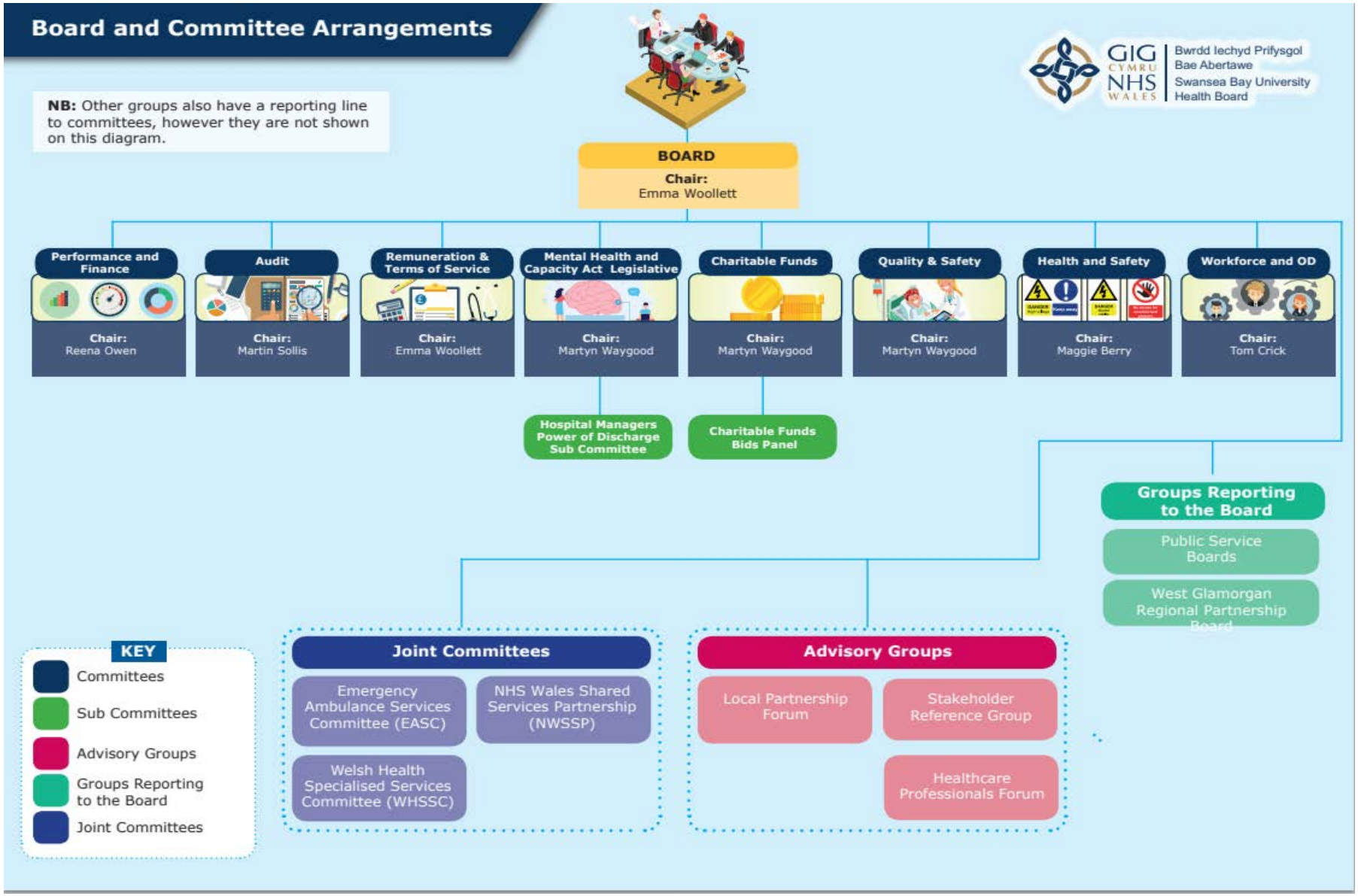
This governance statement highlights positive improvements in strengthening governance arrangements while at the same time addressing the challenges of being in targeted intervention, and I am confident that we have plans in place to address the weaknesses highlighted within the statement. As an organisation, there is disappointment with the number of areas that have received a limited assurance rating from internal audit and work is continuing to strengthen and improve its services.

While the last year has been difficult and challenging, some stability and progress was beginning to be made prior to the outbreak of Covid-19. My review has concluded that the health board has a generally sound system of internal control that supports the achievement of policies, aims and objectives, and no significant issues have been identified. Detailed action plans have been agreed to improve performance in all areas and these will be monitored through the governance structure.

As indicated throughout this statement, the need to plan and respond to the Covid-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020-21 and beyond. I will ensure our governance framework considers and responds to this need.

Tracy Myhill
Chief Executive
Swansea Bay University Health Board

Appendix 1 – Board and Committee Structure



Appendix Two – Board and Committee Meeting Dates

The following table outlines dates of Board and Committee meetings held during 2019-20, highlighting and meetings that were not quorate:

Board/Committee	Dates in 2019-20											
Health Board	30th May 2019	25th July 2019	26th September 2019	28th November 2019	30th January 2020	27th February 2020	16th March 2020	26th March 2020				
Audit Committee	16th May 2019	18th July 2019	19th September 2019	21st November 2019	16th January 2020	12th March 2020						
					Not Quorate							
Mental Health Legislation Committee	9th May 2019	8th August 2019	7th November 2019	6th February 2020								
Remunerations and Terms of Service Committee	27th June 2019	28th November 2019	30th January 2020	27th February 2020								
Charitable Funds Committee	24th June 2019	30th September 2019	17th October 2019 (Accounts)	9th December 2019	23rd March 2020							
					Cancelled							

Performance and Finance Committee	16th April 2019	21st May 2019	18th June 2019	16th July 2019	20th August 2019	17th September 2019	22nd October 2019	19th November 2019	17th December 2019	28th January 2020	25th February 2020	24th March 2020
Quality and Safety Committee	18th April 2019	20th June 2019	22nd August 2019	24th October 2019	12th December 2019	28th January 2020	25th February 2020	24th March 2020				
Workforce and OD Committee	23rd April 2019	28th May 2019	28th June 2019	23rd July 2019	27th August 2019	25th September 2019	30th October 2019	21st November 2019	17th December 2019	20th February 2020		
Health and Safety Committee	3rd June 2019	2nd September 2019	2nd December 2019	3rd March 2020								

Appendix Three – Board and Committee Membership

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 term and conditions of appointment, Board members also fulfil a number a Champions roles where they act ambassadors for these matters.

Name	Position	Area of Expertise Representation Role	Board Committee Membership	Champion Roles
Andrew Davies	Chair (until June 2019)	N/A	• Health Board (Member)	
Emma Woollett	Interim Chair	N/A	• Health Board (Member)	• Whistleblowing Champion
Jackie Davies	Independent Member	Staff Side	• Health Board (Member) • Mental Health Legislative Committee (Member) • Charitable Funds Committee (Member) • Quality and Safety Committee (Member) • Workforce and OD Committee (Member) • Health and Safety Committee (Member) • Remuneration and Terms of Service Committee (Member)	• Staff Side Champion • Veterans Champion
Maggie Berry	Independent Member	N/A	• Health Board (Member) • Mental Health Legislative Committee (Member) • Remuneration and Terms of Service Committee (Member) • Quality and Safety Committee (Former Chair) • Health and Safety Committee (Chair)	• Catering and Nutrition Champion • Older Person Champion

Name	Position	Area of Expertise Representation Role	Board Committee Membership	Champion Roles
Mark Child	Independent Member	Local Authority	• Health board (Member) • Remuneration and Terms of Service Committee (Member) • Performance and Finance Committee (Member)	• Young Person's Champion
Martin Sollis	Independent Member	Finance	• Health Board (Member) • Audit Committee (Chair) • Remuneration and Terms of Service Committee (Member) • Charitable Funds Committee (Member) • Performance and Finance Committee (Member)	
Martyn Waygood	Interim Vice Chair	Legal	• Health Board (Member) • Mental Health Legislative Committee (Member) • Remuneration and Terms of Service Committee (Member) • Charitable Funds Committee (Chair) • Health and Safety (Former Chair) • Quality and Safety Committee (Chair)	• Complaints Champion • Health and Safety Champion
Tom Crick	Independent Member	ICT	• Health Board (Member) • Health and Safety Committee (Member) • Audit committee (Member) • Workforce and OD Committee (Chair) • Remuneration and Terms of Service Committee (Member)	• Information Governance Champion • Welsh Language Champion

Name	Position	Area of Expertise Representation Role	Board Committee Membership	Champion Roles
Reena Owen	Independent Member (From August 2019)	Community	• Health Board (Member) • Quality and Safety Committee (Member) • Health and Safety Committee • Remuneration and Terms of Service Committee (Member) • Performance and Finance Committee (Chair)	• Public Health and Carers Champion
Nuria Zolle	Independent Member	Third Sector	• Health Board (Member) • Workforce and OD Committee (Member) • Health and Safety Committee (Member) • Remuneration and Terms of Service Committee (Member) • Audit Committee (Member)	
Julian Hopkin	Independent Member (April 2019 to November 2019)	University	• Health Board (Member)	
Alison Stokes	Associated Board Member (until Jan 2020)	Stakeholder Reference Group	• Health Board (Member)	
Malcolm Lewis	Associated Board Member (until November 2019)	Clinical	• Health Board (Member)	
Andrew Jarrett	Independent Member	Social Services	• Health Board (Member)	

Executive Directors				
Name	**Position**	**Area of Expertise Representation Role**	**Board Committee Membership**	**Champion/Other Roles**
Tracy Myhill	Chief Executive	N/A	• Health Board (Member) • Remuneration and Terms of Service Committee (in attendance)	• Emergency Ambulance Services Committee (Member)
Lynne Hamilton	Executive Director of Finance (until March 2020)	Finance	• Health Board (Member) • Audit Committee (In attendance) • Chartable Funds (Lead Director/Member) • Performance and Finance (Lead Director/Member)	
Gareth Howells	Director of Nursing and Patient Experience	Nursing	• Health Board (Member) • Audit Committee (In attendance) • Mental Health Legislative Committee (Lead Director/In attendance) • Quality and Safety Committee (Lead Director/In attendance) • Health and Safety Committee (Lead Director/In attendance) • Workforce and OD Committee (In attendance)	

Name	Position	Area of Expertise Representation Role	Board Committee Membership	Champion/Other Roles
Sandra Husbands	Director of Public Health (until Oct 2019)	Public Health	• Health Board (Member) • Quality and Safety Committee (In attendance) • Health and Safety Committee	
Hazel Robinson	Director of Workforce and OD	Workforce	• Health Board (Member) • Remuneration and Terms of Service Committee (Lead Director/In attendance) • Workforce and OD (Lead Director/In attendance) • Health and Safety Committee (in attendance)	• NHS Wales Shared Services Partnership Committee (NWSSP) Member
Sian Harrop-Griffiths	Director of Strategy	Strategic Planning	• Health Board (Member) • Charitable Funds Committee (Member) • Performance and Finance Committee (Member)	• West Glamorgan Partnership Board • ARCH Programme Board Member • Design Champion
Richard Evans	Medical Director	Medical	• Health Board (Member) • Quality and Safety Committee (In attendance) • Workforce and OD Committee (In Attendance)	• ARCH Programme Board • Advisory Committee on Clinical Excellence Awards
Chris White	Chief Operating Officer Director of therapy and Health Science (From November 2018)	Operations Therapies and Health Science	• Health Board (Member) • Mental Health Legislative Committee • Performance and Finance (Member) • Quality and Safety Committee (In Attendance) • Workforce and OD Committee (In Attendance) • Health and Safety Committee	

Name	Position	Area of Expertise Representation Role	Board Committee Membership	Champion/Other Roles
Keith Reid	Director of Public Health (interim from October 2019, substantive from March 2020)	Public Health	• Health Board (Member) • Quality and Safety Committee (In attendance	
Darren Griffiths	Interim Director of Finance (from February 2020)	Finance	• Performance and Finance (Lead) • Audit Committee (in attendance) • Health Board (Member) • Charitable Funds (Member)	

Appendix Four – Members' Attendance at Meetings

	Health Board	Audit Committee	Mental Health and Capacity Act Legislation Committee	Remuneration & Terms of service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Workforce and OD Committee	Health and Safety Committee
Number of meetings	**12**	**6**	**4**	**5**	**4**	**11**	**7**	**7**	**5**
Andrew Davies Chair (until June 2019)	3			2					
Emma Woollett Vice Chair (until June 2019)	9		1	5		5	1		
Jackie Davies Independent Member	7		4	1	2	3	4	6	5
Maggie Berry Independent Member	12		3	2		7	5		5
Mark Child Independent Member	7	2				5			
Martin Sollis Independent Member	12	6		4	4	11			
Martyn Waygood Interim Vice Chair	11	3	4	3	4		7		4

	Health Board	Audit Committee	Mental Health and Capacity Act Legislation Committee	Remuneration & Terms of service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Workforce and OD Committee	Health and Safety Committee
Number of meetings	**12**	**6**	**4**	**5**	**4**	**11**	**7**	**7**	**5**
Tom Crick Independent Member	9	5		1				7	
Reena Owen Independent Member	11			1		6	7	4	4
Nuria Zolle Independent Member (From October 2019)	4	2	1	1		1	1	1	
Julian Hopkin Independent member (April – November 2019)	2								
Tracy Myhill Chief Executive	10			5					
Lynne Hamilton Director of Finance	9	4			4	9			
Gareth Howells Director of Nursing and Patient Experience	11	4	3			1	6	4	4

	Health Board	Audit Committee	Mental Health and Capacity Act Legislation Committee	Remuneration & Terms of service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Workforce and OD Committee	Health and Safety Committee
Number of meetings	**12**	**6**	**4**	**5**	**4**	**11**	**7**	**7**	**5**
Sandra Husbands Director of Public health (Until October 2019)	4						1		1
Hazel Robinson Director of Workforce and OD	11			5				6	3
Siân Harrop-Griffiths, Director of Strategy	12				2	7	2		1
Richard Evans Medical Director	12						5	6	
Chris White Chief Operating Officer and Director of Therapies and Health Sciences	10		3			9	1		2
Keith Reid Director of Public Health (from Oct 2019)	6						3		
Darren Griffiths Interim Director of Finance (from February 2020)	2	1				2	1		1

	Health Board	Audit Committee	Mental Health and Capacity Act Legislation Committee	Remuneration & Terms of service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Workforce and OD Committee	Health and Safety Committee
Number of meetings	12	6	4	5	4	11	7	7	5
Alison Stokes Associated Board Member (until Jan 2020)	2								
Malcolm Lewis Associated Board Member (until November 2019)	2								
Andrew Jarrett, Independent Member	6								

*Due to the turnover of Independent Members, the membership of committees have been reviewed and updated throughout the year. These are outlined below. Also, as part of their induction, new independent members attended at least one meeting of each committee. Finally from October 2019, all independent members were invited to attend the Remuneration & Terms of Service Committee.

Emma Woollett:	Chair Member of Performance & finance Committee until October 2019 Chair Member of Mental Health Legislative Committee until June 2019
Mark Child:	Member of Audit Committee until October 2019 Member of Performance & Finance from October 2019
Maggie Berry:	Member of Performance & Finance Committee until January 2020
Martyn Waygood:	Member of Audit Committee until September 2019
Reena Owen:	Chair of Performance & Finance Committee from October 2019

Appendix Five – Summary of Topics Considered by the Board and Key Committees

❖ Health Board Meetings

Reports Received
Strategic Items ● To receive and note a report on the development of an integrated medium term plan (IMTP) and clinical ● To receive a report on the Bridgend Boundary Change ● To receive a report on the implementation of the adult thoracic programme ● To receive an update on digital inclusion **Quality, Safety & Performance** ● To receive a report on maternity services ● To receive a report on the implementations of the Nurse Staffing Act ● To receive the Health Board Performance Report ● To receive a report on Financial Position to 30th April 2019 **Items for Approval** ● To receive a report on key issues discussed at the following board committee: (i) Health and Safety Committee (ii) Audit Committee (iii) Workforce and Organisational Development Committee (iv) Mental Health Legislation Committee (v) Charitable Funds Committee ● To receive the minutes of the following joint committees: (i) ARCH Programme Board (ii) Joint Regional Planning & Delivery Committee (iii) Local Partnership Forum (iv) Stakeholder Reference Group
Reports Received
Quality, Safety & Performance ● To Receive the Health Board Performance Report ● To receive and note key issues reports form: (i) Performance and Finance Committee (ii) Quality and safety Committee (iii) Workforce and OF Committee (iv) Health and Safety Committee ● To receive a report on the Financial Position to 30th June 2019 **Strategic Items**

- To receive and note a report on the development of an integrated medium term plan (IMTP) and clinical services plan
- To receive a report in Singleton MIU
- To receive a report on partnerships
- To receive a report on the key issues discussed at:
    - (i) ARCH Programme Board
    - (ii) Joint Regional Planning Delivery Committee
- To receive carers' annual report
- To receive the research and development annual report

Governance

- To receive and approve a report on non-emergency patient transport
- To agree a report on the disposal of Glyneath and Resolven Clinics
- To receive a report on key issues discussed at the following board committees:
    - (i) Audit Committee
    - (ii) Charitable Funds Committee
- To receive the minutes of the minutes if the following joint committees:
    - (i) Welsh Health Specialised Services Committee
    - (ii) NHS Wales Shared Services Partnership
    - (iii) Joint Transition Board
- To receive a report on the key issues discussed at:
    - (i) Local Partnership Forum
- To receive and note a report on matters reported in-committee at the previous meeting
- To receive and note reports on Corporate Governance Issues

Reports Received

Quality, Safety & Performance

- To receive a report on the Public Services Ombudsman Annual Letter 2018-2019
- To receive a report on Singleton Minor Injury Unit (MIU)
- To receive and note key issues reports from:
    - (i) Performance and Finance Committee
    - (ii) Quality and Safety Committee
    - (iii) Workforce and OD Committee
    - (iv) Health and Safety Committee
- To receive the Health Board Performance Report as at 31st August 2019

Strategic Items

- To receive and approve the annual and financial plan 2019-20
- To receive and note the report on the development of the Three Year Plan and Clinical Services plan
- To receive an update on progress against that wellbeing of Future Generations Act

- To receive a report and approve on Sexual Assault Referral Clinic (SARC)
- To receive and approve a report on Adult Thoracic Surgery Service for South Wales
- To receive and note a report on recent meetings with NHS Wales Partnerships
- To receive and not a report on recent meetings on key external partnerships
- To receive the reports on recent meetings with advisory groups of the board:
    (i) Partnership Forum
    (ii) Stakeholder Reference Group

Governance

- To receive and approve the primary Care Strategic Reflections Report for period 2018-19
- To receive a report on key issues discussed at the following board committees:
    (i) Audit Committee
    (ii) Mental Health Legislation Committee
- To receive and note a report on matters reported in-committee at the previous meeting
- To receive and note a report on Corporate Governance

Reports Received

Quality, Safety and Performance

- To receive and note key issues reports from:
    (i) Performance and Finance Committee
    (ii) Quality and Safety Committee
    (iii) Workforce and OD Committee
- To receive the Health Board Performance Report as at 31st October 2019
- To receive a report on the health board risk register
- To receive and consider the recommendations to optimise the delivery of the Annual Plan 2019-20

Strategic Items

- To receive a report on the clinical services plan and integrated medium term plan (IMTP) 2020-21 to 22/23
- To receive and approve the winter plan 2019-20
- To receive and approve the major trauma business case
- To receive and discuss an update on compliance with the Nurse Staffing Levels (Wales) Act 2020
- To receive an update the implementation of the Guardian Service
- To receive a report on recent meetings with NHS Wales Partnership
- To receive a report on recent meeting on key external partnerships

- To receive the reports on recent meetings with advisory groups of the board:
    (i) Partnership Forum
    (ii) Stakeholder Reference Group (SRG)
- To receive an update on 'A Healthier Wales'

Governance

- To receive and approve the senior information risk owner (SIRO) annual report
- To receive and approve the formal transfer of assets and liabilities to Cwm Taf Morgannwg University Health Board
- To receive and approve revised standing orders
- To receive and approver he funding nursing care uplifts
- To receive a report on key issues discussed at the following board committees:
    (i) Audit Committee
    (ii) Charitable Funds Committee
- To receive a report on Corporate Governance Issues

Reports Received

Quality, Safety and Performance

- To receive and note key issues reports from:
    (i) Performance and Finance Committee
    (ii) Quality and Safety Committee
    (iii) Workforce and OD Committee
- To receive the Health Board Performance Report as at 31st December 2019
- To receive an update on the implementation of the winter plan
- To receive a report in response to the office of National Statistics release on drug-related deaths

Strategic Items

- To receive a report on the integrated medium term plan (IMTP) 2020/21 to 22/23
- To receive an update on the digital transformation programme
- To receive an update on voluntary sector funding and framework
- To receive a report on recent meetings on key external partnerships
- To receive an update on the transformation programme

Governance

- To receive a report on the major trauma governance, including operational delivery network framework
- To receive the health board's self-assessment and action plan against the Cwm Taf Morgannwg University Health Board quality governance review

- To receive a report on Wales Audit Office annual reports and structured assessment
- To receive an update on the board assurance framework
- To receive an update on Welsh Language
- To receive a report on key issues discussed at the following board committees:
    (i) Audit Committee
    (ii) Health and Safety Committee
    (iii) Mental Health Legislation Committee
- To receive a report in Corporate Governance Issues.

Reports Received

Quality, Safety and Performance

- To receive a deep dive on unscheduled care relating to ambulance waits and hospital to home

Strategic Items

- To receive the engagement document for the closure of Tonna Hospital

Reports Received

Quality, Safety and Performance

- To receive a report on Transcutaneous Aortic Valve Insertion (TAVI)
- To review a presentation from the Emergency Ambulance Services Committee
- To receive and note key issues reports from:
    (iv) Performance and Finance Committee
    (v) Quality and Safety Committee
    (vi) Workforce and OD Committee
- To receive a report on unscheduled care performance
- To receive the Health Board Performance Report as at 29th February 2020
- To receive a report on the Financial Position to 29th February 2020

Strategic Items

- To approve the Annual Plan 2020/21 in Three Year Contract
- To receive the budget and financial allocations
- To receive a report on recent meetings with NHS Wales Partnerships
- To receive the reports of the advisory groups:
    a. Local Partnership Forum
    b. Health Professional Forum
- To receive and approve the strategic equality objectives

Governance

- Long Term Agreement and service level agreements for 2020/21

- To receive a report on the operational delivery network framework for the major trauma network
- To receive a report on key issues discussed at the following board committees:
    (iv) Audit Committee
    (v) Health and Safety Committee
    (vi) Mental Health Legislation Committee
- To receive a report in Corporate Governance Issues.

❖ Audit Committee

Reports Received
Governance, Risk and Internal Controls ● Annual Governance Statement (Draft) ● Organisational Annual Report (Draft ● Standing Orders ● Risk Register ● Annual Quality Statement **Internal Audit** ● Progress and Audit Assignment Summary ● Internal Audit Opinion and Annual Report (Draft) **External Audit** ● Progress and Performance Report ● Clinical Coding Report ● 2018 Structured Assessment ● Audit enquiries to those charged with governance and management **Financial Focus** ● Finance Update ● Review annual accounts (Draft) ● Remuneration and staff report (Draft) ● Losses and Special Payments **Counter Fraud** ● Counter Fraud Annual Plan ● Counter Fraud Annual Report and Self-Assessment against NHS Protect standards. **Assurance Reports for Information** ● Audit Committee Annual Report (Darft)

❖ Quality and Safety Committee

Reports Received
Patient Story • Morriston Patient Story **Benchmarking, Learning and Quality Improvement** • Infection Control Report **Clinical and Service Quality Compliance and Performance** • Patients Experience Report • Annual Quality Statement • Performance Report **Governance and Risk Management** • NHS Wales Delivery Unit 90 day-review • HIW KW Action Plan • Quality Governance Review • Internal Audit Update • Quality and Safety Forum Update • External Inspections • Clinical Senate Council Report **Items for information** • GP Indemnity
Reports Received
Patient Story • Singleton Hospital **Benchmarking, Learning and Quality Improvement** • Infection Control Report • Safeguarding Report • Quality Impact Assessment **Clinical and Service Quality Compliance and Performance** • Performance Report • Admission of CAMHS Patients to Adult Mental Health Ward **Governance and Risk Management** • DU 90 Day review action plan • Internal Audit: Interim HTA report • External Inspections

- Clinical Senate Council Report
- Committee Annual Report
- 5.6 Committee Terms of Reference

Items for information
- NHS Wales National Clinical Audit and Outcome Review Plan

Reports Received

Patient Story

Neath Port Talbot Hospital

Benchmarking, Learning and Quality Improvement
- Infection Control Report
- Safeguarding Report
- Maternity Services Update

Clinical and Service Quality Compliance and Performance
- Performance Report
- Patient Experience Report
- Primary Care Dashboard
- Ward to Board Dashboard
- 4.5 Health and Care Standards self-assessment 2019-2020 report

Governance and Risk Management
- DU 90 Day review action plan
- Internal Audit: Interim HTA report
- External Inspections
- Clinical Senate Council Report
- Committee Annual Report
- 5.6 Committee Terms of Reference

Items for information
- NHS Wales National Clinical Audit and Outcome Review Plan

Reports Received

Benchmarking, Learning and Quality Improvement
- Paediatric Acute and emergency
- Infection Control Report
- Safeguarding
- Suicide Prevention Report
- Substance Misuse

Clinical and Service Quality Compliance and Performance
- Feedback following Quality and Safety Summit
- Quality and Safety Performance Report

- Screening for Fetal Growth in line with Gap Grow
- Older People's Strategy
- Provision for Children who require Specialist Mental Health Inpatient Care letter

Governance and Risk Management

- EMRTS Clinical Governance
- Primary Care Peer Review
- Quality and Safety Risk Register
- National Maternity and Perinatal Audit Report

Inspections

- Internal Audit Update
- External Inspections Report

Items for information

- Key Issues: Quality and Safety Forum
- HIW Action Plan and Annual Report 2018-2019
- Items for Information

Reports Received

Benchmarking, Learning and Quality Improvement

- Patient Story: Nicola's Story
- Notification to Handover Time Lost Report
- Paediatric Acute and Emergency Report
- Suicide Prevention Report
- Substance Misuse Report
- Infection Control Report

Clinical and Service Quality Compliance and Performance

- CAMHS Action Plan and Report to include TY Llidiard Strategy Report
- Quality and Safety Performance Report
- Patient Experience Report

Inspections

- Internal Audit
- Community Health Council Report
- External Inspections Report

Items for information

- Key Issues: Quality and Safety Assurance Group
- Update on Quality and Safety Governance Group Terms of Reference and Quality and Safety Framework Development

Reports Received

Benchmarking, Learning and Quality Improvement

- Patients Story: Hannah's Story
- Infection Prevention Control measures outside of hospital care, to include what the trajectory is and what advice is being provided to GPs
- Safeguarding

Clinical and Service Quality Compliance and Performance

- Unscheduled Care to include ambulance handovers and implications of unscheduled care for Quality and Safety
- Quality and Safety Performance Report to include a focus on planned care waiting lists and Primary Care Quality Data
- Mortality Review

Inspections

- Internal Audit
- Community Health Council Monitoring Returns to include Returns to include Primary Care Governance reports

Items for information

- Key Issues: Quality and Safety Governance Group
- Health Care Standards Update
- Items for information

Reports Received

Benchmarking, Learning and Quality Improvement

- Patient Story: Jamie's Story
- Infection Control to include a formal assessment and action plan regarding the health board's infection control risks, hotspots, themes and action being taken
- Update on cleaning and recruitment issues following Senior Leadership Team to include the action plan

Clinical and Service Quality Compliance and Performance

- Quality and Safety Performance Report
- Quality and Safety Governance Action Plan and Cwm Taf Morgannwg University Health Board Governance Review
- Health Board Plan for Suicide Prevention
- Key Issues: Quality and Safety Governance Group

Inspections

- World Health Organisation Surgical Safety Checklists

Reports Received
Benchmarking, Learning and Quality Improvement • Infection Prevention Control to include a breakdown of cleanliness levels and audits **Clinical and Service Quality Compliance and Performance** • Unscheduled Care update • Quality and Safety Performance Report • Patient Experience Report • Quality and Safety Governance Action Plan and Cwm Taf Morgannwg University Health Board Governance review • Major Trauma Network Clinical Guidelines **Inspections** • External Inspections to include Human Tissue Authority update

Appendix Six – Dashboard of Risks

Impact/Consequences						
	5				**4:** Infection Control **49:** TAVI Service **58:** Ophthalmology Clinic Capacity **16:** Access to Planned Care Services **50:** Access to Cancer Services **63:** Screening for Fetal Growth Assessment in line with Gap-Grow (G&G) **65:** CTG Monitoring in Labour Wards **68:** Coronavirus Pandemic **69:** Adolescents being admitted to Adult MH wards **70:** Data Centre outages	**1:** Access to Unscheduled Care Service **67:** Target breeches to Radical Radiotherapy Treatment **66:** SACT Treatment
	4				**03:** Workforce Recruitment of Medical and Dental Staff **11:** Healthcare Model for Aging Population **43:** DOLS Authorisation and Compliance with Legislation **45:** Discharge information **48:** Child & Adolescence Mental Health Services **37:** Operational and strategic decisions are not data informed **57:** Non-compliance with Home Office Controlled Drug Licensing requirements **61:** Paediatric Dental GA Service - Parkway	**64:** H&S Infrastructure **39:** IMTP Statutory Responsibility **42:** Financial Plan **62:** Sustainable Corporate Services **60:** Cyber Security
	3				**13:** Environment of Health Board Premises **36:** Electronic Patient Record **27:** Sustainable Clinical Services for Digital Transformation **41:** Fire Safety Regulation Compliance **52:** Engagement & Impact Assessment Requirements **51:** Compliance with Nurse Staffing Levels (Wales) Act 2016	**15:** Population Health Improvement **54:** No Deal Brexit **53:** Compliance with Welsh Language Standards
	2					
	1					
C X L		1	2	3	4	5
		Likelihood				

Remuneration and Staff Report

2019-20

This report provides information in relation to Executive Directors' and Independent Members' remuneration, and outlines the arrangements which operate within the Health Board to determine this. It also includes information on staff numbers, composition, sickness absence data, staff policies applied during the year, expenditure on consultancy, off-payroll engagements and exit packages.

1. The Remuneration and Terms of Services Committee

This Committee considers the remuneration and performance of Executive Directors in accordance with the policy detailed below.

The norm is for Executive Directors and very senior managers' salaries (those outside of Agenda for Change) to be uplifted in accordance with the Welsh Government identified normal pay inflation percentage. For 2019/20 there was a pay inflation uplift of 2% for Executive Directors and very senior managers in line with the pay award agreed nationally for NHS staff.

If there were to be an up-lift over and above this level, this would always be agreed as a result of changes in roles and responsibilities and with advice from an independent consultancy with specialist knowledge of job evaluation and executive pay within the NHS. The Remuneration and Terms of Services Committee would receive a detailed report in respect of issues to be considered in relation to any uplift to Executive Directors salaries (including advice from the Welsh Government) and having considered all the advice and issues put before them, would report their recommendations to the Health Board for ratification.

The Committee also reviews objectives set for Executive Directors and assesses performance against those objectives when considering recommendations in respect of annual pay uplifts. It should be noted that Executive Directors are not on any form of performance related pay.

The Remuneration and Terms of Services Committee is chaired by the Health Board's Chairman, and the membership includes three other Independent Members (Chairs of Board Committees). The Committee meets as often as required to address business and formally reports in writing its recommendations to the Health Board. Meetings are minuted and decisions fully recorded.

The Committee also recommends to the Board annual pay uplifts in respect of Executive Directors and very senior managers in the Health Board who are not within the remit of Agenda for Change. For 2019/20, the only uplifts recommended were an inflationary uplift of 2%.

2. Independent Members' Remuneration

Remuneration for Independent Members is decided by the Welsh Government, who also determine tenure of appointment.

3. Single Remuneration Report

The Single Total Remuneration for each Director and Independent Member for 2019/20 and 2018/19 are shown in the table below. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The salaries disclosed in the table below reflect new appointments and leavers during the financial years 2019/20 and 2018/19. Whilst the salaries disclosed relate to the period in post during the year, the NHS Pensions Agency is unable to attribute part year pension benefits to post holders and therefore, the full financial year Pension Benefits are shown. It should also be noted that the table below only includes Directors in post at the point that the NHS Pensions Agency provided the pension information to the health board in February 2020.

The value of pension benefits is calculated as follows: (real increase in pension[1] multiplied by 20) plus real increase in lump sum, less contributions made by the individual.

The pension calculation is based on information received from NHS BSA Pensions Agency included in the Disclosure of Senior Managers' Remuneration (Greenbury) 2020 report. Further details on the Single Total Remuneration figure from Cabinet Office can be found at the Employer Pension Notices website in EPN 571 (2019-20).

Names	Titles	2019/20					2018/19				
		Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000	Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000
A Davies	Chairman until 30th June 2019	15-20	0	0	0	**15-20**	65-70	0	0	0	**65-70**

[1] excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

Names	Titles	2019/20					2018/19				
		Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000	Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000
E Woollett	Interim Chairman from 1st July 2019. Vice Chairman from 1st April 2019 to 30th June 2019	65-70	0	0	0	**65-70**	55-60	0	0	0	**55-60**
M Waygood	Interim Vice Chairman from 23rd July 2019 Independent Member from 1st April 2019 to 22nd July 2019	40-45	0	0	0	**40-45**	15-20	0	0	0	**15-20**
T Myhill	Chief Executive	200-205	0	0	64	**265-270**	200-205	0	0	99	**295-300**
C White	Deputy Chief Executive from 4 February 2019. Chief Operating Officer, Director of Therapies and Health Science, Director of Primary, Community and Mental Health Services.	160-165	0	0	231	**390-395**	140-145	0	0	73	**215-220**
L Hamilton	Director of Finance from 1st April 2019 to 29th February 2020	200-205	0	0	36	**235-240**	135-140	0	0	32	**165-170**
D Griffiths	Interim Director of Finance from 2nd March 2020	10-15	0	0		**10-15**					
R Evans	Medical Director from 4th November 2018.	170-175	0	0	133	**305-310**	65-70	0	0	90	**155-160**

Names	Titles	2019/20					2018/19				
		Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000	Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000
A Roeves	Interim Medical Director from 1st October 2018 to 1st November 2018						10-15	0	0		**10-15**
P Mangat	Interim Medical Director from 26th July 2018 to 1st October 2018						35-40	0	0		**35-40**
H Laing	Medical Director to 31st July 2018						55-60	10-15	0		**70-75**
G Howells	Director of Nursing & Patient Experience from 16th July 2018	130-135	0	0	106	**235-240**	90-95	0	0	181	**270-275**
A Hopkins	Interim Director of Nursing & Patient Experience from 4th December 2017 to 13th July 2018						80-85	0	0		**80-85**
H Robinson	Director of Workforce & OD from 9th April 2018	125-130	0	0	26	**155-160**	125-130	0	0	215	**340-345**
K Lorenti	Acting Director of Human Resources from 1st October 2016 to 8th April 2018						0-5	0	0		**0-5**
C Morrell	Director of Therapies & Health Sciences from 6th February 2017 to 1st November 2018						55-60	0	0		**55-60**

Names	Titles	2019/20					2018/19				
		Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000	Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000
S Husbands	Director of Public Health from 1st April 2019 to 13th October 2019	70-75	0	0		**70-75**	115-120	0	0	46	**165-170**
K Reid	Interim Director of Public Health from 13th October 2019 until 29th February 2020. Director of Public Health from 1st March 2020	50-55	0	0	26	**75-80**					
S. Harrop-Griffiths	Director of Strategy	125-130	0	56	37	**170-175**	125-130	0	50	22	**150-155**
P Wenger	Director of Corporate Governance/Board	105-110	0	0	30	**130-135**	100-105	0	0	77	**180-185**
M Berry	Independent Member	15-20	0	0	0	**15-20**	15-20	0	0	0	**15-20**
C Phillips	Independent Member to 31st December 2018						10-15	0	0	0	**10-15**
M Sollis	Independent Member	15-20	0	0	0	**15-20**	15-20	0	0	0	**15-20**
T Crick	Independent Member	15-20	0	0	0	**15-20**	15-20	0	0	0	**15-20**
M Child	Independent Member	15-20	0	0	0	**15-20**	15-20	0	0	0	**15-20**
R Owen	Independent Member from 10th August 2018	15-20	0	0	0	**15-20**	10-15	0	0	0	**10-15**

Names	Titles	2019/20					2018/19				
		Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000	Salary (£5k Bands) £000	Other Remun. £5k Bands £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total (£5k Bands) £000
R Ciborowski	Non-officer Member from 14th August 2018 to 31st December 2018						5-10	0	0	0	**5-10**
N Zolle	Independent Member from 9th October 2019	5-10	0	0	0	**5-10**					
J Hopkin	Independent Member until 11th November 2019	0	0	0	0	**0**	0	0	0	0	**0**
J Davies	Independent Member	0	0	0	0	**0**	0	0	0	0	**0**

The following notes provide explanations for either no salary or changes in salary or post between the financial the years:

- C White was appointed as Deputy Chief Executive with effect from 4th February 2019. Included within the salary for C White in 2019/20 is pay arrears of £5-£10k relating to the 2018-19 financial year. Actual salary for the post is in the range £155-£160k.
- L Hamilton, Director of Finance left the health board on 29th February 2020. In line with the settlement agreement for her departure, the salary reported within the table above represents a payment for untaken annual leave of £2,992.93, an ex-gratia payment for termination of employment of £35,464.64 and a payment of £35,464.64 in respect of her contractual entitlement to payment in lieu of notice.
- H Laing, Other Remuneration for 2018-19 related to payment of a clinical excellence award.
- A Hopkins commenced as Interim Director of Nursing & Patient Experience on 4th December 2017 and left the role on 13th July 2018. She was engaged via a Personal Services Contract (PSC), with the arrangement falling within the remit of the IR35 regulations.
- J Hopkin, Independent Member, declined remuneration for his post during the period that he was an Independent Member.

- J Davies is a full time employee of the Health Board and as such, has not received the remuneration that is normally paid to an Independent Member.
- C Morrell stood down from the role of Director of Therapies and Health Science on 1st November 2018 at which point the role ceased to be an Executive Director Role within the Health Board. The Therapies and Health Science portfolio now forms part of the role of the Chief Operating Officer.

The former Director of Finance left the Health Board on 29th February 2020 and was entitled to receive payments in line with the Settlement Agreement. These payments which were made in April 2020 are disclosed in this report, and in full within the figures in the Annual Accounts within Note 3.3 (Expenditure on Hospital and Community Services) and also within Note 5.5 (Reporting of other compensation schemes – exit packages).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The highest paid director in the LHB in 2019/20 as in 2018/19 was the Chief Executive. The banded remuneration of the highest-paid director in the LHB in the financial year 2019/20 was £200,000 - £205,000 (2018/19, £200,000 - £205,000). This was 6.8 times (2018/19, 7.0) the median remuneration of the workforce, which was £29,881 (2018/19, £28,840).

In 2019/20, 5 (2018/19, 11) employees received remuneration in excess of the highest-paid director. The remuneration for these 5 employees includes payments in respect of waiting list initiatives undertaken in addition to their normal salary. Remuneration for staff ranged from £17,652 to £249,523 (2018/19 £17,460 to £245,038).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Benefits in kind relate to benefits derived from the provision of a leased car.

The employees who received remuneration in excess of the highest paid director in 2019/20 were all medical staff as in 2018/19. None of these staff are related to the Chairman, Executive Directors or Independent Members.

4. Directors Pension Benefits

The NHS scheme requires that employees pay from 5% up to 14.5%, on a tiered scale, of their earnings, into the NHS Pension Scheme, with the employer contributing 20.6%. The employer's contribution to the NHS Pension Scheme is excluded from the salary figures shown below for Executive Directors.

Cash Equivalent Transfer Value

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

The disclosures in the table below do not apply to independent members as they are not members of the NHS Pension Scheme and do not receive pensionable remuneration. It should be noted that the table below only includes Directors in post at the point that the NHS Pensions Agency provided the relevant information on pensions for staff, this being February 2020.

Name	Title	Real Increase/ (Decrease) in Pension @ Age 60 (bands of £2,500) £000	Real Increase/ (Decrease) in Pension Lump Sum @ Age 60 (bands of £2,500) £000	Total accrued Pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2020 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2010 £000	Cash Equiv. Transfer Value at 31/03/2019 £000	Real increase in Cash Equiv. Transfer Value £000	Employer's contrib. to stake-holder pension £000
T Myhill	Chief Executive	2.5-5	0-2.5	75-80	195-200	1,614	1,480	109	0

Name	Title	Real Increase/ (Decrease) in Pension @ Age 60 (bands of £2,500) £000	Real Increase/ (Decrease) in Pension Lump Sum @ Age 60 (bands of £2,500) £000	Total accrued Pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2020 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2010 £000	Cash Equiv. Transfer Value at 31/03/2019 £000	Real increase in Cash Equiv. Transfer Value £000	Employer's contrib. to stake-holder pension £000
L Hamilton	Director of Finance until 29th February 2020	2.5-5		5-10		107	66	40	0
D Griffiths	Interim Director of Finance from 2nd March 2020								
C White	Deputy Chief Executive and Chief Operating Officer	10-12.5	32.5-35	70-75	210-215	1,661	1,344	294	0
K Reid	Director of Public Health	0-2.5	0-2.5	15-20	45-50	374	335	33	0
S Harrop-Griffiths	Director of Strategy	2.5-5	0-2.5	50-55	120-125	1,027	951	60	0
R Evans	Medical Director	5-7.5	10-12.5	55-60	130-135	1,114	950	147	0
G Howells	Director of Nursing & Patient Experience	5-7.5	15-17.5	60-65	180-185	1,365	1,194	152	0
H Robinson	Director of Workforce & OD	0-2.5	5-7.5	40-45	120-125	949	867	67	0
P Wenger	Director of Corporate	0-2.5	0-2.5	35-40	85-90	709	655	43	0

Name	Title	Real Increase/ (Decrease) in Pension @ Age 60 (bands of £2,500) £000	Real Increase/ (Decrease) in Pension Lump Sum @ Age 60 (bands of £2,500) £000	Total accrued Pension at age 60 at 31 March 2020 (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2020 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2010 £000	Cash Equiv. Transfer Value at 31/03/2019 £000	Real increase in Cash Equiv. Transfer Value £000	Employer's contrib. to stake-holder pension £000
	Governance/Board Secretary								

- L Hamilton has no lump sum as she is not a member of the 1995 NHS Pension Scheme. She is a member of the 2015 NHS Pension Scheme where no lump sum is payable.
- D Griffiths chose not to be covered by the NHS Pension arrangements during 2019-20

5. Contracts of employment

With the exception of the Interim Chief Operating Officer and Deputy Chief Executive, (C White) who is on secondment from his permanent contract at Cwm Taf Health Board, all Executive Directors are on permanent Contracts of Employment with Swansea Bay University Local Health Board. Executive Directors are required to give the Health Board three months notice and are eligible to receive three months notice from the Health Board. The policy on duration of contracts, notice period and termination periods is that set by the Welsh Government.

The only provisions for early termination are as allowed by the NHS Pension Scheme (compensation for premature retirement) regulations. In all other cases of early termination this will be as detailed in individuals' contract of employment.

6. Other information

There are no local pay bargaining initiatives within the Health Board. No payments have been made for Professional Indemnity Insurance for any Officer or Director.

7. Staff Report Section

This section of the report includes information on staff numbers, composition, sickness absence data, staff policies applied during the year, expenditure on consultancy, off-payroll engagements and exit packages.

7.1 Staff Numbers and Composition

The average number of employees by staff group for 2019/20 is set out in the table below, along with the comparison for 2018/19. The average is calculated as the whole time equivalent number of employees under contract of service at the end of each calendar month in the financial year, divided by the number of months in the financial year. The numbers for 2018/19 represent the staff employed within the former Abertawe Bro Morgannwg University Health Board, which was succeeded on 1st April 2019 by Swansea Bay University Health Board under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019. This statutory instrument transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg University Local Health Board to Cwm Taf University Local Health Board, and created Swansea Bay University Local Health Board which is responsible for the provision of healthcare services for the populations falling under the local government areas of Swansea and Neath Port Talbot.

As a result of this change, staff previously employed by Abertawe Bro Morgannwg University Health Board to provide services to the population falling under the local government area of Bridgend transferred to Cwm Taf Morgannwg University Health Board under the Transfer of Undertakings (protection of Employment) Regulations (TUPE) resulting in the reduction in the number of staff employed by Swansea Bay University Health Board as shown in the table below.

Staff Group	Permanent Staff	Agency Staff	Staff on Inward Secondment	Total 2019/20	Total 2018/19
Administration, Clerical & Board Members	2,106	35	16	**2,157**	**2,535**
Medical & Dental	1,044	44	0	**1,088**	**1,392**
Nursing, Midwifery registered	3,449	171	0	**3,620**	**4,636**
Professional, Scientific & technical staff	360	0	0	**360**	**448**
Additional Clinical Services	2,297	25	0	**2,322**	**2,767**
Allied Health Professions	760	16	0	**776**	**921**
Healthcare Scientists	298	5	0	**303**	**324**
Estates and Ancillary	1,036	21	0	**1,057**	**1,410**
Students	2	0	0	**2**	**5**

Staff Group	Permanent Staff	Agency Staff	Staff on Inward Secondment	Total 2019/20	Total 2018/19
Totals	**11,352**	**317**	**16**	**11,685**	**14,438**

As at 31st March 2020, the Health Board has 12,991 employees, of which 8 are Executive Directors. Of these staff, 2,933 are male, including 5 Executive Directors, and 10,058 are female, including 3 female Executive Directors.

There are also 9 Independent Members, of which 4 are male and 5 are female.

7.2 Sickness Absence Data

	2019/20	2018/19
Total days lost	260,356.78	303,195.43
Short Term Sickness (27 days or less)	75,095.71	78,448.06
Long Term Sickness (28 days or more)	185,261.07	224,747.37
Total staff years	11,321.07	14,093.05
Average working days lost	14	13
Total staff employed in period (headcount)	12,902	16,088
Total staff employed in period with no absence (headcount)	4,771	6,521
Percentage staff with no sick leave	36.30%	40.32%

7.3 Staff Policies applied during the year:

The staff policy on equality was applied during the year to address the following:

- For giving full and fair consideration to applications for employment by the Health Board made by disabled persons, having regard to their particular aptitudes and abilities.
- For continuing the employment of, and for arranging appropriate training for, employees of the Health board who have become disabled persons during the period when they were employed by the Health Board.

- Otherwise for the training, career development and promotion of disabled persons employed by the Health Board.

7.4 Expenditure on Consultancy

As disclosed in Note 3.3 of the Health Board's Accounts, the Health Board incurred expenditure of £0.349m on Consultancy Services in 2019/20. Expenditure on Consultancy Services is incurred when outside expertise is required by the Health Board to support the Health Board in managing its services and functions on a day to day basis. Such examples include:

- Management Consultancy to support performance improvement through independent reviews of the Health Board's Clinical Services and benchmarking of clinical and other performance data.
- Management Consultancy to support the Health Board with staffing and other operational management issues.
- External advice and support to the Health Board in implementing staff development and training programmes.

7.5 Off-payroll Engagements

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

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

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

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	0
Number of these engagements which were assessed as caught by IR35	0
Number of these engagements which were assessed as not caught by IR35	0
Number of these engagements that were engaged directly (via PSC contracted to department) and are on the departmental payroll;	0
Number of these engagements that were reassessed for consistency/assurance purposes during the year whom assurance has been requested but not received;	0
Number that saw a change to IR35 status following the consistency review.	0

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

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Details of the exceptional circumstances that led to each of these engagements.	Not Applicable
Details of the length of time each of these exceptional engagements lasted	Not Applicable

Total number of individuals both on and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure includes engagements which are ON PAYROLL as well as those off-payroll.	0

There were 0 off payroll engagements in place at the start of the 2019/20 financial year. There have been no new off payroll engagements during the year.

7.6 Exit packages

The figures disclosed relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff costs and expenditure noted in the Health Board's Annual Accounts.

	2019-20				2018-19
Staff Numbers **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**
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	0	0	0	1
£50,000 to £100,000	0	1	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**1**	**1**	**0**	**1**

	2019-20				2018-19
Exit Packages Costs **Exit packages cost band (including any special payment element)**	**Cost of compulsory redundancies**	**Cost of other departures**	**Total cost of exit packages**	**Cost of special element included in exit packages**	**Total cost of exit packages**
	£	**£**	**£**	**£**	**£'**
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	45,805
£50,000 to £100,000	0	73,922	73,922	35,465	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**73,922**	**73,922**	**35,465**	**45,805**

The exit package disclosed above for 2019/20 will be paid in April 2020 and relates to a payment made to the former Director of Finance who left the Health Board on 29th February 2020. The package comprised payments in lieu of notice, for untaken annual leave and an ex-gratia payment on termination.

The exit package disclosed above for 2018/19 comprises departure costs 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.

£0 exit costs were paid in 2019-20, the year of departure (2018-19, £45,805).

Annual Accounts

2019-20

SWANSEA BAY UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

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

Statutory background

The Local Health Board was established on 1st April 2019 under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

This statutory instrument transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg University Local Health Board to Cwm Taf University Local Health Board in addition to confirming that Abertawe Bro Morgannwg University Local Health Board is renamed and is to be known as Swansea Bay University Local Health Board.

Swansea Bay University Local Health Board is responsible for the provision of healthcare services for the populations falling under the local government areas of Swansea and Neath Port Talbot.

On 1st April 2019 all staff property, assets and liabilities relating to services provided to the local government area of Bridgend transferred from Swansea Bay University Local Health Board to Cwm Taf Morgannwg Local Health Board. This transfer was undertaken in line with the Local Health Boards (Area Change) (transfer of Staff, Property and Liabilities) (Wales) Order 2019. The transfer was accounted for under absorption accounting rules which do not require the restatment of prior year balances.

The 2018-19 values reported in these accounts and in particular the 2018-19 and 2017-18 financial performance reported in notes 2.1 to 2.4 on pages 27 and 28 of these accounts therefore relate to the former Abertawe Bro Morgannwg University Health Board, whilst the 2019-20 values relate to Swansea Bay University Health Board. The financial impact of the transfer is detailed in Note 34.2 of these accounts.

The health board's predecessor organisation Abertawe Bro Morgannwg University Health Board was established on 1st October 2009 following the merger of the former Abertawe Bro Morgannwg University NHS Trust, Swansea Local Health Board, Neath Port Talbot Local Health Board and Bridgend Local Health Board, providing services to the local government areas of Swansea, Neath Port Talbot and Bridgend.

Performance Management and Financial Results

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

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

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

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

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

	Note	2019-20 £'000	2018-19 £'000
Expenditure on Primary Healthcare Services	3.1	**181,823**	245,546
Expenditure on healthcare from other providers	3.2	**232,061**	250,518
Expenditure on Hospital and Community Health Services	3.3	**784,902**	898,238
		1,198,786	1,394,302
Less: Miscellaneous Income	4	**(271,930)**	(255,796)
LHB net operating costs before interest and other gains and losses		**926,856**	1,138,506
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**(5)**	(292)
Finance costs	7	**4,926**	5,165
Net operating costs for the financial year		**931,777**	**1,143,379**

See note 2 on page 26 for details of performance against Revenue and Capital allocations.

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

Other Comprehensive Net Expenditure

	2019-20 £'000	2018-19 £'000
Net (gain) / loss on revaluation of property, plant and equipment	**(3,487)**	(3,526)
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	**88**	0
Impairment and reversals	**0**	0
Transfers between reserves	**0**	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	**150,340**	0
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Other comprehensive net expenditure for the year	**146,941**	(3,526)
Total comprehensive net expenditure for the year	**1,078,718**	1,139,853

The transfer to other bodies within the Resource Accounting Boundary relates to the transfer of property, plant and equipment to Cwm Taf Morgannwg Health Board as a result of the Bridgend boundary change enacted under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

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

Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Non-current assets			
Property, plant and equipment	11	**460,560**	611,982
Intangible assets	12	**4,928**	2,751
Trade and other receivables	15	**102,559**	108,880
Other financial assets	16	**0**	0
Total non-current assets		**568,047**	723,613
Current assets			
Inventories	14	**10,012**	10,234
Trade and other receivables	15	**66,267**	66,331
Other financial assets	16	**0**	0
Cash and cash equivalents	17	**486**	830
		76,765	77,395
Non-current assets classified as "Held for Sale"	11	**475**	155
Total current assets		**77,240**	77,550
Total assets		**645,287**	801,163
Current liabilities			
Trade and other payables	18	**(127,631)**	(151,171)
Other financial liabilities	19	**0**	0
Provisions	20	**(28,761)**	(35,458)
Total current liabilities		**(156,392)**	(186,629)
Net current assets/ (liabilities)		**(79,152)**	(109,079)
Non-current liabilities			
Trade and other payables	18	**(37,136)**	(40,178)
Other financial liabilities	19	**0**	0
Provisions	20	**(108,301)**	(115,048)
Total non-current liabilities		**(145,437)**	(155,226)
Total assets employed		**343,458**	459,308
Financed by :			
Taxpayers' equity			
General Fund		**310,914**	408,417
Revaluation reserve		**32,544**	50,891
Total taxpayers' equity		**343,458**	459,308

The financial statements on pages 2 to 7 were approved by the Board on 25th June 2020 and signed on its behalf by:

Chief Executive and Accountable Officer  Date: 25.06.2020……..

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

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	408,417	50,891	**459,308**
Net operating cost for the year	(931,777)		**(931,777)**
Net gain/(loss) on revaluation of property, plant and equipment	0	3,487	**3,487**
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	(88)	**(88)**
Impairments and reversals	0	0	**0**
Other Reserve Movement	0	0	**0**
Transfers between reserves	2,895	(2,895)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	(131,489)	(18,851)	**(150,340)**
Total recognised income and expense for 2019-20	(1,060,371)	(18,347)	**(1,078,718)**
Net Welsh Government funding	939,284		**939,284**
Notional Welsh Government Funding	23,584		**23,584**
Balance at 31 March 2020	310,914	32,544	**343,458**

The transfer to/from LHBs relates to the transfer of property, plant and equipment to Cwm Taf Morgannwg Health Board as a result of the Bridgend boundary change enacted under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

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

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2018-19			
Balance at 31 March 2018	399,366	48,641	**448,007**
Adjustment for Implementation of IFRS 9	(504)	0	**(504)**
Balance at 1 April 2018	398,862	48,641	**447,503**
Net operating cost for the year	(1,143,379)		**(1,143,379)**
Net gain/(loss) on revaluation of property, plant and equipment	0	3,526	**3,526**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	1,276	(1,276)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2018-19	(1,142,103)	2,250	**(1,139,853)**
Net Welsh Government funding	1,151,658		**1,151,658**
Balance at 31 March 2019	408,417	50,891	**459,308**

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

Statement of Cash Flows for year ended 31 March 2020

	Notes	2019-20 £'000	2018-19 £'000
Cash Flows from operating activities			
Net operating cost for the financial year		**(931,777)**	(1,143,379)
Movements in Working Capital	27	**(18,657)**	27,348
Other cash flow adjustments	28	**62,689**	22,203
Provisions utilised	20	**(19,699)**	(25,389)
Net cash outflow from operating activities		**(907,444)**	(1,119,217)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(34,882)**	(35,340)
Proceeds from disposal of property, plant and equipment		**43**	644
Purchase of intangible assets		**(381)**	(994)
Proceeds from disposal of intangible assets		**0**	0
Payment for other financial assets		**0**	0
Proceeds from disposal of other financial assets		**0**	0
Payment for other assets		**0**	0
Proceeds from disposal of other assets		**0**	0
Net cash inflow/(outflow) from investing activities		**(35,220)**	(35,690)
Net cash inflow/(outflow) before financing		**(942,664)**	(1,154,907)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**939,284**	1,151,658
Capital receipts surrendered		**0**	0
Capital grants received		**197**	384
Capital element of payments in respect of finance leases and on-SoFP		**2,839**	3,204
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**942,320**	1,155,246
Net increase/(decrease) in cash and cash equivalents		**(344)**	339
Cash and cash equivalents (and bank overdrafts) at 1 April 2019		**830**	491
Cash and cash equivalents (and bank overdrafts) at 31 March 2020		**486**	830

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

Notes to the Accounts

1. Accounting policies

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

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

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

● the cost of the item can be measured reliably; and

● the item has cost of at least £5,000; or

● Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

● Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

1.6.2. Valuation

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

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

● Land and non-specialised buildings – market value for existing use

● Specialised buildings – depreciated replacement cost

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

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

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

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

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

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

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

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

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver

services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

● the technical feasibility of completing the intangible asset so that it will be available for use.

● the intention to complete the intangible asset and use it.

● the ability to use the intangible asset.

● how the intangible asset will generate probable future economic benefits.

● the availability of adequate technical, financial and other resources to complete the intangible asset and use it.

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

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

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

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

1.11. Leases

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

1.11.1. The NHS Wales organisation as lessee

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

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

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

1.11.2. The NHS Wales organisation as lessor

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

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

1.12. Inventories

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

considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

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

1.14. Provisions

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

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in 2019-20. The WRP is hosted by Velindre NHS Trust.

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budget

The NHS Wales organisation has entered a pooled budget with the City & County of Swansea Local Authority. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note, Note 32.

The pool budget is hosted by City & County of Swansea. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these

claims would be recoverable through the Welsh Risk Pool.

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

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 0.75%.

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

Annual Leave Accrual

In line with International Accounting Standard (IAS) 19, the Health Board has included in its accounts an accrual for untaken annual leave as at 31st March 2020. The accrual is based on the level of untaken annual leave determined from a sample of the leave records provided by LHB staff and reflects the Health Board's policy of only allowing staff to carry over annual leave in exceptional circumstances.

Due to the outbreak of the COVID-19 pandemic which began to impact the health board in March 2020 it has not been possible to obtain updated records from LHB staff of their untaken annual leave as at 31st March 2020. In light of this and given that COVID-19 did not become an issue for the health board until mid March, the health board has accrued an amount for untaken annual leave based on the figure as at 31st March 2019, reduced by 28% to reflect the reduction in staff numbers following the transfer of services for the Bridgend population to Cwm Taf Morgannwg Health Board. The amount included in the health board accounts for untaken annual leave as at 31st March 2020 amounts to £0.734m.

It must be noted that in some instances, the annual leave year for staff, particularly Consultant Medical Staff, does not run co-terminus with the financial year and for these staff the untaken annual leave has been calculated on a pro-rata basis to arrive at the figure as at 31st March 2020.

Retrospective Continuing Healthcare Claims

The Health Board has an estimated liability of £0.3m (2018-19: £1.166m) in respect of retrospective claims for continuing healthcare funding. The provision is based upon an assessment of the likelihood of claims meeting the criteria for continuing healthcare and is based on actual costs incurred by individuals in care homes. The provision is based on information available to the Health Board as at the Statement of Financial Position date and could be subject to change as outcomes are determined. In 2019/20, as in 2018/19, the provision is based on the average weekly rate reimbursed for successful claims together with the success factor for the claims made against the LHB.

Primary Care Expenditure

As in previous years, due to the short timescale available to prepare the year end accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of the actual liabilities was not available prior to the date for accounts submission, the most material areas being:

General Medical Services Quality and Assurance Improvement Framework (QAIF)

In 2019/20 the QAIF framework replaced the previous QOF framework with the number of points available under the new framework being increased from 567 to 692 with the addition of 125 access points. An amount of £0.844m was accrued on the basis of the number of points achieved by each GP Practice in 2019/20 capped at 692 points which is the maximum number of points available under this scheme, payable at £179 per point. This compares with the amount accrued under QOF of £0.843m in 2018/19, (Swansea and Neath Port Talbot GP Practices only).

Prescribing Costs
The Health Board has accrued a total of £11.502m (2018-19: £10.351m for Swansea and Neath Port Talbot only) in respect of prescribing costs for the months of February and March 2020. The costs were derived using the average daily charge for the 4 month period October to January to derive an average weighted daily run rate for prescribing. This weighted daily run rate is based on 50% calendar days in the month and 50% prescribing days in the month. This average cost was then applied to the number of days in February and March to arrive at an amount for accrual. This amount was then reviewed to take into account the estimated impact of category M changes effective from January 2020 which impact in February and March. In addition No Cheaper Stock Option (NCSO) information was assessed to determine whether adjustments needed to be made for any specific drugs within the accrual methodology.

Pharmacy
A total of £3.745m (2018-19: £3.292m for Swansea and Neath Port Talbot only) was accrued for February and March pharmacy contract payments. For the past five years, the run rate for November to January was used to accrue for February and March due to several changes to the fees and allowances within the pharmacy contract from April to October. This approach was used again for 2019/20 with estimated adjustments made for the increase in contract price per item for February and March 2020.

The basis of the primary care estimates disclosed above was agreed in advance with the Health Board's Auditors and reported to the Health Board's Audit Committee in March 2020.

1.25 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract ‘lifecycle replacement’.

1.25.1. Services received

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

1.25.2. PFI asset

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

1.25.2. PFI liability

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

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

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

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

1.25.3. Lifecycle replacement

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

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

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

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

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

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

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

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

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

1.26. Contingencies

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

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

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

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

1.27. Absorption accounting

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

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

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

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

IFRS14 Regulatory Deferral Accounts Not EU-endorsed.*
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

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

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

During 2019-20 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales

organisation has established that as it is the corporate trustee of the Swansea Bay University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Swansea Bay University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Swansea Bay 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 Swansea Bay 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.

2. Financial Duties Performance

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

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

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

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

2.1 Revenue Resource Performance

	Annual financial performance			
	2017-18	2018-19	2019-20	**Total**
	£'000	£'000	£'000	**£'000**
Net operating costs for the year	1,129,492	1,143,379	931,777	**3,204,648**
Less general ophthalmic services expenditure and other non-cash limited expenditure	726	1,484	993	**3,203**
Less revenue consequences of bringing PFI schemes onto SoFP	(1,551)	(1,684)	(1,925)	**(5,160)**
Total operating expenses	1,128,667	1,143,179	930,845	**3,202,691**
Revenue Resource Allocation	1,096,250	1,133,300	914,561	**3,144,111**
Under /(over) spend against Allocation	(32,417)	(9,879)	(16,284)	**(58,580)**

Swansea Bay University LHB and its' predecessor Abertawe Bro Morgannwg University LHB **has not** met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board **did not** receive any repayable brokerage during the year.

The health board received £15.3m cash only support in 2019-20. The accumulated cash support provided to the health board by Welsh Government is £78.571m as at 31st March 2020. The cash only support is provided to assist the health board with payments to staff and suppliers. There is no interest payable on cash only support. Repayment of this cash assistance will be in accordance with the health board's future Integrated Medium Term Plan.

2.2 Capital Resource Performance

	2017-18	2018-19	2019-20	**Total**
	£'000	£'000	£'000	**£'000**
Gross capital expenditure	42,663	37,873	31,196	**111,732**
Add: Losses on disposal of donated assets	0	0	0	**0**
Less NBV of property, plant and equipment and intangible assets disposed	(1,918)	(352)	(38)	**(2,308)**
Less capital grants received	0	(384)	(197)	**(581)**
Less donations received	(694)	(730)	(88)	**(1,512)**
Charge against Capital Resource Allocation	40,051	36,407	30,873	**107,331**
Capital Resource Allocation	40,093	36,447	30,901	**107,441**
(Over) / Underspend against Capital Resource Allocation	42	40	28	**110**

Swansea Bay University LHB and its' predecessor Abertawe Bro Morgannwg University LHB **has** met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2019-20 to 2021-22 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2019-20 to 2021-22 in accordance with NHS Wales Planning Framework.

	2019-20 to 2021-22
The Minister for Health and Social Services approval **Status**	**Not Approved**
Date	

The LHB **has not** therefore met its statutory duty to have an approved financial plan for the period 2019-20 to 2021-22.

Following the LHB being placed in Targeted Intervention in September 2016, it was not in a position to submit a three year Integrated Medium Term Plan for 2019-2022. The LHB has since operated, in agreement with Welsh Government, under annual planning arrangments.

The LHB's Annual Operating Plan for 2019-20, identified a balanced financial plan which was approved in principle by its board in March 2019, subject to agreement on the impact of the Bridgend boundary change. During 2019-20, the health board experienced significant operational pressures which resulted in the health board forecast annual deficit being increased to £16.3m.

The LHB's eventual deficit for 2019-20 was £16.284m.

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:

	2019-20	2018-19
Total number of non-NHS bills paid	**269,432**	310,861
Total number of non-NHS bills paid within target	**254,141**	294,597
Percentage of non-NHS bills paid within target	94.3%	94.8%

The LHB has not met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited	Non-cash limited	2019-20 Total	2018-19
	£'000	£'000	£'000	£'000
General Medical Services	64,196		**64,196**	86,542
Pharmaceutical Services	20,406	(4,982)	**15,424**	20,258
General Dental Services	27,046		**27,046**	36,325
General Ophthalmic Services	1,069	3,989	**5,058**	7,120
Other Primary Health Care expenditure	796		**796**	957
Prescribed drugs and appliances	69,303		**69,303**	94,344
Total	**182,816**	**(993)**	**181,823**	245,546

The total expenditure above includes £0.454m in respect of staff costs (2018-19 £0.460m)

3.2 Expenditure on healthcare from other providers

	2019-20	2018-19
	£'000	£'000
Goods and services from other NHS Wales Health Boards	**42,043**	21,969
Goods and services from other NHS Wales Trusts	**9,354**	14,126
Goods and services from Health Education and Improvement Wales (HEIW)	**4**	0
Goods and services from other non Welsh NHS bodies	**312**	1,641
Goods and services from WHSSC / EASC	**96,675**	123,210
Local Authorities	**17,339**	12,913
Voluntary organisations	**5,748**	5,158
NHS Funded Nursing Care	**7,611**	10,169
Continuing Care	**45,601**	52,076
Private providers	**7,366**	9,251
Specific projects funded by the Welsh Government	**0**	0
Other	**8**	5
Total	**232,061**	250,518

GMS expenditure in Note 3.1 in 2018-19 included £0.068m of rates rebates received in respect of GP premises rates for previous financial years following a successful appeal against the rateable value of GP premises. The GMS expenditure for 2018-19 is therefore net of the rates rebates received. No rebates were received in 2019-20.

Expenditure with Local Authorities in Note 3.2 is in respect of Continuing Healthcare Costs for services provided to the health board's residents within Local Authority Residential and Nursing Homes and in respect of contributions to the Community Equipment Pooled Budgets scheme with the City & County of Swansea. Expenditure in respect of other projects run by Local Authorities but where contributions are made by the health board are also included here as are payments made to Local Authorities under the Integrated Care Fund (ICF) where the funding flows through the health board to Local Authorities from Welsh Government for approved ICF schemes. The increase in expenditure with Local Authorities in 2019-20 is due to the increase in the ICF funding made available.

3.3 Expenditure on Hospital and Community Health Services

	2019-20 £'000	2018-19 £'000
Directors' costs	1,928	1,846
Staff costs	566,776	657,097
Supplies and services - clinical	119,341	130,772
Supplies and services - general	8,468	10,886
Consultancy Services	349	530
Establishment	11,981	14,365
Transport	1,538	2,881
Premises	24,414	29,340
External Contractors	3,550	3,816
Depreciation	26,837	30,529
Amortisation	1,953	772
Fixed asset impairments and reversals (Property, plant & equipment)	4,290	1,089
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	61	0
Audit fees	382	402
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	5,503	3,035
Research and Development	4,006	5,978
Other operating expenses	3,525	4,900
Total	**784,902**	898,238

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

Increase/(decrease) in provision for future payments:	2019-20 £'000	Reclassified 2018-19 £'000
Clinical negligence;		
Secondary care	5,643	(10,511)
Primary care	0	0
Redress Secondary Care	864	523
Redress Primary Care	0	0
Personal injury	1,731	396
All other losses and special payments	48	693
Defence legal fees and other administrative costs	812	1,458
Gross increase/(decrease) in provision for future payments	**9,098**	**(7,441)**
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	(3,595)	10,476
Total	**5,503**	3,035

	2019-20 £	2018-19 £
Permanent injury included within personal injury £:	1,192,000	276,000

Included within Note 3.3 are costs of £0.698m relating to costs associated with the COVID-19 pandemic. These costs have been covered by a resource allocation from Welsh Government and there is therefore no impact on the performance against the Revenue Resource Performance reported in Note 2.1 as a result of these costs.

4. Miscellaneous Income

	2019-20 £'000	2018-19 £'000
Local Health Boards	**97,753**	69,037
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	**112,307**	107,369
NHS Wales trusts	**5,120**	6,059
Health Education and Improvement Wales (HEIW)	**11,661**	5,976
Foundation Trusts	**0**	0
Other NHS England bodies	**2,721**	3,521
Other NHS Bodies	**43**	0
Local authorities	**5,498**	7,404
Welsh Government	**10,084**	11,168
Welsh Government Hosted bodies	**0**	0
Non NHS:		
Prescription charge income	**0**	0
Dental fee income	**4,521**	6,843
Private patient income	**818**	3,862
Overseas patients (non-reciprocal)	**396**	144
Injury Costs Recovery (ICR) Scheme	**2,271**	2,685
Other income from activities	**3,314**	3,545
Patient transport services	**0**	0
Education, training and research	**6,886**	17,460
Charitable and other contributions to expenditure	**876**	784
Receipt of donated assets	**89**	730
Receipt of Government granted assets	**197**	384
Non-patient care income generation schemes	**676**	656
NHS Wales Shared Services Partnership (NWSSP)	**0**	0
Deferred income released to revenue	**1,384**	822
Contingent rental income from finance leases	**0**	0
Rental income from operating leases	**479**	509
Other income:		
Provision of laundry, pathology, payroll services	**186**	267
Accommodation and catering charges	**2,288**	3,380
Mortuary fees	**273**	322
Staff payments for use of cars	**1,727**	1,916
Business Unit	**0**	0
Other	**362**	953
Total	**271,930**	255,796

Other income Includes;		
Grant income	**59**	20
Pharmacy and other sales income	**44**	97
Clinical trial income	**99**	96
Search fee income	**0**	34
Syrian Refugee income	**0**	109
All other income	**160**	597
Total	**362**	953

Injury Cost Recovery (ICR) Scheme income

	2019-20 %	2018-19 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	21.79	21.89

Health Education and Improvement Wales (HEIW) came into being on 1st October 2018. The income received from HEIW prior to 1st October 2018 is included in Education, Training & Research Income.

5. Investment Revenue

	2019-20	2018-19
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	**0**	0

6. Other gains and losses

	2019-20	2018-19
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	5	142
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	150
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	**5**	292

7. Finance costs

	2019-20	2018-19
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	14	26
Interest on obligations under PFI contracts		
main finance cost	2,369	2,529
contingent finance cost	2,528	2,604
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	**4,911**	5,159
Provisions unwinding of discount	15	6
Other finance costs	0	0
Total	**4,926**	5,165

8. Operating leases

LHB as lessee

As at 31st March 2020 the LHB had 24 operating leases agreements in place for the leases of premises, 9 arrangements in respect of equipment and 298 in respect of vehicles, with 5 premises. Nil equipment and 137 vehicle leases having expired in year. The periods in which the remaining 331 agreements expire are shown below.

Payments recognised as an expense	**2019-20**	2018-19
	£000	£000
Minimum lease payments	**6,613**	7,207
Contingent rents	**0**	0
Sub-lease payments	**0**	0
Total	**6,613**	7,207

Total future minimum lease payments		
Payable	**£000**	£000
Not later than one year	**5,726**	6,815
Between one and five years	**11,454**	15,759
After 5 years	**8,557**	11,264
Total	**25,737**	33,838

LHB as lessor

Rental revenue	**£000**	£000
Rent	**479**	509
Contingent rents	**0**	0
Total revenue rental	**479**	509

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**403**	361
Between one and five years	**1,404**	1,143
After 5 years	**1,544**	1,718
Total	**3,351**	3,222

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	£000	£000	£000	£000	£000	£000
Salaries and wages	432,029	1,241	18,834	4,061	**456,165**	548,779
Social security costs	41,181	0	0	512	**41,693**	49,917
Employer contributions to NHS Pension Scheme	77,121	0	0	16	**77,137**	65,202
Other pension costs	152	0	0	0	**152**	196
Other employment benefits	0	0	0	0	**0**	0
Termination benefits	140	0	0	0	**140**	70
Total	550,623	1,241	18,834	4,589	**575,287**	664,164
Charged to capital					**590**	708
Charged to revenue					**574,697**	663,456
					575,287	664,164
Net movement in accrued employee benefits (untaken staff leave accrual included above)					(122)	1,086

The employer contributions to the NHS Pension Scheme disclosed above includes £23.584m of NHS Pension contributions paid by Welsh Government for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions. This expenditure accounted for by the health board as notional expenditure paid to NHS BSA by Welsh Government has been covered off by notional funding provided to the health board. There is therefore no impact on the health board's Revenue Resource Performance as a result of the inclusion of these notional transactions. Further information is disclosed in Note 34.1.

Included within Note 9.1 above are £1,128k of final pay control charges relating to 8 individuals of which £819k relates to a charge in respect of a retired senior clinician. Final pay control is applicable to all Officer and Practice Staff members of the 1995 Section of the NHS Pension Scheme, including 1995/2015 transition members, who retire with entitlement to pension benefits.

If a member receives an increase to pensionable pay that exceeds the 'allowable amount' the relevant employer is liable for a final pay control charge. The 'allowable amount' is the amount that pensionable pay can increase by before the employer is liable for a final pay control charge. The 'allowable amount' is the lesser of:
• the member's pensionable pay in the relevant year, or the member's pensionable pay in the previous year plus thee Consumer Price Index % plus 4.5%), or the percentage increase in the member's pensionable pay for the current year compared with the previous year.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	Number	Number	Number		Number	Number
Administrative, clerical and board members	2,106	16	35	0	**2,157**	2,535
Medical and dental	1,044	0	13	31	**1,088**	1,392
Nursing, midwifery registered	3,449	0	171	0	**3,620**	4,636
Professional, Scientific, and technical staff	360	0	0	0	**360**	448
Additional Clinical Services	2,297	0	25	0	**2,322**	2,767
Allied Health Professions	760	0	16	0	**776**	921
Healthcare Scientists	298	0	5	0	**303**	324
Estates and Ancilliary	1,036	0	21	0	**1,057**	1,410
Students	2	0	0	0	**2**	5
Total	**11,352**	**16**	**286**	**31**	**11,685**	14,438

9.3. Retirements due to ill-health

	2019-20	2018-19
Number	8	15
Estimated additional pension costs £	299,543	660,912

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

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2019-20 Number of compulsory redundancies	2019-20 Number of other departures	2019-20 Total number of exit packages	2019-20 Number of departures where special payments have been made	2018-19 Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	1
£50,000 to £100,000	0	1	1	1	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**1**	**1**	**1**	1

Exit packages cost band (including any special payment element)	2019-20 Cost of compulsory redundancies	2019-20 Cost of other departures	2019-20 Total cost of exit packages	2019-20 Cost of special element included in exit packages	2018-19 Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	45,805
£50,000 to £100,000	0	73,922	73,922	35,465	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**73,922**	**73,922**	**35,465**	45,805

Exit costs in this note are accounted for in full in the year of departure.

The exit package disclosed above for 2019/20 will be paid in April 2020 and relates to a payment made to the former Director of Finance who left the Health Board on 29th February 2020. The package comprised payments in lieu of notice, for untaken annual leave and an ex-gratia payment on termination.

The exit package disclosed above for 2018/19 comprises departure costs 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.

£0 exit costs were paid in 2019-20, the year of departure (2018-19, £45,805).

9.6 Remuneration Relationship

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

In 2019-20 as was the case in 2018-19 the highest paid director was the Chief Executive.

The banded remuneration of the Chief Executive in Swansea Bay University LHB in the financial year 2019-20 was £200,000 to £205,000 (2018-19, £200,000 to £205,000. This was 6.8 times (2018-19, 7.0 times) the median remuneration of the workforce, which was £29,881 (2018-19, £28,840).

In 2019-20, 5 (2018-19, 11) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £17,652 to £249,523 (2018-19, £17,460 to £245,038).

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

The employees who received remuneration in excess of the highest paid director in 2019-20 were all medical staff as in 2018-19. None of these staff are related to the Chairman, Executive Directors or Independent Members.

9.7 Pension costs

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2019-20	**2019-20**	2018-19	2018-19
NHS	**Number**	**£000**	Number	£000
Total bills paid	**5,494**	**182,055**	5,770	189,151
Total bills paid within target	**4,722**	**173,401**	4,845	182,341
Percentage of bills paid within target	**85.9%**	**95.2%**	84.0%	96.4%
Non-NHS				
Total bills paid	**269,432**	**351,373**	310,861	374,262
Total bills paid within target	**254,141**	**326,396**	294,597	353,753
Percentage of bills paid within target	**94.3%**	**92.9%**	94.8%	94.5%
Total				
Total bills paid	**274,926**	**533,428**	316,631	563,413
Total bills paid within target	**258,863**	**499,797**	299,442	536,094
Percentage of bills paid within target	**94.2%**	**93.7%**	94.6%	95.2%

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

	2019-20	2018-19
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	0

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2019	56,827	494,129	12,958	20,731	136,664	1,626	43,407	5,656	**771,998**
Indexation	(342)	3,250	181	0	0	0	0	0	**3,089**
Additions									
- purchased	152	660	0	22,907	3,576	0	2,926	310	**30,531**
- donated	0	0	0	0	41	0	46	0	**87**
- government granted	0	0	0	197	0	0	0	0	**197**
Transfer from/into other NHS bodies	(16,677)	(124,604)	(3,818)	(566)	(23,954)	(60)	(4,136)	(1,164)	**(174,979)**
Reclassifications	0	19,950	0	(30,267)	4,242	0	2,326	0	**(3,749)**
Revaluations	(32)	(279)	0	0	0	0	0	0	**(311)**
Reversal of impairments	0	4,067	0	0	0	0	0	0	**4,067**
Impairments	(53)	(9,154)	0	0	0	0	0	0	**(9,207)**
Reclassified as held for sale	(320)	0	0	0	0	0	0	0	**(320)**
Disposals	0	0	0	0	(10,254)	(224)	(7,644)	(910)	**(19,032)**
At 31 March 2020	39,555	388,019	9,321	13,002	110,315	1,342	36,925	3,892	**602,371**
Depreciation at 1 April 2019	0	26,844	525	0	100,297	1,259	27,879	3,212	**160,016**
Indexation	0	429	8	0	0	0	0	0	**437**
Transfer from/into other NHS bodies	0	(5,152)	(122)	0	(16,462)	(60)	(2,140)	(702)	**(24,638)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(1,058)	0	0	0	0	0	0	**(1,058)**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	(789)	0	0	0	0	0	0	**(789)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(10,216)	(224)	(7,644)	(910)	**(18,994)**
Provided during the year	0	13,202	237	0	7,267	111	5,632	388	**26,837**
At 31 March 2020	0	33,476	648	0	80,886	1,086	23,727	1,988	**141,811**
Net book value at 1 April 2019	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	**611,982**
Net book value at 31 March 2020	39,555	354,543	8,673	13,002	29,429	256	13,198	1,904	**460,560**
Net book value at 31 March 2020 comprises :									
Purchased	39,555	351,779	8,673	12,996	28,734	253	12,915	1,886	**456,791**
Donated	0	1,911	0	6	686	0	276	4	**2,883**
Government Granted	0	853	0	0	9	3	8	13	**886**
At 31 March 2020	39,555	354,543	8,673	13,002	29,429	256	13,199	1,903	**460,560**
Asset financing :									
Owned	37,535	302,149	8,673	13,002	29,219	256	13,198	1,904	**405,936**
Held on finance lease	0	0	0	0	210	0	0	0	**210**
On-SoFP PFI contracts	2,020	52,394	0	0	0	0	0	0	**54,414**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2020	39,555	354,543	8,673	13,002	29,429	256	13,198	1,904	**460,560**

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

	£000
Freehold	**347,445**
Long Leasehold	**55,326**
Short Leasehold	**0**
	402,771

Within the note above, reclassifications of (£3,749k) are shown. This is due to the reclassification of an intangible asset from assets under construction and the opposite entry is shown in Note 12.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. For valuations reported to the health board after 11th March 2020, the District Valuer has advised that less certainty and a higher degree of caution should be attached to the valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the District Valuer has recommended that the valuation of these properties should be kept under frequent review. Included within the note above are the following valuations which were received after 11th March 2020 :

Singleton Hospital Ward 21 - £3,482k – effective date 27/09/2019
Singleton Hospital Ward 12 - £1,128k – effective date 20/12/2019
Singleton hospital Ward 5 - £1,732k – effective date 31/01/2020.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2018	55,640	477,074	12,829	15,541	133,243	1,585	41,983	7,978	**745,873**
Indexation	987	2,519	129	0	0	0	0	0	**3,635**
Additions									
- purchased	136	5,237	0	16,486	9,371	165	4,121	250	**35,766**
- donated	0	38	0	188	398	0	106	0	**730**
- government granted	0	0	0	383	0	0	1	0	**384**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	10,830	0	(11,867)	592	0	323	66	**(56)**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	126	2,253	0	0	0	0	0	0	**2,379**
Impairments	113	(3,887)	0	0	0	0	0	0	**(3,774)**
Reclassified as held for sale	(155)	0	0	0	0	0	0	0	**(155)**
Disposals	(20)	65	0	0	(6,940)	(124)	(3,127)	(2,638)	**(12,784)**
At 31 March 2019	56,827	494,129	12,958	20,731	136,664	1,626	43,407	5,656	**771,998**
Depreciation at 1 April 2018	0	10,476	169	0	99,012	1,272	26,228	5,288	**142,445**
Indexation	0	105	2	0	0	0	0	0	**107**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	3	0	0	0	**3**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	(306)	0	0	0	0	0	0	**(306)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	65	0	0	(6,938)	(124)	(3,127)	(2,638)	**(12,762)**
Provided during the year	0	16,504	354	0	8,220	111	4,778	562	**30,529**
At 31 March 2019	0	26,844	525	0	100,297	1,259	27,879	3,212	**160,016**
Net book value at 1 April 2018	55,640	466,598	12,660	15,541	34,231	313	15,755	2,690	**603,428**
Net book value at 31 March 2019	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	**611,982**
Net book value at 31 March 2019 comprises :									
Purchased	56,827	463,491	12,433	20,234	35,455	362	15,111	2,418	**606,331**
Donated	0	3,720	0	188	897	0	354	5	**5,164**
Government Granted	0	74	0	309	15	5	63	21	**487**
At 31 March 2019	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	**611,982**
Asset financing :									
Owned	54,787	416,318	12,433	20,731	35,947	367	15,528	2,444	**558,555**
Held on finance lease	0	0	0	0	420	0	0	0	**420**
On-SoFP PFI contracts	2,040	50,967	0	0	0	0	0	0	**53,007**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2019	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	**611,982**

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000
Freehold	**481,080**
Long Leasehold	**55,465**
Short Leasehold	**0**
	536,545

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 Institutie of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Within the above note reclassifications of (£56k) are shown. This is due to reclassification of an intangible asset from assets under construction with the opposite entry shown in Note 12.

11. Property, plant and equipment (continued)

Disclosures:

Donated Assets
The majority of donated assets were purchased by the Swansea Bay University Health Board Charity and donated to the health board.

Valuations
The LHB's 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.

The following assets were valued on completion by the District Valuer:

Singleton Hospital Linac B Replacement - April 2019
Singleton Hospital MRI Replacement - May 2019
Penclawdd Health Centre Refurbishment - January 2020
Murton Health Centre Refurbishment - November 2019
Singleton Hospital Ward 10 - July 2019
Isolation Unit Morriston - September 2019
Morriston Hospital New Generator - December 2019
Singleton Hospital Ward 12 - December 2019
Singleton Hospital Ward 5 - March 2020
Singleton Hospital Ward 21 - September 2019

Asset Lives
Depreciated as follows:

- Land is not depreciated
- Building asset lives are as determined by the District Valuer and range from 2 to 84 years

- Equipment assets are allocated lives on based on the professional judgement and past experience of clinicians, finance staff and other Health Board professionals. The appropriateness of these lives is reviewed regularly.

Medical Equipment range from 5 to 15 Years
Non-clinical Equipment - 5 Years
Vehicles - 7 Years
Furniture - 10 Years
IMT Hardware & Software - 5 years or reflects contract life for some software assets

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

Write Downs
There have been no write downs. The LHB does not hold any property where the value is materially different from its open market value.

Assets Held for Sale or sold in the period
There are assets held for sale or sold in the period. These are:

- Glynneath Clinic
- Resolven Clinic
- Fairfield Cefn Coed
- Coelbren Health Centre

IFRS 13 Fair value measurement
There are no assets requiring Fair Value measurement under IFRS 13 in 2019-20.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2019	155	0	0	0	0	**155**
Plus assets classified as held for sale in the year	320	0	0	0	0	**320**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2020	475	0	0	0	0	**475**
Balance brought forward 1 April 2018	330	0	0	0	0	**330**
Plus assets classified as held for sale in the year	155	0	0	0	0	**155**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	(330)	0	0	0	0	**(330)**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2019	155	0	0	0	0	**155**

The following assets were classified as for sale during the year:-

Glyneath Clinic, Resolven Clinic and Fairfield at Cefn Coed Hospital were classified as assets held for sale during the year.

Coelbren Health Centre was classified as an asset held for sale in 2018-19 and remains held for sale as at 31st March 2020.

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	7,806	0	475	0	0	0	**8,281**
Revaluation	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications	**3,749**	**0**	**0**	**0**	**0**	**0**	**3,749**
Reversal of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions- purchased	**203**	**0**	**178**	**0**	**0**	**0**	**381**
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	**(2,564)**	**0**	**0**	**0**	**0**	**0**	**(2,564)**
Gross cost at 31 March 2020	**9,194**	**0**	**653**	**0**	**0**	**0**	**9,847**
Amortisation at 1 April 2019	5,375	0	155	0	0	0	**5,530**
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	**1,953**	**0**	**0**	**0**	**0**	**0**	**1,953**
Reclassified as held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals	**(2,564)**	**0**	**0**	**0**	**0**	**0**	**(2,564)**
Amortisation at 31 March 2020	**4,764**	**0**	**155**	**0**	**0**	**0**	**4,919**
Net book value at 1 April 2019	**2,431**	**0**	**320**	**0**	**0**	**0**	**2,751**
Net book value at 31 March 2020	**4,430**	**0**	**498**	**0**	**0**	**0**	**4,928**
At 31 March 2020							
Purchased	**4,414**	**0**	**498**	**0**	**0**	**0**	**4,912**
Donated	**16**	**0**	**0**	**0**	**0**	**0**	**16**
Government Granted	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Internally generated	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total at 31 March 2020	**4,430**	**0**	**498**	**0**	**0**	**0**	**4,928**

The reclassification of £3,749k in this note relates to the transfer of an asset in-year from assets under construction disclosed in Note 11.1.

12. Intangible non-current assets
2018-19

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	6,953	0	279	0	0	0	**7,232**
Revaluation	0	0	0	0	0	0	**0**
Reclassifications	56	0	0	0	0	0	**56**
Reversal of impairments	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	**0**
Additions- purchased	797	0	196	0	0	0	**993**
Additions- internally generated	0	0	0	0	0	0	**0**
Additions- donated	0	0	0	0	0	0	**0**
Additions- government granted	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	**0**
Gross cost at 31 March 2019	**7,806**	**0**	**475**	**0**	**0**	**0**	**8,281**
Amortisation at 1 April 2018	4,756	0	2	0	0	0	**4,758**
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	619	0	153	0	0	0	**772**
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 2019	**5,375**	**0**	**155**	**0**	**0**	**0**	**5,530**
Net book value at 1 April 2018	**2,197**	**0**	**277**	**0**	**0**	**0**	**2,474**
Net book value at 31 March 2019	**2,431**	**0**	**320**	**0**	**0**	**0**	**2,751**
At 31 March 2019							
Purchased	2,409	0	320	0	0	0	**2,729**
Donated	22	0	0	0	0	0	**22**
Government Granted	0	0	0	0	0	0	**0**
Internally generated	0	0	0	0	0	0	**0**
Total at 31 March 2019	**2,431**	**0**	**320**	**0**	**0**	**0**	**2,751**

The reclasification of £56k in this note relates to the transfer of an asset in-year from assets under construction disclosed in Note 11.1.

Additional Disclosures re Intangible Assets

For each class of intangible asset disclose :

The effective date of revaluation - **None**

The methods and significant assumptions applied in estimating fair values **- Estimated at Cost less depreciation to date**

The carrying amount had they been sold at cost **- £0**

For each class of intangible asset, distinguishing between internally generated intangible assets and others disclose :

Whether the useful lives are indefinite or finite **- Finite**

The useful lives or the amortisation rates used - **Standard life of 5 years or the period that the licence covers as applicable**

Intangible assets, assessed as having indefinite useful lives - **None**

13 . Impairments

	2019-20 Property, plant & equipment £000	2019-20 Intangible assets £000	2018-19 Property, plant & equipment £000	2018-19 Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	24	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	10	0
Others (specify)	8,486	0	3,434	0
Reversal of Impairments	(4,068)	0	(2,379)	0
Total of all impairments	**4,418**	**0**	1,089	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	4,298	0	1,089	0
Charged to Revaluation Reserve	120	0	0	0
	4,418	**0**	1,089	0

The impairment losses disclosed above as "other" comprises:

£8.304m for the write down to depreciated replacement cost following the initial professional valuation on completion of 9 specialised building assets as detailed below :

	£000
Linear Accelerator B Replacement Singleton	789
MRI Replacement, Singleton	991
Penclawdd Health Centre Refurbishment	727
Murton Health Centre Refurbishment	405
Ward 10 Refurbishment Singleton	131
Generator Replacement Morriston	2,449
Ward 12, Refurbishment Singelton	298
Ward 5 Refurbishment Singleton	2,281
Ward 21 Refurbishment Singleton	233

£0.182m for the write down for the transfer of assets to Non Current Assets Held for Sale which were as detailed below:

	£000
Glynneath Health Centre	49
Resolven Health Centre	133

14.1 Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	4,739	4,525
Consumables	5,070	5,334
Energy	203	375
Work in progress	0	0
Other	0	0
Total	**10,012**	10,234
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2020	31 March 2019
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	**0**	**0**

Note 14.1 discloses the stock values held at 31st March 2020. Where stock is counted manually stock takes are undertaken throughout February and March in order to ensure that stock valuations are available at the balance sheet date due to the time taken to price the items of stock counted.

In line with the 2015-16 guidance Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board.

Consumables stock in note 14.1 includes £238k of items relating to the COVID-19 pandemic.

15. Trade and other Receivables

Current	31 March 2020 £000	Reclassified 31 March 2019 £000
Welsh Government	**4,161**	4,853
WHSSC / EASC	**3,327**	1,981
Welsh Health Boards	**6,598**	3,612
Welsh NHS Trusts	**975**	1,640
Health Education and Improvement Wales (HEIW)	**266**	329
Non - Welsh Trusts	**240**	75
Other NHS	**238**	253
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	**34,218**	37,701
NHS Wales Primary Sector FLS Reimbursement	**0**	0
NHS Wales Redress	**1,099**	510
Other	**0**	0
Local Authorities	**2,857**	2,235
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**9,910**	10,522
Provision for irrecoverable debts	**(3,518)**	(3,068)
Pension Prepayments NHS Pensions	**0**	0
Other prepayments	**5,150**	5,037
Other accrued income	**746**	651
Sub total	**66,267**	66,331
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
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	**102,539**	108,880
NHS Wales Primary Sector FLS Reimbursement	**0**	0
NHS Wales Redress	**20**	0
Other	**0**	0
Local Authorities	**0**	0
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**0**	0
Provision for irrecoverable debts	**0**	0
Pension Prepayments NHS Pensions	**0**	0
Other prepayments	**0**	0
Other accrued income	**0**	0
Sub total	**102,559**	108,880
Total	**168,826**	175,211

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2020 £000	31 March 2019 £000
By up to three months	**14,685**	6,772
By three to six months	**664**	358
By more than six months	**592**	467
	15,941	7,597

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

Balance at 31 March 2019		(2,222)
Adjustment for Implementation of IFRS 9		(504)
Balance at 1 April 2019	**(3,068)**	(2,726)
Transfer to other NHS Wales body	**350**	0
Amount written off during the year	**17**	635
Amount recovered during the year	**14**	94
(Increase) / decrease in receivables impaired	**(831)**	(1,071)
Bad debts recovered during year	**0**	0
Balance at 31 March 2020	**(3,518)**	(3,068)

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	**2,648**	2,373
Other	**0**	0
Total	**2,648**	2,373

16. Other Financial Assets

	Current		Non-current	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Deposits	**0**	0	**0**	0
Loans	**0**	0	**0**	0
Derivatives	**0**	0	**0**	0
Other (Specify)	**0**	0	**0**	0
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Total	**0**	**0**	**0**	**0**

17. Cash and cash equivalents

	2019-20	2018-19
	£000	£000
Balance at 1 April 2019	**830**	491
Net change in cash and cash equivalent balances	**(344)**	339
Balance at 31 March 2020	**486**	830
Made up of:		
Cash held at GBS	**402**	708
Commercial banks	**0**	0
Cash in hand	**84**	122
Current Investments	**0**	0
Cash and cash equivalents as in Statement of Financial Position	**486**	830
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**486**	830

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

Lease Liabilities £270k
PFI liabilities £2,569k

The movement relates to cash, no comparative information is required by IAS 7 in 2019-20.

18. Trade and other payables

Current	31 March 2020 £000	Reclassified 31 March 2019 £000
Welsh Government	8	16
WHSSC / EASC	278	650
Welsh Health Boards	2,856	4,532
Welsh NHS Trusts	3,125	2,540
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	966	1,192
Taxation and social security payable / refunds	4,732	5,896
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	217	241
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	6,275	7,571
Non-NHS payables - Revenue	19,593	19,622
Local Authorities	1,264	6,285
Capital payables- Tangible	6,418	10,224
Capital payables- Intangible	71	419
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	211	270
Imputed finance lease element of on SoFP PFI contracts	2,831	2,569
Pensions: staff	7,908	10,297
Non NHS Accruals	68,737	75,354
Deferred Income:		
Deferred Income brought forward	2,959	2,720
Deferred Income Additions	324	1,061
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,384)	(822)
Other creditors	242	534
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	**127,631**	151,171
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	211
Imputed finance lease element of on SoFP PFI contracts	37,136	39,967
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	**37,136**	40,178
Total	**164,767**	191,349

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

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	**31 March 2020 £000**	31 March 2019 £000
Between one and two years	**3,321**	3,042
Between two and five years	**9,564**	10,878
In five years or more	**24,251**	26,258
Sub-total	**37,136**	40,178

19. Other financial liabilities

	Current		**Non-current**	
Financial liabilities	**31 March 2020 £000**	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Financial Guarantees:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Derivatives at fair value through SoCNE	**0**	0	**0**	0
Other:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Total	**0**	0	**0**	0

20. Provisions

Reclassified

	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:-									**0**
Secondary care	**29,964**	0	(3,600)	5,326	23,497	(11,450)	(18,513)	0	**25,224**
Primary care	**0**	0	0	0	0	0	0	0	**0**
Redress Secondary care	**433**	0	0	0	995	(481)	(147)	0	**800**
Redress Primary care	**0**	0	0	0	0	0	0	0	**0**
Personal injury	**728**	0	0	474	767	(1,201)	(80)	15	**703**
All other losses and special payments	**0**	0	0	0	48	(48)	0	0	**0**
Defence legal fees and other administration	**2,154**	0	0	136	1,766	(1,019)	(1,355)		**1,682**
Pensions relating to former directors	**4**			0	0	(4)	0	0	**0**
Pensions relating to other staff	**139**			99	58	(241)	(3)	0	**52**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**2,036**		0	0	1,154	(2,422)	(468)		**300**
Total	**35,458**	**0**	**(3,600)**	**6,035**	**28,285**	**(16,866)**	**(20,566)**	**15**	**28,761**
Non Current									
Clinical negligence:-									
Secondary care	**107,945**	0	0	(5,326)	17,149	(1,928)	(16,489)	0	**101,351**
Primary care	**0**	0	0	0	0	0	0	0	**0**
Redress Secondary care	**0**	0	0	0	15	0	0	0	**15**
Redress Primary care	**0**	0	0	0	0	0	0	0	**0**
Personal injury	**5,744**	0	0	(474)	1,044	(746)	0	0	**5,568**
All other losses and special payments	**0**	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	**1,191**	0	0	(136)	426	(117)	(25)		**1,339**
Pensions relating to former directors	**12**			0	0	(12)	0	0	**0**
Pensions relating to other staff	**156**			(99)	2	(30)	(1)	0	**28**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**0**		0	0	0	0	0		**0**
Total	**115,048**	**0**	**0**	**(6,035)**	**18,636**	**(2,833)**	**(16,515)**	**0**	**108,301**
TOTAL									
Clinical negligence:-	**0**								**0**
Secondary care	**137,909**	**0**	**(3,600)**	**0**	**40,646**	**(13,378)**	**(35,002)**	0	**126,575**
Primary care	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	**0**
Redress Secondary care	**433**	**0**	**0**	**0**	**1,010**	**(481)**	**(147)**	0	**815**
Redress Primary care	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	**0**
Personal injury	**6,472**	**0**	**0**	**0**	**1,811**	**(1,947)**	**(80)**	15	**6,271**
All other losses and special payments	**0**	**0**	**0**	**0**	**48**	**(48)**	**0**	0	**0**
Defence legal fees and other administration	**3,345**	**0**	**0**	**0**	**2,192**	**(1,136)**	**(1,380)**		**3,021**
Pensions relating to former directors	**16**			**0**	**0**	**(16)**	**0**	0	**0**
Pensions relating to other staff	**295**			**0**	**60**	**(271)**	**(4)**	0	**80**
Restructuring	**0**			**0**	**0**	**0**	**0**	0	**0**
Other	**2,036**		0	**0**	**1,154**	**(2,422)**	**(468)**		**300**
Total	**150,506**	**0**	**(3,600)**	**0**	**46,921**	**(19,699)**	**(37,081)**	**15**	**137,062**

Expected timing of cash flows:

	In year to 31 March 2021	Between 1 April 2021 31 March 2025	Thereafter	Total £000
Clinical negligence:-	0			**0**
Secondary care	25,224	101,351	0	**126,575**
Primary care	0	0	0	**0**
Redress Secondary care	800	15	0	**815**
Redress Primary care	0	0	0	**0**
Personal injury	703	1,613	3,955	**6,271**
All other losses and special payments	0	0	0	**0**
Defence legal fees and other administration	1,682	1,339	0	**3,021**
Pensions relating to former directors	0	0	0	**0**
Pensions relating to other staff	52	21	7	**80**
Restructuring	0	0	0	**0**
Other	300	0	0	**300**
Total	**28,761**	**104,339**	**3,962**	**137,062**

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes.

Other provisions relates to retrospective Continuing Healthcare (CHC) claims which are subject to review by the CHC team in S wansea Bay University LHB.

Reimbursements are anticipated from Welsh Risk Pool against the provisions detailed above for Clinical Negligence, Redress, Personal Injury Claims and defence legal fees and other administration provisions. The value of the anticipated reimbursement against these provisions amounts to £ 128.554m and is disclosed as part of the Welsh Risk Pool line in note 15 Trade and Other Receivables.

20. Provisions (continued)

	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
					Reclassified	Reclassified	Reclassified		Reclassified
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	17,587	0	(714)	43,837	27,458	(20,296)	(37,908)	0	**29,964**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	488	(51)	(4)	0	**433**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	1,010	0	0	446	554	(976)	(312)	6	**728**
All other losses and special payments	0	0	0	0	693	(693)	0	0	**0**
Defence legal fees and other administration	1,489	0	0	275	2,389	(862)	(1,137)		**2,154**
Pensions relating to former directors	4			4	0	(4)	0	0	**4**
Pensions relating to other staff	139			47	96	(139)	(4)	0	**139**
Restructuring	0			0	0	0	0	0	**0**
Other	3,863		0	0	1,437	(1,247)	(2,017)		**2,036**
Total	**24,092**	**0**	**(714)**	**44,609**	**33,115**	**(24,268)**	**(41,382)**	**6**	**35,458**
Non Current									
Clinical negligence:-		0	0					0	**0**
Secondary care	152,908	0	0	(43,837)	5,067	(1,104)	(5,089)	0	**107,945**
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	6,036	0	0	(446)	275	0	(121)	0	**5,744**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	1,277	0	0	(275)	210	(17)	(4)		**1,191**
Pensions relating to former directors	16			(4)	0	0	0	0	**12**
Pensions relating to other staff	200			(47)	4	0	(1)	0	**156**
Restructuring	0			0	0	0	0	0	**0**
Other	0		0	0	0	0	0		**0**
Total	**160,437**	**0**	**0**	**(44,609)**	**5,556**	**(1,121)**	**(5,215)**	**0**	**115,048**
TOTAL									
Clinical negligence:-	0	0	0	0	0	0	0	0	**0**
Secondary care	170,495	0	(714)	0	32,525	(21,400)	(42,997)	0	**137,909**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	488	(51)	(4)	0	**433**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	7,046	0	0	0	829	(976)	(433)	6	**6,472**
All other losses and special payments	0	0	0	0	693	(693)	0	0	**0**
Defence legal fees and other administration	2,766	0	0	0	2,599	(879)	(1,141)		**3,345**
Pensions relating to former directors	20			0	0	(4)	0	0	**16**
Pensions relating to other staff	339			0	100	(139)	(5)	0	**295**
Restructuring	0			0	0	0	0	0	**0**
Other	3,863		0	0	1,437	(1,247)	(2,017)		**2,036**
Total	**184,529**	**0**	**(714)**	**0**	**38,671**	**(25,389)**	**(46,597)**	**6**	**150,506**

21. Contingencies

21.1 Contingent liabilities

	2019-20 £'000	Reclassified 2018-19 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	165,208	146,656
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	4,468	3,831
Continuing Health Care costs	60	3,398
Other	0	0
Total value of disputed claims	**169,736**	153,885
Amounts (recovered) in the event of claims being successful	**(165,665)**	(138,606)
Net contingent liability	**4,071**	15,279

Continuing Healthcare Cost Uncertainties

In previous years liabilities for continuing healthcare costs were a significant issue for the LHB. However, during both the 2017-18 and 2018-19 financial years significant progress was made in progressing phase 3, 4, 5 and 7 claims and this progress continued in 2019/20. Progress in c learing all phase 3 claims was such that the Powys retrospective continuing healthcare team which assessed all phase 3 claims on an all Wales basis completed its work and the small number of remaining phase 3 claims were transferred back to the Swansea Bay University LHB during 2019 -20.

Progress in clearing the claims is such that as at 31st March 2020, the LHB has included the following amounts relating to th ese uncertain continuing healthcare costs:

Note 20 sets out the £299,632 provision for probable continuing care costs relating to 32 claims received.

Note 21.1 sets out the £60,427 contingent liability for possible continuing care costs realating to 9 claims received.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circ umstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019 -20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirem ent;

Swansea Bay University Local Health Board will then pay them a corresponding amount on retirement, ensuring that they are ful ly compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to Swansea Bay University Local Health Board.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national 'averag e discounted value per nomination' (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by the number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take -up of the scheme by our clinical staff in 2019-20 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the cre ation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2019-20 £'000	2018-19 £'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	215	290
Indemnities	0	0
Letters of Comfort	0	0
Total	**215**	**290**

21.3 Contingent assets

	2019-20 £'000	2018-19 £'000
	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March	2019-20 £'000	2018-19 £'000
Property, plant and equipment	6,199	8,214
Intangible assets	0	0
Total	**6,199**	8,214

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year:

	Amounts paid out during period to 31 March 2020	
	Number	£
Clinical negligence	202	13,858,566
Personal injury	35	478,513
All other losses and special payments	172	47,862
Total	409	14,384,941

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
			£	£
04RVCMN0045	1	Clinical Negligence	0	2,182,651
07RVCMN0045	1	Clinical Negligence	0	710,000
08RVCMN0008	1	Clinical Negligence	160,000	390,000
08RVCMN0021	1	Clinical Negligence	0	1,129,996
08RVCMN0035	1	Clinical Negligence	0	708,000
10RYMMN0033	1	Clinical Negligence	0	1,100,000
10RYMMN0057	1	Clinical Negligence	0	2,312,556
10RYMMN0173	1	Clinical Negligence	0	831,250
10RYMMN0205	1	Clinical Negligence	0	481,250
10RYMMN0212	1	Clinical Negligence	0	751,100
10RYMMN0223	1	Clinical Negligence	0	3,935,000
11RYMMN0156	1	Clinical Negligence	1,961,278	2,331,278
11RYMMN0179	1	Clinical Negligence	0	839,224
12RYMMN0001	1	Clinical Negligence	0	1,254,880
12RYMMN0047	1	Clinical Negligence	0	338,000
12RYMMN0106	1	Clinical Negligence	0	845,541
12RYMMN0108	1	Clinical Negligence	0	736,164
12RYMMN0130	1	Clinical Negligence	100,000	524,000
13RYMMN0004	1	Clinical Negligence	0	319,550
13RYMMN0010	1	Clinical Negligence	0	730,311
13RYMMN0037	1	Clinical Negligence	125,000	331,247
13RYMMN0094	1	Clinical Negligence	0	778,061
13RYMMN0235	1	Clinical Negligence	270,000	5,595,000
14RYMMN0033	1	Clinical Negligence	659,393	750,000
14RYMMN0034	1	Clinical Negligence	200,000	1,090,000
14RYMMN0047	1	Clinical Negligence	0	547,837
14RYMMN0083	1	Clinical Negligence	320,000	320,000
14RYMMN0103	1	Clinical Negligence	42,500	2,610,619
14RYMMN0120	1	Clinical Negligence	174,306	604,306
14RYMMN0169	1	Clinical Negligence	0	481,517
14RYMMN0207	1	Clinical Negligence	0	615,000
15RYMMN0151	1	Clinical Negligence	1,105,000	1,355,000
15RYMMN0176	1	Clinical Negligence	115,000	1,778,329
15RYMMN0232	1	Clinical Negligence	106,750	522,550
12RYMMN0240	1	Clinical Negligence	0	417,100
16RYMMN0161	1	Clinical Negligence	925,000	925,000
17RYMMN0006	1	Clinical Negligence	1,902,500	1,912,500
17RYMMN0030	1	Clinical Negligence	0	1,360,284
17RYMMN0047	1	Clinical Negligence	36,830	311,830
Sub-total	**39**		**8,203,557**	**44,756,931**
All other cases	370		6,181,384	19,486,706
Total cases	**409**		**14,384,941**	**64,243,637**

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Local Health Board has one lease arrangement classified as a finance lease under IFRS for the lease hire and use of hospital beds.

All rentals paid incur a standard rental charge with no index linked payments. The Health Board has no contingent rentals to disclose on these arrangements.

Future sub lease payments expected to be received total £Nil (2018-19 £Nil).

Contingent rents recognised as an expense total £Nil (2018-19 £Nil).

The Health Board does not hold any finance leases in respect of land and buildings.

Amounts payable under finance leases:

Land	**31 March 2020 £000**	31 March 2019 £000
Minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

Buildings	**31 March 2020**	31 March 2019
Minimum lease payments	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other	**31 March 2020**	31 March 2019
Minimum lease payments	**£000**	£000
Within one year	**213**	284
Between one and five years	**0**	213
After five years	**0**	0
Less finance charges allocated to future periods	**(2)**	(16)
Minimum lease payments	**211**	481
Included in:		
Current borrowings	**211**	270
Non-current borrowings	**0**	211
	211	481
Present value of minimum lease payments		
Within one year	**211**	270
Between one and five years	**0**	211
After five years	**0**	0
Present value of minimum lease payments	**211**	481
Included in:		
Current borrowings	**211**	270
Non-current borrowings	**0**	211
	211	481

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March 2020	31 March 2019
Gross Investment in leases	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The 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 2020	31 March 2019
	£000	£000
Total payments due within one year	**0**	0
Total payments due between 1 and 5 years	**0**	0
Total payments due thereafter	**0**	0
Total future payments in relation to PFI contracts	**0**	0
Total estimated capital value of off-SoFP PFI contracts	**0**	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**
	54,414
Contract start date:	12/05/2000
Contract end date:	31/05/2030

On 12th May 2000, a 30 year Private Finance Initiative (PFI) contract was signed between the Health Board's predecessor organisation Bro Morgannwg NHS Trust and Baglan Moors Healthcare for the provision of a 270 bed local general hospital to serve the population of Neath and Port Talbot. The services to be provided in the new hospital which was completed in Autumn 2002 resulted in the transfer of services from the subsequently closed Neath and Port Talbot Hospitals.

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 2020	**31 March 2020**	**31 March 2020**
	£000	**£000**	**£000**
Total payments due within one year	**2,831**	**5,003**	**4,694**
Total payments due between 1 and 5 years	**12,885**	**20,131**	**20,312**
Total payments due thereafter	**24,251**	**34,073**	**18,843**
Total future payments in relation to PFI contracts	**39,967**	**59,207**	**43,849**

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2019	31 March 2019	31 March 2019
	£000	£000	£000
Total payments due within one year	2,569	4,897	4,757
Total payments due between 1 and 5 years	12,245	20,054	19,728
Total payments due thereafter	27,722	39,154	24,122
Total future payments in relation to PFI contracts	42,536	64,105	48,607

Total present value of obligations for on-SoFP PFI contracts	**£143m**

25.3 Charges to expenditure	2019-20	2018-19
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,550	2,488
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	2,550	2,488

The LHB is committed to the following annual charges

PFI scheme expiry date:	31 March 2020 £000	31 March 2019 £000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	12,529	12,223
Total	12,529	12,223

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	
Neath Port Talbot Hospital	On

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk
The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk
LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk
The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2019-20 £000	2018-19 £000
(Increase)/decrease in inventories	222	(509)
(Increase)/decrease in trade and other receivables - non-current	6,321	45,103
(Increase)/decrease in trade and other receivables - current	64	(10,430)
Increase/(decrease) in trade and other payables - non-current	(3,042)	(2,840)
Increase/(decrease) in trade and other payables - current	(23,540)	393
Total	**(19,975)**	31,717
Adjustment for accrual movements in fixed assets - creditors	4,155	(654)
Adjustment for accrual movements in fixed assets - debtors	0	(7)
Other adjustments	(2,837)	(3,708)
	(18,657)	27,348

28. Other cash flow adjustments

	2019-20 £000	2018-19 £000
Depreciation	26,837	30,529
Amortisation	1,953	772
(Gains)/Loss on Disposal	(5)	(292)
Impairments and reversals	4,351	1,089
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	(89)	(730)
Government Grant assets received credited to revenue but non-cash	(197)	(384)
Non-cash movements in provisions	6,255	(8,781)
Other movements	23,584	0
Total	**62,689**	22,203

Other adjustments in Note 27 relates to the capital element of payments in respect of finance leases and on SoFP PFI schemes.

Other adjustments in Note 28 relates to the notional funding provided by Welsh Government in respect of the 6.3% NHS Pension Contributions paid by Welsh Government and notionally charged to the health board.

29. Events after the Reporting Period

COVID-19

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the LHB, wider NHS and society as a whole.

It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the LHB and wider society throughout 2020/21 and beyond. The LHBs Governance Framework will need to consider and respond to this need.

The COVID-19 pandemic presented a number of challenges to the organisation which are represented in the following disclosures within the financial statements.

Included within Note 3.3 - Expenditure on Hospital and Community Health Services are costs of £0.698m associated with the COVID-19 pandemic during the latter part of March 2020. These costs have been covered by a resource allocation from Welsh Government and there is therefore no impact on the performance against the Revenue Resource Performance reported in Note 2.1 as a result of these costs.

Consumables stock in note 14.1 includes £0.238m of items relating to the COVID-19 pandemic.

30. Related Party Transactions

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Related Party Interest
Mr. M Child	Independent Member	Cabinet Member for Care, Health & Aging Well, Swansea Council
Professor T.Crick	Independent Member	Non Executive Director of Welsh Water/Dwr Cymru
Mrs. J Davies	Independent Board Member	Royal College of Nursing Wales Board Member
Mr G Howells	Director of Nursing & Patient Experience	Member of Royal College of Nursing Wales Executive Board
Mrs. A James	Associate Board Member - Chair SRG	Chief Executive, Neath Port Talbot Carers Service Ltd
Mr. A Jarrett	Associate Board Member	Director of Social Services for Neath Port Talbot CBC
Mr M Waygood	Independent Member, Interim Vice Chair from July 23rd 2019	Member of the Ospreys in the Community Charity Board (From December 2019)

The total value of transactions with related parties in 2019/20 were as follows:

Related Party		Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
		£000	£000	£000	£000
City & County of Swansea Council		14,640	3,087	1,177	1,197
Welsh Water - Dwr Cymru		832	0	0	0
Royal College of Nursing		0	1	0	0
Neath Port Talbot Carers Service		108	4	3	2
Neath Port Talbot County Council		9,198	6,497	14	1,626
Ospreys Rugby		0	3	0	2

The Welsh Government is regarded as a related party. During the year Swansea Bay University Local Health Board has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

Entity	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	313	954,185	8	4,161
Welsh Health Specialised Services Commission	96,701	112,315	278	3,327
Aneurin Bevan LHB	1,091	2,892	95	137
Betsi Cadwaladr LHB	288	186	66	8
Cardiff & Vale LHB	5,793	6,405	685	1,872
Cwm Taf LHB	33,087	45,109	1,824	2,419
Health Education & Improvement Wales	4	12,082	0	266
Hywel Dda LHB	4,092	36,567	139	1,303
Powys LHB	1,440	9,221	48	859
Public Health Wales NHS Trust	3,889	3,737	1,112	117
Velindre NHS Trust	17,564	3,686	1,915	847
Welsh Ambulance Services NHS Trust	4,978	65	98	11
Total	**169,240**	**1,186,450**	**6,268**	**15,327**

31. Third Party assets

The LHB held £623,305 cash at bank and in hand at 31 March 2020 (31st March 2019, £721,755) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £568,775 at 31st March 2020 (31st March 2019, £616,247). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

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 2020 amounted to £586,026 (£593,564 as at 31st March 2019).

32. Pooled budgets

The Health Board (Swansea Locality) has participated in a formal pooled budget arrangement in 2019/20 which commenced in Apri l 2012 and replaced previous agreements in place between 2008/09 and March 2012. The pooled budget arrangement is accounted for in accordance with IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities.

Section 33 Partnership : Community Equipment

1. Statutory Partners
City & County of Swansea
Neath Port Talbot County Borough Council
Swansea Bay University Health Board

2. Aims of the Partnership

To provide an integrated community equipment service that meets the defining criteria and good practice within the guidance provided by the Welsh Government.

To provide a flexible and responsive service for users and practitioners through a unified assessment and provisioning system which avoids duplication and barriers to provision.

To meet national and local standards and performance indicators, in particular to provide a high percentage of equipment and minor adaptations within a seven day target.

To support intermediate care, palliative care and hospital discharge initiatives and to build on and consolidate existing joint arrangements.

To develop more accessible services with consistent eligibility criteria, which will improve co-ordination between partner agencies and service users.

To provide an assessment, demonstration display and learning facility for service users and practitioners from health, education and social services.

To meet the above in respect of beds, mattresses and cot sides and other equipment.

3. Pooled Budget Memorandum Account

Gross Funding	**2019/20**	**2018/19**
	£	**£**
City & County of Swansea	624,250	705,000
Neath Port Talbot County Borough Council	351,000	470,000
Swansea Bay University Health Board	1,524,749	1,175,000
Other	526,327	354,383
Total Funding	**3,026,326**	**2,704,383**
Expenditure	**2,233,243**	**2,333,546**
Net (under)/over spend	**(793,083)**	**(370,837)**

The underspend will be transferred into a ring fenced specific reserve to the equipment pool.

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

Swansea Bay University Health Board has organised its operational services into 5 Service Delivery Units (SDUs). Three of these units are centred on the Health Board's main hospital sites of Morriston, Neath Port Talbot, and Singleton. The remaining two SDUs cover Mental Health and Learning Disabilities Services and Primary Care and Community Services.

The LHB has formed the view that the activities of its SDUs are sufficiently similar for the results of their operations not to have to be disclosed separately. In reaching this decision the Health Board is satisfied that the following criteria are met:

1. Aggregation still allows users to evaluate the business and its operating environment.

2. Service Delivery Units have similar economic characteristics.

3. The Service Delivery Units are similar in respect of all of the following:-

> The nature of the service provided
> The Service Delivery Units operate fundamentally similar processes
> The end customers (the patients) fall into broadly similar categories
> The Service Delivery Units share a common regulatory environment

The LHB did operate as a home to one hosted body during 2019/20, which is the NHS Wales Delivery Unit (DU). This unit is responsible for the functions of assurance, improvement of performance and delivery for NHS Wales . with the unit being aligned to the priorities of and directly funded by the Welsh Government.

During 2019/20 these accounts contain income of £3.169m and expenditure of £3.101m in respect of the DU.

The LHB 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 2019 to 31 March 2020. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2019 and February 2020 alongside Health Board/Trust/SHA data for March 2020.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020		**£'000**
Expenditure on Primary Healthcare Services	**2019-20**	0
Expenditure on Hospital and Community Health Services	**2019-20**	23,584

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020		
Net operating cost for the year	**Balance at 31 March 2020**	23,584
Notional Welsh Government Funding	**Balance at 31 March 2020**	23,584

Statement of Cash Flows for year ended 31 March 2020		
Net operating cost for the financial year	**2019-20**	23,584
Other cash flow adjustments	**2019-20**	23,584

2.1 Revenue Resource Performance		
Revenue Resource Allocation	**2019-20**	23,584

3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	**2019-20**	0
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	**2019-20**	82
Staff costs	**2019-20**	23,502

9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	**2019-20**	23,584
Charged to capital	**2019-20**	24
Charged to revenue	**2019-20**	23,560

18. Trade and other payables		
Current		
Pensions: staff	**Balance at 31 March 2020**	0

28. Other cash flow adjustments		
Other movements	**2019-20**	23,584

34. Other Information

34.2 Bridgend Boundary Change

The Cabinet Secretary for Health and Social Services announced on 14 June 2018 that from 1 April 2019, the responsibility for providing healthcare services for the people in the Bridgend County Borough Council (BCBC) area would move from Abertawe Bro Morgannwg ULHB to Cwm Taf ULHB.

The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019 transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg ULHB to Cwm Taf ULHB and also changed the health board names to Cwm Taf Morgannwg University Local Health Board and Swansea Bay University Local Health Board,

In accordance with the Local Health Boards (Area Change) (Transfer of Staff, Property and Liabilities) (Wales) Order 2019 made on 19th March 2019 and effective on 1 April 2019,assets and liabilities relating to Bridgend services transferred from Swansea Bay ULHB to Cwm Taf Morgannwg ULHB on 1 April 2019. The transfer was accounted for as a 'Transfer by Absorption' in accordance with the Government Financial Reporting Manual. The recorded amounts of net assets were brought into the financial statements of Cwm Taf Morgannwg ULHB from the 1 April 2019. Prior year restatement of the closing balances at 31st March 2019 is not required and the tables below identify the balances recorded in the Statement of Financial Position as at 31st March 2019 which transferred to Cwm Taf Morgannwg ULHB on 1st April 2019.

Non-current assets	**Non-Donated**	**Donated**	**Lease**	**Government Granted**	**Total**
	£000	£000	£000	£000	£000
Property, plant and equipment					
Land	16,677	0	0	0	16,677
Buildings excluding dwellings	117,655	1,797	0	0	119,452
Dwellings	3,696	0	0	0	3,696
Assets under construction and paymer	437	129	0	0	566
Plant and machinery	7,492	0	0	0	7,492
Transport Equipment	0	0	0	0	0
Information Technology	1,996	0	0	0	1,996
Furniture and fittings	462	0	0	0	462
	148,415	**1,926**	**0**	**0**	**150,341**
Intangible Assets					
Computer Software purchased	0	0	0	0	0
Computer software internally develope	0	0	0	0	0
Licences and trademarks	0	0	0	0	0
Patents	0	0	0	0	0
Development Expenditure	0	0	0	0	0
EU Emission trading scheme allowanc	0	0	0	0	0
	0	**0**	**0**	**0**	**0**
Total Property plant and equipment	**148,415**	**1,926**	**0**	**0**	**150,341**
Intangible Assets					
Non current assets held for sale	0	0	0	0	0
Total Value	**148,415**	**1,926**	**0**	**0**	**150,341**

34. Other Information

34.2 Bridgend Boundary Change (Continued)

Working Capital Balances	£000
Non Current Assets	
Trade and other receivables	0
Other financial assets	0
Other current assets	0
Current Assets	
Inventories	1,712
Trade and other receivables	4,343
Other financial assets	0
Other current assets	0
Cash and cash equivalents	34
Total Value of Assets	**6,089**
Liabilities	
Trade and other payables	(24,943)
Borrowings	0
Other financial liabilities	0
Provisions	(1,207)
Other liabilities	0
Total Value of Liabilities	**(26,150)**
Total Value Net Working Capital Transferred	**(20,061)**

The estimated impact of the transfer for Swansea Bay ULHB is to reduce the expenditure and associated funding by 28% in 2019-20.

34. Other Information

34.2 Bridgend Boundary Change (Continued)

In addtion to the transfer of assets and liabilities, the Local Health Boards (Area Change) (transfer of Staff, Property and Liabilities) (Wales) Order 2019. resulted in the transfer of staff providing services to the local government area of Bridgend to Cwm Taf Morgannwg Local Health Board.

The transfer of staff was completed in line with Transfer of Undertakings (Protection of Employment) - TUPE regulations.The number of whole time equivalent (wte) staff who transferred to Cwm Taf Morgannwg Health Board under these arrangements is detailed below by staff group

	Number
Administrative, clerical and board members	416
Medical and dental	314
Nursing, midwifery registered	1,020
Professional, Scientific, and technical staff	98
Additional Clinical Services	550
Allied Health Professions	172
Healthcare Scientists	32
Estates and Ancilliary	357
Students	1
Total	**2,960**

34. Other Information

34.3 International Financial Reporting Standard (IFRS) 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2021, because of the circumstances caused by Covid-19.

To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2020-21 financial statements."

The Certificate of the Auditor General for Wales to the Senedd

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

Opinion

In my opinion the financial statements:

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

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

Basis for opinion

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

Conclusions relating to going concern

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

the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

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

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

Qualified opinion on regularity

Basis for qualified opinion on regularity

The Health Board has breached its resource limit by spending £58.580 million over the £3,143 million that it was authorised to spend in the three-year period 2017-18 to 2019-20. This spend constitutes irregular expenditure. Further detail is set out in the attached Report.

Qualified opinion on regularity
In my opinion, except for the irregular expenditure of £58.580 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 .

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

Matters on which I report by exception

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

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion: proper accounting records have not been kept;

the financial statements are not in agreement with the accounting records and returns;

information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or

I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.
I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Adrian Crompton
Auditor General for Wales
2 July 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Report of the Auditor General to the Senedd

Introduction

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

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

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The fourth three-year period under this duty is 2017-18 to 2019-20, and so it is measured this year for the fourth time.

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 £3,143 million by £58.580 million. The LHB did not therefore meet its first financial duty.

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

Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2019-20 if it submitted a 2019-20 to 2021-22 plan approved by its Board to the Welsh Ministers who then approved it by the 30th June 2019.

As shown in Note 2.3 to the Financial Statements, the LHB did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2019-20 to 2021-22. On 1 April 2019, the responsibility for commissioning healthcare services for the people in the Bridgend County Borough Council area transferred from the former Abertawe Bro Morgannwg University Health Board to Cwm Taf Morgannwg University Health Board, and the former Health Board was renamed Swansea Bay University Local Health Board.

However, the Welsh Government determined that the accumulated deficit of the former Health Board should remain in its entirety with the Swansea Bay University Health Board, rather than be apportioned as part of the transfer process. The effect of that decision is to increase the scale of the financial challenge faced by the Health Board in recovering its financial position.

Adrian Crompton
Auditor General for Wales
2 July 2020

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.