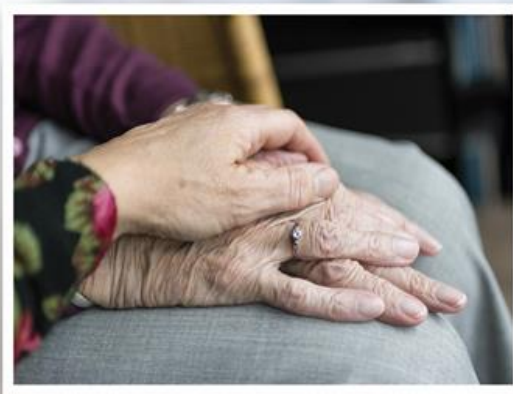


# Abertawe Bro Morgannwg University Health Board Annual Report



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

Links included within this Annual Report

Annual Quality Statement (AQS) link: [Annual Quality Statement](#)

Annual Governance Statement/ Accountability Report (AGS) link: [Accountability Report including Annual Governance Statement](#)

Financial Accounts and Statements Link: [Audited Accounts 2018-19](#)

Welsh language version of Annual Report link: [Swansea Bay University Health Board](#) *(note available after 23.3.19)*

Web site address link: [Swansea Bay University Health Board](#)

Email address: [sb.inquiries@wales.nhs.uk](mailto:sb.inquiries@wales.nhs.uk)

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## **Chair and Chief Executive Foreword**

We are delighted to present this, our final Annual Report as Abertawe Bro Morgannwg University Health Board. You will see from the pages that follow we are incredibly proud of the progress that has been made during 2018/19, but we are also realistic about the challenges that remain.

### **Boundary Change**

A significant change during the year has been the Bridgend boundary realignment with the health commissioning responsibility for the population of Bridgend transferring to Cwm Taf Morgannwg University Health Board. Whilst this has been 'all consuming' for many members of staff, whether they moved to a new organisation or remained with the newly named Swansea Bay University Health Board, the transition took place remarkably smoothly. Most importantly, there was minimum disruptions to the populations served by Swansea Bay University Health Board and Cwm Taf Morgannwg University Health Board. That is testament to the enormous effort and diligence of countless staff.

### **The Board**

This has been a year of new beginnings with changes at executive and non-executive level but, with all but one vacancy now filled, we have a stable and talented Board to guide the organisation through the next year and beyond. There have been many staff engagement events during the past year which not only ensures the Board are more visible across all areas but helps members of the Board truly understand the organisation. This has proved invaluable with increased understanding and insight about the challenges, achievements, issues and innovative practice in all Service Delivery Units.

### **Strategy**

Key developments during the year include setting out our ambitions and, importantly, how we will achieve them in our approved Organisational Strategy, **Better Health, Better Care, Better Lives**. Alongside this and, indeed, an enabler, is our refreshed Clinical Services Plan. This describes how we will transform wellness in primary and community services to underpin change in the major hospitals allowing them to dedicate their expertise to those most in need their care.

## Performance

Whilst the Health Board remains in targeted intervention status, there is a renewed sense of confidence and optimism in ourselves and from Welsh Government in our ability to deliver on performance and financial sustainability.

Government is extremely supportive of the plans and actions we are putting in place, and shares our desire to make progress towards a lower level of escalation and monitoring, thus allowing more freedom for innovation and improvement.

In terms of our performance, we are definitely in a better place. Waiting times have reduced over the last year, particularly for cancer patients and, in other areas at the end of 2018/19 the number of patients waiting more than 36 weeks was at its lowest point since the start of 2014. There have been improvements in stroke services with increased numbers of patients being admitted directly onto a stroke ward within four hours and, the number of healthcare acquired infections is on an improving trajectory. Our unscheduled care system became more stable during the year with fewer patients waiting more than 12 hours in A&E and improvements in ambulance handover times. This is

an area where more progress is needed both within the emergency department and across the whole system. With regard to mental health services, the Health Board routinely delivers at target levels for assessments, interventions and advocacy contact. Progress is also being made in access to primary care services, for example the number of practices offering appointments between 5pm and 6.30pm, five days a week has increased from 76% to 88%.

## Our Staff

Our staff are our greatest asset, we are delighted that the staff survey results demonstrate an improvement in our engagement score as well as a reduction in turnover of 0.8% when compared with the previous year.

Our values, ***Caring for Each Other, Working Together*** and ***Always Improving***, remain hugely important to the Health Board. They were developed through extensive engagement and continue to underpin all that we do.

## Partnerships

We are pleased to have been successful in a bid to Welsh Government for transformation funding which will be used to provide better, collaborative primary

and community services. This development is in line with a 'Healthier Wales', the Welsh Government plan for Health and Social Care, and will initially be focussed in the Cwmtawe and Neath Cluster areas. 2019/20 will see the start of the roll-out across the whole Health Board area.

Working closely with our Local Authority and Third Sector partners is really important to us and has huge potential to enhance provision to service users. The ARCH and Western Bay programmes, working with academia and neighbouring Health Boards is critical for innovation and improvement to flourish.

### **The Chairman**

"Having announced my intention to stand down at the Board meeting in March 2019, I left the Health Board at the end of June 2019. It has been a tremendous honour to lead this organisation for 6 years. I have witnessed, through our staff, an amazing desire to provide the best possible care for our patients and their families.

"I feel now is the time that I can hand over the reins as I believe this Health Board is in a safe and much

more stable position than it was when I became chairman, and is most definitely on an improving trajectory. We effectively have a new board, as strong as any I've seen, with a stable and effective team and a dynamic Chief Executive in Tracy, who has brought real leadership and grip to the organisation."

We believe our residents and patients deserve the best healthcare and well-being service and support possible and we will endeavour to provide safe, compassionate, individualised services where and when they are needed. We will work diligently with partners and communities to ensure we are actively improving the health of our population.



*Andrew Davies*



*Tracy Myhill*



## About Us



Abertawe Bro Morgannwg University Health Board (ABMUHB) was established in October 2009 with responsibility for assessing the health needs, commissioning, planning, well-being and delivering healthcare for the populations of Bridgend, Neath Port Talbot and Swansea local authority areas.

As stated above, further to the Welsh Government announcement on 14 June 2018, delivery and commissioning of healthcare services for the people in the Bridgend County Borough Council (Bridgend CBC) area moved from Abertawe Bro Morgannwg

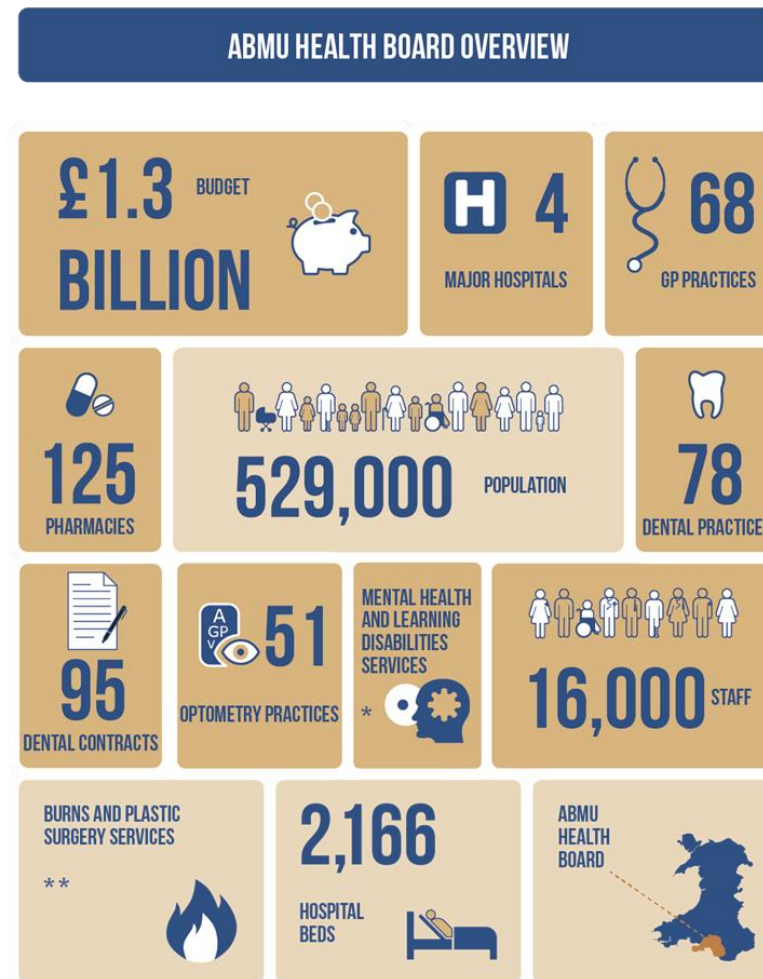
University Health Board (ABMUHB) to Cwm Taf University Health Board (CTUHB).

Following the transfer ABMUHB became Swansea Bay University Health Board (SBUHB), responsible for delivery of healthcare and well-being services for the populations of Neath Port Talbot and Swansea. The effective date of the transfer was 1 April 2019 therefore this annual report will provide a review for the original AMBUHB area including Bridgend; the forward look and plans will cover the new SBUHB area only.

## Our Services

ABMUHB covers an estimated population of c.529,000 with a budget of **£1.3bn** (*inc. misc income*). The Health Board employs c.16,000 staff covering a wide range of services including:

- General Practitioners (GPs);
- Optician Services;
- Dental Services including three Orthodontists and three dentists with special interests;
- Pharmacy Services;
- Community based services;
- Hospital Services (four acute hospitals providing scheduled and unscheduled care), Mental Health facilities, Learning Disability (LD) bungalows and community hospitals (six community sites);
- Minor Injuries Units;
- Mental Health and Learning Disability Services;
- GP OOH Services (85,854 contacts during 2018/19);
- Tertiary Services.



\* = Regional provider for Learning Disabilities Service, providing services for Cwm Taf and Cardiff and Vale University Health Boards, as well as ourselves

\*\* = Services provided for the whole of South Wales and the South West of England, as well as ourselves



## Governance Arrangements

The Health Board is governed by a Board which includes both Executive Directors and Independent Members. During 2018/19, the Board Chairman was Andrew Davies and the Chief Executive was the newly appointed Tracy Myhill. Andrew Davies is directly accountable to the Minister for Health and Social Services and Tracy Myhill is accountable to the Director General/ Chief Executive for NHS Wales and the Chairman

The Board is accountable for effective delivery of healthcare and well-being services for the local population. It does this by providing leadership to the organisation within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board has full responsibility for:

- Setting the strategic direction, the aims and objectives of the Health Board within the overall policies and priorities of the Welsh Government and NHS Wales;
- Ensure compliance with statutory duties and responsibilities;

- Ensure the necessary financial and human resources are in place for the organisation to meet its objectives;
- Review performance through effective scrutiny and challenge across all areas of responsibility;
- Set the Health Board's Purpose, Values and Behaviours (see below);
- Ensuring that its obligations to its stakeholders are understood and met.

caring for each other	working together	always improving
in every human contact in all of our communities and each of our hospitals.	as patients, families, carers, staff and communities so that we always put patients first.	so that we are at our best for every patient and for each other.
We are <b>friendly, helpful</b> and <b>attentive</b> . We <b>welcome others</b> with a smile.  We <b>see people as individuals</b> . We do the right thing for every person and treat everyone with <b>dignity and respect</b> .  We are <b>kind, compassionate, patient</b> , and <b>empathetic</b> to the needs of others.	We <b>communicate openly</b> and <b>honestly</b> and <b>explain things clearly</b> .  We take time to <b>listen, understand</b> and <b>involve people</b> . We <b>value everyone's contribution</b> and we work with our partners to join things up for people.  We are <b>open to, and act on, feedback</b> . We <b>speak up</b> if we are concerned.	We keep people <b>safe</b> and provide an <b>efficient</b> and <b>timely</b> service.  We are <b>professional</b> and <b>responsible</b> and <b>hold ourselves and each other to account</b> .  We <b>choose a positive attitude</b> , <b>seek out learning</b> , and <b>continually develop</b> our skills and services.
We won't ignore people, be dismissive, rude, abrupt or leave anyone to suffer or feel neglected.	We won't let each other down, exclude or criticise people.	We won't accept second best or choose a negative attitude.

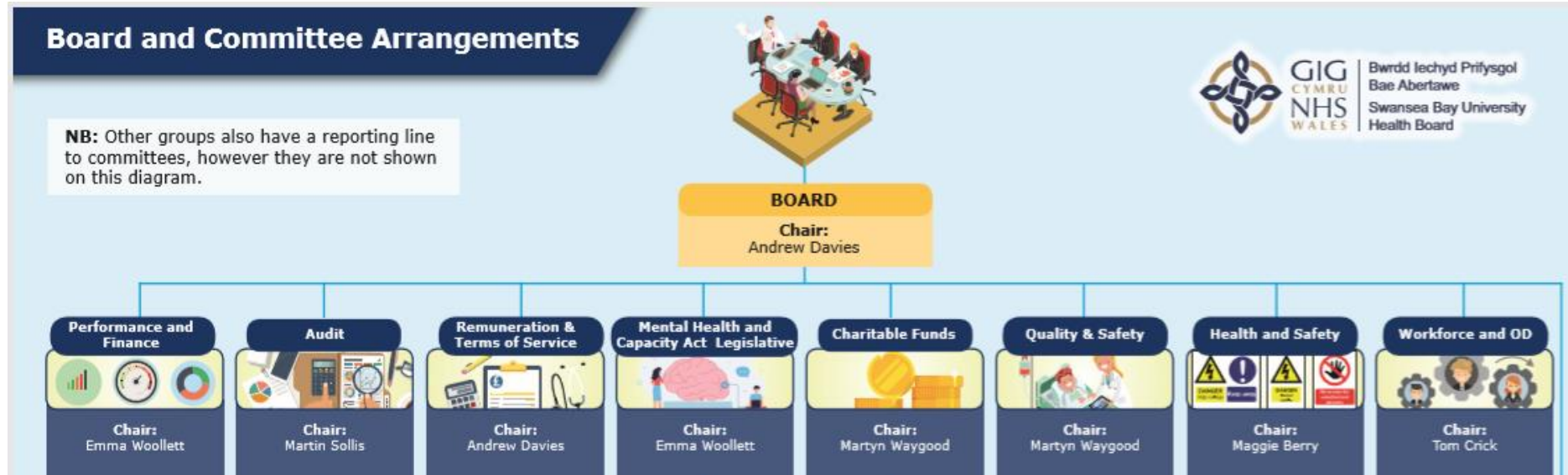
## Governance Arrangements Cont...

Along with regular meetings, the Board discharges its responsibilities as detailed above via a range of committees and advisory groups.

An overview of the committee structure is outlined below with full details available in our Annual Governance Statement (AGS) link: [Accountability Report including Annual Governance Statement](#)

During 2018/19, the Health Board has completed a review of its governance arrangements including a

Board Effectiveness survey and a governance maturity matrix, which was sent to all Board members. The outcome of the survey has been used to agree the improvement priorities for 2019/20. This was discussed and agreed at a Board Development meeting in April 2019. Full details of the priorities can be found in the AGS.



## **Bridgend Boundary Change**

The Minister for Health and Social Services announced on 14 June 2018 that from 1 April 2019, the responsibility for delivery and commissioning of healthcare services for the people in the Bridgend County Borough Council (Bridgend CBC) area and moved from Abertawe Bro Morgannwg University Health Board (ABMUHB) to Cwm Taf University Health Board (CTUHB).

The change was managed through a Joint Transition Board (JTB) which was established as a sub-committee of both Health Boards to oversee the implementation of the boundary move. The JTB met monthly during 2018/19 and received regular updates from all sub-groups.

In order to enact the decision by the Welsh Government to implement the boundary change there was a legal requirement to lay an Area Change Order before the National Assembly for Wales, a copy of the Order is available online: The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019.

Colleagues across both Health Boards have worked closely together, to identify all clinical services that

fall within the scope of the transfer. Working through every identified service, both Health Boards have agreed the future service provider arrangements, the final clinical service listing was reported to the Health Boards in March 2019. For some services, a Service Level Agreement (SLA) has been put in place and ABMUHB will continue to provide services to the population of Bridgend on behalf of CTUHB, and vice versa.

In practice, this is an administrative change and not a service change. Our patients should not notice any changes to their healthcare services. Services are not being lost or reduced, and how patients access services and receive their care remains the same from 1 April 2019.

A workforce transfer process was agreed through both Health Board Partnership forums and has informed and guided the decision making regarding all staff posts impacted by the change. Further details of this significant change can be found on the Swansea Bay University Health Board website.

## Partnerships

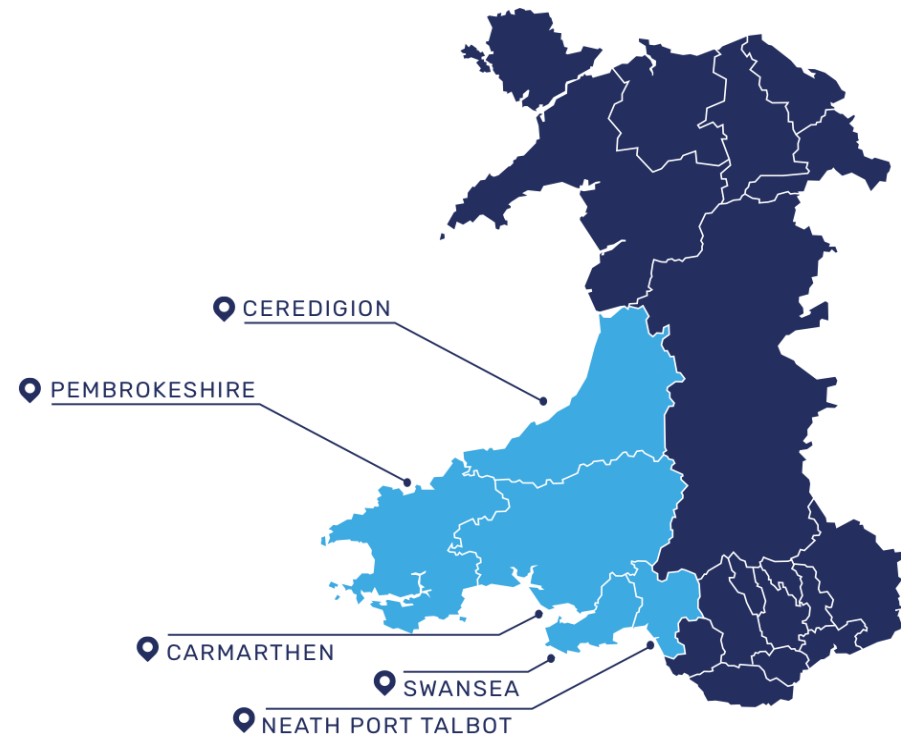
A **Regional Collaboration for Health (ARCH)** is a unique collaboration between three strategic partners; Swansea Bay University Health Board, Hywel Dda University Health Board and Swansea University. It spans the local authority areas of Ceredigion, Pembrokeshire, Carmarthenshire, Neath Port Talbot and Swansea.

## The ARCH Portfolio

ARCH is a long term transformational collaboration that aims to improve the health, wealth and wellbeing of the South West Wales region.

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'.

We believe a joined up regional approach is the only way we will be able to deliver meaningful change to address service pressures, workforce fragility and to drive a vibrant life science economy. For more details see <http://www.arch.wales/>



Swansea Bay University Health Board, together with Hywel Dda Health Board and Swansea University continues to be committed to progressing the ARCH Programme to improve the health, wealth and wellbeing for the population of South West Wales. The portfolio has been refocussed during 2018/19, and, with a strengthened programme management office, is in a strong position to lead further change during 2019/20.

## Western Bay Regional Partnership

The Health Board is a key member of the Western Bay Regional Partnership Board (RPB) along with the three Local Authorities in the ABMU area. This has led the development of integrated services between health and social care in recent years as part of the implementation of the Social Services and Wellbeing (Wales) Act 2014. The Regional Partnership Board's Population Assessment, as required by the Act, was published in April 2017 and used to develop the associated Area Plan which was published in April 2018. The Area Plan sets out how the Western Bay Regional Partnership Board will address the Population Assessment and is the overarching regional plan for integrated health and social care joint working. See below for link to area plan. We have clear evidence of the impact of these services, for example:

Description of Scheme	Projected Outcomes and Outputs (Totals)	
Intermediate Care Services (underpinned by S33 agreement), Whole System Approach, Acute Clinical Response	Admissions avoided	2,919
	Number of bed days saved	29,190
	Cost of bed days saved	£3,669,600
Common Access Point	Number of people referred to Community Resource Team	7,424
Reablement – Discharge Facilitation	Discharges facilitated	957
	Number of bed days saved	2,817
	Cost avoided	£363,960

The relationships and integrated services we have developed have enabled us to be successful in securing RPB funding for a Transformation Fund Proposal; “Our Neighbourhood Approach” in two areas in the region as well as for the Whole System Cluster Transformation across the whole Western Bay area. Our Neighbourhood Approach is focused on enabling people and communities to become more self-supporting through a focus on maximising the assets we have through a place based approach.

This, along with the Cwmtawe Cluster and the other seven Clusters in the Swansea and Neath Port Talbot areas have received Transformation funding to test out how the national primary care model can be implemented sets out our expected future direction for focusing on wellbeing, prevention and earlier intervention with care, when required, planned and delivered as far as possible through a cluster based model of care.



The joint working arrangements for these partnerships have been strengthened in 2018/19. The “Western Bay” arrangements have been reviewed to reflect the new planning area without Bridgend. Governance has also been strengthened with a clear set of strategic priorities to reflect ‘A Healthier Wales’, along with this a new structure for the West Glamorgan Regional Partnership Board (RPB), agreed in March 2019 which has now been implemented.

ABMU Health Board has also been a core partner of the Swansea, Neath Port Talbot and Bridgend Public Services Boards, established as a result of the Wellbeing of Future Generations (Wales) Act 2015. The **Public Service Boards** (PSB) prepared a wellbeing assessment which was published in May 2017 and, based on these, developed wellbeing Plans which were published in May 2018. The PSBs and their priorities have been the subject of review during 2018.

Full details of the PSB plans can be found at

- [Western Bay Area Plan](#)
- [Swansea PSB Area Plan](#)
- [NPT PSB Area Plan](#)

The table below outlines the wellbeing objectives agreed by each of the PSBs and incorporated into the Health Board’s own wellbeing objectives.

<b>Bridgend</b>	<b>Neath Port Talbot</b>	<b>Swansea</b>
Best start in life	Support children in their early years, especially children at risk of adverse childhood experiences	Early years: children have the best start in life to be the best that they can be
Support communities to be safe and cohesive	Create safe, confident and resilient communities, focusing on vulnerable people	Strong communities: to build strong communities with a sense of pride and belonging
Healthy choices in a healthy environment	Value our green infrastructure and the contribution it makes to our wellbeing	Working with nature: to improve health, supporting biodiversity and reduce our carbon footprint
	Put more life into our later years – ageing well	Live well, age well: to make Swansea a great place to live and age well
Reduce social and economic inequalities	Promote wellbeing through work and in the workplace	
	Tackling digital exclusion	

## ABMU Health Board's Wellbeing Objectives

In addition to working with its partners and other stakeholders to develop Wellbeing Plans through Public Services Boards, the Health Board also has a statutory requirement to publish its own 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* (as detailed in the **Well Being of Future Generations Act** – see right) have been used to inform the setting of the objectives and steps to achieve them. The draft wellbeing objectives for ABMU Health Board were agreed in 2017.

The Health Board agreed its final wellbeing objectives through the approval of the Organisational Strategy in November 2018. These are:

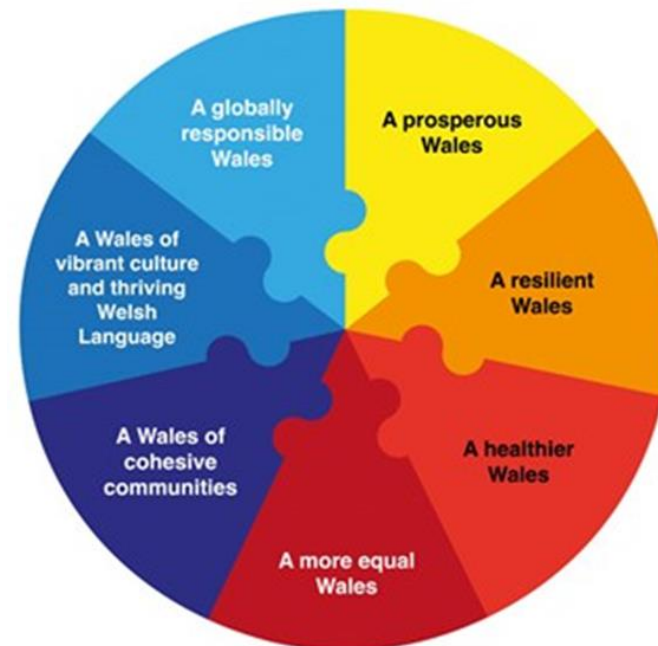
- Giving every child the best start in life;
- Connecting communities with services and facilities;
- Maintaining health, independence and resilience of communities of individuals, communities and families.

ABMUHB, along with other statutory bodies, recently submitted a detailed Reflection Tool measuring our

progress in 2017/18 against the objectives and the five ways of working. The publication of the All Wales reflection tool report is expected in July 2019.

Following on from this ABMUHB undertook the more

recent journey checker, the Simple Changes Grid developed by the Future



Generations Commissioner, to track progress against all 82 objectives. The purpose of this is to measure how public bodies have embedded the Act within organisations and this was submitted to the Commissioner in March 2019.

During 2017/18, ABMUHB and Cardiff and Vale UHB established a **Regional and Specialised Services**

**Provider Planning Partnership.** Our two Health Boards established this forum to progress improving service planning and delivery for services where we are the only provider in the area. A set of principles have been agreed to establish which services should be considered on the basis of their sustainability, fragility and value along with the opportunity to bring care back to Wales. This partnership works closely with Welsh Health Specialised Services Committee (WHSSC).

The Health Boards' partnership arrangements with Hywel Dda Health Board via the **Joint Regional Planning and Delivery Committee** have continued to mature during 2018/19. The focus to date has been on addressing our common operational challenges and performance pressures. In 2019/20 the priority areas have been identified as endoscopy, dermatology, cellular pathology, vascular and catheter laboratory services in terms of both continuing to address immediate pressures and developing longer term sustainable solutions.

## **Engagement**

ABMU Health Board continues to develop its mechanisms for continuous engagement in line with Welsh Government guidance and has an agreed

Strategic Framework for engagement and consultation with Abertawe Bro Morgannwg **Community Health Council (CHC)**. The CHC is a statutory organisation, it is the independent voice representing the public's interest in the geographical area. In 2018 members of the Health Board met with the Full Council of the CHC to review joint working arrangements. They agreed to set up a joint liaison committee providing oversight of issues affecting both parties ensuring appropriate and timely actions.



The Health Board has a range of ongoing engagement mechanisms that it uses for all of its work. These include ABMYouth, the Stakeholder Reference Group, Disability Reference Group and Regional Third Sector Health, Social Care and Wellbeing Forum. The organisation is also increasingly developing co-production and the use of its “In Your Shoes” methodology. This is used to develop service change plans with people who have lived experiences along with their carers/families.

## **Overview of Abertawe Bro Morgannwg University Health Board**

ABMU HB was very pleased to welcome Tracy Myhill as the new Chief Executive Officer in February 2018. In her first year Tracy has unequivocally delivered on her promise to be a visible and authentic leader. She is proud to note that waiting times have reduced over the year, that improvements have been made in the number of stroke patients being admitted to a stroke unit within the critical four hour time frame and that the number of healthcare acquired infections is on an improving trajectory. The Health Board very clearly recognises that there are significant challenges, particularly within unscheduled care. Further details of performance can be found on page 53.

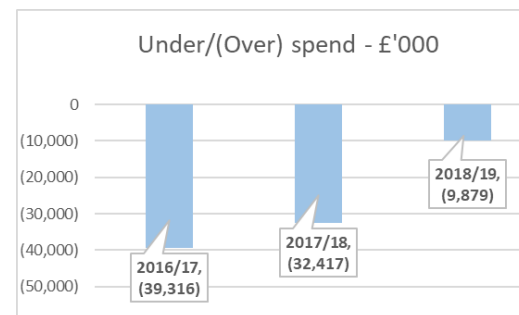
This improvement is set against a backdrop of the extraordinary amount of work that has been required during the year to facilitate the very successful Bridgend boundary change – full details of this can be found on page 11 of this report.

### **Financial Position**

The financial position of the Health Board improved during the year. The year-end position was a deficit of £9.88m, this compares very favourably with the

deficit of £32.4m in 2017/18. It should be noted that the Health Board received non-recurrent support of £10m in revenue funding during the year in recognition of the improvements in the areas of targeted intervention (see below). ABMUHB achieved £13.5m in savings and cost containment

during 2018/19 which contributed towards the reduction in the deficit. For full details see page 78



### **Integrated Medium Term Plan (IMTP)**

The Health Board was unable to submit an approvable (IMTP) for 2018/19 as there was more work to do to agree the Organisational Strategy and improve performance in the targeted improvement priority areas including finance. The Board did support an Annual Plan for 2018/19 which was submitted to Welsh Government.

## Escalation Level

In 2016 The Welsh Government placed Abertawe Bro Morgannwg University Health Board in the second highest level of escalation, Targeted Intervention. This followed concerns over the Health Board's performance in respect of key Welsh Government targets, its arrangements for governance and assurance and its financial position. With the exception of Unscheduled Care, all areas of performance set out in the targeted intervention escalation (RTT (Referral to Treatment), Stroke, Cancer and Infection Control) show improvement when comparing 2018/9 to the previous year. With regards to Unscheduled Care there is clear improvement in system resilience and in addition to this, performance has improved comparing this winter to last winter. However, year on year performance has declined as a result of the complexity of patients requiring emergency care provided by our hospitals.

The Health Board is working hard to achieve the Welsh Government targets and move towards a lower level of escalation. The Board and the Executive team are clear this will not be at the

expense of quality. Full details of performance against the targeted intervention measures can be seen in appendix 1.

## Managing Risk

In 2018/19, the Health Board Risk Register was significantly reviewed and a new format agreed. As of 31st March 2019 there were 26 risks on the risk register ranging from 12 to 20 which are categorised by rating against each of the Health Board's enabling objectives. In terms of the highest risks these are set out below:

- **Capacity within WODS (56);**
- **Sustained Clinical Services (27);**
- **Storage of Paper Records (36);**
- **Discharge Information (45) ;**
- **Brexit (54).**

Along with the financial deficit risk and those with the highest scores listed above, there are a series of other risks that the Health Board is managing:

- Nursing Staffing Act Levels (Wales) Act 2016;
- Health and Safety;
- Infection Prevention and Control;
- Transcatheter Aortic Valve Insertion (TAVI).

Full details of all risks and management thereof can be found in the [Accountability Report 2018/19](#)



## Quality at the Heart of Services

### Hospital Acquired Infections

There has been **significant improvement** during 2018/19 in the number of Healthcare Acquired Infections. The most impressive being a 36% reduction in the number of cases of *C.Difficile* when compared to 2017/18. There were also reductions of 7% and 4% respectively in cases of *Staph.Aureus* and *E.Coli*.

### Safer Patient Flow

2018/19 has seen the development of the 'Safety Huddle'. This approach identifies, early in the day, issues that might prevent patients from going home. The development has been supported by investment in patient flow co-ordinators along with other resources. The objective being to reduce length of stay by enabling patients who are fit for discharge to go home releasing the hospital beds for those in need of it. Alongside this, progress is being made to improve earlier access for patients to specialist assessment, diagnosis and treatment thus ensuring those people who do not require a hospital stay are not admitted.

## Reducing Pressure Ulcers

The Health Board achieved a 7% reduction in reported pressure areas this year; significantly there was been a reduction in serious pressure ulcers (reported to Welsh Government) of 23%.



This was largely achieved through raising awareness with carers, patients and staff of the importance of movement in reducing risk of skin damage from pressure areas. The Health Board has also introduced Pressure Ulcer Peer Review Scrutiny Panels, these are held in all Service

Delivery Unit's and ensure learning from incidents is translated into quality improvement plans.

## Primary and Community Services

### Primary Care Hub

The Primary Care Hub in the Neath Cluster continues to successfully demonstrate that a cluster of practices can address access issues by working together through a central multidisciplinary team (the 'Hub') with physiotherapists, wellbeing worker, medicines management support and audiologist. The



GPs within the Neath Cluster have adopted Vision360 software, which they use to book patients into appointments with the Hub clinicians whilst speaking to patients during 'Telephone First' conversations. Learning

from the Hub has been rolled out across Neath Port Talbot through the development of 'spoke' services in the Afan and Upper Valleys Clusters. The added provision of these services in rural and valley communities' increases access and multi-professional team solutions to bring care closer to home.

### Estate Development

The development of two new health and wellbeing centres, one in Swansea and one in Bridgend, have progressed to submitted outline business case stage during 2018/19. The developments have been made possible thanks to the Welsh Government Primary Care Pipeline funding which has also enabled the refurbishment of two existing ABMUHB owned clinics, one in Murton and one in Penclawdd.

The development of a City Wellness Centre within



Swansea City Centre will provide a wide range of well-being and primary and community services for the population of

Swansea. Proposed services for both the Swansea and Bridgend (*artist impression pictured above*) schemes will include GP services, dental services, children services, pharmacy, third sector services, audiology, speech and language, mental health and sexual health services.

The Health Board was delighted to support the development of the ‘first’ **integrated primary care and family centre in Mayhill in Swansea**. This multi million pound development supported by the Health

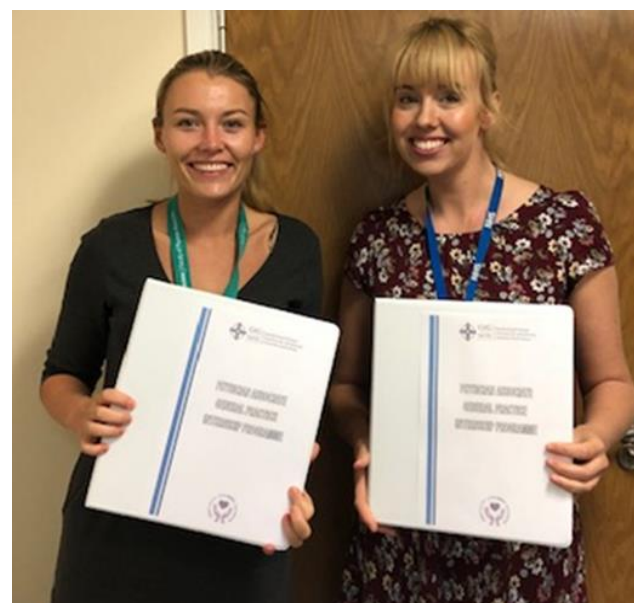


Board, Welsh Government and Swansea Council provides modern purpose built primary care facilities including a new GP practice and

a community pharmacy. The GP Practice accommodation is almost twice the size of the former surgery, with four ground-floor consulting rooms and a further two on the first floor; two treatment rooms; a phlebotomy room; reception; waiting areas; offices; and associated staff rooms. The Health Board Chairman Professor Andrew Davies said: “This state-of-the-art facility is exactly what the community needs and deserves. It is a model of what we can provide in other parts of the Health Board”.

## Physician Associate GP Internship Programme

The Sustainability team was successful in securing Welsh Government ‘Pacesetter’ funding to enable a pilot programme to introduce the Physician Associate (PA) role within General Practice over a two-year



period 2018 – 2020. The aim of this programme is to embed this relatively new healthcare role within General Practice by facilitating a structured educational programme

*Bria Ulyet (L) and Rhian John (R) at a CPD session* to consolidate the skills of newly qualified PAs whilst strengthening and diversifying the Primary Care workforce.

## Dental Services

The roll out of the National General Dentistry Services Reform Programme commenced in October 2017. The GDS reform programme was developed nationally by the Chief Dental Officer (CDO) and implemented across Wales in September/October 2017.

The programme aims to change the way dental services are provided, moving away from achievement of annual targets and towards a dental service focused on preventative care, delivered by a varied skill mix of dental care professionals, with active engagement with patients to look after and improve their oral health.

This new approach will:

1. Actively involve patients;
2. Increase patient access to NHS dentistry;
3. Make more effective use of current resources;
4. Facilitate a preventive and prudent healthcare approach to care;
5. Provide opportunity for more specialised service provision in primary care which will help relieve the burden on secondary care services.

Dental practices are able to join the scheme in April and October of each year. Since the programme commenced, ABMU/SBU HB has 12 practices on the programme, this amounts to 20% of practices which meets the expectations set out for all Health Boards by Welsh Government.

The **National Dental E-referral System** was successfully launched in March 2019. SBUHB and Hywel Dda HB were early adopters for the scheme



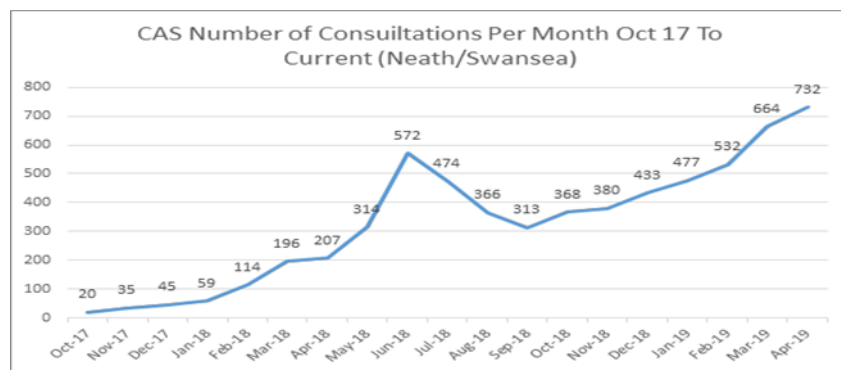
and continue to work with the providers on how the system can be utilised further. The scheme

aims to improve the efficiency of how referrals flow between professionals and improve the time it takes for them to be seen. Patients can also 'track' their referrals giving them greater understanding and assurance.



## Pharmacy

The Choose Pharmacy platform and Common Ailments Service (CAS) is now available in all 125 pharmacies across the Health Board footprint. In 2018/19, 7052 consultations were delivered directly to citizens. The Health Board has the 3rd highest figures in Wales despite being the last organisation to roll out the service. See graph below for CAS consultations since the project commenced.



In 2018/19 -Community Pharmacies also delivered 11,446 flu immunisation vaccines as we continually attempt to increase the level of the population receiving the vaccine. This was an increase of 35% being vaccinated within community pharmacies when compared to 2017/18.

## System Transformation – Cwmtawe Cluster

GPs and other primary care healthworkers in the Clydach, Morriston and Llansamlet areas of the city became one of the first in Wales to receive £1.7 million transformation funding from Welsh Government.

The way services are provided is changing, with more of an emphasis on working with the communities it serves and keeping people well - not just treating them when they are unwell.

The funding will help turn this healthcare vision into practice for people living in these Swansea communities over an 18 month period.

Cwmtawe Cluster Network is a group of three GP practices and healthcare professionals, including pharmacists; who work together with the voluntary sector and social services partners to improve patient services. Together the cluster provides care for around 44,000 people.

### The funding will be used to achieve:

- Increased focus on a social model of health;
- Better use of skilled workforce;
- Services more accessible and sustainable;
- Closer joint working across disciplines and agencies;
- Improved patient experience.



## Community Services

In 2018/19 the Health Board implemented a Single Point of Contact for District Nursing Service which is currently managing approximately 10,000 contacts per month. This service has streamlined the referral process for both the public and professionals, e.g. GPs and has enabled the front line District Nurses to focus their time on direct patient care.

Gorseinon Hospital implemented a revised approach to patient flow during 2018/19, early results have been encouraging. The aim of this change is to reduce the amount of time that older people spend in hospital. It is widely acknowledged that long periods of time spent in hospital increases dependency and significantly delays the return home.

Health Visitors (HV) have trialled the 2nd version of the All Wales Family Resilience Assessment Tool (FRAIT). This is a 'tool', developed in Wales by Health Visitors and the University of South Wales, designed to assess the level of intervention necessary to support families in the transition to parenthood. It is commenced at the first contact with the Health Visiting service, which could be during the antenatal period and repeated as necessary.

The Health Board is now delivering a full Primary Care Audiology Service to the whole Cwmtawe Cluster using a combination of Advanced and Associate practitioners. Plans are also in place to extend this to the Neath and Afan Clusters so that all surgeries will be able to access the same level of service this year. The development of Primary Care Audiology service has been a collaboration between Audiology, GPs and Ear Nose and Throat specialists, and has required Audiologists to develop an



extended skill set. It is a good example of clinicians working to the top of their licence,

delivering care closer to home, and providing the right care by the right person. This service helps to release GP appointments so doctors can see those most in need of their clinical skills.

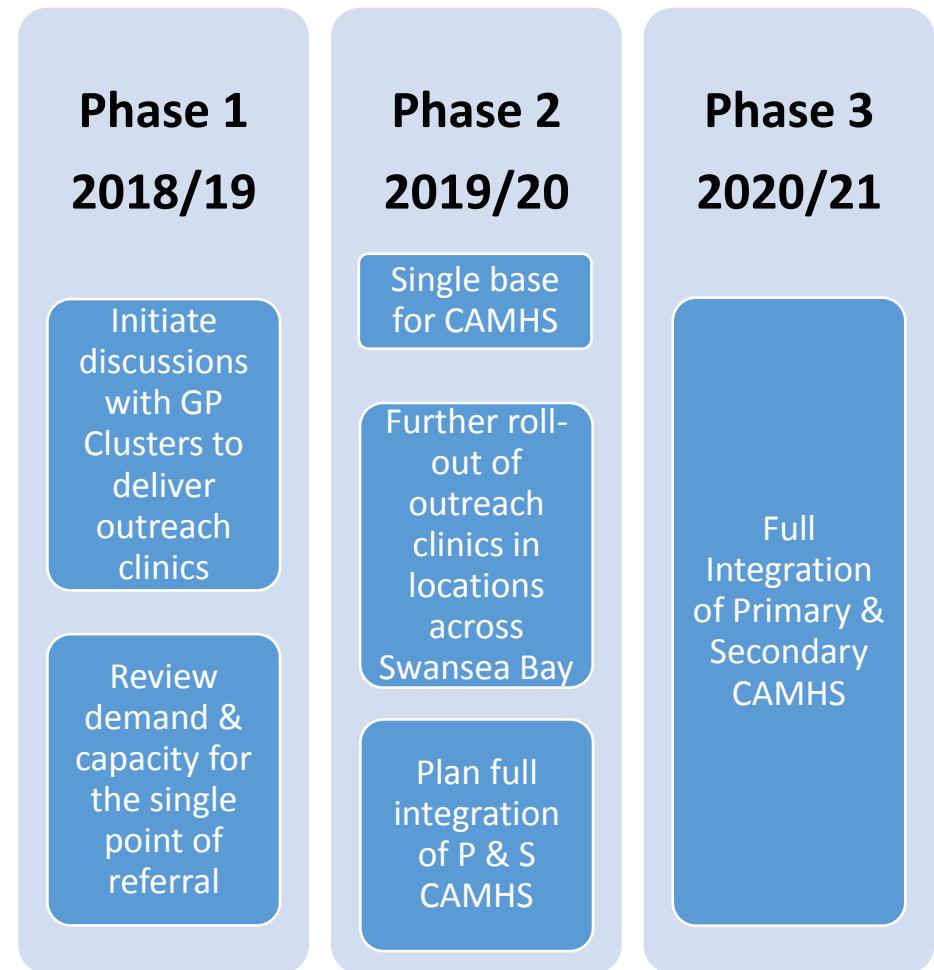
## Child and Adolescent Mental Health Services (CAMHS)

The Child and Adolescent Mental Health Service (CAMHS) for the population of Bridgend, Neath Port Talbot and Swansea is provided by Cwm Taf University Health Board (CTUHB). The CAMHS provision has traditionally suffered from significant waiting time and variation challenges, this is in part because the service is relatively small so where there is staff absence for any reason there is a disproportionate impact. The existing service is split between Primary CAMHS (P-CAMHS) and Secondary CAMHS (S-CAMHS) with P-CAMHS seeing patients with lower acuity needs and the S-CAMHS service seeing and treating patients with more complex and persistent mental health disorders.

ABM UHB (now Swansea Bay University Health Board) is working with Cwm Taf University Health Board to develop an integrated service model with a single team working across the whole of the Swansea and Neath Port Talbot area. The integrated service will provide a single point of referral to all primary and secondary CAMHS, an

approach that is strongly supported by GPs and Local Authorities.

The diagram below provides detail on the integration:



Some, but not all, of the benefit of integration includes a larger, more resilient team working across the whole Health Board area, reduced variation in service and shorter waiting times.

The health board measures **CAMHS** performance against local targets. In all but one of the six areas of measurement the organisation is improving its performance demonstrating that the service is improving. It is however worthy of note that, for the first time ever, during February 2019 ABMUHB achieved the target of 80% of S-CAMHS patients being assessed within 28 days.

Local Target	ABM UHB Trend	
% Of urgent assessments undertaken within 48 hours from receipt of referral (Crisis)	↑	●
% Of patients with neurodevelopmental disorder receiving diagnostic assessment and intervention within 26 weeks	↓	●
% Of routine assessments undertaken within 28 days from receipt of referral	↑	●
% Of therapeutic interventions started within 28 days following assessment by LPMHSS	↑	●
% Of Health Board residents in receipt of CAMHS who have a Care and Treatment Plan	↑	●
% Of routine assessments undertaken within 28 days from receipt of referral (SCAMHS)	↑	●

## **Mental Health and Learning Disability Services**

This year, work within the mental health (MH) and learning disabilities (LD) business unit has been aligned to the new Strategic Framework. Developed jointly with Local Authorities through the Western Bay Partnership, the framework outlines the optimum model for services that all organisations use to underpin development of services across the geographical area.

Working closely with our partners, the Health Board offers mental health support, care and treatment for adults aged 18-65 and older people over the age of 65 from our hospitals, community clinics and sometimes in patients' homes. We also provide regional substance misuse services, and hold responsibility for forensic mental health services for south, mid and west Wales.

The team look for innovative way to help patients feel 'at home' during their hospital stay. An example of this is the Derwen Arms – this is a local pub like any other, serving beers and refreshments with its own



pool table and dart board. Whilst the beer is strictly non-alcoholic and the darts are made of plastic, that hasn't stopped the pub from being a hit with its customers. It's located within the Derwen Ward, a 20-bed all male assessment unit in Swansea's Cefn Coed Hospital for men with a diagnosis of dementia. Despite its location on a

men-only ward, the patients are often joined by their wives for a social evening.

For the ladies on Onnen Ward at the same hospital, again with a dementia diagnosis, staff have created a hair salon and tearoom called Serenity. A visit to this facility can often help calm patients by bringing back good memories.

Older people with memory difficulties in Swansea are more active and steadier on their feet after signing up to a **walking hockey team**. The team was set up by the community mental health physiotherapy service. It offers exercise in the community for older people with cognitive impairment, early results demonstrate

general balance and function has improved and the



number of falls the participants experienced has reduced dramatically.

Looking forward to 2019/20:

- Reconsideration of the service model for Older People's Mental Health in-patient care with local authorities following the boundary change;
- Development of Suicide Prevention Action Plan for the NPT and Swansea areas with key partners;
- Development of a common Learning Disability service model and modernisation plan in partnership with three Health Boards and seven local authorities;
- Implementation of the Adult Mental Health Strategic framework.



## Achievement in 2018/19

### Promoting Well-being:

- Progress has been made in the uptake of childhood MMR vaccinations;
- 8581 members of staff (54.5%) took up the offer of the flu vaccine;
- Development of preventative approach to mental wellbeing, working with GP clusters, sports clubs and developing suicide prevention plans;
- Approval of transformation fund bid for Neighbourhood Approach and primary care cluster model in Cwmtawe and Neath Clusters.
- 18% increase in number of patients treated on an Urgent Suspected Cancer pathway compared to 2017/18.



Patients will get even better support on the road to recovery thanks to a new qualification.



Twenty five occupational therapy technicians working across ABMU Health Board have achieved the Agored Cymru level three diploma in occupational therapy support, which has enhanced their skills.

### Embedding Effective Governance and Partnerships:

- Renewed Board Leadership with a stable Executive and Board;
- **Approved** Organisational Strategy;
- **Approved** Clinical Services Plan;
- Kings Fund Development programme with Board, Executive Directors and Service Directors progressing well.



## Organisational Strategy

During 2018/19 the Health Board developed and approved an Organisational Strategy and a refresh of the Clinical Services Plan.

The **Organisational Strategy, Better Health, Better Care, Better Lives**, 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 well-being;
- Integrate services with partners in communities; and
- Ensure sustainability and delivery of consistently high quality care.

The strategy includes the organisations Well-being objectives (listed below), these have been developed in response to the Health Board's statutory duty under the **Wellbeing of Future Generations Act**.



### Well-Being Objectives:

1. Connecting communities with services and facilities across partners leading to demonstrable improvements in well-being and health;
2. Working with local communities, individuals and partners to build community resilience;
3. Give every child the best start in life.

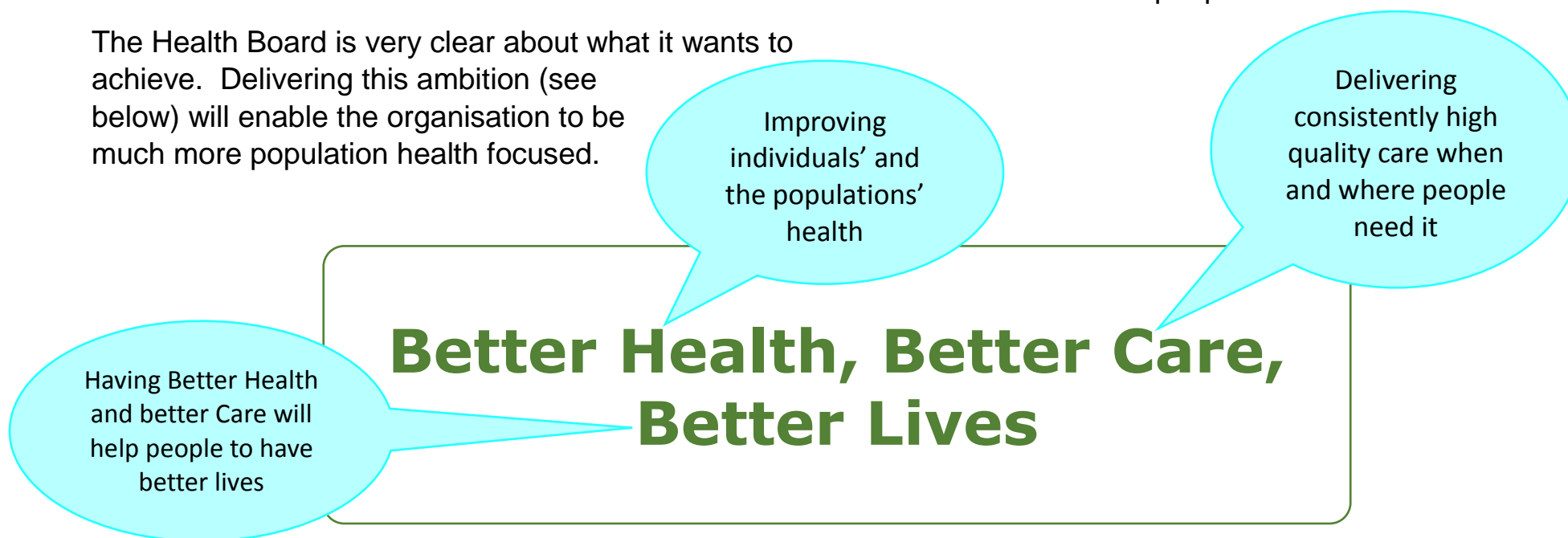
## Our Ambition

The Health Board is very clear about what it wants to achieve. Delivering this ambition (see below) will enable the organisation to be much more population health focused.

## Strategic Aims

These set out what is necessary to achieve our ambition:

1. Support better health and wellbeing by actively promoting and empowering people to live well in resilient communities;
2. Deliver better care through excellent health and care services achieving the outcomes that matter most to people.



## Clinical Services Plan

The Clinical Services Plan (CSP) is our five-year programme to transform the health and care services in Swansea Bay UHB. The CSP development process took place throughout 2018, led by clinicians and supported by our staff and partners. The CSP was approved by the Board in January 2019. The CSP describes how we will transform wellness, primary and community services to underpin significant service change in our major hospitals. This will enable them to dedicate their expertise to meeting the needs of those who most need their care, in particular the frail, elderly and acutely ill.

### Clinical Service Plan Principles

#### CSP Planning Principles



Optimising patient outcomes through

##### 1. One System of Care

Clinical pathway processes that cross Specialities, Departments and Delivery Units

##### 2. My Home First

Pathways which enhance care delivery in or closer to the patients home where clinically safe

##### 3. Right place, Right person, Right time

Workforce, estates, equipment, digitalisation

##### 4. Better Together

Regional and local collaboration on networks of services that meet the care needs of patients

#### Swansea Bay's Clinical Services Plan 2019-24



Better Health

Better Care

Better Lives



The Clinical Services Plan principles, developed with staff and stakeholders aligns strongly to the quadruple aim as identified within ["A Healthier Wales"](#). The four principles (see left) were developed to guide the Health Board in agreeing the Clinical Services Plan ambitions to become the care system the organisation aspires to be.

Our staff and partners have been at the forefront of shaping the CSP. Between September and November 2018 staff and stakeholders participated in a series of Clinical Redesign Groups for unscheduled care, surgical and regional services where they shared their views and suggestions to further shape the ambitions within the plan.

The clinical leads for the Clinical Services Plan hosted '**Have Your Say**' drop-ins for staff in Neath



Port Talbot, Singleton and Morriston Hospitals. These sessions enabled the sharing and testing of proposals from the Clinical Reference Groups. The sessions also offered an opportunity to hear the views of members of staff along with suggestions and ideas on the proposed priorities and the options for

whole system reconfiguration.

Analysis of data on patient access and quality of care identified a number of areas with opportunities to improve:

Surgical pre and post-operative lengths of stay in hospital
Patients admitted with conditions that can be treated without an admission
Provision of day case surgical services
Pace of discharge from hospital
Length of hospital stays
Waits for out-patient and follow up appointments

Making these improvements is essential to the successful delivery of the Clinical Services Plan, however, they alone are insufficient to address the scale of the challenges.

To ensure the services are sustainable and able to deliver outcomes that matter to patients, the Health Board needs to make transformational change; particularly in primary and community services to enable more people to receive care close to home and deliver sustainable hospital services for surgical, frailty and acute care.

The CSP has a number of prioritised commitments to deliver significant clinical and service transformational change over the next five-year period. Of these, the most significant areas of focus are on:



- **Population Health & Wellbeing** - delivering care that focuses on well-being, self-care, prevention and access to care closer to home through a new neighbourhood model. Development of integrated clusters; new Wellness Centres, improving long term condition pathways;
- **An Integrated Network of Hospitals** – improving outpatient, remodelling surgical services to deliver a sustainable model across our hospital sites; planning the delivery of a single acute medical service within Swansea Bay. This includes the creation of a new hyper acute stroke unit through remodelling stroke services and delivering improvements to maternity and children/young people's services;
- **Mental Health & Learning Disabilities** – transforming the delivery of mental health and learning disability services including remodelling Adult and Older People's Mental Health Services with a focus on care closer to home and working to create a network of learning disability services across south Wales supporting people to live independent lives.

## Patient Flow Co-ordinators and Breaking the Cycle

The Patient Flow Co-ordinators (PFC), expanded this year, are a specialist team who help to resolve issues that often prevent medically fit patients from returning home in a timely manner. They help speed up access to tests results and assessments required before patients can leave, refer those who need extra



assistance at home to Social Services or expedite transfers to other hospitals. This year ABMUHB

introduced 'Breaking the Cycle', a two-week initiative designed to improve patient flow. Office based staff were assigned to ward areas to help relay vital information to clinicians and the PFC's to help improve timely discharge.

"A great team to work alongside to support discharge planning. A lot of hard work has been recognised by all involved to expedite patient flow"

*Intranet Comment*



## Securing a Fully Engaged and Skilled Workforce:

- Highest number of responses to staff survey to date and increase in engagement score;
- Investing in developing the leadership skills of our clinical leaders & managers is a priority. This includes: 655 clinical leaders and



Picture of 'Footprints' Cohort 44

managers attending our award-winning behavioural leadership programme, 'Footprints' targeting junior/middle

managers. For our senior clinical leaders, the 'Bridges' programme launched in January 2019 and has engaged with 50 leaders to date. A new consultant development programme was launched in 2019 for newly appointed consultant medical staff. Thirty leaders are

undertaking ILM Level 5 to become accredited coaches;

- Employee Relations strategy in development to support improved Employee Relations climate, including support from ACAS and review of complex cases;
- PADR training for 148 managers since April 2018, with an increased PADR rate to 65%;
- Improvements in mandatory and statutory training compliance from 52.7% in April 2018 to 75.3% in April 2019;
- Project Search (*pictured below*) partnership launched in Princess of Wales Hospital in September 2018 to support young people with



learning disabilities and/or autism to develop employment skills through work placements;

- Our Apprenticeship Academy grows from strength to strength, with 185 apprentices enrolled to date on level 2, 3, 4 programmes. Approximately  $\frac{3}{4}$  of all apprentices secure substantive employment with the Health Board following their apprenticeship programme. A further 450 staff are currently enrolled on apprenticeship frameworks;
- During 2018/19, 81 trainees were supported through our adult employability skills programme, which includes a work placement, job and interview coaching and classroom skills development. ABMU is the only Health Board in Wales to deliver this programme;



The first cohort of our Internal Graduate Scheme, 'Graduate Growth' has successfully completed and cohort 2 recruitment is underway.

### **Supporting Diverse Workforce**

Junior doctors arranged a practical leadership skills event at Morriston Hospital on 19 April 2018. The event included talks and workshops to help women develop their skills in daily practice giving them useful hints and tips. The event received some very positive feedback.

### **Calon, ABMU's LGBT Staff Network**

Calon, joined by ABMU staff at Pride Cymru and



Swansea Spring Pride (pictured left). Staff engaged with the public at the events, gathering feedback around the experience of service users and speaking to those interested in

applying to work at ABMUHB.

Calon organised 'Sharing Personal Stories' events for staff throughout 2018/19. They also attended 'Wellbeing through Work' events to facilitate workshops regarding LGBT+ issues.

ABMU's entry for Stonewall Workplace Equality Index was submitted in September, a rise of 5 places.

## Demonstrating Progress

- A programme of Service Remodelling has delivered significant change and work continues in acute, community and mental health services;
- Secured Welsh Government funding to embed and maximise use of Value-based Healthcare regional approach based on our ambition and expertise;
- Digital mobilisation enabled 33% more patients to be seen by District Nurses (DNs) compared to last year;
- Key partner in the Pfizer Global Funded Partnership with Swansea University for value based healthcare;
- Reviewed a range of digital opportunities to improve routine collection of Patient Reported Outcome Measures (PROMs);



- Rolled out our 'Patient Knows Best' system (*see below*) to 100 patients and text reminder service has reduced DNAs (Did not Attend);
- 92% of referrals now prioritised electronically;
- Measurable quality improvement through e-pathology test requesting.

ABMU recognises the importance of digital inclusion when giving patient access to services online. The Health Board understands that the internet is an increasingly vital tool in keeping people healthy. An example of this is the Patient Knows Best (PKB) initiative. This gives patients and their carers instant, secure access to test results, medical records and treatment information online.





## Improving Services

The Cwmtawe cluster of GP surgeries is one of the first in Wales to have a **social prescribing** worker who can ‘prescribe’ for patients who need social help rather than medical treatment.

A fifth of people who go to see their doctor have social problems which can result in anxiety, low mood, grief, loneliness or financial worries.

Now, instead of reaching for the prescription pad, GPs can send those patients to see Cindy Hayward.

There are around 1,000 third sector organisations in Swansea with an interest in health and wellbeing, and with her background in community development work, Cindy is able to link patients up with the right service for them, which could be anything from Cruse (bereavement charity counselling service) to Citizens Advice.



*Nothing like a good chat – the Conversation Club set up by social prescribing worker Cindy Hayward at Bronwen’s House in Clydach*

Iestyn Davies, the cluster lead GP, said: *“A lot of people go to their doctor because they have nowhere else to turn.*

*“They may be socially isolated with no friends or family nearby and a lot of their health problems are socially related. Being able to refer them to the specialised social prescribing worker to find out what help is available to them will give us more time for the people who need medical help”.*

The endoscopy department at the Princess of Wales Hospital in Bridgend has been given **JAG accreditation in recognition of staff's competence** in delivering a safe, patient-centered, high-quality and appropriate service.



JAG stands for Joint Advisory Group on Gastrointestinal Endoscopy and is part of the Royal College of Physicians. Years of dedication and commitment from the multidisciplinary team resulted in the endorsement. Achievements were independently assessed against recognised standards. It is the first unit within Abertawe Bro Morgannwg University Health Board to achieve JAG Accreditation.

A hospital which looks after nature as well as caring for people has become the **first in Wales to receive the prestigious Green Flag Award**.

Glanrhyd in Bridgend is only the second hospital in the UK to receive the award, which recognises the finest parks and green spaces.

The historic site has bird and bat boxes, insect-friendly “bug hotels” and interpretive signs explaining the flora and fauna that can be found there.

Local organisations worked alongside the environment team within ABMU's estates department on the wildlife-friendly features.

Health board Chairman Andrew Davies, who also chairs ABMU's environment committee, said:



*“Glanrhyd is an excellent example of how having an attractive natural environment can improve people's quality of life”.*



## Rapid Diagnosis Centre (RDC) – Neath Port Talbot Hospital



GPs

with concerns about patients who do not present with the traditional “red flag” signs of cancer have been able to refer them to the RDC since it opened in June last year.

If a patient does have cancer, they are referred to a specialist team for treatment without any unnecessary delays. If they are found to have a significant non-cancer diagnosis instead, they will be

referred to the right speciality for treatment of their condition.

Patients are seen in the centre within five days of being referred by their GP. They arrive around 9am and may undergo a series of tests, with the potential of receiving a diagnosis within a few hours. Although a small but significant proportion of patients seen at the RDC receive a cancer diagnosis, many more have the rapid reassurance that no sinister disorder has been found. This allows them and their families to get on with their lives.

### Time Capsule on display at Morriston Hospital

Historians of the future will be given a glimpse of the NHS of today when they open a time capsule in Morriston Hospital in 2048.



The capsule was unveiled at a ceremony in March and follows on from the NHS@70 celebrations. The capsule, sponsored by unions and Tata Steel, includes a selection of memorabilia representing the

past and present – ranging from 1930s hospital crockery to a 3D printed jaw.

## Surgical Short Stay Unit – Morriston Hospital

Increasing demand in A&E and increasing unscheduled surgical care pressures in the surgical decision making unit (SDMU) were the key drivers for developing a change in operational management of surgical admissions. Increasing pressures on the A&E department at Morriston can result in significant waits for patients to be seen and treated.

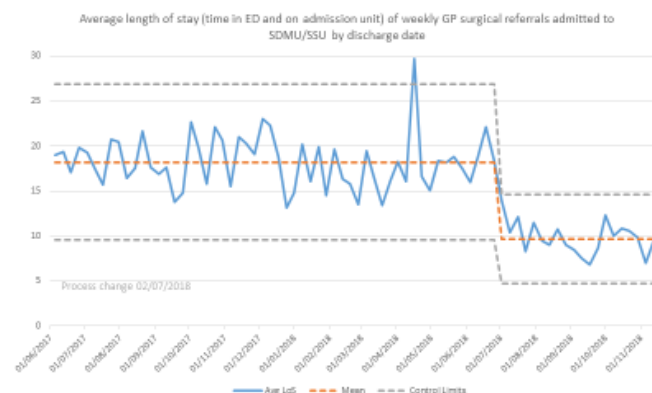
The SDMU is an assessment area that assesses and treats five different surgical specialties and historically has had increasing demands placed on it as a department which results in the long waits and poor experience for patients.

The pathway for these patients include GP referrals, A&E, Consultant referrals, hot clinic referrals and patients who self-present to the unit.

In July 2018 the surgical sisters in charge of SDMU recommended the change in process of how the Surgical Short Stay Unit should use the space as a triage and treatment area. This has resulted in less movement for patients and a quicker discharge process as staff are able to treat patients earlier.

The graph below demonstrates the reduced time patients remain on the admissions unit.

### Length of stay on admission unit



- Since the change there has been a significant reduction in the average length of stay from between 15 and 23 hours to 6 to 12 hours and is more stable.



In April 2018 the Chief Nursing Officer for Wales Professor Jean White visited Morriston Hospital to hear about the 'Get up & Go' / PJ paralysis improvements that have been made

across the Hospital.

## **£9.7m upgrade of Singleton neonatal unit**

Work on a £9.7 million upgrade of a Swansea centre that cares for sick and premature babies started in September.



*Minister for Health, Vaughan Gething with consultants Sujoy Banerjee and Geraint Morris, along with Singleton Hospital Service*

*Director Jan Worthing.* The transformation of Singleton Hospital's neonatal unit will take 18 months to complete and will be phased to avoid disruption. The Minister for Health, Vaughan Gething visited the unit to make the announcement and to meet staff, along with parents whose babies were being looked after there.

Singleton has one of three neonatal intensive care units in South Wales, alongside Cardiff and Newport.

It is also one of only two neonatal Deanery training units in Wales – the other being in Cardiff's University Hospital of Wales.

## **Investment in Radiotherapy Services**

Cancer patients in Swansea are now being treated with high-tech new equipment which allows radiotherapy to be delivered with even greater accuracy. The new linear accelerator – known as a Linac – along with a state-of-the-art treatment planning system has

been introduced at the radiotherapy department of the South West Wales Cancer Centre at

Singleton Hospital and is being used for a growing number of patients every day.



## The Structured Assessment

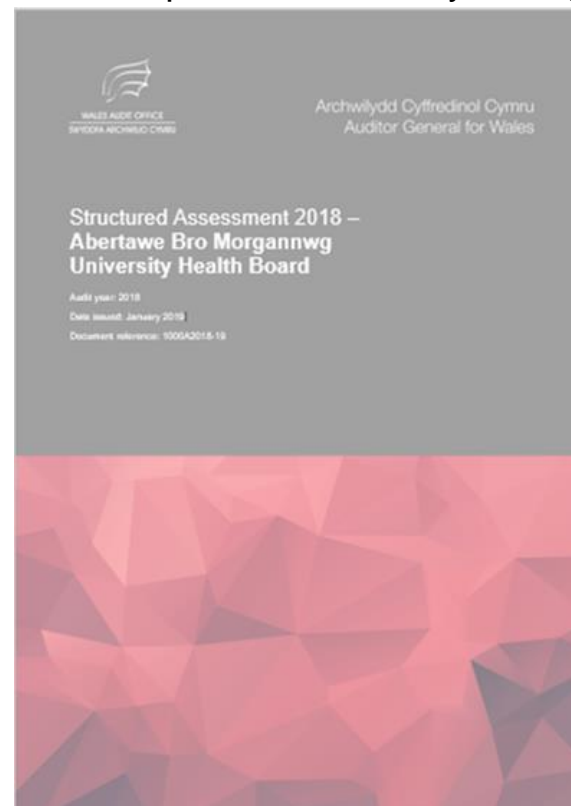
The Structured Assessment is completed by Wales Audit Office and is an external review of the organisation comparing one year with the next. It should be noted that the assessment relates to the calendar year ending December 2018.

The purpose of the assessment is to help discharge the Auditor General's statutory requirement to ensure NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

Whilst recognising ABMUHB remains in targeted intervention under the NHS Wales Escalation and Intervention Framework, it was very encouraging to receive the report with the main conclusion stating ***“With strengthened leadership, the Health Board is improving governance and strategic planning, whilst recognising that it needs to do more to strengthen quality governance and design a more coherent operating model for the organisation. The Health Board needs to continue its focus on managing workforce risks and improve performance and efficiency, but there are positive signs of resources being***

***managed more strategically and of an evolving values-based approach”.***

This compares with the key findings from the



previous years' report that stated ***“...whilst the health board has continued to evolve its corporate arrangements for governance, financial management, strategy development and workforce planning, these have not yet been effective at getting the health***

***board to where it needs to be with its finances and performance”.***

An indication of the progress made during 2018/19 can be seen in the number of new recommendations



made in the structured assessment, dropping from 18 in the 2017/18 report to just five in the current report. This doesn't mean the Health Board will become complacent, quite the opposite, as recognised in the assessment report ***“We have seen a new energy and sense of ambition at Board meetings, but also a realism about the challenges to get finances and performance where they need to be. There is an openness to the Board’s consideration of issues and its reporting”***. With regards to the 18 recommendations from 2017/18, ten were assessed by WAO to be fully complete with progress having been made on the remaining eight.

Recognising there is more to do, the Health Board has made some significant improvements, particularly in relation to its quality agenda during 2018. For example in cancer care a Strategic Cancer Lead Nurse, a Person Centred Care Manager and a Quality Improvement Manager have been recruited to support improved care and patient experience

along with effectiveness and sustainability of the service. Early indications are promising with the Health Board improving performance against waiting time targets during 2018. Going forward SBUHB is preparing to implement the Single Cancer Pathway (SCP) which will measure waiting times for patients from the point of suspicion of cancer to the start of treatment. Alongside the improvements in cancer care the newly appointed Executive Director of Nursing (August 2018) has initiated a review of the governance processes relating to the Quality & Safety Committee and its subgroups. Another important piece of quality improvement work planned for 2019/20 linked to the governance process review is the reframing of the quality strategy, this will address the matters raised within the Structured Assessment. Further details regarding progress in quality can be seen in the [Annual Quality Statement](#).



## Celebrating the NHS @ 70 in ABMU Health Board

The Health Board arranged a year-long celebration to mark the 70<sup>th</sup> birthday of the NHS on 5 July 2018.

The symbol for the celebrations was a specially engraved miner's lamp. This was displayed in a prominent place at all of the activities. The lamp was made by Aberdare based E Thomas and Williams and was used to highlight the long-standing link between industry in South Wales and healthcare provision.



There have been numerous events that were arranged exclusively to celebrate the NHS@70 and



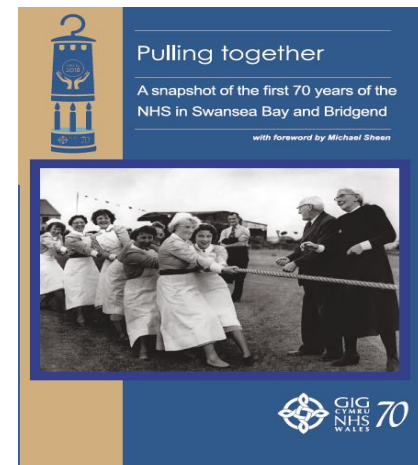
many that were themed to recognise the momentous occasion. Events commenced with the unveiling of a sculpture in a courtyard at Morriston Hospital's

Welsh Centre for Burns and Plastics. The rusting

steel sculpture, the Lady of Llyn Y Fan Fach, uses the themes of regeneration and healing.

Other celebrations included an 'Impact' Therapies Conference in February, Nursing & Midwifery celebration event in May and the inaugural ABMU Medical & Dental Conference also in May.

Volunteers Week took place from 1 to 7 June which paid tribute to the invaluable contribution of volunteers. Other events ranged from Music Festivals to Park Runs and even a Half-Marathon! Staff and Board members attended the Service of



Thanksgiving in Llandaff Cathedral and there was a special 'NHS@70' – VIP Award at the staff awards event in July. ABMU Health Board released its own book, "Pulling Together" which is a celebration of memories and photographs from staff (past & present) and

patients over the past 70 years.

## Links with Academia

ABMUHB has been designated as a “University” health board since 2009. This is really important as bringing together healthcare with high quality research, education and innovation leads to better outcomes for patients. The NHS is facing big

At year end – 97 Health and Care Research Wales Portfolio studies open with 2,276 patients participating. 37 commercial studies open with 136 patients participating.

challenges and the need has never been greater to educate the workforce for the future, introduce new technologies and promote innovation.

Partnerships with academic institutions in Wales and beyond are helping the health board to do just that.

Examples of new studies opened or results reported in 2018/19 can be seen below:

- Morriston Hospital is an ARK (Antibiotic Review Kit) Hospital - A 5-year research applied programme funded by NIHR (National Institute for Health Research). The overarching aim of ARK is to reduce the incidence of serious infections caused by antibiotic-resistant

- bacteria in the future, through substantially and safely reducing antibiotic use in hospitals now;
- Healthy people’s poo could prove to be the secret weapon in tackling the twin epidemics of obesity and diabetes.

A research trial in Swansea will see microscopic organisms harvested from the



faeces of healthy volunteers and transplanted into the bowels of people with Type 2 diabetes who are also obese. This has the potential to be a global game-changer by leading to weight loss and even to some people being able to stop taking diabetes medication – saving the UK billions of pounds in healthcare costs.

### Examples of Research Publications:

- Professor Steve Bain being Chief Investigator of international trail ‘Pioneer 6’ looking at safety with cardiovascular patients [Link](#)
- Professor Alex Chase and Dr Dave Smith were authors in a complex angioplasty trial [Link](#)

## **Our Greatest Asset – Our People**

This year's celebration is the 5<sup>th</sup> ABMU Chairman's Values into Practice (VIP) Awards is particularly poignant as it coincides with the 70th anniversary of the NHS. The occasion provides an opportunity to acknowledge and celebrate the inspirational work of the many staff and volunteers across the Health Board who deliver exemplary service and exceptional care on a daily basis.

### **Winners of the 2018 VIP Chairman's Awards**

Commitment to Research & Learning Award - Traumatic Brain Injury Service

Excellence in Leadership & Management Award - Dr Anthony James

Going the Extra Mile (GEM) Award - SCBU (Special Care Baby Unit) Family Support Group

Improving Health & Wellbeing Award - Fit for the Future – Traumatic Brain Injury

Improving Lives through Arts in Health Award - Arts as a Pathway to Hope Project

Improving Lives through Arts in Health – Photography Award - Emma Mugford

NHS@70 Values Into Practice Award - Dr Firdaus Adenwalla & Annette Davies

Putting Patients First Award - SeGMED (Sepsis Group Morriston Emergency Department)

Volunteer of the Year - ABM Youth

Welsh Language Award - Rhian Bowen

Working Together for Patients Award - Macmillan Therapy Team

## Winner's Gallery



**Commitment to Research and Learning Award: Traumatic Brain Injury Service** - Focusing not only on 'fixing what is wrong' but also 'building what is strong', the team worked with

Swansea University to help patients who are supported by the community neuro-rehabilitation service make the most of what they can do.

### **Excellence in Leadership and Management**

#### **Award: Dr Anthony James**

The patient is at the heart of everything this consultant geriatrician does. But through his work in Bridgend over the past 20 years he has also become known for the support he gives colleagues and fellow professionals developing their skills and qualifications.



### **Going the Extra Mile (GEM)**

**Award: SCBU (Special Care Baby Unit) Family Support Group Bridgend** - Lisa, Tanya and Rhian don't limit their commitment to their shifts on the unit. They also run a family support group in their own time for the families of the sick and premature babies they care for.



### **Improving Lives through Arts in Health Award: Arts as a Pathway to Hope Project**



Hospital are a lot livelier these days thanks to artwork produced by patients who have suffered a brain injury.



**Improving Health and Wellbeing Award: Fit for the Future – Traumatic Brain Injury** - The ABMU Brain Injury Service



from Morriston Hospital in Swansea has teamed up with Swansea City AFC Community Trust for the benefit of patients recovering from traumatic brain injury. They

have put together a programme of sessions at Morriston during which professionals from both teams use their specific skills to ensure patients can build an alternative, positive future despite any disabilities.

**Improving Lives through Arts in Health –**

**Photography Award: Emma Mugford** - This year's Staff Photography Competition was

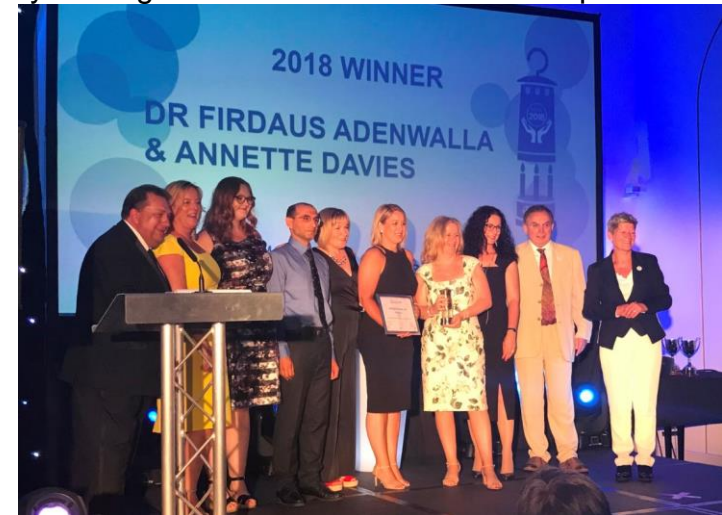
developed by the maternity team who wanted to create a space for bereaved families who have lost a baby to meet with specialist staff away from the maternity unit.



**NHS@70 VIP (Values Into Practice) Award: Dr Firdaus**

**Adenwalla and Mrs Annette Davies** – The pair founded the Early Response Team in Neath Port Talbot in 2005 when Annette was a district nursing sister and Dr Adenwalla a consultant physician/geriatrician. The aim was to improve the care

provided to adult residents, particularly older people, in the Neath Port Talbot area and prevent avoidable hospital admissions.



**Welsh Language Award: Rhian Bowen** - This highly specialist speech and language therapist was concerned that a screening and intervention programme in Neath Port Talbot and Swansea schools, designed to identify children of nursery age with speech and communication problems, was only available in English. With Welsh-medium schools also uneasy at using the programme Rhian took on the challenge of translating the package into Welsh (no photo available).



**Putting Patients First Award: SeGMED (Sepsis Group Morriston Emergency Department)** - Sepsis is a potentially



life-threatening condition where the body's immune system goes into overdrive as the result of an infection.

In 2016 the Emergency Department (ED) at Morriston Hospital formed the SeGMED working group encompassing a wide range of staff from a consultant to reception staff. It carried out teaching and update sessions to ensure all staff in the ED were aware of the importance of early identification in patients and updated the sepsis screening tool and constantly looked for methods to try to improve compliance of completion of sepsis forms.

**Volunteer of the Year Award: ABMyouth** - In a first for the Welsh NHS, this youth action panel made up of 20 volunteers aged 13 to 23 from Swansea, Bridgend and Neath Port Talbot champions the rights of children and young people within ABMU. Reporting directly to the executive board, the group

undertakes various projects including visiting paediatric wards and sharing their findings with staff.



**Working Together for Patients**

**Award: Macmillan Therapy Team -**

The Macmillan Therapy Team is a team of occupational therapists, physiotherapists and rehabilitation

technicians who provide specialist holistic therapeutic rehabilitation and support for anyone admitted to ward 12 in Singleton Hospital in Swansea. Working in partnership the team provides a collaborative and streamlined approach which benefits patients.

## Award Winners Recognised by the Board

*Morrison Hospital's Professor Farah Bhatti* was elected to the Council of The Royal College of Surgeons of England. She becomes the first female cardiothoracic surgeon ever elected to serve on the Council.



*The Diabetes Research Unit Cymru*, headed up by Professor Steve Bain, our Assistant Medical Director for Research & Development

and based at Morrison Hospital and Swansea Medical School's Institute of Life Science, has been awarded the status of diabetes 'Centre of Excellence' by pharmaceutical giant, Sanofi. Swansea is Sanofi's only diabetes centre of excellence in the UK, joining six other centres in Europe.

ABMU Apprentice Academy received the *People's Choice Award* for Excellence in Workforce, OD (Organisational Development) and HR (Human Resources) at the HPMA (Healthcare People Management Association) Wales Awards 2018. The



*Footprints* training programme was also highly commended.

*ABMU's nurses' success at Inaugural Learning Disability and Autism Awards*



Three of our nurses were nominated at the inaugural Learning Disability and Autism Awards held on the 28 September 2018. Denise Bromfield, Joanne Edwards and Claire Jenkins all received nominations for Learning Disability Nurse Award which was won by Denise Bromfield.



*Morrison Radiographer receives Cardiff University Award*  
 Morrison Senior Diagnostic Radiographer, Barry Spedding, received the award for the Best Placement Educator/Mentor: Diagnostic Radiotherapy and Imaging category at an award ceremony organised by Cardiff University.



*Support Worker shortlisted for national #OurHealthHeroes award*  
 Health Care support worker Lindsey Gill, who works in both Singleton and Neath Port Talbot hospitals for the ABMU Specialist Pain Service, won the Our Health Heroes Regional Support Work Award for Wales and has now also been shortlisted for the national title.



*Radiology team receive Cardiff University award*  
 The X-Ray department at Princess of Wales Hospital won the Best Team Placement in Diagnostic Imaging category - a nomination



which was put forward entirely by Cardiff University students. The win highlights the positive effect on the students who have completed their clinical placements there.

*Dietician wins award for helping NHS staff manage IBS*

Debbie Thomas, Prescribing Support Dietician triumphed in the Innovation of NHS Wales category of the MediWales Awards in Cardiff, after helping dozens of NHS staff manage the misery of Irritable Bowel Syndrome.



### *ABMU patient care honoured at RCN Wales Awards*



Four of our nurses were recognised at the RCN in Wales Nurse of the Year Awards. Alison Lewis (*left*) picked up the Innovation in Nursing Award for her work in improving care for patients with chronic obstructive pulmonary disease (COPD).

Hannah Rowlands (*right*) was named Health Care Support Worker of the Year for bringing fresh ideas to improving patient experience in Ward 14 at Princess of Wales Hospital.



Jonathan Gapper (*left*) from the Psychiatric Intensive Care Unit (PICU) also at Princess of Wales Hospital, was runner up for the Mental Health and Learning Disabilities Nurse of the Year Award for his active leadership in the development of a transfer of care document.

Andrea Donald (*Right*), Support Worker at Gorseinon Hospital took runner for the Health Support Worker of the Year for her commitment to motivating patients to become more active and generally more social.



*Morrison Cardiac specialist received outstanding award before retirement*

Dr Mark Anderson was one of the trio of consultants who set



up the Morrison Hospitals Cardiac Centre more than two decades ago and went on to develop a specialist interest in arrhythmia (abnormal heart rhythms). It is for this life saving work that he has been recognised by the British Arrhythmia Alliance, which presented him with the 2018 Award for Outstanding Individual who has contributed to Arrhythmia Services.

## Performance Analysis

This section is a summary of the Health Board's performance against the Welsh Government's annual performance measures. Full details can be found at appendix one.

The Welsh Government's annual performance measures framework aims to demonstrate the annual improvement in the health and wellbeing of people in Wales against the themes listed in the pie chart.








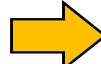


The section that follows sets out how ABMUHB performed against these Welsh Government measures. It works on the basis of a 'balanced scorecard' approach which provides information as to how the Health Board is performing over a 12 month period or compared with the same period the previous year. It assesses whether performance has improved, declined or remained the same over that period.

The table below demonstrates the ABMUHB's performance where 12 month trend information is available. As can be seen, in 2018/19 ABMUHB has **improved in 40** of the 67 themes and **met the target in full in 19** of the measures. This is consistent with the Health Board's aim of continual improvement.

Performance against measures within the NHS Delivery Framework is currently assessed on a financial year basis i.e. 1 April through to 31 March. This aligns financial and performance data reporting periods within NHS organisation's Annual Accounts. Due to the nature of some of the measures in the NHS Delivery Framework, such as those which rely on clinically coded information, the availability of data required for assessing annual performance can have a time delay and hence is not always available when annual reports are produced. Further details can be found in appendix one.



## Welsh Government verified Balanced Scorecard where 12 months data is available – ABMUHB 20018/19

Abertawe Bro Morgannwg UHB	Improved performance	Sustained performance	Decline in performance	Performance summary	Targets achieved*
<b>STAYING HEALTHY</b> - People in Wales are well informed and supported to manage their own physical and mental health	2 measures	0 measures	1 measure		
<b>SAFE CARE</b> - People in Wales are protected from harm and supported to protect themselves from known harm	8 measures	0 measures	7 measures		1 measure
<b>INDIVIDUAL CARE</b> - People in Wales are treated as individuals with their own needs and responsibilities	4 measures	1 measure	0 measures		5 measures
<b>OUR STAFF &amp; RESOURCES</b> - People in Wales can find information about how their NHS is resourced and make careful use of them	7 measures	1 measure	3 measures		2 measures
<b>TIMELY CARE</b> - People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care	13 measures	0 measures	10 measures		9 measures
<b>EFFECTIVE CARE</b> - 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	1 measure	3 measures		1 measure
<b>DIGNIFIED CARE</b> - People in Wales are treated with dignity and respect and treat others the same	3 measures	0 measures	0 measures		1 measure
<b>SUMMARY</b>	<b>40 measures</b>	<b>3 measures</b>	<b>24 measures</b>		<b>19 measures</b>

## STAYING HEALTHY- People in Wales are well informed and supported to manage their own health

### Performance Summary

#### Achievement of national targets:



### Highlights:



**We  
vaccinated  
8,581 staff**



More than 2,000  
smokers  
supported to stop  
smoking

**88%** of 10 day  
old children seen  
as part of the  
Healthy Child  
Wales  
Programme

### Performance trend:

2 measures improved ↑ 1 measure declined ↓

**Summary:** The measures in this section focus on prevention and actions that the Health Board takes to support people to manage their own health and include childhood immunisation and smoking during pregnancy. Good progress was made throughout the year to increase childhood immunisations rates to 91.1%, however performance fell slightly short of the 95% national target. 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 4 weeks but not the percentage of smokers making a quit attempt via cessation services.

## SAFE CARE- People in Wales are protected from harm and supported to protect themselves from known harm

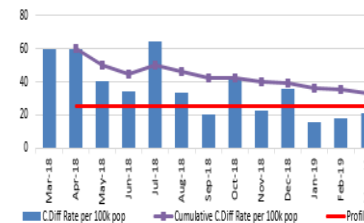
### Performance Summary

#### Achievement of national targets:



#### Highlights:

**37%** less *C.difficile* cases  
**7%** less *S. aureus* bacteraemia cases  
**4%** less in *E. coli* bacteraemia cases



#### Sepsis Care Pathway- First Hour Care Duties

**Increased** compliance with Sepsis Six first hour bundle



**Reduced** use of antibacterial items

#### Performance trend:

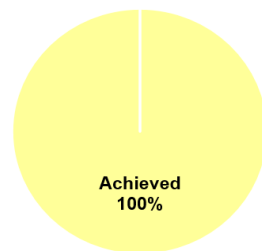
**8 measures improved ↑** **7 measures declined ↓**

**Summary:** The measures in this section focus on safety and ensuring that no harm comes to patients, it includes healthcare acquired infections, serious incidents, prescribing and self-harm. Compliance with the 'Sepsis Six' one hour bundle measure was achieved and significant progress has been made in reducing healthcare acquired infections and antibiotic prescribing over the year. Work is underway to address all other areas, See details in the [Annual Quality Statement](#)

## INDIVIDUAL CARE- People in Wales are treated as individuals with their own needs and responsibilities

### Performance Summary

#### Achievement of national targets:



### Performance Summary



90% of residents in receipt of secondary Mental Health services had a valid Care Treatment Plan (CTP)

100% of residents were sent their outcome assessment report within 10 working days

Increased use of national helplines throughout the year for mental health, dementia and substance misuse



#### Performance trend:

4 measures improved ↑ 1 measure sustained →

**Summary:** Access to helplines and mental health services are the themes of the five measures in this section, which were **all achieved in 2018/19**.



**STAFF & RESOURCES- People in Wales can find information about how their NHS is resourced and make careful use of them**

**Performance Summary**

**Achievement of national targets:**



**Highlights:**



Over 9,000 staff received an annual Personal Appraisal Development review



**22%** increase in staff completing all mandatory training (up to December 2018)



Reduction in patients not attending new and follow-up outpatient appointments (DNAs)

**Performance trend:**

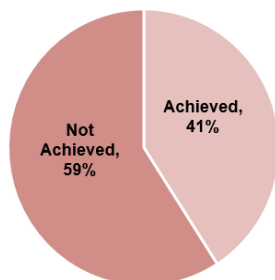
**7 measures improved ↑    1 measure sustained →    3 measures declined ↓**

**Summary:** There are eleven measures in this section however due to availability of data, Welsh Government has provided an assessment on two of the measures only, both of which were achieved in full in 2018/19 hence a 100% achievement. Narrative regarding the remaining measures is included at app. 1

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

### Performance Summary

#### Achievement of national targets:



#### Highlights:



- ✓ **22%** less patients waiting longer than 36 weeks for treatment.
- ✓ No patients waiting over 14 weeks for therapies
- ✓ No patients waiting over 8 weeks for all non-cardiology diagnostics and sustained position in Endoscopy
- ✓ Longest waiting patients reduced by over a third

#### Performance trend:

**13 measures improved** ↑

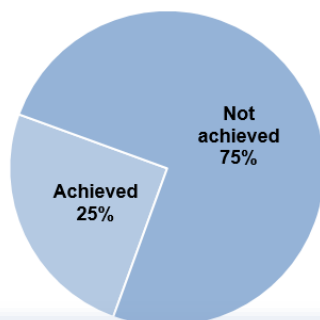
**10 measure declined** ↓

**Summary:** The focus of this section is access to services and the measures primarily focus on waiting times. Nine out of the 14 measures in this section were achieved in 2018/19. Significant progress was made during the year to reduce waiting times for elective treatment. There were important improvements in the delivery of Stroke services and unscheduled care has begun to stabilise. See appendix one for details.

**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**

### Performance Summary

#### Achievement of national targets:



#### Highlights:



4% reduction in Mental Health Delayed Transfers of Care  
65% increase in Non-Mental Health Delayed Transfers of Care

We coded over 210,000 clinical episodes during 2018/19

#### Performance trend:

3 measure improved ↑

1 measure sustained →

3 measure declined ↓

**Summary:** These measures focus on ensuring patients receive the right treatment and that effective processes are followed. ABMUHB met the target relating to completion of Universal Mortality Reviews within 28 days of a patient's death. Whilst the target relating to clinical coding was not met, ABMU is consistently above the all-Wales average. The target is not met for Delayed Transfers of Care (DTOCs), however Mental Health is improving with Non Mental Health being the focus of attention. Research Studies and mortality rates are included here however data was not available at the time of reporting.

## Performance Summary

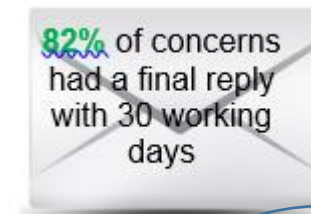
### Achievement of national targets:



### Performance trend:

3 measures improved ↑ 0 measures declined ↓

## Highlights:



95% of patients  
would recommend or  
highly recommend  
the Health Board

Over 58,000 friends  
and family surveys  
completed

**Summary:** This section covers a range of measures that focus on patient feedback and experience. There are three measures in this section however full year data is only available for the measure relating to concerns responded to within 30 days which was achieved in 2018/19. The other two measures focus on cancellation of elective procedures and reducing the number of older patients with an active repeat for medicines that may have anticholinergic effects. A number of local measures relating to patient feedback have also been included in this section to provide a more informed overview. See appendix one.



## Workforce and Organisational Development Performance (WOD)

### Staff Health & Wellbeing

- Wellbeing Champions network developed and expanded – over 340 Wellbeing Champions now trained across the Health Board to signpost colleagues to staff support services (supporting early intervention - see related photo right) and raising awareness of national health promotion campaigns. The 2017/18 Bevan Commission Exemplar programme was completed and the network presented the work at the Bevan Commission Conference last summer;
- New Staff Wellbeing Service launched June 18 providing early intervention for staff support with over 900 referrals in first 10 months - reduced waiting lists for initial contact for mental health support from 6 weeks to 7 days. The service is a 2018/19 Bevan Commission Exemplar;
- ‘Mindful Menopause’



workshops for staff rolled out across the Health Board with 60 staff attending to date (see for evaluation 'wordle');

- Scanning of all Staff Occupational Health Records has commenced to enable an e-record;
- 8581 flu vaccinations administered to staff during the flu campaign with 54.53% of frontline staff receiving the vaccination helping to protect patients, staff and the wider community;
- Successful 'Wellbeing Week' held across the Health Board in Sept '18 promoting internal and local services that support staff health and wellbeing *(Photo: Alison Clarke and Luke Hathaway);*
- 267 managers have attended Work Related Stress Workshops, equipping themselves with the tools to manage employee stress at work and 209 have attended Mental Health Awareness Workshops, helping managers to recognise and manage mental health conditions in the workplace;



- Successful funding extension to deliver Welsh Government/ESF 'In Work Support Service' until Dec 2022.

#### Next year -

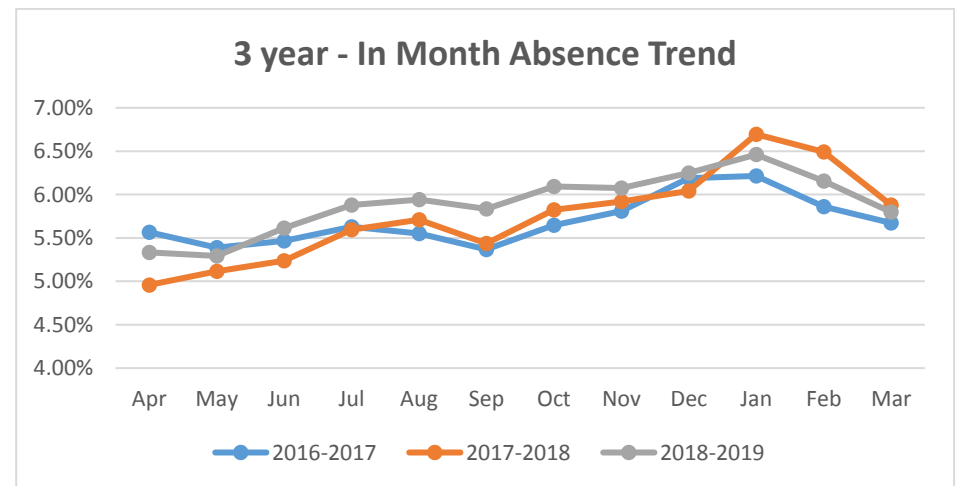
- Complete Occupational Health transformation plan – improved, multidisciplinary approach and digitalisation of records/processes will reduce waiting times and improve staff experience;
- Health Board wide Wellbeing Week planned for Sept 2019 – over 40 workshops and presentations to promote services that support staff health and wellbeing;
- Identify services without a Wellbeing Champion with the aim of every Service/Department having a Champion to support staff health and wellbeing;



- Continue rollout of Mindful Menopause workshops for staff.  
***Photo:** Wellbeing Champion Sharon Taylor from the city's Acute Clinical Team has transformed an area of Bonymaen Clinic into a gym for staff to enjoy.*

#### Sickness Absence

2018/19 commenced with in-month sickness absence rate standing at 5.33%, which is 0.37% higher than last year. This was due to a number of factors throughout the year, not least the consultation of 3,000 staff through Bridgend Boundary change; absence increased by 0.26%. However, since December 2018 sickness absence has seen an improvement in performance and by focussing particularly on long- term sickness management our performance has improved by 0.80%. A reduction of 2% in absence due to flu helped to achieve this change in trajectory. The cumulative sickness rate in AMBUHB in March 2019 has seen an improvement of 0.06% since December 2018.



Our aim is to reduce sickness absence throughout the coming year focussing particularly on improving the health and wellbeing of staff.

Plans for 2019/20 include:

- Continuing the rollout of the All Wales Managing Attendance at Work Policy, reinforcing the policy's focus on staff health and wellbeing activities required to increase attendance at work;
- We have trained 252 managers in the new Managing Attendance at Work Policy;
- Focus on early intervention for Musculoskeletal (MSk) and Mental Health conditions, via the staff Wellbeing Advise and Support Services. Expediting cases for early referrals and diagnosis. Therefore, reducing related sickness absence and improving the health and wellbeing of employees;
- Enable delivery units and service managers to manage sickness better by focusing on Long-term absence cases, focusing on earlier communication that supports staff to return to work earlier;
- In support of the new Menopause policy launch, monthly 'Menopause wellbeing

workshops' have commenced and will continue throughout 2019/20.

#### **Medical Workforce Actions include:**

- Success in securing Welsh Government funding to implement e.job planning. The roll out has commenced, and this project will include scrutiny of all Consultant and SAS doctor job plans and annual leave entitlements to increase productivity;
- Success in securing Welsh Government funding to roll out 'Locum on Duty', this will digitalise the booking of all locums, with a link to Payroll and will support the introduction of a medical bank to increase internal fill rates to reduce locum expenditure;
- Both of these systems will help the Health Board with digitalisation of the medical workforce achieving greater transparency and increased efficiency;
- The Health Board is working closely with Kendall Bluck to review the emergency departments (ED) at Morriston and Neath Port Talbot including undertaking a review of all junior doctor rotas. This has resulted in a set of transformational recommendations for the ED's matching workforce to activity and demand;

- Working closely with Medacs' permanent recruitment team to reduce hard to fill posts. For example a Consultant in Histopathology has recently been recruited;
- Participated in the Bapio recruitment rounds in India in 2016, 2017 and 2018 successfully appointing doctors to help fill junior doctor vacancies. The HB will participate again in 2019;
- Worked with the relevant Royal Colleges and the Deanery to successfully appoint Medical Training Initiatives doctors who can work for the Health Board for two years. This has helped establish a new training pipeline in different countries;
- Developing a comprehensive Medical and Dental recruitment & retention strategy to



*commitment to educating the next generation of healthcare professionals.*

increase the core medical workforce to break the agency cycle. Swansea consultant (left) is best trainer Doctors and Dentists across Wales have been recognised for their invaluable

## Boundary Change

The WOD team managed the largest TUPE transfer of staff in the history of NHS Wales. As part of the consultation exercise the team engaged with over 2000 staff and held over 200 individual meetings with staff. A process was developed that enabled staff to volunteer to transfer to CTMUHB with TUPE protection, the team also adapted the Organisational Change Policy process to manage the change and over 3426 staff were transferred to CTMUHB. This was a significant piece of work for the team who have been commended by all for the work that they have done and the smoothness in which the process was managed for the staff concerned.

## Employee Relations

In the last year there has been a significant reduction in employee relations cases, the team has worked hard to resolve outstanding cases and change the climate of employee relations in the Health Board. The team are working with ACAS to help build strong relationships with trade union colleagues.



## Welsh Language Standards

Abertawe Bro Morgannwg University Health Board recognises the importance of patients, services users and families being able to receive safe and responsive quality services in a language of their choice. Wherever possible and practical this has been the approach with the Health Board being fully compliant with the Welsh Language Scheme, this was based on the Welsh Language Act 1993.

In July 2018 ABMUHB was issued with a draft Compliance Notice in respect of the new Welsh Language Standards (No.7) Regulations by the Welsh Language Commissioner's Office. The Health Board was offered the opportunity to participate in a consultation with regards to the draft Welsh Language Standards which applied to it. The response to the compliance notice was submitted to the Welsh Language Commissioner at the beginning of October 2018 with an appeal being submitted thereafter resulting in a Final Compliance Notice being received at the end of November 2018 with an effective implementation date of May 2019. Many of the requirements reflect the existing Welsh Language Scheme however some are completely new. To

facilitate delivery and compliance with the standards a comprehensive action plan has been produced which will be delivered via a new task and finish group overseen by the Director of Governance.

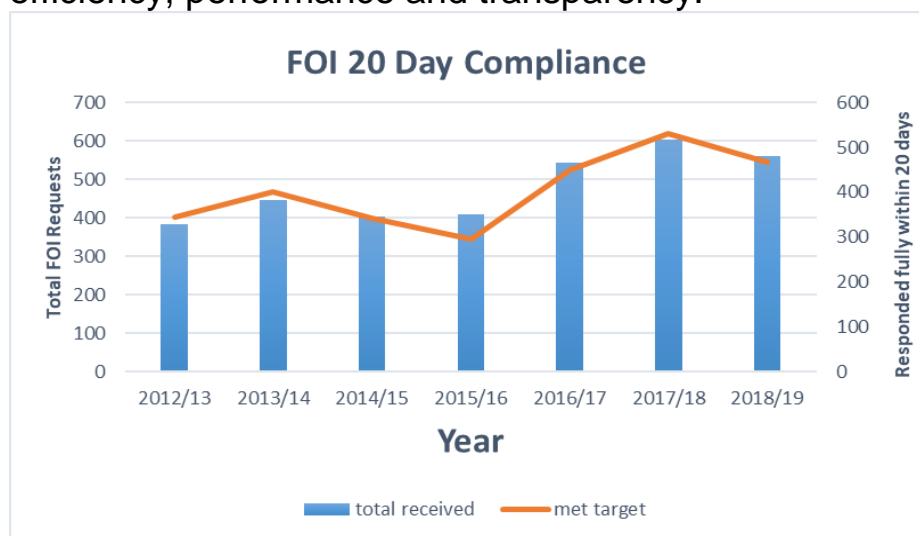
Whilst attention has largely focused on the new Welsh Language Standards during 2018, the Health Board has continued to improve its existing offer as demonstrated by the achievements listed below:

- ABMUHB ensures that Welsh language considerations are included in the commissioning and contracting of services;
- The language preferences of all inpatients is collected on admission;
- Whilst the staff handbook has always included a section on Welsh language, it was reviewed during 2018/19 to reflect the importance of language awareness.



## Freedom of Information Act Compliance

The Health Board received 561 FOIA requests in 2018/19, 83% of which were responded to within the 20 working day time limit. Appeals about the Health Board's responses remain low at 1%. The type of information requested continues to focus mainly on efficiency, performance and transparency.



## Internal Reviews

Any expression of dissatisfaction about the handling of an FOIA request is subject to an internal review with an independent re-assessment of the response completed. The Health Board received 6 complaints about its FOIA responses in 2018/19, all of which

were upheld. There have been no investigations from the Information Commissioners Office (ICO) during 2018/19.

## Transparency

The FOI Act carries an inherent presumption in favour of disclosure; information must be released unless one or more of the exemptions are engaged. From July 2017, the FOIA Team started to record the number of requests where an exemption has been applied. Please find below the number and type of exemptions applied.

S12-Cost of compliance exceeds limit - 49

S21-Information reasonably accessible to the applicant by other means - 31

S22-Information intended for future publication - 1

S40-Personal Information protected by the DPA / GDPR - 67

S41-Information provided in confidence (but only if this would constitute an actionable breach of confidence) - 3

S43-Commercial interests - 11

## **Sustainability Report**

In accordance with HM Treasury Public Sector annual reporting the Health Board is required to publish data in relation to key sustainability metrics including but not limited to; utilities consumption, waste production and Environmental Management. The following submission is in accordance with the HMT guidance issued March 2016. All CO<sup>2</sup> conversion factors are as per the UK Government Greenhouse gas reporting - Conversion factors 2016 except specialist Clinical Waste CO<sup>2</sup> conversion factors sourced from the Health Boards Clinical Waste Contractor.

ABMU Health Board is responsible for 60 sites including four Acute Hospitals, six Community Hospitals and the remainder being comprised of Clinics, Health Centres Learning Disability Units and three associated support buildings without direct patient access including Head Quarters and Central Laundry.

The Total land occupied by the Health Board equals 104 hectares. With buildings totalling a gross internal floor area of 349,809 M<sup>2</sup>.

## **Environmental Management Governance**

In 2015 /16 Professor Andrew Davies (ABMU Health Board Chairman) established an Environmental Committee within the Health Board. The Annual Environmental Management report is submitted to the Environmental Committee and subsequently forwarded to the Health Board Executive Committee via the Chairman.

The Environmental Committee is responsible for identifying and ensuring that policies and strategies are in place to meet the Health Boards corporate objectives with regard to environmental management. All nine ABMU sites that require ISO14001 accreditation have successfully retained their accreditation in 2018/19. The Health Board transitioned to the 2015 version of the ISO 14001 Standard during its May 2018 audit.

**Environmental Targets** - The following targets on Waste, Electricity, and Gas & Water for 2018/19 had been set as part on the Health Boards Environmental Objectives:

Waste Target:

To Increase recycling / recovery by 4.5%

Outcome:



The re-used / recycled volume increased by 16.99% (99 Tonne) while overall waste volume reduced by 8.64% (458 Tonne) in-line with Health Board Waste Strategy targets. A cost reduction of £437,230.00 compared to 2016/17 has also been achieved.

Electricity Target:

To reduce electricity consumption by 1%

Outcome:



The Electricity consumption increased by 0.9% whilst this is greater than target, it is a reduction in last year's outturn that saw a 6% growth in usage. The increase is largely attributable to high use of medical equipment.

Gas Target:

To reduce gas consumption by 1%

Outcome:

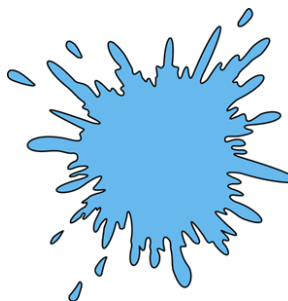


The Gas consumption decreased by 7.4% the majority of this figure is attributed to the large boilers in Cefn Coed being removed, and active monitoring of all sites consumption trends with new "Building Management Systems" equipment at Singleton and Princes of Wales Hospitals.

Water Target:

Reduce water consumed by 1%

Outcome:



The Water consumption decreased by 11%. There were a number of leaks that have been repaired and switching off the large boilers in Cefn Coed has helped reduce consumption.



## Sustainable Development

The Health Board is fully committed to reducing its carbon footprint and in previous years achieved and retained ISO14001:2015 accreditation for its Environmental Management systems at all of its hospitals. This demonstrates a commitment to achieving legal and regulatory compliance to regulators and government.

A carbon Reduction Strategy approved in 2016 by the Environment Committee, continues to co-ordinate the Health Boards corporate responsibilities and 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 KPIs have been developed and are monitored by the Environment Committee.

## Policy & Procedures

The Health Board has revised its Environmental Policy in 2018, this included updating the ISO 14001 Environmental Management Systems Control Procedures manual.

## Greenhouse Gas Emissions

Greenhouse Gas Emissions		2016 -17	2017 -18	2018 -19
Non-Financial Indicators (1,000t CO2e)	Total Gross Emissions	40	40	34.2
	Gross Emissions Scope 1 (direct) - (Fuel Oil)	0.09	0.17	0.18
	Gross Emissions Scope 1 (direct) - (Gas)	18.29	17.32	16.04
	Gross Emissions Scope 1 (direct) - (Owned Transport)	0.59	0.41	0.36
	Gross Emissions Scope 2 (indirect) - (Purchased Electric)	19.25	20.32	15.17
	Gross Emissions Scope 3 (Other indirect) - (Business Travel)	1.66	1.79	2.34
	Gross Emissions Scope 3 (Other indirect) – Waste	0.176	0.156	0.136
Related Energy Consumption (million kWh)	Electricity: Total Consumed	47	49	49.8
	Electricity: Self Generated (PV)	0.049	0.083	0.085
	Gas	99	94	87.4
	LPG	0	0	0
	Other (oil)	0.33	0.6	0.6
Financial Indicators (£million)	Expenditure on Energy ex VAT	7.33	7.41	8.21
	CRC License Expenditure (2010 onwards)	£649,360	£580,117	Purchase will be retrospective estimate £521,845
	Expenditure on accredited offsets (e.g.GCOF)	0	0	0
	Expenditure on official Travel	2.8	2.78	3.29

## Energy

Gas consumption reduced by 7.4% this was largely due to site rationalisation and the removal of the boiler plant at the Cefn Coed hospital site. The Building Management System Project, introduced to help regulate the use of energy over a range of equipment at the Princess of Wales and Singleton Hospitals come to an end. This project has provided improved control of temperatures within the hospitals during the summer of 2018/19 along with a reduction in gas consumption and associated CO<sup>2</sup> production.

New burners for the Singleton Hospital Boilers were installed during the summer and commissioned in October of 2018. They provide greater efficiency which has contributed to the reduced gas consumption.

The Health Board continues to purchase 100% renewable electricity, for which it pay Renewable Source Energy levies.

The Health Board has progressed The “ReFIT - Green Growth” loans via Welsh Government. The

Green Growth fund allows the Health Board to borrow money to fund carbon-reducing schemes. It's a two year programme of work allowing potential expenditure of upto ten million pounds for demand side energy conservation measures. The Green Growth Fund will be reimbursed from the energy savings made.

Work with Welsh Government ReFfit Cymru scheme has progressed and Contractor (Vital) appointed as of 5th December 2018

**Investment Grade surveys commenced in January 2019** – with a view to developing Energy Conservation measures to the value of ten million Pounds, budget payback of 6 – 8 years which would equate to about c.£1.8m of efficiency (inflated at 4 %) and 3,500 Tonnes CO<sup>2</sup> savings per annum.

### Solar Farm

Separately, again under the ReFIT programme, the Health Board has assessed the viability of a building of a 5 megawatt Solar farm on third party land. The Health Board is currently in negotiation with the landowner. If it goes ahead, the Solar Farm will cost

an estimated £3.4m with a suggested overall project payback of around 7 years. This equates to total annual savings of 1500 tonnes of CO<sup>2</sup> with a projected saving of £500K pa. In accordance with the Health Boards responsibilities under the Carbon



Reduction Commitment (CRC) scheme the Health Board will be purchasing c.£521,845 worth of

Carbon credits for its consumption in 2018/19 during the compliance to buy phase. Carbon credits are the UK system for purchasing Credits to account for the Energy consumed by organisations.

The Health Boards CRC exit strategy for when the scheme ends in 2018/19, as agreed by finance is to stay in the 'comply to buy' methodology for the remainder of the scheme which finishes in 2018/19.

## Waste

Waste*		2016-17	2017-18	2018-19
Non-Financial Indicators (Tonnes)	Total Waste	5,398	5,301	4,843
	Landfill	275	185	152
	Reused/Recycled	4,793	583	683
	Composted	0	0	21
	Incinerated without energy recovery	0	0	0
	Incinerated with energy recovery	330	4,533	3,987
Financial Indicators (£)	Total Disposal Cost	1,678,470	1,380,383	1,241,240
	Landfill	63,155	43,070	36,215
	Reused/Recycled	1,360,607	177,947	180,122
	Composted	0	0	1,838
	Incinerated without energy recovery	0	0	0
	Incinerated with energy recovery	254,708	1,159,366	1,023,064

\*No VAT is recorded in the waste financial indicators as per EFPMS guidance.

\*Following a review of the Sustainability Reporting Guidance 2017-18 (October 2017) and the defined metrics it should be noted that waste which has been disposed of through incineration with energy recovery was re-allocated to Incinerated with energy recovery where as in previous years it has been included in Re-used/Recycled. This re-allocation will continue for all future years.

Based on the Total Waste Figures outlined in the table above detail of the breakdown is as follows:-

43% (2074 Tonnes) – Domestic Waste  
39% (1885 Tonnes) – Hazardous Clinical Waste  
13% (636 Tonnes) – Dry Mixed Recycling Waste  
3.5% (182Tonnes) – Offensive Waste  
1% (45 Tonnes) – Waste Electrical & Electronic Equipment  
0.5% (21 Tonnes) – Food Waste

This year has seen an 8.64% (458 Tonne) reduction in the total waste produced by the Health Board. The overall cost has fallen by 10.08% (£139,143.00 cost reduction) following significant awareness raising, greater emphasis on the waste hierarchy and a general reduction of waste across Health Board sites.



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 process helps the Health Board comply with the Welsh Governments Strategy – Towards Zero Waste.

The Health Board has implemented separate food waste collections at Cefn Coed Community Hospital and will continue to strive to increase the coverage of this in-line with Welsh Government legislative targets.

Whilst the increased use of single use medical items is excellent from an infection control perspective, it does have a negative impact on waste control. The Health Board recognises this issue and is currently exploring suitable recycling options.

Whilst there has been an increase in the quantity of waste ABMUHB recycled or reused during 2018/19, it is expected there will be further improvement in the segregation of clean dry mixed waste recycling in 2019/20. This will reduce disposal costs and is consistent with the Welsh Government's Environmental Act 2016 and associated targets. Dry



mixed recycling volumes have however increased at the acute hospitals during 2018/19.

In addition to increased recycling levels the Health Board has reduced its overall waste generation by 8.64% (458 Tonne). This is the equivalent weight of 401 Mini Cars!



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

Projects for improving the recycling and recovery rates for waste are being developed through the Health Board's Environmental Management System ISO 14001 ensuring that all of the waste generated is managed appropriately and in line with actions

outlined in the Waste Reduction Strategy 2017 – 2022. Capital funding has been granted to enable additional recycling bin stations to be located in high volume areas, this will further increase the recycling capacity of the hospital sites.

### Use of Resources

Finite Resource Consumption			2016-17	2017-18	2018-19
Non-Financial Indicators (000m <sup>3</sup> )	Water Consumption (Non-Office Estate)	Supplied	503	494	439
		Sewerage	393	411	367
		Abstracted	0	0	0
Financial Indicators (£million)	Water Consumption (Non-Office Estate)	Supplied	0.6	0.5	0.52
		Sewerage	0.55	0.57	0.54
		Abstracted	0	0	0

Water consumption equates to 25 meters cubed (M<sup>3</sup>) per person FTE (17,000 FTE) per annum, a reduction of 5 M<sup>3</sup> per person compared to 2017/18.

## Other Sustainability Initiatives

### Green Infrastructure

Since the introduction of the Well Being of Future Generations Act, the Chairman has been instrumental in forging links with other organisations in Wales that are responsible for the stewardship of the Natural Environment. The objective being to promote 'Green Infrastructure' within the Health Board whilst contributing to the overall well-being objectives. ABMUHB has produced a portfolio of its sites detailing land areas, including habitat and geological surveys where available, and has engaged with third parties to undertake further reviews and improve our stewardship of the natural environment.

**Glanrhyd Hospital Green Flag Award** - In May 2018 the Health Board was assessed by Keep Wales Tidy for the prestigious "Green Flag" award for Glanrhyd Hospital.



The Green Flag Award is the benchmark for parks and green spaces in the UK and beyond, only awarded to exceptional places with the highest standards. Glanrhyd Hospital was awarded the

green flag award in July 2018 being the first NHS site in Wales to achieve this accreditation.

ABMU collaborated with "Wild Spirit Bushcraft" and Welsh Government regarding the planting of Welsh fruit tree stock on site. The trees (Apple, Pear and Plum) planted are native to Wales and a rare "Welsh Heritage stock" in danger of becoming extinct unless these plantation programmes are in place. The Glanrhyd "Orchard" was completed 20<sup>th</sup> March 2019.

As per the NHS Pollinator Friendly Estate guidance, for the fourth year in a row the Health Board continues to plant wild flowers at the main sites.

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

### Collaboration with National Botanical Gardens of Wales

Natural Resources Wales, Swansea University and the Health Board have joined forces to promote health through increased access to Nature.

In December 2018, a funding bid was submitted to the Welsh Government Communities Rural Development Programme 2014 -20 for a “Biophilic” Wales.

If successful this study will work within the Swansea and Neath Port Talbot area, using 40 sites within the ABMU Health Board estate as focal points for community co-developed green infrastructure projects. The sites surround hospitals, health-centres, mental health and residential facilities. We will increase biodiversity value, accessibility, ecosystem services and connectivity. We will create inspirational green spaces for people and evaluate what works best to develop models that can be applied throughout Wales.

### **Gardd Lles**

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 - Cardiff (April 2019) to be replicated at Morriston Hospital in 2019.

During 2018/19 the Health Board, in collaboration with Keep Wales Tidy, submitted an application to the big lottery fund – people vote. We were

successful in securing £50,000 of National Lottery People’s Projects funding for use in 2019/20.

Working with local voluntary groups, this will be used to transform unloved areas at Morriston and Gorseion hospitals in Swansea and Ysbyty Cwm Rhondda in neighbouring Cwm Taf Morgannwg

The People Vote lottery will deliver on a design in collaboration with Swansea City Council Biodiversity



department for a courtyard at Morriston Hospital with a view to combining improved Green

infrastructure and providing a dementia friendly area for patients including improvements to the Court Yard at Gorseion Hospital.

## Long Term Expenditure Trends

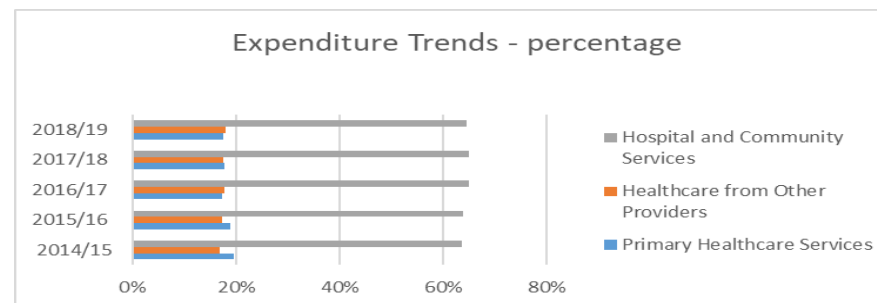
The information and charts below show the long term expenditure trends for the Health Board. As can be seen below both in numbers and graphically there is limited movement across the categories in the level of expenditure over the five year period.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Primary Healthcare Services	232,967	237,071	232,790	242,052	245,546
Healthcare from Other Providers	199,632	216,761	236,363	238,469	250,518
Hospital and Community Services	756,410	802,341	868,757	887,423	898,238
	1,189,009	1,256,173	1,337,910	1,367,944	1,394,302

Expenditure in each category is largely made up as follows:

- Primary Healthcare Services include - General Medical Services (GP), Dental Services, Ophthalmic Services, Prescribed Drugs
  - Increase in 2018/19 was mainly due to growth in GMS contract (£8.4m) offset by saving in prescribing (4.46m).

- Healthcare from Other Providers - Other NHS Organisations, Local Authorities (LA), Voluntary Organisations, Private Providers, NHS Funded Nursing Care and Continuing Health Care.
  - The increase of c.£12m is due to an increase of £4.8m in Welsh Health Specialist Services (WHSSC), £3.3m in LA costs (due to increase in ICF funding) and £4m increase in outsourcing costs.
- Hospital and Community Services - secondary care hospitals – Morriston, Princess of Wales, Neath Port Talbot and Singleton and Six Community hospitals.
  - Increase primarily due to staff costs of £30m offset by reduction in impairments of £14.7m and £4m cost reduction in clinical supplies and services.





## Finance Report

This report provides Summary Financial Statements which describe the financial performance of Abertawe Bro Morgannwg University Health Board (ABMU Health Board), for the year ending 31 March 2019. A full set of the Health Board's Annual Accounts can be found on the Swansea Bay University Health Board website as the successor organisation to ABMU Health Board from 1 April 2019.

## FINANCIAL DUTIES PERFORMANCE

There are two statutory financial duties which ABMU Health Board is required to achieve. The duties which came into effect from 1 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, this replaced the break-even duty for each financial year (NHS (Wales) Act 2014). This duty covers both revenue resource funding and capital resource funding. The three year period ends 2018/19

Revenue Resource Limit	Year 1 of 3 2016/17 £'000	Year 2 of 3 2017/18 £'000	Year 3 of 3 2018/19 £'000	Total £'000
Revenue Resource Funding	1,060,938	1,096,250	1,133,300	3,290,488
Total Operating Expenses	1,100,254	1,128,667	1,143,179	3,372,100
Under/(Over) spend against Allocation	-39,316	-32,417	-9,879	-81,612
As % of Target	3.71%	2.96%	0.87%	2.48%
<b>This Health Board did not meet its financial duty to break-even against its Revenue Resource Limit over the 3 years</b>				

Capital Resource Limit	Year 1 of 3 2016/17 £0	Year 2 of 3 2017/18 £0	Year 3 of 3 2018/19 £0	Total £0
Capital Resource Funding	43,845	40,093	36,447	120,385
Total Operating Expenses	43,751	40,051	36,407	120,209
Under/(Over) spend against Allocation	94	42	40	176
As % of Target	0.21%	0.10%	0.11%	0.15%
<b>This Health Board did meet its financial duty to break-even against its Capital Resource Limit over the 3 years 2016/17 to 2018/19.</b>				

## DUTY TO PREPARE A 3 YEAR PLAN

The Health Board must also prepare an Integrated Medium Term Plan in accordance with the planning directions issued by the Welsh Ministers. To secure compliance with the duty under section 175 of the NHS (Wales) Act 2006, while improving the health of the people for whom it is responsible, and the provision of health care to such people, the plan should be submitted to and approved by Welsh Ministers.

Following the Health Board being placed in targeted intervention in September 2016, it was not in a position to submit a 3 year Integrated Medium Term Plan for 2018/19 and therefore did not achieve the duty to have an approved 3 year Integrated Medium Term Plan. Instead the health board has operated, in agreement with Welsh Government, under annual planning arrangements. The Health Board's Annual Operating Plan for 2018/19, which identified a planned annual

deficit of £25 million, was agreed by the board in March 2018. The health board subsequently agreed further amendments to the Annual Operating Plan, resulting in a reduction in the planned annual deficit to £10m. The Health Board's eventual deficit for 2018/19 was £9.879 million.

## 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)). The aim is to pay 95% of these invoices within 30 days of delivery. The table below shows performance against this target for the last 3 years:

	2016/17	2017/18	2018/19
<b>No of Invoices Paid</b>	<b>297,931</b>	<b>300,160</b>	<b>310,861</b>
<b>Invoices Paid within Target</b>	<b>286,394</b>	<b>282,150</b>	<b>294,597</b>
<b>% of Invoices Paid within Target</b>	<b>96.10%</b>	<b>94.00%</b>	<b>94.80%</b>

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 ABMU Health Board breached its resource limit by spending £81.612 million above the £3,290 million that it was authorised to spend in the 3 year period 2016/17 to

2018/19. The £81.612 million 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 2018/19

Having reported a deficit of £32.417m in the previous financial year, the Health Board faced a very challenging financial outlook heading into the 2018/19 financial year, with an underlying deficit brought forward from 2017/18 and facing cost and demand growth for the

services which it provides. It was in the context of these financial pressures that the Health Board initially identified to Welsh Government a forecast annual plan deficit of £25m comprising the following components

The 2018/19 IMTP Financial Framework Plan	
	£m
<b>2017/18 Carry Forward Deficit</b>	<b>34.0</b>
<b>Cost &amp; Demand Growth</b>	<b>25.4</b>
<b>Total Cost Requirement</b>	<b>59.4</b>
<b>Additional Welsh Government Funding:</b>	
<b>Additional Allocations</b>	<b>-13.1</b>
<b>Savings &amp; Cost Containment</b>	<b>-21.2</b>
<b>2018/19 IMTP Opening Financial Plan</b>	<b>25.1</b>

Given the need to achieve £21m of savings in order to meet the annual plan target it was clear that the focus in 2018/19 needed to be on recovery and sustainability. As part of the recovery and sustainability programme, through the process of strictly controlling operational expenditure, delivering recurrent and non-recurrent savings and with additional funding support from Welsh Government, the Health Board was able to reduce its 2018/19 deficit from £25.1m to £9.879m.

## RECOVERY AND SUSTAINABILITY PROGRAMME

The Health Board established a Recovery and Sustainability Programme in 2017/18 to address the financial deficit within the organisation. The Programme included a number of Executive led work streams supported by a small Programme Management team who provided project management support to work stream areas. These work streams were established to focus on driving pathway improvements, efficiency, productivity and cost reduction across a broad range of areas identified through benchmarking and other review.

The Recovery and Sustainability Programme continued in 2018/19 building on the work streams established in 2017/18 with a specific focus in 2018/19 on:

- Service Remodelling
- Medicines Management
- Workforce
- Procurement.

## Service Remodelling

The Service Remodelling work stream continued with a programme of change and modernisation across primary, community and hospital services. The objectives of the work



stream were informed by benchmarking reports that identified significant opportunities to reshape care to provide better outcomes for patients and deliver

more efficient and effective services. Over the two year period a number of service changes have been taken forward that have supported the development of new models of care – particularly for elderly and frail patients. We have embedded new teams working at the front door of both Morriston and Singleton Hospitals whose main focus is to support patients with timely assessment (rather than admission) and support to return home. In October 2018, a bed utilisation survey entitled the 'Right Place Right Care Review' was undertaken jointly with ABMU Health Board, Neath Port Talbot County Borough Council and Swansea Council (the footprint of the new West

Glamorgan RPB area). The scope of the review included the bed and bed-equivalent capacity for older people across all partner areas. This included all general medical, care of the elderly and orthopaedic hospital beds, as well as patients being cared for at home or in step-down beds managed jointly by reablement teams.

The review findings illustrated that there is a great deal of opportunity for all partners to make changes, to improve flow through the whole system, to use our joint capacity effectively and to improve outcomes for older people. We are building on the results of this survey to inform future care models including a plan for a comprehensive 'Hospital to Home' service for the new Swansea Bay University Health Board.

## Medicines Management

ABMU has a good record in delivering cost and clinically effective medicines usage. A medicines management work stream identified opportunities in 2018/19 to reduce spending on high cost drugs by focussing on maximising its use of biosimilar medication. The group also supports primary care teams to deliver quality, value and cost effective prescribing. Generally, spending on drugs in both primary and secondary care remained level during 2018/19 compared to the previous year, and we did not experience the volatility in NCSO (no cheaper stock option) prescribing that impacted significantly in 2017/18 suggesting that the 'supply' of drugs during the year was more sustainable.





## Workforce

The majority of money spent by the Health Board is on paying staff so there was a dedicated work stream which looked at workforce modernisation and a separate stream which focussed specifically on medical workforce. The key objective across both of these areas was to examine and address factors which influenced the amount of money that is spent on variable pay which includes agency and bank usage, overtime and other aspects of variable pay. The workforce work stream had a range of objectives including focussing on how to improve staff health and well-being to support employees effectively and reduce sickness absence, but also focussing on other ways to use resources wisely – for example, by improving the effectiveness of the nurse bank to encourage take-up of shifts thus reducing spend on agency costs.

The medical workforce work stream successfully introduced a national initiative aimed at reducing the cost of medical agency staff in Wales. The Medical Agency cap was introduced by Welsh Government in November 2017 and effectively caps the rate at which external locum doctors are paid. It also caps the internal rate for doctors who are undertaking additional hours within the Health Board.

In 2018/19, we commissioned a specialist review of some of our medical workforce arrangements focussing on junior doctor rota's and a detailed review of workforce models within our Emergency Departments (A&E) and also our Minor Injury Unit in Neath Port Talbot. The review focussed on considering whether our current workforce models were operating efficiently and sustainably. A final report was

received from Kendal Bluck at the end of March 2019 and we will implement the findings of the review in 2019/20.

During the year, we developed an ambitious plan to digitise some of our medical workforce arrangements. The digital plan has two elements:

- E-Job planning System – work has begun to implement an e-job planning system that will enable the Health Board to accurately record and monitor job plans for Consultants. This will streamline the process and speed up the annual cycle of job planning;
- Locum on Duty – this system will digitise our approach to managing locum requests and help create a 'medical bank'. This will help fill gaps in rotas quickly and standardise rates of pay, assisting compliance with the medical agency cap. It will also provide better information and support workforce planning. Planning for the system began in 2018/19 and is planned to be fully rolled out in 2019/20.

During 2018/19 we also took forward a major initiative to roll out electronic rostering across nursing. The e-rostering system provides an intelligent platform to manage nursing resources by providing an integrated electronic system that supports ward based rostering and our temporary bank system. The system roll out began in 2018/19 and by the end of March, was fully operational within Singleton Hospital. The system will be rolled out in Morriston during 2019/20 with further plans to extend into other areas.

Aligned with this, the Health Board has purchased 'Safe Care' which is a complementary product that is integrated with the rostering solution. It enables data on patient acuity to be



collated to provide a system for ensuring that staffing levels meet patient need thus supporting the Health Board to meet its legal duties under the Nurse Staffing Act. Safe care will be rolled out during 2019/20.

During the year, we also focussed on taking forward an improvement programme within our Occupational Health and Well Being Services. This project has had a number of components but has effectively helped the Health Board to reduce the length of time that staff members wait for appointments, speeding up the time from appointment to report and extending the skill mix of the team by employing an occupational therapist and physiotherapist. We have also introduced new digital solutions to support staff in speeding up the turnaround of reports back to referrers. We expect that access to electronic occupational health records will be complete by December 2019.

## Procurement

Building on the approach started in 2017/18, we have focused on driving best value from our procurement. In 2017/18 we established our Quality Value Cost (QVC) project. This has helped us to scrutinise spending on non-pay and non-clinical goods. Most importantly it has allowed us to effectively identify variation in spending on these goods and to standardise our approach across the Health Board. It has

also helped to drive down spending on 'non-essential' goods and helped us develop initiatives that focus on reusing and recycling furniture. In total in 2018/19 we have declined, deferred or found an alternative funding source for circa 20% of our non-pay, non-clinical expenditure.

Towards the end of 2018/19 we started to extend the principles of the QVC programme into the procurement of clinical goods and we will build on this going forward into 2019/20. The focus of this work is in line with the review carried out by Lord Carter of Coles for NHS England in 2017/18 which identified significant opportunities for the NHS to derive better value from its purchasing decisions by reducing variation and obtaining best value for money from suppliers. We have agreed a number of core principles working with Unit Medical Directors who have agreed that we should focus on establishing a list of clinically acceptable products with clinical teams (applicable in at least 80% of cases recognising that there will always be niche and specialist products required) and then drive spending decisions based on the list. Examples include a saving of £0.350m on cardiac consumables achieved through this approach.

In 2018/19, we were successful with a bid to Welsh Government's 'Invest to Save' scheme to introduce an automated stock management project into our theatres. The scheme will provide a 'State of the Art' inventory management solution that blends closed cabinet systems and open systems to offer the ideal solution for stock management and patient costing. This will help to control costs by ensuring that

stock is available 'just in time' rather than manual processes which result in over-stocking, and reducing the time that stock stays 'on the shelf'. A business case has been developed and the scheme will be rolled out in 2019/20 completing in early 2021. It will also deliver quality benefits through improved traceability of products used with patients.

Finally, we have begun a process to consider how best to deliver sustainable travel solutions for our workforce in line with the Well-being of Future Generations (Wales) Act 2015. This has included an evaluation of pool car scheme to test value for money. The evaluation concluded it does not provide value for money and the scheme will end July 2019. Our focus now is to establish accurate baselines for our travel patterns post boundary change to be able to identify future requirements, and to develop a new staff travel policy to support us in reducing travel costs and CO<sup>2</sup> emissions and encouraging alternatives, such as use of digital technology, e.g. Skype.

## **LOOKING FORWARD**

The Health Board's clear ambition and focus is on developing and delivering a balanced financial plan for 2019/20, building on the financial improvement trajectory over the last two years. The scale of the challenge is acknowledged, and will require an upscaling of our approach to planning and realising savings. The Health Board will also need to manage the temporary and transitional diseconomies of scale following the Bridgend Boundary change on 1 April 2019, and this will be one of the key components to be considered as the organisation reviews the efficiency and effectiveness of its operating model and internal structures.

The approach to financial planning in 2019/20 is straightforward, as the organisation strives to deliver breakeven. The focus will be on the stringent management of cost pressures and cost avoidance; generating local savings schemes; and the development of strategic "high value" opportunities. The latter builds on the work undertaken as part of 2018/19 financial planning, using local and national benchmarking information and service intelligence to identify improvement opportunities. This will be strengthened and accelerated in 2019/20 through the creation of the Health Board's Healthcare Value and Efficiency Programme. This will be aligned to the National Efficiency Programme, and will be responsible for ensuring the organisation draws together and uses the best evidence from benchmarking and other intelligence sources to support the development of more efficient and effective services and in delivering the financial plan.

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 make rapid progress in 2019/20 in finalising the critical path of priority projects and developments to ensure we transition smoothly and quickly into delivery. 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 2019/20, which is subject to ongoing discussions and review with Welsh Government. This is viewed as a precursor to progressing an approvable Integrated Medium Term Plan (IMTP) for 2020/21 onwards, which demonstrates the Health

Board's ability to deliver sustainable financial balance alongside other key priorities.

**Lynne Hamilton**  
**Director of Finance**

**SUMMARY FINANCIAL STATEMENTS** - This statement summarises ABMU Health Board's operating costs. 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. 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 it to monitor the Health Board's financial performance, it is audited annually to ensure that it is accurate.

<b>Statement of Comprehensive Net Expenditure</b>	<b>2018/19 £'000</b>	<b>2017/18 £'000</b>
<b>Expenditure on Primary Healthcare Services</b> <i>Includes Payments to GPs, Pharmacists, Opticians and community dentists</i>	245,546	242,052
<b>Expenditure on Healthcare from Other Providers</b> <i>Includes Payments to other NHS healthcare providers, Nursing Homes and private healthcare providers</i>	250,518	238,469
<b>Expenditure on Hospital &amp; Community Health Services</b> <i>Includes Payments to staff and suppliers and the running costs of hospitals and community premises</i>	898,238	887,423
<b>Sub Total</b>	<b>1,394,302</b>	<b>1,367,944</b>
<b>Less: Miscellaneous Income</b> <i>All income excluding that allocated by Welsh Government e.g. from other healthcare commissioners, accommodation &amp; catering charges, income for goods and services provided to other health boards etc</i>	<b>-255,796</b>	<b>-243,248</b>
<b>LHB Net Operating Costs before Interest &amp; Other Gains and Losses</b>	<b>1,138,506</b>	<b>1,124,696</b>
Other (Gains) / Losses <i>From disposals of land, buildings and equipment</i>	-292	-127
Finance Costs <i>Interest payments on Fixed Assets &amp; PFI Contract</i>	5,165	4,923
<b>Net Operating Costs for the Financial Year</b>	<b>1,143,379</b>	<b>1,129,492</b>
Net -Gain/+Loss on Revaluation of Property, Plant & Equipment	-3,526	-17,074
Net -Gain/+Loss on Revaluation of available for sale financial assets	0	44
<b>Total Comprehensive Net Expenditure for the Year</b>	<b>1,139,853</b>	<b>1,112,462</b>



**STATEMENT OF FINANCIAL POSITION** – This statement records the value of its land, hospitals, clinics and equipment, the money owed from other organisations and the money the

Health Board owes to other organisations. This statement is monitored monthly and is audited annually to ensure it is accurate.

Statement of Financial Position as at 31 <sup>st</sup> March	2019 £'000	2018 £'000
<b>Non Current Assets:</b> <i>(the Health Board's land, buildings and equipment)</i>		
Property, Plant & Equipment	611,982	603,428
Intangible Assets	2,751	2,474
Trade & Other Receivables	108,880	153,983
<b>Total Non Current Assets</b>	<b>723,613</b>	<b>759,885</b>
<b>Current Assets:</b>		
Inventories <i>(stocks of drugs, fuel etc)</i>	10,234	9,725
Trade & Other Receivables <i>(amounts owed to the Health Board)</i>	66,331	55,901
Cash and Cash Equivalents <i>(bank account and petty cash balances)</i>	830	491
Non Current Assets Classified as "Held for Sale"	77,395	66,117
	155	330
<b>Total Current Assets</b>	<b>77,550</b>	<b>66,447</b>
<b>Total Assets</b>	<b>801,163</b>	<b>826,332</b>
<b>Current Liabilities:</b>		
Trade & Other Payables <i>(amounts owed by the Health Board)</i>	151,171	150,778
Provisions <i>(sums set aside by the Health Board to meet expected future costs e.g. clinical negligence, pension costs &amp; Continuing Healthcare)</i>	35,458	24,092
<b>Total Current Liabilities</b>	<b>186,629</b>	<b>174,870</b>
<b>Net Current Assets / -Liabilities</b>	<b>-109,079</b>	<b>-108,423</b>
<b>Non-Current Liabilities :</b>		
Trade & Other Payables <i>(amounts owed in future years for PFI Contract &amp; other Finance Lease Contracts)</i>	40,178	43,018
Provisions <i>(sums set aside by the Health Board to meet expected costs in future years e.g. clinical negligence, pension costs &amp; Continuing Healthcare)</i>	115,048	160,437
<b>Total Non Current Liabilities</b>	<b>155,226</b>	<b>203,455</b>
<b>Total Assets Employed</b>	<b>459,308</b>	<b>448,007</b>
<b>Financed by: Taxpayers Equity</b>		
General Fund	408,417	399,366
Revaluation Reserve	50,891	48,641
<b>Total Taxpayers Equity</b>	<b>459,308</b>	<b>448,007</b>

**STATEMENT OF CHANGES IN TAXPAYERS EQUITY for the YEAR ENDED 31 MARCH 2019** - This statement summarises the movement on ABMU Health Board's General Fund and Revaluation Reserve in year. It shows that its overall worth has increased by £11.301m during the year. In 2018/19 a new International Financial Reporting Standard

(IFRS9) – Financial Instruments was introduced, which amended the way that the Health Board accounts for expected credit losses (its bad debt provision). The impact of the implementation of IFRS 9 on the prior year balances was adjusted via the General Fund.

<b>Statement of Changes in Taxpayers Equity</b>	<b>General Fund £000</b>	<b>Revaluation Reserve £000</b>	<b>Total Reserves £000</b>
<b>Balance at 31<sup>st</sup> March 2018</b>	<b>399,366</b>	<b>48,641</b>	<b>448,007</b>
Adjustment for the implementation of IFRS 9	-504	0	-504
<b>Balance at 1<sup>st</sup> April 2018</b>	<b>398,862</b>	<b>48,641</b>	<b>447,503</b>
Net Operating Cost for the Year	-1,143,379		-1,143,379
Net gain/(loss) on revaluation of property/plant & equipment	0	3,526	3,526
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Transfers Between Reserves	1,276	-1,276	0
<b>Total Recognised Income &amp; Expense for 2018/19</b>	<b>-1,142,103</b>	<b>2,250</b>	<b>-1,139,853</b>
Net Welsh Government Funding	1,151,658		1,151,658
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>408,417</b>	<b>50,891</b>	<b>459,308</b>

# STATEMENT OF CASH FLOW for the YEAR ENDED 31

**MARCH 2019** - The Cash Flow Statement shows the incoming and outgoing money during the financial year.

Overall, the Statement shows that the Health Board has increased its cash balances over the course of the financial year.

Statement of Cash Flows	2018/19 £000	2017/18 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost for the financial year	-1,143,379	-1,129,492
Movements in Working Capital	27,348	-52,251
Other Cash Flow Adjustments	22,203	131,449
Provisions Utilised	-25,389	-25,868
<b>Net Cash Outflow from Operating Activities</b>	<b>-1,119,217</b>	<b>-1,076,162</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant & Equipment	-35,340	-49,716
Proceeds from Disposal of Property, Plant & Equipment	644	2,043
Purchase of Intangible Assets	-994	-942
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>-35,690</b>	<b>-48,615</b>
<b>Net Cash Inflow/(Outflow) before Financing</b>	<b>-1,154,907</b>	<b>-1,124,777</b>
<b>Cash Flows from Financing Activities</b>		
Welsh Government Funding (including capital)	1,151,658	1,124,543
Capital Grants Received	384	0
Capital Element of Payments in Respect of Finance Leases and on SoFP PFI Schemes	3,204	0
<b>Net Financing</b>	<b>1,155,246</b>	<b>1,124,543</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>339</b>	<b>-234</b>
<b>Cash &amp; Cash Equivalents (and bank overdrafts) at 1<sup>st</sup> April 2018</b>	<b>491</b>	<b>725</b>
<b>Cash &amp; Cash Equivalents (and bank overdrafts) at 31<sup>st</sup> March 2019</b>	<b>830</b>	<b>491</b>

**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 SoFP (Statement of Financial Position) PFI schemes relate

to payments made against the capital element of the Neath Port Talbot Hospital PFI project and other finance leases. In previous years these payments have been shown under movements in working capital. The interest element of the payments is shown in Net Operating Cost for the financial year.

We hope you have found this Annual Report for Abertawe Bro Morgannwg University Health Board informative and interesting.

Please visit our website [Swansea Bay University Health Board](#) for more information on what is happening within the newly named Health Board and how you may be able to get involved.

## Performance Section

The section that follows provides a detailed analysis of **ABMU's** performance in 2018/19.

The Welsh Government's annual performance measures framework aims to set out the annual improvement in the health and wellbeing of the people in Wales and identifies key population outcomes and indicators under the themes set out in the pie diagram opposite.

In the section which 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 a 12 month period or compared with the same period the previous year. It assesses whether our performance has improved, declined or remained the same over that period.











Performance against measures within the NHS Delivery Framework is currently 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. Due to the nature of some of the measures in the NHS Delivery Framework, such as those which rely on clinically coded information, the availability of data required for assessing annual performance can have a time delay and hence is not always available when annual reports are produced.

Reporting of the NHS Delivery Framework measures within this report are presented in one of three ways, depending on data availability at the time of reporting:

1. If a full financial year of data is available, performance trends will be shown using data for the 1st April to 31st March period and target compliance included.
2. If a full financial year of data is not available, data for a calendar year, 1st January to 31st December, will be used to show performance trends but target compliance will not be assessed. NHS organisations will provide commentary on projected end of year delivery.
3. If the measure is qualitative in nature or the data is not available either on a financial or calendar year basis then NHS organisations will provide commentary on past and anticipated end of year delivery. Cross correlation, where appropriate with your Annual Quality Statement is recommended to reduce duplication and to provide a more collaborative approach.



The following table shows our performance against the measures where a twelve month comparison trend is available. In 2018/19 our performance improved in 40 measures and remained stable in three measures (19 of which achieved in full).

Abertawe Bro Morgannwg UHB	Improved performance	Sustained performance	Decline in performance	Performance summary	Targets achieved*
<b>STAYING HEALTHY</b> - People in Wales are well informed and supported to manage their own physical and mental health	2 measures	0 measures	1 measure		
<b>SAFE CARE</b> - People in Wales are protected from harm and supported to protect themselves from known harm	8 measures	0 measures	7 measures		1 measure
<b>INDIVIDUAL CARE</b> - People in Wales are treated as individuals with their own needs and responsibilities	4 measures	1 measure	0 measures		5 measures
<b>OUR STAFF &amp; RESOURCES</b> - People in Wales can find information about how their NHS is resourced and make careful use of them	7 measures	1 measure	3 measures		2 measures
<b>TIMELY CARE</b> - People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care	13 measures	0 measures	10 measures		9 measures
<b>EFFECTIVE CARE</b> - 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	1 measure	3 measures		1 measure
<b>DIGNIFIED CARE</b> - People in Wales are treated with dignity and respect and treat others the same	3 measures	0 measures	0 measures		1 measure
<b>SUMMARY</b>	<b>40 measures</b>	<b>3 measures</b>	<b>24 measures</b>		<b>19 measures</b>

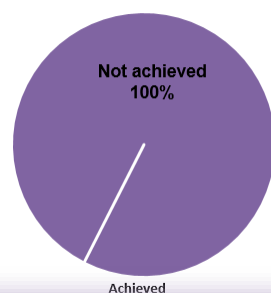
### Targetted Intervention Priorities

The Health Board was placed in “targeted intervention” by the Welsh Government in 2016. 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 in section.... of this report). A significant amount of work was undertaken throughout 2018/19 to improve performance in these priority areas. Further information in relation to actions undertaken and further actions planned for 2019/20 can be found in the Safe Care and Timely Care sections.

			Quarter 1			Quarter 2			Quarter 3			Quarter 4		
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Unscheduled Care	4 hour A&E waits	Actual	75.6%	78.9%	81.0%	79.9%	77.9%	77.5%	78.0%	76.7%	76.5%	76.9%	77.2%	75.6%
		Profile	83%	83%	83%	88%	88%	88%	89%	90%	90%	90%	90%	90%
	12 hour A&E waits	Actual	737	624	476	590	511	588	680	665	756	986	685	862
		Profile	323	194	190	229	227	180	255	315	288	283	196	179
	1 hour ambulance handover	Actual	526	452	351	443	420	526	590	628	842	1,164	619	928
		Profile	256	126	152	159	229	149	223	262	304	262	183	139
Stroke	Direct admission within 4 hours	Actual	34.5%	36.7%	40.0%	37.5%	29.3%	53.8%	56.0%	55.8%	53.2%	35.2%	52.6%	50.7%
		Profile	45%	45%	45%	50%	50%	50%	50%	50%	50%	65%	65%	65%
	CT scan within 1 hour	Actual	41.4%	43.3%	51.3%	40.3%	40.5%	47.5%	52.7%	47.5%	48.7%	48.0%	48.3%	50.6%
		Profile	40%	40%	40%	45%	45%	45%	45%	45%	45%	50%	50%	50%
	Assessed by Stroke Specialist within 24 hours	Actual	83.9%	93.3%	88.2%	80.6%	91.1%	68.8%	82.8%	75.0%	85.9%	75.3%	75.9%	86.1%
		Profile	75%	75%	75%	80%	80%	80%	80%	80%	80%	85%	85%	85%
Planned care	Thrombolysis door to needle within 45 minutes	Actual	0.0%	11.1%	37.5%	21.4%	0.0%	11.1%	18.2%	15.4%	28.6%	40.0%	20.0%	30.0%
		Profile	20%	25%	25%	30%	30%	30%	35%	35%	35%	40%	40%	40%
	Outpatients waiting more than 26 weeks	Actual	166	120	55	30	105	89	65	125	94	153	315	207
		Profile	249	200	150	100	50	0	0	0	0	0	0	0
	Treatment waits over 36 weeks	Actual	3,398	3,349	3,319	3,383	3,497	3,381	3,370	3,193	3,030	3,174	2,969	2,630
		Profile	3,457	3,356	3,325	3,284	3,287	3,067	2,773	2,709	3,045	2,854	2,622	2,664
Cancer	Diagnostic waits over 8 weeks	Actual	702	790	915	740	811	762	735	658	693	603	558	437
		Profile	0	0	0	0	0	0	0	0	0	0	0	450
	Therapy waits over 14 weeks	Actual	0	1	0	0	0	0	0	0	0	0	0	0
		Profile	0	0	0	0	0	0	0	0	0	0	0	0
Healthcare Acquired Infections	NUSC patients starting treatment in 31 days	Actual	92%	90%	95%	99%	97%	96%	96%	96%	96%	98%	97%	93%
		Profile	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
	USC patients starting treatment in 62 days	Actual	77%	89%	83%	92%	94%	83%	84%	88%	88%	85%	82%	84%
		Profile	83%	85%	89%	90%	91%	91%	92%	92%	91%	92%	92%	93%
Healthcare Acquired Infections	Number of healthcare acquired C.difficile cases	Actual	26	18	15	29	15	9	19	10	16	7	7	8
		Profile	21	18	26	20	22	20	20	24	13	19	15	21
	Number of healthcare acquired S.Aureus Bacteraemia cases	Actual	14	21	19	17	20	10	12	17	11	18	16	11
		Profile	13	18	13	18	11	13	13	15	21	13	19	15
	Number of healthcare acquired E.Coli Bacteraemia cases	Actual	42	43	41	51	46	49	41	53	38	28	31	43
		Profile	45	39	40	45	42	45	44	37	41	45	39	42

## Performance Summary

### Achievement of national targets:



### Highlights:

 We  
vaccinated  
8,581 staff



More than 2,000  
smokers  
supported to stop  
smoking

**88%** of 10 day  
old children seen  
as part of the  
Healthy Child  
Wales  
Programme



### Performance trend:

2 measures improved ↑ 1 measure declined ↓

**Summary:** The measures in this section focus on prevention and actions that the Health Board takes to support people to manage their own health and include childhood immunisation and smoking during pregnancy. Good progress was made throughout the year to increase childhood immunisations rates to 91.1%, however performance fell slightly short of the 95% national target. 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 4 weeks but not the percentage of smokers making a quit attempt via cessation services.

<b><u>Staying Healthy</u></b>						
	<b>4 Quarter Trends</b>					
	<b>Q4 2017/18</b>	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Trend</b>	<b>National Target Achieved</b>
% of children who received 2 doses of the MMR vaccine by age 5	89.3%	91.2%	90.0%	91.1%	↑	N/A
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	77.1%	80.9%	73.4%	88.6%	↑	N/A
	<b>Annual Trends</b>					
	<b>2017</b>	<b>2018</b>	<b>Trend</b>	<b>National Target Achieved</b>		
% of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy)*	5.1%	4.2%	↓	N/A		

\*Taken from Jan-19 merged data set

 Achieved in Target Compliance  
 Not achieved in Target Compliance

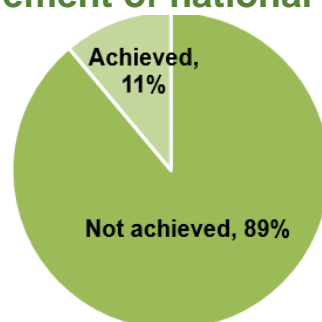
STAYING HEALTHY	
Successes	Priorities
<ul style="list-style-type: none"> <li>• Achievement of 95% target for the percentage of children who have received 3 doses of the '6 in 1' vaccine by age 1 as at quarter 3 18/19 (this is the latest data available).</li> <li>• In 18/19 we engaged with, trained and supported 545 staff to embed MECC and Health Literacy approaches in to their work, teams and organisations. Areas of engagement include Primary Care, Health Visiting, Employee Wellbeing Champions, Allied Health Professions and as part of a Swansea PSB Ageing Well Project. We are committed to build on this during 19/20 to further embed it across the Health Board.</li> <li>• Achieved highest school based Fluenz vaccination programme uptake across Wales for the 3rd year running, increased another 1.3%, uptake now stands at 75.3%. Presented at National Immunisation Conference.</li> </ul>	<ul style="list-style-type: none"> <li>• GP Practices displaying any waiting lists for childhood immunisation continue to be contacted by the primary care teams with discussions aimed at reducing the waiting lists.</li> <li>• Continue our work with primary care teams to improve flu vaccination rates for our at risk populations.</li> <li>• Plans to reflect and learn from 2018/19 flu vaccine uptake in order to inform priorities and agree actions for the 2019/20 season</li> <li>• Aiming to be the top Health Board in Wales in 2019/20 for staff flu vaccination.</li> <li>• We are supporting the development of a national delivery plan for the integrated smoking cessation system that will also drive action for local work.</li> <li>• Facilitating the transfer of SSW to the Health Board and the Integration of all cessation services in Swansea Bay</li> <li>• Ensuring that all commissioned pharmacies are actively delivering the smoking cessation service.</li> </ul>
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>• A new process for GP practices wishing to cancel immunisation clinics across the Health Board has now rolled out.</li> <li>• Plan to increase numbers of staff flu champions for 2019/20 as well as utilising other staff groups to promote and encourage colleagues to get vaccinated</li> <li>• Realignment of local smoking cessation services. Review service model in light of boundary changes and population need.</li> <li>• Pilot project in progress with primary care, to explore if sending out a letter to smokers from GP practice results in increased number of contacts to Help Me Quit. Text messaging as a method of invitation to commence as a pilot project.</li> </ul>	<ul style="list-style-type: none"> <li>• Uptake is below 95% in the percentage of resident children who have received 2 doses of the MMR by 5 years which is needed for herd immunity. When uptake is below 95% the main area of risk is an outbreak of a vaccine preventable disease</li> <li>• The categories and varieties of influenza vaccine that should be ordered increase variation and potential risk of human error making it harder to achieve the target.</li> <li>• Smoking on hospital grounds continues to be a widespread issue and visible problem despite Health Board smoke free site policy. This needs to be addressed in line with forthcoming legislation</li> </ul>



## SAFE CARE- People in Wales are protected from harm and supported to protect themselves from known harm

### Performance Summary

#### Achievement of national targets:



#### Highlights:

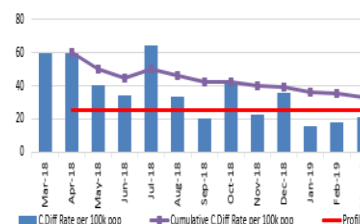
**37%** less *C.difficile* cases  
**7%** less *S. aureus* bacteraemia cases  
**4%** less in *E. coli* bacteraemia cases



#### Sepsis Care Pathway- First Hour Care Duties

**Increased** compliance with Sepsis Six first hour bundle

**Reduced** use of antibacterial items



#### Performance trend:

**8 measures improved ↑**   **7 measures declined ↓**

**Summary:** The measures in this section focus on safety and ensuring that no harm comes to patients, it includes healthcare acquired infections, serious incidents, prescribing and self-harm. Compliance with the 'Sepsis Six' one hour bundle measure was achieved and significant progress has been made in reducing healthcare acquired infections and antibiotic prescribing over the year. Work is underway to address all other areas, see details in the [Annual Quality Statement](#)

Safe Care														
	12 Month Trends - Financial													
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend	National Target Achieved
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales***	67.6%	73.9%	61.9%	76.7%	86.7%	78.6%	50.0%	88.2%	88.9%	61.5%	60.0%	39.1%	↓	No
Number of new Never Events	0	0	0	0	0	0	0	0	0	0	0	1	↓	No
Number of grade 3, 4 & unstageable healthcare acquired pressure ulcers	12	13	21	5	17	8	14	12	12	20	21	17	↓	No
Number of administration, dispensing & prescribing medication errors reported as SIs	0	0	0	0	0	0	0	0	1	0	0	0	↓	No
Number of patient falls reported as SIs	2	4	3	5	1	3	9	8	2	4	4	5	↓	No
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	30.6%	26.4%	18.2%	33.7%	23.3%	40.0%	50.0%	40.5%	52.6%	18.2%	42.9%	42.9%	↑	Yes
	4 Quarter Trends													
	Q4 17/18	Q1 18/19	Q2 18/19	Q3 #18/19	Trend	National Target Achieved								
Number of preventable hospital acquired thrombosis	0	1	3	2	↓	N/A								
Total antibacterial items per 1,000 STAR-PUs	363.7	307.4	288.9	330.7	↑	N/A								
Fluoroquinolone, cephalosporin, clinamycin & co-amoxiclav as % of total items dispensed in community	8.9%	9.8%	9.6%	8.3%	↑	N/A								
NSAIDs average daily quantity per 1,000 STAR-PUs	1,496	1,517	1,479	1,447	↑	N/A								
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	0	2	0	0	↑	N/A								
	Annual Trends													
	2017	2018	Trend	National Target Achieved										
Number of hospital admissions with any mention of self harm for children/young people per 1,000 pop*	3.29	3.31	↓	N/A										
	Mar-18 (12mths ending)	Mar-19 (12mths ending)	Trend	National Target Achieved										
Cumulative rate of C Difficile cases per 100,000 of the population**	53.54	33.47	↑	No										
Cumulative rate of S.Aureus Bacteraemia cases per 100,000 of the population**	37.33	34.60	↑	No										
Cumulative rate of E.coli cases per 100,000 of the population**	99.74	94.95	↑	No										



Sepsis Inpatient data - April to June 2018 includes Singleton, Morriston & Princess of Wales. July to Oct 2018 also includes Neath Port Talbot. November 2018 includes Singleton, Princess of Wales and Neath Port Talbot. December 2018 to March 2019 includes Princess of Wales and Neath Port Talbot.

Sepsis Emergency data - this measure has been excluded as data has not been submitted for Feb-19 and Mar-19. This is due to data collection being stopped in Morriston as there is no one to enter the data and Singleton's funding for the Sepsis project has finished. NPT and PoW will also not be submitting any emergency data.

\*Taken from March APC refresh

\*\*Data is provisional

\*\*\*Data as at 29/04/19

 Achieved in Target Compliance  
 Not achieved in Target Compliance

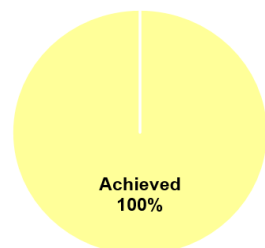
SAFE CARE	
Successes	Priorities
<ul style="list-style-type: none"> <li>• Infection Control:               <ul style="list-style-type: none"> <li>○ Significant reductions in rates of C.Diff were achieved in the second half of the year following successful implementation of antibiotic guidelines.</li> <li>○ Successful introduction of UVc decontamination and a 4D cleaning programme.</li> </ul> </li> <li>• Medicines Management:               <ul style="list-style-type: none"> <li>○ The Health Board has shown significant progress over the last 2-3 years in reducing the antibacterial items prescribed and is no longer the highest in Wales. However, there is still much to do to continue to improve appropriate prescribing.</li> </ul> </li> <li>• Pressure Ulcers:               <ul style="list-style-type: none"> <li>○ The incidence of Health Board acquired pressure ulcers continues to reduce</li> </ul> </li> <li>• Falls:               <ul style="list-style-type: none"> <li>○ The number of inpatient falls continues to reduce with a 7% decrease on same period last year</li> </ul> </li> <li>• Sepsis Screening               <ul style="list-style-type: none"> <li>○ Continued improvement in compliance with 'Sepsis Six' first hour bundle for in-patients</li> <li>○ Consistently above 95% for patients with completed NEWS score, which assesses the risk of Sepsis</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Infection Control:               <ul style="list-style-type: none"> <li>○ Review methods of environmental decontamination for a Health Board wide approach</li> <li>○ Improve information available to Health Board on HCAIs</li> <li>○ Focus on infection prevention strategies</li> </ul> </li> <li>• Medicines Management:               <ul style="list-style-type: none"> <li>○ Improving antibiotic prescribing remains a priority as the Health Board still has one of the highest levels of prescribing in the UK</li> <li>○ Analyse and learn from outcomes of 2018-19 Prescribing Management Scheme in primary care</li> <li>○ Regularly update prescribing guidelines and support additional audits in target practices.</li> </ul> </li> <li>• Pressure Ulcers               <ul style="list-style-type: none"> <li>○ Reduce acquired pressure ulcers both in hospital and the community monitored via current mechanisms and ward to board Dashboard</li> <li>○ Education for pressure ulcer prevention and classification of pressure ulcers</li> </ul> </li> <li>• Falls:               <ul style="list-style-type: none"> <li>○ Reduce avoidable falls, particularly in community settings, through multi agency collaboration and scaling up the Dance for Health Programme</li> </ul> </li> </ul>

SAFE CARE	
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>• Infection Control:             <ul style="list-style-type: none"> <li>○ Ward refurbishment programme will address our highest priority infection control risks. Essential repairs and replacement of antiquated infrastructure within ward areas significantly improve clinical care environments.</li> <li>○ Delivery Units to explore how to extend Aseptic Non-touch Technique training, with competence assessment, to medical staff.</li> </ul> </li> <li>• Pressure Ulcers:             <ul style="list-style-type: none"> <li>○ SBUHB tissue viability team is collaborating with e-learning Wales to develop an e-learning pressure ulcer prevention education package that can be linked to the Electronic Staff Record (ESR) system.</li> <li>○ A voiced power point presentation has been developed to share learning from a pressure ulcer related Coroner's Inquest case.</li> <li>○ Quarterly analysis of local pressure ulcer causal factors will be undertaken to identify trends and target work streams to reduce risks and achieve a reduction in avoidable pressure ulcers</li> <li>○ Pressure Ulcer Peer Review Scrutiny Panels are held in all Service Delivery Unit's and learning from incidents is translated into quality improvement plans and shared at the Pressure Ulcer Prevention Strategic Group (PUPSG) meeting.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Infection Control:             <ul style="list-style-type: none"> <li>○ Public Health Wales implemented a new, more sensitive testing methodology for C. difficile. The likely impact of this will be a 10-20% increase in the detection of C. difficile carriage.</li> <li>○ A large proportion of E. coli bacteraemia is community acquired, with many patient related contributory factors, particularly in relation to urinary tract infection and biliary tract disease. As such, it will be a challenge to prevent a significant proportion of these</li> <li>○ Current increased use of pre-emptive beds on acute sites increases risks of infection transmission as well as high bed occupancy, which frequently is close to, or exceeds, 90%.</li> </ul> </li> <li>• Medicines Management:             <ul style="list-style-type: none"> <li>○ Overall antibiotic usage should be reduced further and the reduction maintained in order to minimise the risk of drug resistance. Further improvements are also required to reduce the prescribing of '4C' antibiotics, and incidence of <i>Clostridium difficile</i>.</li> </ul> </li> <li>• Pressure Ulcers             <ul style="list-style-type: none"> <li>○ Incomplete documentation continues to be a contributory factor. All Service Delivery Units have plans in place for pressure ulcer prevention documentation audit.</li> <li>○ Continued difficulty with maintaining nurse staffing levels on wards, with a significant increase in the number of agency staff being utilised.</li> </ul> </li> </ul>

## INDIVIDUAL CARE- People in Wales are treated as individuals with their own needs and responsibilities

### Performance Summary

#### Achievement of national targets:



### Performance Summary



90% of residents in receipt of secondary Mental Health services had a valid Care Treatment Plan (CTP)  
100% of residents were sent their outcome assessment report within 10 working days after assessment

Increased use of national helplines throughout the year for mental health, dementia and substance misuse





#### Performance trend:

4 measures improved ↑ 1 measure sustained →

**Summary:** Access to helplines and mental health services are the themes of the five measures in this section, which were **all achieved in 2018/19**.



<b>Individual Care</b>														
	<b>12 Month Trends - Financial</b>													
	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>	<b>Jan-19</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Trend</b>	<b>National Target Achieved</b>
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	90.0%	89.6%	88.2%	87.3%	89.7%	91.3%	91.6%	90.6%	91.3%	90.9%	91.1%	90.9%	↑	Yes
% of HB residents sent their outcome assessment report within 10 working days after assessment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	→	Yes
	<b>4 Quarter Trends</b>													
	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Q4 2018/19</b>	<b>Trend</b>	<b>National Target Achieved</b>								
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	101.2	103.6	120.0	146.8	↑	Yes								
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	5.4	5.1	8.3	6.2	↑	Yes								
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	33.7	30.1	24.4	39.3	↑	Yes								

 Achieved in Target Compliance  
 Not achieved in Target Compliance

INDIVIDUAL CARE	
Successes	Priorities
<ul style="list-style-type: none"> <li>91% of residents in receipt of secondary Mental Health Services (all ages) had a valid Care Treatment Plan (CTP) in March 2019 against national target of 80% (mental health measures- Part 2)</li> <li>100% of residents were sent their outcome assessment report within 10 working days after assessment for every month in 2018/19 (mental health measures- Part 3)</li> <li>The number of calls to the Mental Health helpline C.A.L.L. per 100,000 of population increased through the year</li> <li>The number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+) increased through the year</li> <li>The number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population increased through the year</li> </ul>	<ul style="list-style-type: none"> <li>Maintain achievement of the percentage of residents in receipt of secondary Mental Health Services with Care Treatment Plan</li> <li>Maintain 100% performance of residents in receipt of outcome assessment report within 10 working days</li> <li>Increase awareness and uptake of C.A.L.L., Wales dementia and DAN 24/7 helplines and ensure links with Choose Well campaign.</li> </ul>
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>C.A.L.L., Wales dementia and DAN 24/7 are all confidential helplines that offer emotional support and information/ literature. Signposting to such helplines provides an additional avenue for support to patients, families and carers.</li> </ul>	<ul style="list-style-type: none"> <li>The Health Board can promote and raise awareness of national helplines but has limited ability to influence uptake rates as utilisation is determined by personal choice and need.</li> </ul>

## STAFF & RESOURCES- People in Wales can find information about how their NHS is resourced and make careful use of them

### Performance Summary

#### Achievement of national targets:



#### Highlights:



Over 9,000 staff received an annual Personal Appraisal Development review



**22%** increase in staff completing all mandatory training (up to December 2018)



Reduction in patients not attending new and follow-up outpatient appointments (DNAs)

#### Performance trend:



**7 measures improved ↑**   **1 measure sustained →**   **3 measures declined ↓**

**Summary:** There are eleven measures in this section however due to availability of data, Welsh Government has provided an assessment on two of the measures only, both of which were achieved in full in 2018/19 hence a 100% achievement. Narrative regarding the remaining measures is included below.

Our Staff & Resources Summary														
	12 Month Trends - Calendar													
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend	National Target Achieved
% of patients who did not attend a new OP appointment	5.9%	5.9%	5.6%	6.3%	5.9%	5.6%	6.1%	5.3%	5.7%	5.7%	5.4%	6.1%	↑	N/A
% of patients who did not attend a follow-up OP appointment	8.0%	7.7%	7.1%	7.1%	7.1%	6.6%	6.9%	6.6%	6.6%	7.1%	6.3%	6.7%	↑	N/A
Number of procedures that don't comply with NICE Do Not Do guidance (list agreed by Planned Care Board)	9	7	10	8	8	6	10	13	6	15	13	9	↓	N/A
% of headcount who have had a PADR/medical appraisal in previous 12 months	60.2%	59.5%	59.9%	60.4%	58.4%	58.1%	60.4%	60.4%	63.3%	64.9%	66.3%	66.1%	↑	N/A
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	49.5%	50.3%	51.0%	52.7%	54.7%	57.0%	59.5%	63.0%	64.7%	66.8%	70.1%	71.7%	↑	N/A
% staff sickness absence (rolling 12 months)	5.64%	5.69%	5.74%	5.77%	5.79%	5.84%	5.85%	5.86%	5.89%	5.91%	5.93%	5.96%	↓	N/A
	4 Quarter Trends													
	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Trend	National Target Achieved								
Quantity of biosimilar medicines prescribed as % of total 'reference' product plus biosimilar	54.2%	55.0%	56.2%	56.9%	↑	N/A								
	Annual Trends													
	2016	2018	Trend	National Target Achieved										
% of staff who undertook a performance appraisal who agreed it helped them improve how they did their job	55%	55%	→	N/A										
Overall staff engagement score	3.68	3.81	↑	Yes										
% staff who would be happy with care by their organisation if friend/relative needed treatment	70%	72%	↑	Yes										
	2017	2018	Trend	National Target Achieved										
Elective caesarean section rate*	13.3%	14.0%	↓	N/A										

\*Taken after March APC refresh

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

	Achieved in Target Compliance
	Not achieved in Target Compliance

OUR STAFF AND RESOURCES	
Successes	Priorities
<ul style="list-style-type: none"> <li>• Staff engagement:               <ul style="list-style-type: none"> <li>○ Staff engagement score increased from 3.68 in 2016 to 3.81 in 2018.</li> <li>○ 72% of staff would be happy with care by their organisation if friend/ relative needed treatment (2% improvement from 2016)</li> </ul> </li> <li>• Mandatory training:               <ul style="list-style-type: none"> <li>○ 22% increase in the number of staff completing mandatory training throughout the year (as at December 2018)</li> <li>○ Internal figures show achievement of 75.22% in March 2019, equating to 158,888 achieved competencies. This may be short of the national target of 85% but exceeds the Health Board's internal profile of 62%)</li> </ul> </li> <li>• Missed appointments/ Did Not Attend (DNA) Rates:               <ul style="list-style-type: none"> <li>○ Reduction trend over the year for new and follow-up DNA rates in secondary care</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Sickness:               <ul style="list-style-type: none"> <li>○ Outputs of best practice case study, conducted in three areas of good sickness performance, are being incorporated into each Delivery Units attendance action plans.</li> <li>○ Training sessions for managers regarding the new all-Wales Managing Attendance policy.</li> <li>○ Occupational Health Improvement Plan completed with targets for reductions in waiting times approved by Executive Board. Plans to develop a more multidisciplinary approach during 2019.</li> <li>○ Implementation of digital dictation software for clinicians to reduce waits for Occupational Health reports to be sent to managers. Evaluation to be completed July 2019.</li> <li>○ Amendments to Swansea Bay's attendance action plan are underway to be re-submitted for sign off by Workforce and OD committee.</li> </ul> </li> <li>• Mandatory Training:               <ul style="list-style-type: none"> <li>○ E-learning drop in sessions are continuing across the current health board and all sites on a regular basis.</li> <li>○ A review of the Mandatory Training framework is being planned where all relevant Subject Matter Experts will be invited to a workshop to discuss current training and to identify new trends that may need to be introduced.</li> </ul> </li> <li>• Personal Appraisal Development Review (PADR):               <ul style="list-style-type: none"> <li>○ Focus on training Managers to complete Values Based PADR/use ESR to improve reporting figures with bespoke sessions for teams/units when requested.</li> <li>○ All Delivery Units have been asked to provide a plan to achieve compliance with the 85% target by March 2020.</li> </ul> </li> </ul>



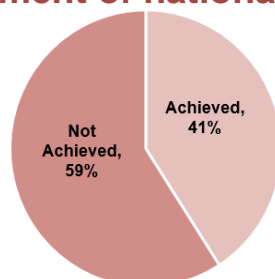
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>• Sickness:               <ul style="list-style-type: none"> <li>○ Delivering Invest to Save 'Rapid Access - Staff Wellbeing Advice and Support Service' enabling early intervention for Musculoskeletal (MSk) and Mental Health, ideally within 5 days (90 referrals monthly) and expediting to MSk diagnostics and surgery when required. This model accepted as Bevan Exemplar 18/19.</li> <li>○ 300+ Staff Wellbeing Champions now trained to support their teams health and wellbeing and signpost to HB support services, promoting a prevention/early intervention approach.</li> <li>○ Deliver 'menopause wellbeing workshops' across four main sites during 2019.</li> </ul> </li> <li>• Mandatory Training:               <ul style="list-style-type: none"> <li>○ Review of Electronic Staff Record (ESR) system to make utilisation more user friendly and improve accuracy of reporting.</li> <li>○ Investigate where compliance in higher level training mitigates the need for level 1 training and implement automatic sign off of competencies.</li> </ul> </li> <li>• Personal Appraisal Development Review (PADR):               <ul style="list-style-type: none"> <li>○ Incremental pay progression provides the incentive for staff to take responsibility for ensuring that they have an appraisal every 12 months as well as managers ensuring that all staff have the opportunity to have a quality Values based appraisal.</li> <li>○ Research project into the PADR process, looking at all angles, has been initiated and the outcome will be delivered later on in the year.</li> </ul> </li> <li>• Missed appointments/ Did Not Attend (DNA) Rates:               <ul style="list-style-type: none"> <li>○ Outpatient appointment text reminder service implementation – the Health Board has extended the current contract for a further 12 months – in order to continue the assessment of benefit realisation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Sickness:               <ul style="list-style-type: none"> <li>○ Failure to maintain continued focus on sickness absence performance may lead to levels increasing.</li> <li>○ Singular focus on sickness management without measured attention on supporting staff attendance through health and wellbeing interventions congruent with our organisational values.</li> <li>○ Direct effect on costs in terms of bank, agency and overtime.</li> <li>○ Increasing levels of sick absence increases pressure on those staff who remain at work.</li> <li>○ Levels of service change likely to affect health and wellbeing with most likely impact on mental health and stress related sickness</li> <li>○ Our highest reason for absence continues to be stress related absence, which remained static compared to the previous month.</li> </ul> </li> <li>• Mandatory Training:               <ul style="list-style-type: none"> <li>○ Lack of computer literacy amongst staff</li> <li>○ Time and access to computers for community based staff</li> <li>○ Retire &amp; Returning employees recruited via Direct Hire processes require manual update of training records if available</li> <li>○ Face to Face recording Level 1 Competencies can take considerable time to manually update and indicate a misinterpretation of compliance</li> </ul> </li> <li>• Personal Appraisal Development Review (PADR):               <ul style="list-style-type: none"> <li>○ Doctors falling behind on appraisal timescales for revalidation: stress for doctor; diversion of doctor's and management time/resource; potential delayed revalidation; ultimately, consequences for licence to practise if failure to engage.</li> <li>○ Poor quality appraisals - lack of personal/service development and progression; continuation of sub-optimal practices; resistance to change.</li> </ul> </li> </ul>

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| <ul style="list-style-type: none"> <li>○ Development with GP clusters and patients to inform the development of alternative methods of service delivery to support patients in the most appropriate setting including nurse led / advanced practitioner led clinics. Each Delivery Unit has developed a plan to address their DNA position. These plans, overseen by the Outpatient Modernisation Group and led by nominated managerial leads from each delivery unit, have set out objectives to achieve the Annual Plan 2019/20 target of a reduction in the DNA rate of 10%.</li> <li>○ Explore increased opportunities for partial booking.</li> <li>○ Adhering to best practice guidelines.</li> </ul> | <ul style="list-style-type: none"> <li>○ Ensuring new starters and ad hoc doctors are engaged with the annual appraisal process, and relevant information received from previous Responsible Officer (RO).</li> <li>○ Doctors misunderstanding the requirement of Whole Practice Appraisal (WPA) and not including all elements of work undertaken using their GMC licence within their annual appraisals.</li> <li>○ Misunderstanding around timings of PADR aligning with increment date.</li> <li>○ Dependence on roll out of Supervisor self-service for PADR reporting data accuracy, double reporting, use of ESR, accuracy of ESR, IT skills of staff.</li> <li>○ Time to complete PADR's - risk around the quality of PADR versus the target figures.</li> <li>○ Ensuring new starters are engaged with the annual appraisal process.</li> <li>● Missed appointments/ Did Not Attend (DNA) Rates:             <ul style="list-style-type: none"> <li>○ It is important for the Health Board to gain a better understanding of the specialties and clinical conditions which present the most risks of harm to patients who DNA their appointment.</li> <li>○ RTT risk to the Health Board as a result of underutilised capacity for new and follow up appointments with associated financial implications for idle capacity, rearranging appointments and potentially needing to arrange additional waiting list clinics.</li> </ul> </li> </ul> |
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## TIMELY CARE- People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care

### Performance Summary

#### Achievement of national targets:



#### Highlights:



- ✓ **22%** less patients waiting longer than 36 weeks for treatment.
- ✓ No patients waiting over 14 weeks for therapies
- ✓ No patients waiting over 8 weeks for all non-cardiology diagnostics and sustained position in Endoscopy
- ✓ Longest waiting patients reduced by over a third

#### Performance trend:

**13 measures improved ↑**

**10 measure declined ↓**

**Summary:** The focus of this section is access to services and the measures primarily focus on waiting times. Nine out of the 14 measures in this section were achieved in 2018/19. Significant progress was made during the year to reduce waiting times for elective treatment. There were important improvements in the delivery of Stroke services and unscheduled care has begun to stabilise.

Timely Care														
	12 Month Trends - Calendar													
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend	National Target Achieved
% survival within 30 days of an emergency admission for a hip fracture	82.3%	75.9%	82.5%	74.6%	85.7%	78.7%	73.2%	80.9%	74.1%	84.6%	71.4%	73.3%	↓	N/A
	12 Month Trends - Financial													
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend	National Target Achieved
% of P1 calls logged and patient started definitive clinical assessment within 20 mins of initial call being answered	83.1%	85.0%	86.0%	85.1%	89.2%	91.5%	88.5%	84.9%	84.4%	84.8%	80.5%	81.2%	↓	No
% of P1 seen <= 60 mins following clinical assessments/face to face triage	75.0%	60.0%	50.0%	37.5%	71.4%	90.0%	100.0%	80.0%	77.8%	80.0%	66.7%	83.3%	↑	Yes
% of patients waiting less than 26 weeks for treatment	87.8%	88.1%	88.7%	89.3%	89.1%	89.1%	89.1%	88.8%	88.0%	88.7%	89.2%	89.3%	↑	No
Number of patients waiting more than 36 weeks for treatment	3,398	3,349	3,319	3,383	3,497	3,381	3,370	3,193	3,030	3,174	2,967	2,628	↑	No
Number of patients waiting more than 8 weeks for a specified diagnostic	702	790	915	740	811	762	735	658	693	603	558	437	↑	No
Number of patients waiting more than 14 weeks for a specified therapy	0	1	0	0	0	0	0	0	0	0	0	0	↑	Yes
Number of OP follow ups (booked/not booked) delayed past target date for specific planned care specs	24,628	24,288	24,469	24,954	24,813	24,200	22,553	22,091	22,931	23,026	23,044	23,604	↑	Yes
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)	34.1%	37.8%	40.3%	37.0%	27.8%	55.0%	56.0%	56.4%	51.2%	35.2%	50.8%	50.6%	↑	No
% compliance with stroke QIM CT scan within (<1 hour)	40.4%	44.6%	52.6%	39.2%	38.8%	47.5%	52.7%	48.1%	48.2%	47.9%	46.7%	50.6%	↑	No
% compliance with stroke QIM Assessed by a stroke consultant (<24 hours)	84.3%	92.4%	87.2%	79.7%	89.4%	68.8%	82.8%	75.3%	84.3%	75.3%	75.0%	86.1%	↓	Yes
% compliance with stroke QIM Thrombolysed with a door to needle time (<= 45 mins)	0.0%	10.5%	35.3%	21.4%	0.0%	11.1%	18.2%	15.4%	26.7%	40.0%	20.0%	30.0%	↑	Yes
% of emergency responses to red calls arriving within 8 mins	78.3%	77.2%	78.0%	77.0%	79.2%	78.3%	75.4%	75.2%	75.4%	72.7%	78.2%	72.8%	↓	Yes
Number ambulance handovers over one hour	526	452	351	443	420	526	590	628	842	1,164	619	928	↓	No
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	75.6%	78.9%	81.0%	79.9%	77.9%	77.5%	77.6%	76.6%	76.5%	76.9%	77.2%	75.7%	↓	No
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	737	624	476	591	511	588	678	665	756	986	685	861	↓	No
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	92.4%	94.2%	96.2%	99.3%	97.4%	95.7%	95.9%	96.2%	95.7%	97.7%	94.7%	93.5%	↑	No
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	77.4%	90.4%	84.1%	92.2%	94.1%	82.9%	84.3%	87.6%	88.1%	85.4%	80.6%	84.1%	↓	No
% of MH assessments undertaken within 28 days from the date of receipt of referral	84.1%	85.5%	82.5%	83.8%	80.5%	76.4%	83.8%	77.7%	83.8%	72.6%	79.8%	76.8%	↓	No
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	79.3%	80.5%	79.5%	79.1%	90.3%	88.6%	91.5%	87.6%	85.2%	86.8%	87.5%	87.7%	↑	Yes
	4 Quarter Trends													
	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Trend	National Target Achieved								
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	99.1%	↓	No								
	Annual Trends													
	2017	2018	Trend	National Target Achieved										
% GP practices offering appointments between 17:00 and 18:30 on 5 days a week	78%	88%	↑	Yes										
% of GP practices open during daily core hours or within 1 hour of the daily care hours	90%	95%	↑	Yes										

 Achieved in Target Compliance  
 Not achieved in Target Compliance

TIMELY CARE	
Successes	Priorities
<ul style="list-style-type: none"> <li>• <b>Unscheduled Care</b> <ul style="list-style-type: none"> <li>○ The number of medical admissions have stabilised and our rates of readmissions have steadily decreased over the last 18 months. These changes, as well as changes to our surgical services models, allowed us to reduce our inpatient capacity in line with the benchmarking opportunities identified in our Annual Plan 2018/19.</li> </ul> </li> <li>• <b>Planned Care</b> <ul style="list-style-type: none"> <li>○ The Health Board achieved the internal target of 2,664 for the number of patients waiting over 36 weeks for treatment by attaining 2,630 in March 2019. This continues to be the best position since April 2014.</li> <li>○ Sustained achievement of no patients waiting over 8 weeks for Endoscopy throughout 2018/19</li> <li>○ No patients waiting over 8 weeks in March 2019 for the following diagnostic tests: <ul style="list-style-type: none"> <li>▪ Cystoscopy,</li> <li>▪ Radiology (including CT, MRI, Non obstetric Ultrasounds, Barium Enema) and Nuclear medicine</li> <li>▪ Cardiac Tests (including Stress Test, 24 Hour Blood Pressure Monitoring, Diagnostic Electrophysiology (EP Study), Doppler Stress Echocardiogram (DSE), Myocardial Perfusion Scan, Trans Oesophageal Echocardiogram (TOE)</li> </ul> </li> <li>○ Therapy waiting times continue to be maintained at (or below) 14 weeks</li> </ul> </li> <li>• <b>Primary Care</b> <ul style="list-style-type: none"> <li>○ 83% of priority 1 (P1) patients seen within 60 minutes following clinical assessment/ face to face triage by the 111 service</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Unscheduled Care</b> <ul style="list-style-type: none"> <li>○ Promote attendance at Minor Injury Unit (MIU) in NPT Hospital for patients with a minor illness or injury.</li> <li>○ Implement direct-to-specialty pathways for general medicine, cardiology, respiratory and neurology, including hot clinics as well as providing evidence-based, quality services for patients with chronic conditions.</li> <li>○ Improving our Psychiatric Liaison Service to improve services for patients with mental health problems in our general hospitals to improve the quality of care and support discharge arrangements.</li> <li>○ Revision of our escalation policy for 2019/20 to build on the 'safety huddle' approach to managing patient flow.</li> <li>○ Implement plan for introduction of revised Quality Improvement Measures (QIMs) for Stroke reporting from April 2019.</li> </ul> </li> <li>• <b>Planned Care</b> <ul style="list-style-type: none"> <li>○ Implementation of sustainable service models in IMTP for 2019/20</li> <li>○ Lead appointed for the development of a single theatre action plan to address performance and maximise efficiencies with initial focus on improving utilisation for ENT and General Surgery at Singleton and Orthopaedics at NPTH</li> <li>○ Sharing of transferable lessons from the planned care programme work across all specialities at pace to reduce RTT pressures</li> <li>○ Service models for Oral Medicine, Audiology and Nurse Led Gastro as sustainable solutions in plans for 2019/20.</li> <li>○ Morriston to develop and implement step change plans to maintain continual improvement in the reduction of long waiting patients</li> </ul> </li> <li>• <b>Cancer</b></li> </ul>



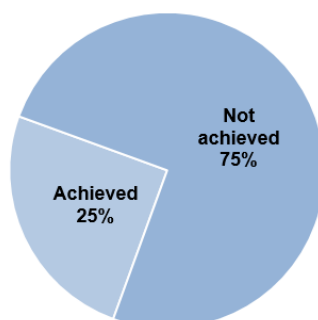
<ul style="list-style-type: none"> <li>○ Increase in the number of GP practices offering appointments between 17:00 and 18:30 on 5 days a week (78% in 2017 compared with 88% in 2018).</li> <li>○ Increase in the number of GP practices open during daily core hours or within one hour of daily core hours (90% in 2017 compared with 95% in 2018).</li> <li>• Mental Health <ul style="list-style-type: none"> <li>○ 88% of therapeutic interventions started within 28 days following an assessment by Local Primary Mental Health Support Service (LPMHSS)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Planned pathway changes and increased capacity will help reduce the backlog, which is monitored very closely within the Delivery Units.</li> <li>○ Full implementation of Head and Neck Lump pathway in July 2019 when the new consultant commences in post – this will streamline time to diagnosis for head and neck and haematological cancers.</li> <li>• Primary Care <ul style="list-style-type: none"> <li>○ Concluding work to change the workforce model and put in place sustainable primary care Out of Hours services for the new Health Board within 2019/20 as described in the Primary Care Plan.</li> <li>○ Continue to roll out of the Whole System Transformational model of Integrated Primary Care through the Cluster development model</li> </ul> </li> <li>• Mental Health <ul style="list-style-type: none"> <li>○ Utilisation of additional Welsh Government resources to help build up the local teams. This will allow the service to help keep pace with additional demand.</li> <li>○ Development of a range of group interventions, in order to offset the demand for therapy.</li> </ul> </li> </ul>
TIMELY CARE	
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>• Unscheduled Care <ul style="list-style-type: none"> <li>○ Significant range of joint improvement initiatives are planned with the Welsh Ambulance Service Trust (WAST) to deliver sustained improvements in the quality of care and timeliness of 999 responses whilst also supporting improvements across the Health Board's wider Unscheduled Care system.</li> </ul> </li> <li>• Planned Care <ul style="list-style-type: none"> <li>○ Shift care to community settings, especially audiology, community optometry, endocrinology/diabetes. This work will be further developed through the Clinical Services Plan Transformation Programme.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Unscheduled Care <ul style="list-style-type: none"> <li>○ The Emergency Department internal flow at Morriston needs to be improved and the discharge difficulties at the back door of our hospitals are a major constraint to any further reductions in length of stay.</li> <li>○ Peaks in demand/patient acuity above predicted levels of activity.</li> <li>○ Ongoing challenges in general nursing and medical roles in some key specialities and service areas such as the Emergency Department (ED)</li> <li>○ The impact of infection on available capacity and patient flow.</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>○ Sharing of transferable lessons from the planned care programme work across all specialities at pace to reduce RTT pressures</li> <li>○ The opening of the Plastic Surgery Treatment Centre in July 2019</li> <li>○ Adoption of efficient booking processes and reduction of waste to be overseen by the Outpatient Modernisation Group.</li> <li>● Cancer <ul style="list-style-type: none"> <li>○ Detailed Radiology Demand and Capacity plan including reporting time requirements is being worked through, including introduction of a live dashboard.</li> <li>○ Successfully secured funding via the Wales Cancer Network to develop and deliver a two year pilot based on the Rapid Diagnostic Clinic (RDC) concept.</li> </ul> </li> <li>● Mental Health <ul style="list-style-type: none"> <li>○ Develop and implement a project to increase the pace of access to High Intensity Psychological Therapy by developing a service that provides a stepped model of care.</li> </ul> </li> <li>● Primary Care <ul style="list-style-type: none"> <li>○ Reshape the staffing mix in urgent out-of-hours primary care in order to reduce reliance on general practitioners, and introduce new types of practitioner such as paramedic, pharmacist and advanced nursing input.</li> <li>○ Transformation of Clusters will embed a new way of providing care that is more sustainable, is closer to patients, and is more able to offer personal and population value</li> <li>○ Contract reform in dental, community pharmacy and general medical services is helping the move from a “reimbursement for treatment” to a “reimbursement for prevention” model; in turn, incentivising better value healthcare.</li> <li>○ Through the Western Bay Regional Partnership Board, design and deliver an optimum model of Integrated Community Services.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Planned Care <ul style="list-style-type: none"> <li>○ Demand of cancer and urgent surgical cases utilising planned routine elective capacity and protecting elective beds.</li> <li>○ Ability to deliver continued reduction in elective waiting times during peak periods of unscheduled acute demand.</li> <li>○ Staff fatigue and workforce constraints in key professional groups (nationally and locally).</li> </ul> </li> <li>● Cancer <ul style="list-style-type: none"> <li>○ Unscheduled Care pressures, although site management processes aim to minimise impact on cancer cases.</li> <li>○ Continued growth in demand and therefore the backlog.</li> <li>○ Challenges to appoint to vacant posts and time lag in developing new workforce models.</li> </ul> </li> <li>● Primary Care <ul style="list-style-type: none"> <li>○ Sustainability issues attributed to lack of ability to recruit, retain and poor locum availability.</li> </ul> </li> <li>● Mental Health <ul style="list-style-type: none"> <li>○ For assessment and interventions targets, risks relate to potentially increasing demand and the availability of suitably experienced staff.</li> <li>○ Level of demand for secondary mental health services and capacity of care coordinators. Protocols to inform safe and effective discharge from secondary care are being developed to mitigate against the risks of overcapacity.</li> </ul> </li> </ul>
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## 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

### Performance Summary

#### Achievement of national targets:



#### Highlights:



4% reduction in Mental Health Delayed Transfers of Care  
 65% increase in Non-Mental Health Delayed Transfers of Care

We coded over 210,000 clinical episodes during 2018/19

#### Performance trend:



3 measure improved ↑

1 measure sustained →

3 measure declined ↓

**Summary:** These measures focus on ensuring patients receive the right treatment and that effective processes are followed. ABMUHB met the target relating to completion of Universal Mortality Reviews within 28 days of a patient's death. Whilst the target relating to clinical coding was not met, ABMU is consistently above the all-Wales average. The target is not met for Delayed Transfers of Care (DTOCs), however Mental Health is improving with Non Mental Health being the focus of attention. Research Studies and mortality rates are included here however data was not available at the time of reporting.

Effective Care														
	12 Month Trends - Calendar													
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend	National Target Achieved
Crude hospital mortality (<= 74 years of age) rolling 12 months ending	0.80%	0.80%	0.81%	0.81%	0.80%	0.80%	0.79%	0.78%	0.78%	0.79%	0.79%	0.79%	↑	N/A
% of episodes clinically coded within one reporting month post episode discharge end date	95.0%	93.5%	94.4%	95.0%	94.0%	95.2%	95.4%	93.9%	96.1%	94.9%	94.4%	92.3%	↓	N/A
	12 Month Trends - Financial													
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend	National Target Achieved
% universal mortality reviews undertaken within 28 days of a death	92.5%	94.4%	90.3%	94.6%	91.7%	94.6%	98.8%	99.1%	93.5%	97.7%	99.2%	98.1%	↑	Yes
	4 Quarter Trends													
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend	National Target Achieved								
All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals	100.0%	100.0%	100.0%	100.0%	➡	N/A								
	Annual Trends													
	2017/18	2018/19	Trend	National Target Achieved										
% clinical coding accuracy attained in the NWIS national clinical coding accuracy audit programme	93.0%	91.2%	↓	No										
	Mar-18 (12mths ending)	Mar-19 (12mths ending)	Trend	National Target Achieved										
Number of health board non mental health DTtoC	624	1030	↓	No										
Number of health board mental health DTtoC	333	321		No										

 Achieved in Target Compliance  
 Not achieved in Target Compliance

EFFECTIVE CARE	
Successes	Priorities
<ul style="list-style-type: none"> <li>• Delayed Transfers of Care (DToC):             <ul style="list-style-type: none"> <li>○ Achievement of internal profile for the number of Mental Health DToCs in March 2019 and 4% reduction in DToCs compared with 2017/18.</li> </ul> </li> <li>• Mortality             <ul style="list-style-type: none"> <li>○ 98% of Universal Mortality Reviews (UMRs) completed within 28 days of death. The Health Board is the best in Wales for this measure and significantly above the all-Wales average of 77%.</li> <li>○ Reduction trend for crude hospital mortality in patients over the age of 74 and only slightly above the all-Wales average.</li> </ul> </li> <li>• Clinical Coding             <ul style="list-style-type: none"> <li>○ Coding completeness fell to 92% in 2018/19 however the Health Board is consistently above the all-Wales average.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Delayed Transfers of Care (DToC):             <ul style="list-style-type: none"> <li>○ Implementation of the DToC improvement programme focussing on reducing delayed transfers of care within our Health Board. This is a clinically led programme and the key aims are to:                 <ul style="list-style-type: none"> <li>▪ Standardise the approach taken across all Units to weekly stranded patient meetings</li> <li>▪ Establish centralised senior manager monthly DToC validation scrutiny meeting and monthly debrief meeting</li> <li>▪ Improve and quicken the assessment process between organisations</li> <li>▪ Improve communication between organisations</li> <li>▪ Implement and develop new pathways of care to support discharge, e.g. Early Supported Discharge in Neath Port Talbot Hospital.</li> <li>▪ Put in place a default Hospital2Home 'discharge to recover and assess' service which will be the only gateway to assessment for patients' ongoing needs, by assessing at home and after /during reablement.</li> </ul> </li> </ul> </li> <li>• Mortality             <ul style="list-style-type: none"> <li>○ Reporting and assurance arrangements for mortality review performance and learning continue to be reviewed by Executive Medical Director.</li> <li>○ Promote use of the Mortality Dashboard to enable Unit Medical Directors to review mortality data and mortality review performance and learning.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>• Clinical Coding <ul style="list-style-type: none"> <li>○ Review of roles and responsibilities in the department to ensure that processes are performing at optimum levels.</li> <li>○ Continued training of part time permanent staff which will address the completeness in month performance once staff are trained and competent.</li> <li>○ Swansea Bay UHB capacity and demand analysis being completed to understand the needs of the service in 2019/20 and beyond</li> <li>○ Completion of the Welsh Audit Office 2018 Clinical Coding Review action plan</li> </ul> </li> <li>• Research Studies <ul style="list-style-type: none"> <li>○ Increase in number of Health and Care Research Wales Clinical; Research Portfolio studies and commercially sponsored studies.</li> <li>○ Increase in number of participants recruited into Health and Care; Research Wales Clinical Research Portfolio studies and commercially sponsored studies.</li> </ul> </li> </ul>
Opportunities	Risks and Threats
<ul style="list-style-type: none"> <li>• Delayed Transfers of Care (DToC): <ul style="list-style-type: none"> <li>○ We have commissioned a Right Care Right Place Bed Utilisation Survey with Local Authority partners to ensure we have a shared, jointly owned understanding of the constraints and blockages in the system and an optimum model of intermediate care to make a major step change in admission.</li> <li>○ Reduce variation in implementing the SAFER flow bundle and service improvement actions around Estimated Date of Discharge, board rounds and clinical leadership.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Delayed Transfers of Care (DToC): <ul style="list-style-type: none"> <li>○ The increasing number of DToC patients over the summer has been a barrier to achieving the full suite of service remodelling changes that we planned to make in 2018/19 as well as potentially causing harm to patients by prolonging their length of stay.</li> <li>○ Increasing number of patients in hospital who are 'discharge fit'.</li> <li>○ Capacity in the care home sector and fragility and capacity of the domiciliary care market in some parts of the Health Board.</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>• Revisit our dialogue with partners about the back door flow, as the rising numbers of DToCs and constraints in social care provision have become increasingly apparent, as our internal processes have improved over the last year.</li> <li>• Mortality <ul style="list-style-type: none"> <li>○ Reducing premature mortality (under 75 years) is a collective outcome for our joint work programme with Public Health Wales over the next three years</li> </ul> </li> <li>• Research Studies <ul style="list-style-type: none"> <li>○ Enhanced relationship between Singleton Hospital Delivery Unit and Swansea University (i.e. clinical training ward on site).</li> <li>○ Opportunities created through greater collaboration with Hywel Dda University Health Board and Swansea University under the ARCH umbrella.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Risks of patient de-conditioning in the frail elderly population if hospital stays are prolonged.</li> <li>○ Workforce capacity including social work capacity.</li> <li>○ Capacity to support ongoing care needs and patient placements out of area.</li> <li>• Mortality <ul style="list-style-type: none"> <li>○ Timeliness of Stage 2 completion.</li> <li>○ Future implementation (April 2019, initially phased) of the Medical Examiner role is accompanied by risk of increased numbers of 'Stage 2' reviews required: the Medical Examiner role will effectively deliver Stage 1 reviews. It is recognised that phased implementation and as yet uncertain recruitment means that the impact will be similarly phased.</li> </ul> </li> <li>• Clinical Coding <ul style="list-style-type: none"> <li>○ Maintaining the productivity levels in 2019/20 whilst the trainee Coders are still training and the contract coders are no longer employed.</li> <li>○ Availability of the Health Records in a timely manner.</li> </ul> </li> <li>• Research Studies <ul style="list-style-type: none"> <li>○ Impact of UK losing studies in globally competitive environment.</li> <li>○ Slow responses – time for clinicians to respond to expressions of interest and feasibility</li> </ul> </li> </ul>
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## DIGNIFIED CARE- People in Wales are treated with dignity and respect and treat others the same

### Performance Summary

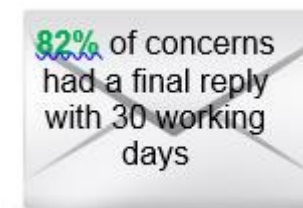
#### Achievement of national targets:



#### Performance trend:

3 measures improved ↑ 0 measures declined ↓

### Highlights:





95% of patients would recommend or highly recommend the Health Board

Over 58,000 friends and family surveys completed

**Summary:** This section covers a range of measures that focus on patient feedback and experience. There are three measures in this section however full year data is only available for the measure relating to concerns responded to within 30 days which was achieved in 2018/19. The other two measures focus on cancellation of elective procedures and reducing the number of older patients with an active repeat for medicines that may have anticholinergic effects. A number of local measures relating to patient feedback have also been included in this section to provide a more informed overview.

<b><u>Dignified Care</u></b>						
	<b>4 Quarter Trends</b>					
	<b>Q4 2017/18</b>	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Trend</b>	<b>National Target Achieved</b>
Patients aged 75+ with an AEC of 3 or more for items on active repeat as % of all patients aged 75+	8.0%	8.0%	8.0%	7.9%	↑	N/A
	<b>Q1 2018/19</b>	<b>Q2 2018/19</b>	<b>Q3 2018/19</b>	<b>Q4 2018/19</b>	<b>Trend</b>	<b>National Target Achieved</b>
% concerns had a final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	80.7%	77.2%	80.7%	82.0%	↑	Yes
	<b>Annual Trends</b>					
	<b>Dec-17 (12mths ending)</b>	<b>Dec-18 (12mths ending)</b>	<b>Trend</b>	<b>National Target Achieved</b>		
Number procedures postponed either on the day or day before for specified non-clinical reasons	3,492	3,364	↑	Yes		

 Achieved in Target Compliance  
 Not achieved in Target Compliance

<b>DIGNIFIED CARE</b>	
<b>Successes</b>	<b>Priorities</b>
<ul style="list-style-type: none"> <li>• The number of feedback forms completed for Friends and Family continues to increase and is collected across 367 areas in the Health Board.</li> <li>• 95% of patients who would highly recommend the Health Board to friends and family</li> <li>• We have received very positive feedback from patients that have participated in developing a digital story about their care. These have been used to drive service improvement and have had a positive impact on concerns resolution.</li> <li>• 100% of acknowledgement letters to concerns sent within 2 working days.</li> <li>• Reduction in the number of procedures postponed either on the day or day before for non-clinical reasons</li> </ul>	<ul style="list-style-type: none"> <li>• Removal of the Bridgend area from the Snap system and reports while rebuilding the new Swansea Bay Snap System.</li> <li>• Recruited Media Apprentice to help develop the Patient Story SharePoint site</li> <li>• Improve the percentage of Family and Friends who would recommend the Health Board to 96% consistently this would exceed the national average (achieved 96% five times since April 2018)</li> <li>• Improve the level of feedback as a percentage of discharges to 25% (since April 2018 we have achieved this target three times; June 30.1%, July 26.1% and August 26.8%)</li> </ul>
<b>Opportunities</b>	<b>Risks and Threats</b>
<ul style="list-style-type: none"> <li>• Demonstrate improvement and learning from Patient Experience through the implementation of the patient experience plan.</li> <li>• Development and utilisation of a patient story toolkit, policy and guidance along with a specific SharePoint site to host patient stories and improved the quality of digital stories presented to every Board</li> <li>• Structured and transparent approach ensures that we learn from feedback from our patients and families that comes through our complaints and concerns processes</li> <li>• Monthly audits undertaken on closed complaint responses through the work of the Concerns, Redress and Assurance Group. The audits monitor the quality of the response and compliance with the Health Board's Values, as well as the Putting Things Right Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of complaint responses needs to be maintained whilst also achieving the 30 day response rate target.</li> <li>• Further work required to reduce the number of complaints referred to and upheld by the Public Service Ombudsman.</li> <li>• Required service change across the Health Board can result in an increase in patient complaints and negative feedback. Utilisation of PALS team and open communication with patients will aid in the mitigating risk.</li> </ul>





# Accountability Report

## 2018-2019



Signed : Tracy Myhill (Chief Executive)

Date: 31.05.2019



This Accountability Report includes a number of key documents, namely:

- A Corporate Governance Report. This sets out the composition and organisation of Abertawe Bro Morgannwg University Health Board's (ABMU's) governance structures and how these support the achievement of the entity's objectives. This detail is contained within our Annual Governance Statement (AGS) attached at **Annex 'A'**.
- A Directors' Report and a Statement of Accountable Officer's Responsibilities is attached at **Annex 'B'**.
- A Remuneration and Staff Report attached at **Annex 'C'**.
- A National Assembly for Wales Accountability and Audit Report attached at **Annex 'D'**.

# **Corporate Governance Report 2018-2019**

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## **Annexes**

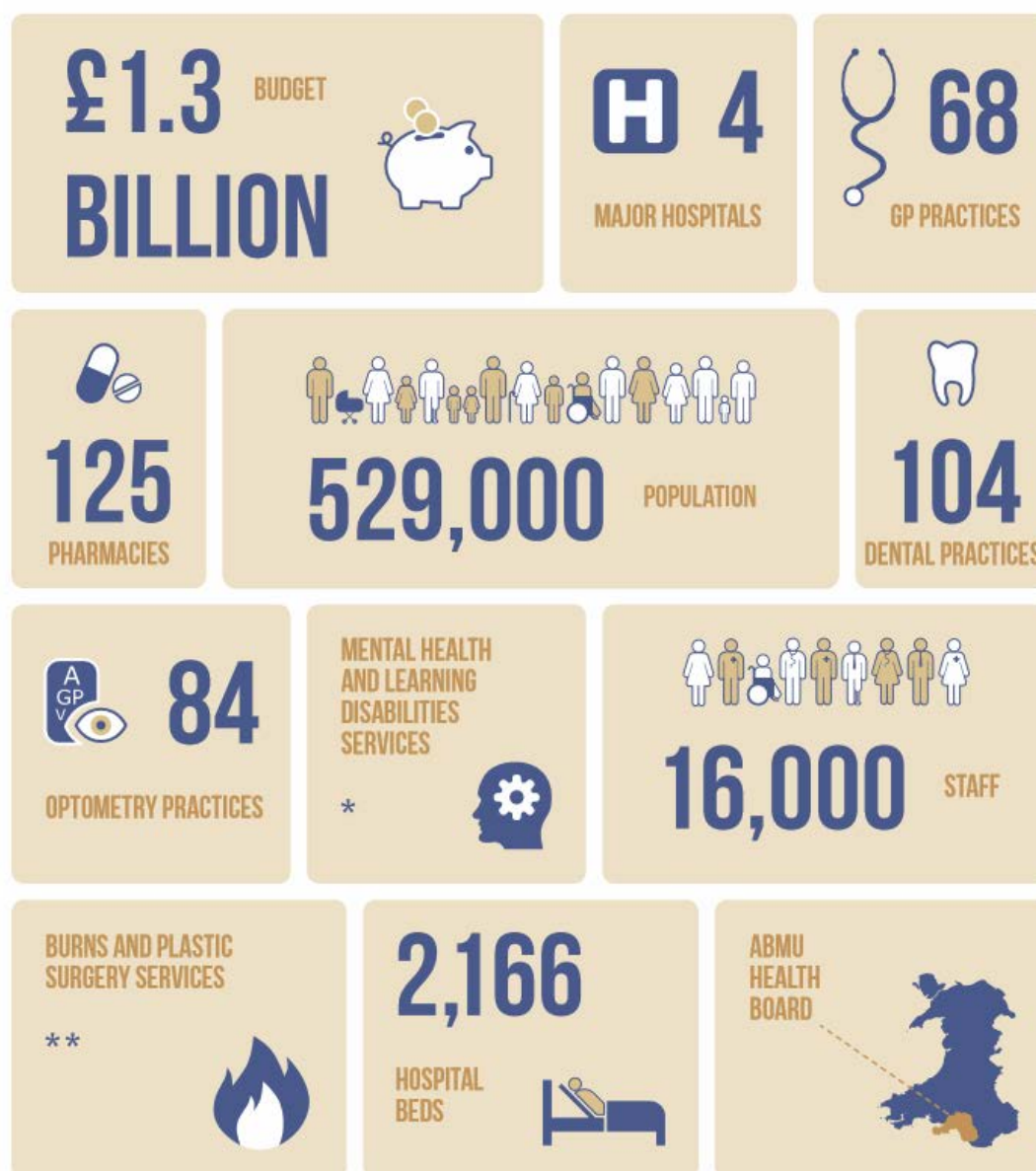
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## 1. INTRODUCTION

For the reporting period 2018-2019, the Health Board had responsibility for assessing the health needs of our population in Bridgend, Neath Port Talbot and Swansea local authorities and then commissioning, planning and delivering healthcare for those people. We also have a joint responsibility for improving the health and wellbeing of our diverse communities and, with our partners in the Public Service Boards, we have undertaken wellbeing assessments, as well as care needs assessments for certain client groups with partners through the Western Bay Regional Partnership Board.

In 2018-2019, the Health Board had a budget of more than £1.0 billion, employing just over 16,000 staff, 70% of whom are involved in direct patient care.



\* = Regional provider for Learning Disabilities Service, providing services for Cwm Taf and Cardiff and Vale University Health Boards, as well as ourselves

\*\* = Services provided for the whole of South Wales and the South West of England, as well as ourselves

The Health Board reported a pre-audited year-end deficit position of £9.879m in 2018-2019. This financial performance was in line with the annual plan forecast.

Our responsibilities extend to both primary (general practitioner, optician, pharmacy and dental services) and secondary (hospital) services together with certain tertiary services such as providing burns and plastic surgery services for Wales and the South West of England. We also provide forensic mental health services for the whole of South Wales and learning disability services are provided from Swansea to Cardiff as well as for the Rhondda Cynon Taf and Merthyr Tydfil areas. A range of community based services are delivered within patients' own homes, via community hospitals, health centres, and clinics. The Health Board also provided general medical and dental services to Hillside Secure Children's Unit and general medical services to HM Prison Swansea.

In 2018-2019 we had four acute hospital sites these being the Princess of Wales (POW) Hospital in Bridgend, Neath Port Talbot (NPT) Hospital in Port Talbot and the Singleton Hospital and Morriston Hospital sites which are both located in Swansea. Details of our other hospital sites are published on our [website](#). At the end of March 2019, the total number of beds in the Health Board stood at 2,166.

The Health Board also hosts two all-Wales Services:

- **The Emergency Medical Retrieval and Transfer Service (EMRTS Cymru)**<sup>1</sup> is an All Wales Service that provides Consultant and Critical Care Practitioner-delivered pre-hospital critical care across Wales. It was launched at the end of April 2015 and is a partnership between Wales Air Ambulance Charity, Welsh Government and NHS Wales.
- **The NHS Wales Delivery Unit** - The Delivery Unit provides professional support to Welsh Government to monitor and manage performance delivery across NHS Wales.

### **Swansea Bay University Health Board (SBUHB)**

From 1 April 2019, the responsibility for commissioning healthcare services for the people in the Bridgend County Borough Council (BCBC) area moved from Abertawe Bro Morgannwg University Health Board (ABMUHB) to Cwm Taf University Health Board (CTUHB). From 1 April 2019, the former Abertawe Bro Morgannwg University Health Board was renamed Swansea Bay University Local Health Board (SBUHB).

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<sup>1</sup> <https://www.emrts.cymru/>

## 2. SCOPE OF RESPONSIBILITY

The Board is accountable for good governance, risk management and the internal control processes of the organisation. As Chief Executive of the Health Board, 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, whilst 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.

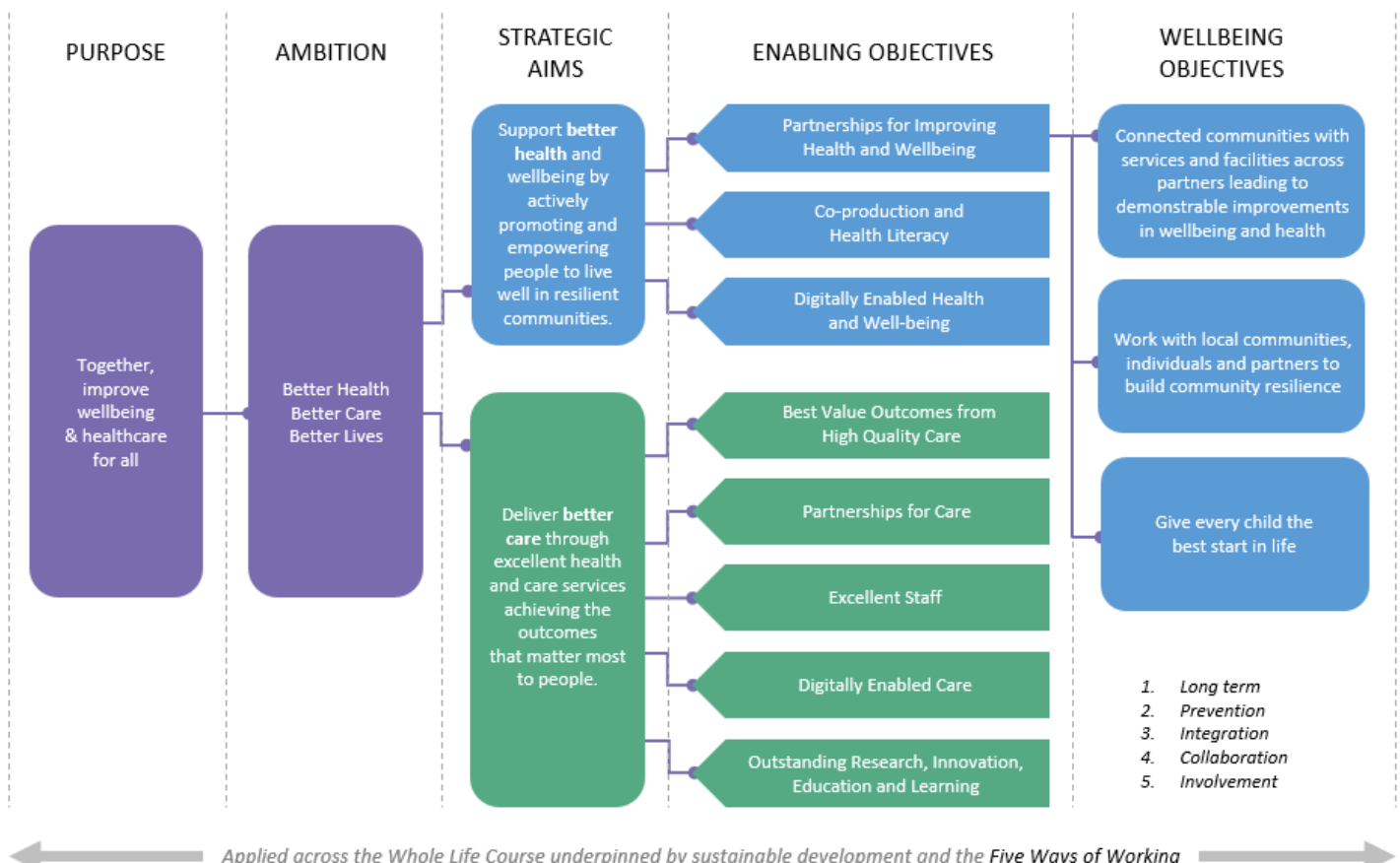
In discharging this responsibility I, together with the Board, am responsible for putting into place arrangements for the effective governance of the Health Board, facilitating the effective implementation of the functions of the Board and the management of risk.

### 2.1 Our purpose, vision and values

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 our communities, reducing health inequalities and delivering prudent healthcare in which patients and users feel cared for, confident and safe.

The Board's intent is to move to being a population health focused organisation, commissioning services to meet patient and community needs. Our two strategic aims **Supporting Better Health** and **Delivering Better Care** and associated enabling objectives are clear in our ambition for change. We will become increasingly focused on working with partners to improve the wellbeing of our population. The Swansea and Neath Port Talbot **Public Service Boards'** Well Being Plans have clear and aligned priorities which we are actively engaged in.

The Health Board's agreed objectives seek to ensure we meet national priorities set by Welsh Government, locally determined priorities and professional standards.



Our ways of working are underpinned by our Values and Behaviours, which were developed following thousands of conversations with staff, patients, their 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.

## 2.2 Quality Priorities

Our Quality Priorities have been agreed as part of the process of updating our Quality Strategy which sets out a vision of what we can, and will achieve through a focus on delivering high quality services by addressing those matters that will contribute to the achievement of our strategic objectives. We have nine Quality Priorities which are closely aligned to our targeted intervention areas. More details around this are available in our Annual Quality Statement which will be available from our [website](#) as of the end of May 2019.



## 2.3 Targeted Intervention

While remaining under “targeted intervention” status under the NHS Wales Escalation and Intervention Arrangements<sup>2</sup> during 2018-2019, ABMUHB made significant progress over the course of the year. A firm focus for improvement was set for particular service areas which included unscheduled care, cancer, planned care, infection control, stroke and the financial management. The progress has been recognised and documented by Welsh Government.

In relation to planned care the Health Board’s profile for the number of patients waiting more than 36 weeks at the end of 2018-2019 was at its lowest level since April 2014, with significant improvement in the longest waiting times (a reduction of 500 patients over the course of the year). The 2018-2019 targets agreed with Welsh Government were exceeded.

Significant improvements were also secured in speed of access to cancer services, for which Welsh Government set targets for time to treatment for patients entering a treatment pathway via ‘non urgent’ or ‘urgent’ routes. Performance against the former was above 95% for the majority of 2018-2019 and improved to over 80% in the latter, despite there being significantly more patients coming through the system.

The Health Board secured sustained improvements in infection control, seeing reductions of 36% in rates of *clostridium difficile*, 4% in *E.Coli*, and 7% in *Staph. Aureus* infections between 2017-2018 and 2018-2019.

There were improvements in unscheduled care with some stabilisation of performance in four and twelve hour waits in A&E as well as reductions overall in ambulance waits. However, these improvements were not to the levels we were anticipating and work is ongoing to improve performance in these areas. The Health Board’s winter plans were fully implemented, in partnership with Local Authorities, and their impact will be fully evaluated to inform further improvements planned for Swansea Bay University Health Board in 2019-2020.

Financial management has been strengthened considerably, resulting in the successful delivery of significant savings plans over the course of the year. An original plan to reduce the Health Board’s deficit in 2018-2019 by 20% (to £25m), was pushed further to reduce the

<sup>2</sup><http://www.wales.nhs.uk/sitesplus/documents/862/Attach10iiNHSWalesEscalationandInterventionArrangementsReportMarch2014.pdf>



deficit by 37% (to £20m). During the course of the year Welsh Government provided the Health Board with £10m in recognition of improvement and to provide visible support to the actions being driven forward by the Executive Team and Board. This resulted in a deficit control total target of £10m being set for the organisation by Welsh Government. The health board's end year position for 2018-2019 was within the control total.

### 3. OUR SYSTEM OF GOVERNANCE AND ASSURANCE

#### 3.1 Overview

The Health Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009<sup>3</sup> and comprises of the Chair, Vice Chair, Chief Executive, nine independent members (also known as non-officer members) and eight executive directors which ensures it is composed of individuals with a range of backgrounds, disciplines and areas of expertise. It can also include associate members with three such posts being occupied during 2018-2019. As part of strengthening the Health Board clinical input into the Board, the Minister for Health and Social Services approved the appointment of an additional Associate Member to the Board in 2018-2019.

The Board functions as a corporate decision-making body with executive directors and independent members being equal members sharing corporate responsibility by the Board.

A summary of the Board and Committee dates are presented at **Appendices 1 & 2** for information. Details of Board members are outlined in **Appendices 2 - 5**.

The principal role of the Board is to exercise effective leadership, direction and control which includes setting the overall strategic direction for the organisation (within 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 identified needs,
- Appoint, appraise and oversee arrangements for remunerating of executives.

The Health Board has established a range of committees, as outlined in the Governance and Assurance Framework on page 17. These Committees are chaired by Independent Members of the Board and have key roles in relation to the system of governance and assurance, decision making, scrutiny, development discussions, assessment of current risks and performance monitoring. Key matters considered by the Committees of the Board are summarised in **Appendix 4**.

The Board has approved Standing Orders (SOs) for the regulation of proceedings and business which translates the statutory requirements set out in the Local Health Board

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<sup>3</sup> <http://www.legislation.gov.uk/wsi/2009/779/made>



(Constitution, Membership and Procedures) (Wales) Regulations 2009<sup>4</sup> into day to day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and an earned autonomy framework and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board and define “its ways of working”. The SOs & SFIs are regularly reviewed and updated, with any changes then being submitted to the Board for approval. The SOs & SFIs are supported by a suite of corporate policies together with the Values and Standards of Behaviour Framework form the Health Board’s Governance Framework.

During 2018-2019, the Health Board established a Governance Work Programme which was agreed by the Board and progress monitored through the Audit Committee. The Governance Work Programme consolidated the outstanding recommendations of the Deloitte Financial Governance Review, the Wales Audit Office Structured Assessment and the actions from the Governance Stocktake sharing corporate responsibility.

During 2018-2019 the following improvements have been implemented:

- Reviewed the Board and Committee governance structures including terms of reference and membership;
- The remit and purpose of the committees to be much more clearly based on delegated functions of the Board,
- Tighter terms of reference to avoid overlap with executive functions or duplication with other committees,
- Workforce metrics agreed to be part of the remit of the Performance and Finance Committee,
- Establishment of a Health and Safety Committee;
- Strengthening and maturing role of the Performance and Finance Committee;
- Improved reporting templates including the Chair of Committee;
- Review and refreshed approach to risk management including the introduction of a ‘new’ format Health Board Risk Register;
- Supported the approach and style of the Board Assurance Framework for implementation in 2019-2020;
- Introduction of staff stories at each Board Meeting in addition to Patient Stories;
- Video summary from each Board Meeting by the Chairman;
- The strengthening of the Workforce & Organisational Development Committee; and
- Board Development Sessions have been widened to invite the Delivery Units to provide an insight to their services.

During the year, there have been a small number of reviews which are critically important to the corporate governance, clinical governance and assurance of the Board. These are listed below.

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<sup>4</sup> <http://www.legislation.gov.uk/wsi/2009/779/made>

### 3.2 Governance Reviews

#### ***Health Inspectorate Wales (HIW) - Kris Wade Special Review***

Between 2011 and 2013, three people who received care from the learning disability service made allegations of sexual abuse against Mr W. Healthcare Inspectorate Wales (HIW) undertook a special review of the Health Board's actions in relation to the Mr W case and the "*Abertawe Bro Morgannwg University Health Board's handling of the employment and allegations made against Mr W*" report was published on the 29<sup>th</sup> January 2019. This review examined staff recruitment and employment, incident reporting, adult safeguarding, governance and culture, an assessment of the Health Board's desktop review, and commissioning arrangements between health boards.

The Health Board has strengthened its leadership over the past 12 months and significant governance improvements have been made, along with more stringent reporting of serious incidents and wider sharing of lessons learned. The Health Board has accepted all of the recommendations in the report and an action plan has been developed to ensure the delivery of these recommendations. The Quality and Safety Committee and the Workforce & OD Committee are responsible for monitoring progress.

#### ***Delivery Unit (DU) - Review of Serious Incident Reporting***

In December 2017 fieldwork was carried out by the Welsh Government's Delivery Unit which reviewed the ways in which the Health Board managed serious incidents taking into account complaints, patient safety incidents and clinical negligence claims. In April 2018 the Delivery Unit (DU) issued their report "*Intervention into Systems & Processes for the Management of Serious Incidents at ABM University Health Board*". In addition to recognising areas of good practice, the report made ten recommendations for improvement.

The Delivery Unit published a 90-day review in November 2018 and significant progress has been made in relation to the approach taken by the Health Board in investigating serious incidents and the approach to learning amongst staff has significantly improved to support a culture where risk and harm are reduced as much as possible.

Progress made during 2018-2019 includes:

- ***Quality of investigation reports*** - Significant improvements have been made to the process of Serious Incident (SI) investigation undertaken by the corporate team;
- ***Scrutiny*** - The scrutiny applied to investigation findings is more robust;
- ***Sharing Learning*** - Systems and processes to share learning have improved and there is greater sharing of learning across sites; and
- ***Never Event (NE) position*** - During 2018-2019 financial year, there has been one Never Event and this being progressed and in compliance with the Welsh Government target.

The impact of improvements to processes, sharing learning, and improving culture will take time to become embedded; however, there are positive signs of overall improvement. Progress on the implementation of the recommendations has been monitored by the Health Board Quality and Safety Committee and oversight has been provided by the Audit Committee.

### **Financial Governance Review**

During 2017-2018 the Welsh Government commissioned Deloitte to undertake a Financial Governance Review of the Health Board. The Health Board accepted all of the recommendations from this review and developed an action plan which is being monitored by the [Audit Committee](#). During the year, five of the six outstanding recommendations have been completed. The outstanding recommendation relates to the standardisation in relation to Delivery Unit Governance.

The Health Board has agreed the work to develop an operating model for the organisation and whilst much of the focus during this year has been on improving board governance, this is a phase of our governance improvement journey and therefore a key priority for the Health Board during 2019-2020. The recommendation will therefore be incorporated into the Governance Work Programme for 2019-2020.

### ***Independent Investigation into the Care and Treatment Provided on Tawel Fan Ward: a Lessons for Learning Report***

In May 2018, the Health and Social Care Advisory Service (HASCAS) published the outcome of its Independent evidence-based, clinical investigation into the care and treatment provided to patients on the Tawel Fan Ward of the Ablett Unit at Ysbyty Glan Clwyd. The conclusions and findings of the thematic lessons for learning report were published in the '*Independent Investigation into the Care and Treatment provided on Tawel Fan Ward: A Lessons for Learning Report*' and included 15 recommendations.

The Health Board undertook its own assessment against these recommendations to ensure that any learning from the report is used to improve the care of elderly patients with dementia, and the engagement and communication with their families.

### **3.3 Role of the Board**

The Board has overall responsibility for the strategic direction of the Health Board and provides leadership and direction to the organization. The Board has a key role in ensuring that the organisation has sound governance arrangements in place. It also ensures that we have 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 performance of the organisation.

The Health Board usually meets six times a year in public. The Board is formed from the appointment of individuals from a range of backgrounds, disciplines and expertise. It consists of the Chair, Vice Chair plus nine independent members (also known as non-officer members), the Chief Executive and eight executive directors. There are also currently three associate board members.

Each Board meeting begins with a patient story which sets out an individual's personal experience of a service. Such feedback is invaluable and is used to learn lessons, further improve services and in the planning of future services. During 2018-2019, the Board started to hear staff stories as well as patient stories; this is an important development for the Board and will develop further in 2019-2020.

Details of Board members and when the Board met during 2018-2019 are set out in **Appendix 1** along with the level of attendance at such meetings. All Board and Committee meetings held in 2018-2019 were quorate.

Board members are also involved in a range of other activities on behalf of the Board, such as development sessions (at least six a year), service visits and a range of other internal and external meetings. The Board also meets in public in May each year to formally approve its annual accounts following detailed consideration by the Audit Committee and in July to approve its annual report and the Annual Quality Statement. These documents are available via our [website](#).

The Board also seeks to ensure that it has an open culture and high standards in the ways in which its work is conducted. Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation. All the meetings of the Board in 2018-2019 were appropriately constituted and quorate.

Key business and risk matters considered by the Board during 2018-2019 are outlined below:

- Overseen the implementation of the Annual Plan for 2018-2019 and actively involved in the development of the 2019-2020 annual plan,
- Received and approved quarterly updates on progress with implementing the 2018-2019 Annual Plan,
- Received, considered and discussed the organisational risk register and the monitoring and management of the assigned risks to key committees of the Board;
- Received, considered and discussed financial performance and the related risks being managed by the Health Board,
- Routinely received updates on matters relating to workforce, including performance metrics, recruitment; and legislative changes e.g. Nurse Staffing Levels (Wales) Act 2016;
- Received and developed its response to the 2018 Structured Assessment and the Auditor General for Wales' Annual Audit Report for 2018,
- Routinely considered the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improved performance where appropriate, this included actions to address and improve cancer target performance; stroke services; referral to treatment (RTT) waiting times, mental health measure compliance and workforce indicators,
- Contributed to the ongoing review of the Board's maturing Board Assurance Framework (BAF),
- Routinely received assurance reports from the Committees and Advisory Groups of the Board,
- Updates in relation to the Bridgend Boundary Change
- Updates in relation to Primary Care Services and Partnerships,
- Updates in relation to the Clinical Services plan.

### **3.4 Board Development**

The Health Board has worked with the King's Fund during the year to undertake a comprehensive Board, Executive and Leadership development programme. The Board Development Programme has been designed to ensure that the board has the capability, capacity and confidence to lead the organisation. Through this Programme, the Board has been equipped to enhance individual member's knowledge of good governance, ensure the effectiveness of the Board collectively and individually in meeting core duties of the Board and supporting improvement. The Board continues to make progress to increase board, executive and senior leader confidence and capability.

In addition to the Board Development Programme facilitated by the King's Fund, the Health Board has held regular Board Development Sessions which have included:

- Overview of Primary Care and Community Services
- Overview of Mental Health and Learning Disabilities
- Building Healthier Communities
- Digital Transformation
- Digital Workforce Solutions
- Nurse Staff Act
- Brexit Preparedness
- Role and Responsibilities as Charitable Fund Trustees
- Intervention into Systems & Processes for Management of Serious Incidents in ABMU
- Three-Year Plan, Organisational Strategy & Clinical Services Plan Update
- Ward to Board Dashboard
- NHS Wales Shared Services Partnership Annual Review.

To support the Board Development Programme for 2019-2020, the Board has undertaken a skills assessment which will assist in the identifying areas of focus for the year ahead. Alongside the Board Development, all Board members undergo an annual appraisal of their individual contribution and performance. This appraisal focuses on the member's contribution as a member of the corporate Board; in the case of executive directors this is distinct from their functional leadership role.

### **3.5 Committees of the Board**

The Health Board has established a range of committees as detailed in the diagram on page 17. These committees are chaired by Independent members of the board and they have key roles in relation to the system of governance and assurance, decision making, scrutiny, assessment of current risks and performance monitoring.

At each meeting, the Board receives a key issues summary report from each of its committees and advisory groups which have met since the previous meeting. These set out details of key topics considered, assurances received, key risks and any decisions made.

All papers for the Health Board and Committees which are held in public are available on the Health Board [website](#). The meetings that do not meet in public are either because of the confidential nature of their business such as the Remuneration and Terms of Service Committee or they are development meetings discussing plans in the formative stages.

**The Audit Committee** supports the overall Board Assurance Framework arrangements including development of the Annual Governance Statement, which on behalf of the Board keeps under review the design and adequacy of the Health Board's governance and assurance arrangements. It undertakes these duties by providing advice and assurance to the Board on the effectiveness of arrangements in place around strategic governance, and the assurance framework and processes for risk management and internal control.

In providing assurance to the Board, the Audit Committee has specifically:

- Overseen the health board's system of internal controls;
- Had a continued focus on improvements of the financial systems and controls procedures;
- Overseen on behalf of the Board, the development of a Board Assurance



Framework (BAF) to be in place from 2019-2020;

- Overseen the local arrangements for Counter Fraud and received regular update reports on related activity, including investigations;
- Overseen on behalf of the Board, the refreshed Health Board Risk Register, and the strengthening of the risk management systems and related processes;
- Provided Audit Committee oversight and scrutiny to hosted bodies, the NHS Wales Delivery Unit and EMRTS;
- Overseen and recommended approval of the revised Scheme of Delegations aligned with the Standing Orders of the Board;
- Internal and external audit reports, including clinical audits, and tracking progress against internal and external audit recommendations, developing and strengthening related internal processes;
- Called and held the Executive Directors to account, where appropriate, in relation to internal and external audit activity.
- Considered the Head of Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes;
- Discussed and approved for recommendation to the Board, the Health Board's audited financial statements and Auditor General's Opinion;
- Monitored the implementation of the recommendations as set out in the Governance Work Programme for 2018-2019 which included recommendations from the Financial Governance Review, Review of Serious Incidents and Structured Assessment;
- Continued to work with the Wales Audit Office (WAO) with regard to the work of external audit on the accuracy of the financial statements.

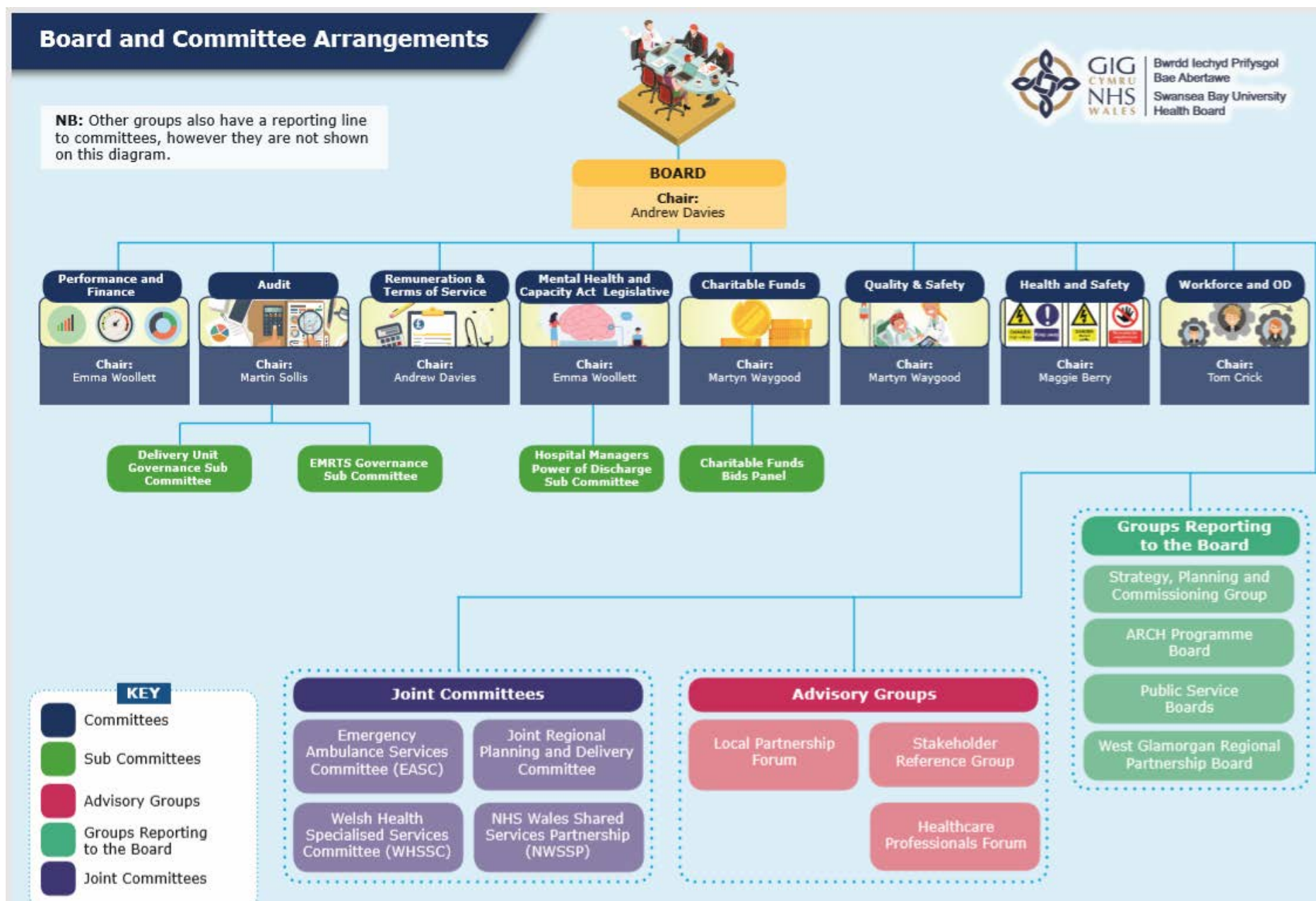
A list of key issues considered by the Board, the Audit Committee and Quality & Safety Committee during 2018-2019 is set out in **Appendix 4**.

The **Quality & Safety Committee** is the main assurance mechanism for reporting evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of healthcare. It is responsible for providing assurance to the Board in relation to the arrangements for safeguarding and improving the quality and safety of patient centred healthcare in accordance with its stated objectives and the requirements and standards determined for the NHS in Wales.

Each meeting begins with a patient story and a presentation on governance and performance management arrangements from a service delivery unit team. The committee receives reports from internal and external audit and Health Inspectorate Wales (HIW), each of these organisations has representatives who attend meetings of the committee. Where reports have identified concerns or deficiencies, action plans are produced to address the issues, progress upon which is reported through the Quality & Safety Committee. Following each meeting, a report on key issues is produced which is submitted to the bi-monthly meeting of the Health Board to keep it apprised of the topics that have been considered. The Quality & Safety Committee agenda [papers](#) are available following each meeting via our website.



Diagram 1 – Board and Committee Arrangement



### 3.6 Advisory Groups and Joint Committees

The Board also has three Advisory Groups and four joint committees. There are also a range of other boards and groups that report to the Board which include the Public Service Boards (PSBs), Regional Partnership Boards (RPBs) and ARCH, (A Regional Collaboration for Health) Programme Board). There is also a Chair's Advisory Group which supports the connection between the business of key committees and assurance reporting.

#### 3.6.1 Advisory Groups

- **Stakeholder Reference Group (SRG)**

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

The SRG provides a forum to facilitate full engagement and active debate. Its membership includes representatives from specific groups of the community, such as children and young people, Lesbian, Gay, Bisexual, Transgender (LGBT), older people and Black, Asian and Minority Ethnic (BAME). Members also include statutory bodies such as the Police, Fire and Rescue Service and the Environment Agency. This group therefore has excellent links to the wider general public and each representative's role is to highlight the issues raised by their particular groups. The Chair of the SRG is an associate Board member. Reports on key issues considered at meetings of the SRG are provided to the Board on a regular basis and can be accessed via [our key documents pages on our website](#).

- **Health Professionals Forum (HPF)**

Whilst the HPF's role is to provide a balanced, multidisciplinary professional advice to the Board on local strategy and delivery. This advisory fora did not meet during 2018-2019. The Health Board is currently reviewing these arrangements and during the year, established a Clinical Senate to provide co-ordinated clinical leadership across the organisation. Further work to confirm these arrangements is being taken forward during 2019-2020.

- **Local Partnership Forum (LPF)**

The LPF's role is to provide a formal mechanism whereby the Health Board, as the employer, and trade unions/professional bodies representing employees work together to improve health services. Key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. The chairmanship of the LPF is alternated between management and staff side representatives. Key issues arising from meetings of the LPF are reported to the Board and can be accessed [via our key documents pages on our website](#).

#### 3.6.2 Joint Committees

The Board has four all-Wales 'joint committees' the outputs from which are reported to the Board:

- **Welsh Health Specialised Services Joint Committee (WHSSC)**

The Welsh Health Specialised Services Committee (WHSSC) is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales. WHSSC was established in 2010 by the seven Local Health Boards in Wales to ensure that the population of Wales has fair and equitable access to the full range of specialised services. WHSSC is hosted by Cwm Taf University Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the joint committee's

discussion and decisions are regularly reported to the Board.

- **The Emergency Ambulance Services Joint Committee (EASC)**

EASC is a joint committee of the seven local health boards, with three Welsh NHS Trusts as Associate Members, which was established in April 2014. EASC is responsible for the joint planning and commissioning of emergency ambulance services on an all Wales basis. EASC is hosted by Cwm Taf University Health Board (CTUHB). The Health Board is represented on the Committee by the Chief Executive and reports of the joint Committee's discussion and decisions are regularly reported to the Board

- **NHS Wales Shared Services Partnership Committee (NWSSP)**

The NHS Wales Shared Services Partnership Committee (NWSSP), a partnership committee of the seven Local Health Board and three NHS Trusts in Wales was established in 2012. NWSSP is hosted by Velindre NHS Trust and is responsible for the exercise of the Shared Services functions across NHS Wales. The Health Board is represented on the Committee by the Director of Workforce and Organisational Development and reports of the joint committee's discussion and decisions are regularly reported to the Board.

- **Joint Regional Planning and Delivery Committee (JRPDC)**

The Joint Regional Planning & Delivery Committee (JRPDC) was established to support and clarify clinical service decisions across the region, and is a joint Committee formed between Hywel Dda University Health Board (HDUHB) and ABMUUHB. The Committee has a key role to drive forward a range of projects that have been jointly identified as priorities for joint working to deliver Ministerial objectives, especially those relating to the NHS Outcomes Framework as well as alignment to the more strategic ARCH Programme Board, and that of the Service Transformation Programme. A further role for the JRPDC is to consider and prioritise the regional projects included within the agreed programme, approving Project Initiation Documents (PIDs) and Business Cases, and identifying and agreeing any further projects to be included in the work programme. The JRPDC will ensure projects deliver against their outcomes, timescales, quality measures and programme benefits, as identified in PIDs and or Business Cases.

### **3.6.3 Special Health Authority**

- **Health Education and Improvement Wales (HEIW)**

Established on 1 October 2018, Health Education and Improvement Wales (HEIW) is a new Special Health Authority within NHS Wales. They sit alongside Health Boards and Trusts, and have a leading role in the education, training, development, and shaping of the healthcare workforce in Wales, in order to ensure high-quality care for the people of Wales. The Health Board has a key relationship with HEIW.

### **3.6.4 Partnership Working**

The Health Board works in partnership with a number of organisations including local authorities, mainly through the Western Bay Regional Partnership Board, Swansea University, through the Collaboration Board, ARCH, the NHS Collaborative and the Acute Care Alliances. These arrangements continue to develop and mature. Areas of partnership working are reported directly to the Board.

The relationships and integrated services we have developed have enabled us to be successful in securing Regional Partnership Board (RPB) funding for a Transformation Fund Proposal; "Our Neighbourhood Approach". This is focused on enabling people and communities to become more self-supporting through a focus on maximising the assets we

have through a place based approach. This, along with the **Cwmtawe Cluster**<sup>5</sup>, which is a test case for how the national primary care model can be implemented sets out our expected future direction for focusing on wellbeing and prevention, with care, when required, planned and delivered as far as possible through a cluster based model of care.



Our joint working arrangements for these partnerships have been strengthened in 2018-2019. The “Western Bay” arrangements have been reviewed to reflect the new planning arrangements to not include Bridgend from 1 April 2019, with a clearer set of strategic priorities to reflect Welsh Government’s plan “A Healthier Wales: Our Plan for Health and Social Care”, as well as simplified governance arrangements.

Similarly, the Public Service Board priorities have been further refined and refocused to ensure we are delivering maximum value through these arrangements.



ARCH is a unique collaboration between three strategic partners; SBUHB, HDUHB and Swansea University. ARCH is a long term transformational collaboration that aims to improve the health, wealth and wellbeing of the South West Wales region.

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’. The ARCH Portfolio is a

collaboration which brings together health and science to transform the NHS in South West Wales, train and develop the next generation of doctors, nurses, health workers, scientists, innovators and leaders; and, boost the local economy by encouraging investment and creating new jobs.

Through 2018-2019 we have continued to work in partnership with HDUHB and have developed a robust regional planning agenda together. Through the JRPDC we have developed a work programme to address both operational and longer term pressures across the region.

During 2018-2019 we established a **Regional and Specialised Services Provider Planning Partnership with Cardiff and Vale UHB**. Our two Health Boards have established this forum to progress improving service planning and delivery for those regional and specialised services for which we are the only providers in South Wales. We have established a set of principles which would determine which services should be considered on the basis of their sustainability; fragility; value and opportunity to bring care back to Wales. There is close engagement with WHSSC in this forum.

### **Bridgend Boundary Change**

The Minister for Health and Social Services announced on 14 June 2018 that from 1 April 2019, the responsibility for commissioning healthcare services for the people in the Bridgend County Borough Council (Bridgend CBC) area would move from ABMUHB and CTUHB).

This local government boundary change meant that Bridgend CBC would be established within the south east Wales regional footprint for healthcare provision and social services

<sup>5</sup> The Cwmtawe Cluster is one of 5 clusters in Swansea, geographically covering the areas of Bonymaen, Clydach, Landore, Llansamlet, Morriston and Mynyddbach. A Cluster is a grouping of GPs working with other health and care professionals to plan and provide services locally.



complementing existing economic and education partnerships. As a result, the Bridgend CBC's partnership arrangements would become broadly comparable with all other local authority partnership arrangements in Wales.

The secondary impact of the boundary change was a name change for both organisations. From 1 April 2019, Abertawe Bro Morgannwg University Health Board became known as Swansea Bay University Health Board (SBUHB) and Cwm Taf University Health Board became known as Cwm Taf Morgannwg University Health Board (CTMUHB).

As agreed by both the Health Boards, a Joint Transition Board (JTB) was established as a sub-committee of each health board to oversee the implementation of the boundary change. The JTB met monthly during 2018-19 and received regular updates via the Transition Director on the programme of work from the Joint Transition Programme Group (JTPG). The programme of work has been taken forward by a number of work streams that report into the JTPG, each jointly chaired by representatives of ABM UHB and Cwm Taf UHB. The JTPG met monthly during 2018-2019.

In order to enact the decision by the Welsh Government to implement the boundary change there was a legal requirement to lay an Area Change Order before the National Assembly for Wales. The Area Change Order was laid on 25 February 2019 and a copy of the Order is available online:

[The Local Health Boards \(Area Change\) \(Wales\) \(Miscellaneous Amendments\) Order 2019.](#) A Transfer Order has also been completed that covers the transfer of property, staff, assets and liabilities has also been completed.

Colleagues across both organisations worked closely together, to identify all clinical services that fall within the scope of the transfer, working through every identified service, and both Health Boards have agreed the future service provider arrangements, the final clinical service listing was reported to the Health Boards in March 2019. For some services, a Service Level Agreement (SLA) has been put in place and ABMUHB will continue to provide services to the population of Bridgend on behalf of CTUHB and vice versa.

In practice, this was an administrative change and not a service change and thus patients should not notice any changes to their healthcare services. Services are not being lost or reduced, and how patients access services and receive their care remains the same from 1 April 2019. Patients will continue to travel to the same place as they do now to receive their care, there are no changes to patient flows or referral arrangements. Whilst health boards cannot guarantee that services will never change, if they do need to change an undertaken has been given to consult with Community Health Councils and local populations.

A workforce transfer process was agreed through both Health Board Partnership Committees and has informed and guided the decision making regarding all staff posts impacted by the change. The process of transferring identified services and the staff affected was led by the requirements under the TUPE (transfer of undertakings) as amended by the Collection Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 and those laid out in the All Wales Organisational Change Policy (OCP).

A legacy statement has been to provide a comprehensive summary of work which identifies known quality and patient safety issues and good practice. The information within the statement has been used by CTUHB to ensure a smooth transition and mitigate risks to quality and patient safety.

A comprehensive handover statement has been developed following existing best practice

guidance. It includes an overarching summary of key information in relation to:

- How the Joint Transition Programme was established and managed
- Key decisions made in relation to staffing, finance and corporate governance issues
- Functions that have transferred and the governance framework in place for partnership working
- The resources, assets, functions and liabilities that will transfer to CT UHB; and
- Residual issues and opportunities that require further work beyond April 2019.

The JTB met for the last time on 23 April 2019 to draw the Joint Transition Programme to a close. A Memorandum of Understanding (MoU) has been completed, incorporating the principles that the JTB has used to work together to manage the transition and boundary change thus far. The aim of the MoU is to set out the agreement reached by the two organisations in relation to the future co-operation, sharing of sites, staff and other resources and the exchange of information.

It is intended to complement and not override any long-term agreements and service level agreements entered into by the two organisations. It reflects that both organisations agree to adhere to its principles and to show proper regard for each other's activities and responsibilities.

The key principles underpinning the service and financial basis for the transfer were agreed at the outset of the Transformation Programme and it is expected that the final detail of the changes to the financial allocation will be confirmed in May 2019.



## 4. ORGANISATIONAL STRUCTURE

In order to ensure that the values and behaviours drive a caring, supportive and ambitious culture within the organisation, the Board changed its operational management arrangements in 2015 and established six service delivery units. Each unit is led by a core 'triumvirate' which consists of the Service Director, Unit Medical Director and Unit Nurse Director. For 2018-2019 the delivery units were as follows:

- Neath Port Talbot (NPT) Hospital
- Mental Health & Learning Disability Services
- Morriston Hospital
- Princess of Wales (POW) Hospital
- Singleton Hospital
- Primary Care and Community Services

There are also corporate directorates (in terms of finance, governance, information management and technology, workforce and organisational development, nursing, medical, planning & performance) which play a central role in supporting the organisation as well as providing support to the delivery units. Like the delivery units, corporate directorates will also be subject to performance reviews providing scrutiny to ensure effective and efficient performance.

### 4.1 Executive Team Structure

During 2018-2019 there have been significant changes in the Executive Team with appointments being made to all the Executive Director vacancies.

As an organisation in 'Targeted Intervention' we are under significant pressure to improve our services, performance and financial management and stability. When an organisation is put into this high level of escalation by the Welsh Government, there are responsibilities on the Health Board, and on the Welsh Government, to do all that can be done to bring the organisation back into a sustainable position.

The Health Board made two interim appointments as part of the targeted intervention agreement with Welsh Government, namely; Director of Transformation and Chief of Staff.

### 4.2 Transformation Programme

As we move into a new phase of development with a clear vision and strategic direction for the organisation established, the way in which we organise ourselves to ensure effective delivery of quality and safety is critical. In 2019-2020, it is proposed that an overarching 'Transformation portfolio' is established to provide a clear home for all transformation work within the organisation and to move away from a number of disparate approaches. In this way, the Board will have a clear delivery mechanism that will oversee the delivery of both the Organisational Plan, Clinical Services Plan and other key priorities (such as embedding the new operating model).

## 5. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

Our systems of internal 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 system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies' aims and objectives, to evaluate the likelihood of those risks being realised and the impact this would have and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts

## 6. CAPACITY TO HANDLE RISK

We have continued to develop and embed our approach to risk management over the last year to ensure risk systems continue to be streamlined and inter-connected. The understanding of risks actively informs the Board's key priorities and actions and its overall approach to risk governance. We see active and integrated risk management as key elements of all aspects of our functions and responsibilities especially in order to support the successful delivery of our business. This assists in ensuring high quality and safe health care is provided to local people, that we contribute to improving the health and well-being of our population and that a safe and supportive working environment is provided for our staff.

The Chief Executive has overall responsibility for the management of risk. The executive lead for risk management is the Director of Corporate Governance/Board Secretary who has undertaken this role in conjunction with the Director of Nursing & Patient Experience. Together they have ensured that arrangements are in place to effectively assess and manage risks across the organisation, including maintaining and co-ordinating a [Health Board Risk Register](#) and the corporate reporting of risks.

The Chief Executive Officer as the accountable officer delegates particular aspects of her role to Executive Directors. These arrangements are reflected in job descriptions and performance review mechanisms. The Chief Executive role is directly accountable to the Board, has overall responsibility and accountability for all aspects of the Risk Management Policy and delegates this responsibility to the senior managers of the Health Board, as detailed in the Risk Management Strategy.

During 2018-2019, the Health Board has refreshed its approach to the management of risk, established a risk management group, and agreed a new format Health Board Risk Register. The Health Board Risk Register was developed, following discussions with the Executive Team and the Board.

### 6.1 Risk and Control Framework

The risk management strategy sets out the structures and processes for the identification, evaluation and control of risk, as well as the system of internal control. Delivery of the strategy is overseen by the Audit Committee with individual officers having specific delegated responsibilities.

We are committed to ensuring staff throughout the organisation are trained and equipped to appropriately assess, manage escalate and report risks and further work continues to embed

good risk management throughout the organisation. This work is being informed by best practice examples and through advice from Internal Auditors, Wales Audit Office and Welsh Government's Delivery Unit.

The delivery of healthcare services carries inherent risk and our risk profile is continually changing. The key risks that emerge which can impact upon our achievement of objectives is documented within the Health Board's Risk Register which is updated quarterly and reported to the Audit Committee and Board and feeds into our Annual Plan.

Risk Registers are used to identify and manage significant risks within an organisation. In addition internal and external reports/reviews are used to inform the framework and register, in terms of new risks or amendments to existing risks.

In acknowledging that effective risk management is integral to the successful delivery of its services, we have systems and processes in place which identifies and assesses risks, decides on appropriate management and then provides assurance on the effectiveness of their management. The implications of risks taken in pursuit of improved outcomes, in addition to the potential impact of risk-taking on and by its local communities, partner organisations and other stakeholders, is understood by the Board.

The [Health Board Risk Register](#) was most recently received at the March 2019 meeting of the Health Board. As a Health Board we recognise that work is required on strengthening the processes and systems of risk management. This has been highlighted through the internal governance stocktake and the Wales Audit Office (WAO) Structured Assessment. In 2018-2019 an internal audit review on Risk Management and Assurance (ABM-1819-003) found that the level of assurance given to the effectiveness of the system of internal control in place to manage risks was Reasonable (Yellow).

In enacting the risk appetite of the organisation which is set out in the [ABMU Risk Management Strategy](#) (page 41), the Board has given consideration to its principle objectives, both strategic and operational, and identified the principal risks that may threaten the achievement of those objectives. In doing so, the Board is aware that the process involves managing potential principal risks and not merely being reactive in the event of any risk exposure. It acknowledges that the modernisation of delivery of healthcare services cannot be achieved without risks being taken, the subsequent consequences of taking those risks and mitigating actions to manage any such risks.

In terms of the Health Boards risk profiling, Table 1 below sets out the Health Board risks by risk rating.

The risk management arrangements enable the principal risks to be identified whilst also ensuring that these risks are not considered in isolation as they are derived from the prioritisation of all risks flowing through the organisation. Effective risk management is integral in enabling us to achieve our objectives, both strategic and operational in delivering safe, high quality services and patient care.

We manage risk within a framework that devolves responsibility and accountability throughout the organisation. Each Executive Director is responsible for managing risk within their area of

responsibility and they ensure that there:

- are clear responsibilities for clinical, corporate and operational governance and risk management;
- is appropriate training for staff in risk assessment and risk management;
- mechanisms in place for identifying and managing significant risks through regular, timely and accurate reports to the executive team, relevant Board committees and the Board itself;
- 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;
- there is compliance with ABMU policies, legislation and regulations and professional standards for their functions.

Executive Directors consider, evaluate and address risk and actively engage with and report such matters to the Board and its committees. The Service Directors, Director of Nursing & Patient Experience and the Medical Director have devolved responsibilities for risk. Together, they ensure that robust systems are in place for risk management. In addition, the Director of Nursing & Patient Experience has specific responsibility for progressing compliance with the Health and Care Standards framework as specific strategic responsibility for key areas of patient safety. The Director of Finance also has specific responsibility for financial risk management and for providing regular, timely and accurate financial reporting to the Board in-line with requirements and professional standards.

**Table 1 - HEALTH BOARD RISK REGISTER DASHBOARD OF ASSESSED RISKS – MARCH 2019**

Impact/Consequences	5		42: Sustainable Services £20m Financial Control	15: Population Health Improvement	56: Capacity of Workforce function	
	4				<ul style="list-style-type: none"> <li>1: Tier 1 Unscheduled Care Targets</li> <li>3: Recruitment of Medical and Dental Staff</li> <li>49: TAVI Service</li> <li>11: Healthcare model for aging population</li> <li>16: Referral to treatment times</li> <li>50: Cancer Target Compliance</li> <li>51: Compliance with Nurse Staffing Levels (Wales) Act 2016</li> <li>43: DOLS Authorisation and Compliance with Legislation</li> <li>44: Emergency Department Information Systems</li> <li>48: Child &amp; Adolescence Mental Health Services</li> <li>52: Engagement &amp; Impact Assessment Requirements</li> <li>37: Operational and strategic decisions are not data informed</li> <li>17: Replacement of medical equipment</li> </ul>	<ul style="list-style-type: none"> <li>54: No Deal Brexit</li> <li>45: Discharge information</li> <li>27: Digital Transformation</li> <li>36: Electronic Patient Record</li> </ul>
	3			55: Bridgend Boundary Change	<ul style="list-style-type: none"> <li>13: Accommodation fit for purpose</li> <li>39: IMTP</li> </ul>	<ul style="list-style-type: none"> <li>4: Infection Control</li> <li>41: Fire Safety Regulation Compliance</li> <li>53: Welsh Language Standards</li> </ul>
	2					
	1					
	C X L	1	2	3	4	5
Likelihood						



Service directors are responsible for the management of risk within their Units and must ensure that they have effective arrangements to carry this out. Any risks outside their control are communicated to the Chief Operating Officer with professional issues being relayed to the relevant executive lead e.g. Medical Director and Director of Nursing & Patient Experience.

Delivery Units have undertaken a self-assessment against the *Health and Care Standards* which has subsequently been reviewed and agreed by the Executive Team. There is more about the outcome of this process in Section 8.2.

Finally, each unit has attended an end-of-year Performance Review with the Executive Team to discuss performance and governance arrangements. Each unit is developing structures to ensure the appropriate management of risk has been confirmed within their mid-year and end-of-year performance reviews.

The Board recognises that there is risk associated with every decision it takes and within any proposed change in service. Therefore, the Board is keen to engage and consult with staff, the public and stakeholders to identify areas of concern and solutions. Working with partner organisations is critical to successful integrated working and delivering services with partners can bring significant benefits and innovation.

## 6.2 Top Health Board Risks

In 2018-2019, the Health Board Risk Register (HBRR) was significantly reviewed and a new format agreed. As of 31<sup>st</sup> March 2019 there were 26 risks on the [Health Board Risk Register](#) ranging from 12 to 20 which are categorised by rating against each of the Health Board's enabling objectives. In terms of the highest risks these are set out below:

- **Capacity within WODS (56)**- Insufficient capacity of Workforce and OD Function within ABMU to support and deliver the strategic and operational workforce agenda, plans and priorities of the Health Board.
- **Sustained Clinical Services (27)** - Inability to deliver sustainable clinical services due to lack of digital transformation.
- **Storage of Paper Records (36)** - Failure to provide adequate storage facilities for paper records then this will impact on the availability of patient records at the point of care.
- **Discharge Information (45)** - If patients are discharged from hospital without the necessary discharge information this may have an impact on their care
- **Brexit (54)** - Failure to maintain services as a result of the potential no deal Brexit

## 6.3 Managing Risk

In 2018-2019 the Health Board managed the impact of a number of risks, including:

### 6.3.1 Delivery of the financial deficit target

The Health Board managed a number of financial risks in 2018-2019, including medical, dental and registered nurse staffing pressures, supporting performance delivery and improvements, and challenges around savings delivery. Subject to audit, the Health Board met its financial control total of a deficit of £10m. This was supported by £10m of additional Welsh Government funding, in recognition of the positive progress made by the Health Board in a number of areas, including strengthening clinical leadership, a focus on primary care and cluster models, development of clear strategic plans, as well as an increased grip on finance and performance. In terms of risk management, the Health Board recognises that an element of the 2018-2019 financial improvement has been delivered non-recurrently, through one-off

technical opportunities and investment slippage, and that a transformational approach is required to support sustainable financial balance.

This financial performance was in line the annual plan forecast.

### **6.3.2 Nursing Staffing Act Levels (Wales) Act 2016**

The Nurse Staffing Levels (Wales) Act 2016 became law in March 2016, with a phased commencement. The Act requires health service bodies to make provision for appropriate nurse staffing levels, and ensure that they are providing sufficient nurses to allow the nurses' time to care for patients sensitively.

During 2018-2019, the Health Board agreed the plans for the implementation of the statutory requirements of the Nurse Staffing Levels (Wales) Act 2016 and identified that there was a need to change the funded establishments of registered and non-registered nurses across the 39 wards that fell within the remit of the Nurse Staffing Levels (Wales) Act 2016. The Health Board agreed to fund by way of a phased risk assessed implementation plan. This phased implementation increased investment in nursing by £2.4m for Phase 1 and a further £1.5m for Phase 2 in April 2019 making us fully compliant with the financial/funding element of the Act. An increase in funded establishments will also significantly increase our vacancy levels. The recruitment and retention of staff is seen as a high priority and a number of work streams reporting through the Nurse Staffing Act steering group are focusing on these issues.

### **6.3.3 Brexit Preparedness**

As part of the national preparedness for Brexit following the EU referendum, the NHS in Wales has been working to ensure adequate preparations in the event of a 'no deal' Brexit. The Health Board established a task and finish group to lead all business continuity, emergency preparedness and risk management of any potential fallout of Brexit that would impact upon staffing, services or supplies.

We identified the most significant risks to the health board and our associated services such as health and social care, ambulance and third sector provision. However, much of this operates on an NHS Wales level, and we have and will continue to work closely with our colleagues in Welsh Government and across the health and social care sector in Wales.

We are closely monitoring the situation and have a robust business continuity plan in place that reflects actions taking place at an all-Wales level, supplemented with local actions. As part of this, all clinical and service areas are required to consider and make plans to mitigate the risks that could impact on service delivery in the event of a no-deal Brexit.

We are continually reviewing our own business continuity plans and engaging with local and regional partners across the health and social care sector to review all identified potential risks and arrangements.

The UK was due to leave the European Union on 29th March 2019, but this has been delayed until 31 October 2019, however the UK could leave earlier if a withdrawal agreement is ratified by MPs. As at end of March 2019 there is no firm Brexit agreement, and there is a potential for the UK to leave the EU without any deal in place.

There is an obligation to maintain critical services and business as usual in an emergency and this includes Brexit Consequently there is the potential for disruption in commercial and public

services and therefore supplies, services, transport, fuel, border issues, EU national issues, immigration, critical infrastructure, energy and command resilience

The NHS has been working with suppliers to ensure there is a continuous supply of consumables and medicines according to national guidance:

- Medicine supplies to ensure there are sufficient medicines available to continue to treat patients.
- Workforce to ensure there are support packages for staff and managers in aiding EU national staff to progress with the EU settlement scheme.
- Procurement of medical consumables and devices to ensure a continuous supply and the Department of Health will be managing some suppliers nationally to ensure continuity and routes of delivery.

Our focus is on maintaining safe, high-quality health and social care for patients and staff.

#### **6.3.4 Health and Safety**

During the year, the Health Board agreed that further assurance was required in relation to compliance with the Health and Safety at Work Act. The Board therefore agreed to establish a Health and Safety (H&S) Committee to strengthen the existing arrangements.

In 2018-2019 a Health & Safety Executive (HSE) improvement notice was issued for the management of electrical safety with air mattress leads. This was an ABMUHB wide notice with compliance date due end of March 2019. The Health Board responded to the HSE at the end of March setting out all of the work completed in respect of the notice and the changes made to operational arrangements to address the recommendations within the notice. The HSE may re-inspect post April 2019 and consider CTUHB in this follow up. The Head of Operational Health Safety and Fire (CTUHB) has been briefed by Head of Health and Safety (ABMUHB).

In November 2018 the HSE undertook inspection visits of ABMUHB's sites and found examples of good practice and met some very committed and enthusiastic individuals who were making a real difference in their immediate workplaces.

The HSE advised the Health Board that in order to raise standards of health and safety management across the organisation it was recommended that the Health Board find ways to identify, recognise and communicate good practice.

Following the review and the inspection visits contraventions of health and safety law were identified by the HSE and the Health Board was subsequently issued with nine improvement notices concerning the management of violence and aggression, management of manual handling and the process for reporting incidents and sharing lessons learned, outlined below:

- AMO1 – Violence & Aggression at the Emergency Department (ED) Morriston Hospital
- AMO2 - Violence & Aggression, Portering Staff at Morriston Hospital
- AMO3 – Manual Handling, Emergency Department (ED), Morriston Hospital
- AMO4 - Manual Handling, Portering Staff, Morriston Hospital
- AMO5 - Reporting and investigating health & safety incidents
- JVH1 - Violence & Aggression at Singleton Assessment Unit (SAU), Singleton Hospital

- JVH2 - Violence & Aggression, Portering Staff, Singleton Hospital
- JVH3 -Manual Handling, Theatre Department, Singleton Hospital
- JVH4 - Manual Handling, Portering Staff, Singleton Hospital

The Health Board has been proactive in addressing the issues raised and is working with the HSE and trade unions to address and improve the issues raised to ensure that all aspects of the enforcement notices are appropriately addressed by the September 2019 deadline. A task and finish group has been established to develop, oversee and implement the plan to address all of the points set out in the HSE letter and Notices. The Health Board Health and Safety Committee has been monitoring progress and delivery of the actions in the Health and Safety Notices, the Health Board has plans in place to address these notices.

The South Wales Fire & Rescue Service (SWFRS) issued a Fire safety notice for Theatres in the Princess of Wales (POW) Hospital. ABMUHB provided a full response to address the actions required within the notice and shared the response with CTUHB. At the point of handover, only two actions remained outstanding. One was in respect of training which was scheduled for 29 April 2019 and the other was in respect of a survey test the compliance of fire dampers in the theatre ducts. ABMUHB and CTUHB colleagues met in early April and agreed that the actions were in place. A draft damper survey has been received and both Health Boards agreed that it required further enhancement before being fit for purpose. ABMUHB, as the commissioner of the survey agreed to refine the commission and will hand over the final report when received. The fire brigade has since closed the notice on ABMUHB and issued it to CTMUHB as a new body with a date for completion of December 2019.

The Head of Operational Health Safety and Fire CTUHB has been briefed by Head of Health and Safety ABMUHB on this and CTUHB will take over responsibility for resolution as part of the Bridgend transfer.

### **6.3.5 Infection Prevention and Control**

The Health Board are under targeted intervention for the Tier 1 Health Care Associates Infections (HCAIs) *Clostridium difficile* (*C.Diff*), *E. coli* bacteraemia and *Staph. aureus* bacteraemia. The Health Board has been unable to achieve the required reductions in these three areas. However, significant improvements have been made in each of these areas with the greatest improvement in a reduction in *C.Diff* of 40% in the second half of the year compared to the first half (112 cases April – September 2018, 67 cases October – March 2019).

Reductions were as a result of a number of key improvements such as the implementation of Antimicrobial Guidelines and a revised cleaning programme for clinical areas. Key risks remains around a lack of facilities to decant ward areas to conduct thorough environmental decontamination, variations in environmental decontamination, insufficient isolation facilities, in particular negative pressure rooms and insufficient cleaning hours to achieve the National Occupations Standards of cleaning with insufficient environmental cleaning audits being undertaken.

The Health Board are in a strong position to maintain the current rates of the Tier 1 HCAIs however further focused work will be on environmental decontamination and infection control needs to be considered for all refurbishment and new works to ensure our hospitals provide suitable facilities for infection control.

### **6.3.6 Transcatheter Aortic Valve Insertion (TAVI)**

In 2017 the Health Board became aware of prolonged waiting times for Transcatheter Aortic Valve Insertion (TAVI). Following an internal review of the service, the Health Board commissioned external advice from the Royal College of Physicians. An action plan was developed and throughout 2017-2018 the actions were implemented, and agreement from WHSSC was secured to increase the resource for the service. This has resulted in a reduction in waiting times and funding that makes the service sustainable.

## **7 INTEGRATED MEDIUM TERM PLAN (IMTP) / ANNUAL PLAN**

The Health Board was unable to submit an Integrated Medium Term Plan (IMTP) to the Board or Welsh Government for 2018-2019 as the Board needed to develop an Organisational Strategy, and needed to improve further in the key targeted intervention priorities and to develop a balanced financial plan. The Health Board approved an Annual Plan for submission to Welsh Government, which focused on improvement in our six key Targeted Intervention priority areas, including finance. This was well-received by Welsh Government, although in 2018-2019 WG did not, as a principle, approve Annual Plans.

During 2018-2019 the Health Board has developed an Organisational Strategy which was approved by the Board in November 2018, and our five-year Clinical Services Plan which was approved in January 2019. These were key recommendations of the Deloitte governance review and are now complete.

The Health Board undertook planning on a three-year basis for the IMTP 2019-22 but was unable to submit an approvable IMTP due to complexities around the workforce and finance implications of the Bridgend transfer. The Health Board submitted an Annual Plan for 2019-2020 to the Board at the end of January 2019 which was approved for submission to Welsh Government. Welsh Government received it as a draft pending the resolution of the Bridgend issues and the final Plan will be submitted with a revised finance chapter when these are resolved. The Health Board has received good feedback on the document and the performance trajectories were agreed without amendment. The range of issues under discussion with Welsh Government have narrowed considerably with finance being the final challenge, although the Health Board will also need to improve performance in unscheduled care and maintain the improvements in RTT performance.

Building on these foundations, the Health Board intends to develop an approvable IMTP to present to the Board for approval to submit to Welsh Government as a final draft in September 2019. Based on Welsh Government advice this will allow sufficient time to work with Welsh Government to ensure a final approvable Plan can be submitted in early December (which is the likely national deadline for submission of IMTPs).

The IMTP 2020-2023 will be the delivery plan for the first three years of the Organisational Strategy and Clinical Services Plan.

A report on the delivery of the Annual Plan is presented to the Board on a quarterly basis and submitted to Welsh Government after each meeting. The latest report is for Q3 2018-2019 (the end of year report will be presented to the Board in May 2019). The report is in the public domain [here](#). It shows that there is good progress with delivering the five targeted intervention



priority Service Improvement Plans in the Annual Plan 2018-2019, with very few off-track actions. The delivery of our plans is underpinning good progress in delivering our Corporate Objectives, particularly around promoting and enabling healthier communities. However at the end of Quarter 3 we were off-track with achieving a number of our key objectives for delivering improved patient access and effective governance and partnerships and the mitigating actions are detailed in the report.

For the reasons outlined above, the Health Board was not able to submit an IMTP for 2018-2019 to 2020-2021 to the Board or to Welsh Government and an Annual Plan was submitted.

### **Assessment against section 175 of National Health Service (Wales) Act 2006**

The National Health Service Finance (Wales) Act 2014 became law in Wales from 27th January 2014, new duties with regard to operational planning were placed upon the Local Health Boards. The legislative changes are effected to section 175 of the NHS Wales Act 2006.

- S175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- S175 (2A) and the Directions issued by the Welsh Ministers under section 175(2) to prepare a plan which sets out its strategy for securing compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

For the period 2018-2019, subject to audit, ABMUHB met its financial duty to break-even against its Capital Resource Limit over three years however, failure to achieve financial balance, that is to manage aggregate expenditure within aggregate revenue resource allocations over the first rolling 3 year assessment has resulted in the Health Board failing to meet the first financial duty.

The Health Board has not met its statutory duty to prepare and submit an IMTP that is approved by Welsh Ministers for the financial year 2019-2020, as required by the National Health Service Finance (Wales) Act 2014.

	<b>Year 1 2016/17 £000</b>	<b>Year 2 2017/18 £000</b>	<b>Year 3 2018- 2019 £000</b>		<b>Total £000</b>
Revenue Resource Funding	1,060,938	1,096,250	1,133,300		3,290,488
Total Operating Expenses	1,100,254	1,128,667	1,143,179		3,372,100
<b>Under/(Over) spend against Allocation</b>	<b>(39,316)</b>	<b>(32,417)</b>	<b>(9,879)</b>		<b>(81,612)</b>
<b>As a % of Target</b>	<b>3.71%</b>	<b>2.95%</b>	<b>0.87%</b>		<b>2.48%</b>



### **Development of the Annual Plan 2018-2019**

The Board agreed that a further Annual Plan for 2018-2019 would be developed as our systems are currently unsustainable due to the scale of our financial and workforce challenges. These are primarily due to; demographic changes and health inequalities in the population we serve; a model of care which is overly weighted towards inpatient services and an imbalance in demand and capacity, leading to significant performance, workforce and financial challenges.

The overarching aim of our Annual Plan for 2018-2019 is to improve our Targeted Intervention monitoring status and to provide the foundation for a sustainable health and care system. We will do this by delivering our Corporate Objectives which were developed and agreed in 2017 and our focus is on strategic development, improving quality and safety, improving efficiency and delivering improved performance through an integrated service, workforce and financial plan which is assured through the delivery mechanism of our Recovery and Sustainability Programme. Our Plan sets out clear, timely, deliverable actions, using the Wellbeing Future Generations Act Five Ways of Working, through five specific Service Improvement Plans for our Targeted Intervention Priority Areas (Unscheduled Care, Stroke, Planned Care, Cancer and Healthcare Acquired Infections). These also include clear financial, workforce and infrastructure enablers.

**Section 2.2** of this Annual Governance Statement provides and update on the targeted intervention status and explains that the Board agreed that an Annual Plan would be developed for 2018-2019 as our system is currently unsustainable due to the scale of our financial and workforce challenges.

## **8 MANDATORY DISCLOSURES**



### 8.1 Corporate Governance Code – for central Government departments

For the NHS in 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”. In simple terms this transposes to the way in which NHS bodies ensure that they are doing the right things, in the right way, for the right people, in a manner that upholds the values set for the Welsh public sector.

An assessment of compliance with the *Corporate Governance Code* is informed by:

- The review of Board effectiveness, taking account of Unit based self-assessments against the Health and Care Standards;
- The outcome of the *Structured Assessment* by Wales Audit Office;

An internal audit of the Health Board’s compliance against the Corporate Governance Code was undertaken during 2018-2019. The overall objective of this audit is to review the conformance of Board and Committee arrangements with relevant principles of HM Treasury Corporate Governance in Central Government Departments: Code of Good Practice 2016. The Board can take **substantial assurance** in terms of the compliance with the code.

Any breaches in Standing Orders are reported to the Audit Committee. During 2018 all NHS organisations in Wales agreed to the implementation of a Procurement Compliance (No purchase order (PO) /No Pay) Policy. From a procurement perspective, the raising of purchase orders should only take place when a procurement process has been followed which is compliant with Standing Financial Instructions (SFIs). The initial success of the Procurement Compliance (No PO/No Pay) Policy in improving governance through identifying non-compliant purchasing but has also demonstrated the fact that the All-Wales purchase to pay (P2P) Group did not consider the need to comply with SFIs in placing purchase orders in areas where they did not previously exist.

Therefore to minimise the risk the following actions were supported by the Audit Committee:

- The procurement function to raise purchase orders in the short term, where the procurement requirements under SFI’s have not been met in order to comply with the All-Wales Purchase Order Compliance Policy and to minimise the risk of service disruption through non payment of invoices on hold where a purchase order is not in place.

- An Assistant Director of Finance be given authority to authorise payment of invoices on hold without a purchase order in exceptional circumstances where there is a risk to service delivery.
- A letter is sent to all budget holders reminding them of the requirements to comply with the All Wales Purchase Order Compliance Policy and the procurement regulations as detailed in SFI's.

[Section 6](#) of this Annual Governance Statement provides the Health Board's position in relation to the two financial duties under section 175 of the National Health Service (Wales) Act. For the period 2018-2019, the Health Board did not meet the two financial duties and therefore this has resulted in a breach of the Health Board Standing Orders and Standing Financial Instructions. During 2018-2019, the Board has been fully engaged in the development and monitoring of the annual plan through meetings of the Performance and Finance Committee and the Board.

## 8.2 Health and Care Standards

The current standards came into effect as of April 2015, incorporating the *Standards for Health Services in Wales (2010)* and the *Fundamentals of Care Standards (2003)*. The Welsh Government's Health and Care standards<sup>6</sup> place the person at the centre and emphasise the importance of strong leadership, governance and accountability and form the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings.

The organisation uses the Health and Care Standards as part of its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self-assessment of performance against the standards across all activities and at all levels throughout the organisation.

Service directors, unit medical directors and unit nurse directors are collectively responsible for ensuring that the Health and Care Standards are embedded across their particular service delivery unit and they self-assess against each of these including the Governance, Leadership and Accountability standard to ensure there is effective scrutiny.

Following completion of last year's annual self-assessment an agreement was made that the previous quarterly scrutiny panels would be stood down. This was on the basis that performance reviews with delivery units would feature progress against the standards. Also it was agreed that to further support embedding of the standards within the health board key committees would be delegated responsibility for improving and monitoring the relevant standards.

The quarterly delivery unit performance reviews and integrated performance reports are structured around each of the health and care standards domains which has enabled each executive lead to monitor, identify and share good practice and provide proactive support throughout the year to the service delivery unit teams for each of their health and care standard areas of lead responsibility.

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<sup>6</sup> Welsh Government's Health and Care Standards, April 2015

[http://www.wales.nhs.uk/sitesplus/documents/1064/24729\\_Health%20Standards%20Framework\\_2015\\_E1.pdf](http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf)  
Abertawe Bro Morgannwg UHB Accountability Report 2018-2019

The links to the Health and Care Standards are also detailed on each report to the Board and Committees. Furthermore, the board risk management framework has also been reviewed and all corporate, executive and service delivery units risk registers are aligned with the health and care standards.

The Health Board has taken steps during the year to improve the governance arrangements of the Board and Committees and as part of strengthening these arrangements, agreed to undertake an effectiveness survey to inform the end of year position and identify areas of improvement for 2019-2020.

At the Board Development Session on 25 April 2019, the Board reviewed the assessment against the Health and Care Standards. It was agreed that the process for the review of these standards should be reviewed and that an improved process to be in place for 2019-2020 to allow the Board to receive assurance on the embedding of the Health and Care Standards. This has been identified as a governance priority for 2019-2020.

In 2017-2018 the Health Board undertook the assessment against the Health and Care Standards Governance and Accountability Module and agreed areas of priority for inclusion in the Governance Work Programme for 2018-2019. The Board also agreed to take a more robust approach in terms of the assessment of the governance arrangements in 2018-2019 and this was undertaken through the board effectiveness self-assessment and the 'governance maturity matrix'

Each Member of the Board has been invited to complete the on-line survey and complete the governance maturity matrix to identify areas of improvement for the forthcoming year. The self-assessment provides an important tool to draw together the sources of assurance received throughout the year into one overarching organisational level view.

The priorities for 2019-2020 will be incorporated into the Governance Work Programme and progress will be monitored by the Audit Committee.

#### Governance Priorities for 2019-2020

- Quality Governance arrangements including role and accountabilities of supporting structures
- Implementation of a Board Assurance Framework
- Further development of Risk Management arrangements
- Governance Framework between Corporate and Delivery Units as part of the operating model including legislative compliance framework
- Further strengthening of the role of committees including reviewing the size, quality of board papers as well as financial consequences of all Board and Committee papers
- Review and refresh the assessment process in terms of compliance and reporting against the Health and Care Standards

This was the first year of using the maturity matrix, so it is recognised that there may be a requirement to modify this approach in future years, it should be helpful however, in identifying areas for improvement and development for 2019-2020.

In reviewing governance arrangements as outlined earlier in this statement and taking into account its assessment against the criteria for Governance, Leadership and Accountability Standard, the Board is clear that it is operating in accordance with the Corporate Governance Code for central government departments: Code of Good Practice 2017<sup>7</sup> and that there have been no departures from the Code.

The Health Board is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement such as declaration of interests, however they are reported more fully in the Health Board's Annual Report.

### 8.3 Equality, Diversity and Human Rights

The Health Board is committed to treating everyone fairly. We will 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.

Our equality objectives support us with delivering this commitment. These objectives are published within our Strategic Equality Plan 2017-2020<sup>8</sup>. Our Plan identifies the actions that will drive forward progress towards achieving each of the equality objectives.

We report annually on progress towards fulfilling each of these objectives. Assurance is provided to the Board through the Workforce and Organisational Development Committee.

Examples of key highlights for 2018-2019 include:

- Moving up four places in **Stonewall's Workplace Equality Index** from a ranking of 154 in 2018 to 150 in 2019. Key highlights for ABMU's LGBT+ Network, **Calon**, include:
  - **Joining the Spring Pride celebrations** on the parade through Swansea city centre to show support for LGBT+ communities and community engagement at the National Waterfront Museum.
  - **Awareness raising events** for staff, including sharing personal stories events where Calon Members talked about coming out and Allies talked about why Allies are important to LGBT+ staff.
  - **Collaboration** with other LGBT network groups in NHS Wales at Pride Cymru 2018 joining colleagues on the march and supporting the stall.
- Being the first Health Board in Wales to set up a **Women's Staff Network** in October 2018 led by a junior doctor. This followed a special ABMU **leadership skills event** on 19 April 2018 at Morriston Hospital aimed at offering women in healthcare practical advice on improving clinical leadership skills. As part of the Staff Network, we started

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<sup>7</sup>Corporate Governance in Central Government Departments: A Code of Good Practice, 2017, HM Treasury/Cabinet Office <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

<sup>8</sup> ABMUHB Strategic Equality Plan 2017-2020  
[www.wales.nhs.uk/sitesplus/863/page/59057](http://www.wales.nhs.uk/sitesplus/863/page/59057)

a cross-disciplinary pilot **mentoring scheme** for women within the Health Board in March 2019.

- **Promotion of NHS careers / apprenticeships** at diversity events, including Swansea Bay Job Centre and Welsh Refugee Council's first ever BAME event held in Swansea YMCA on 13 February 2019.
- Launch of **Project SEARCH** with Bridgend College and Elite Supported Employment Agency on 13 September 2018. This enabled nine young people with additional learning needs and disabilities to secure a supported internship at the Princess of Wales Hospital. The interns completed their first ten week placement, which has been a positive experience. The departments involved are supporting the interns to apply for vacancies. Elite Training Agency is also supporting interns to look for alternative vacancies in the wider local community.
- Supporting the implementation of the **All Wales Standards for Communication and Information for People with Sensory Loss** across the Health Board through joint working with our multi-agency group.
- Huge support for our **2018 World Mental Health Day event** in Swansea's Grand Theatre attended by more than 300 people. The theme of the event was young people and mental health in a changing world. 45 stallholders from a variety of organisations and speakers from across the Health Board and Swansea University raised awareness of the advice and support available to our youth and young adults if they are finding it difficult to cope. They addressed themes such as the eating disorders service, substance abuse and cyber bullying.

Looking forward to the next year, we will be engaging and consulting on what our equality objectives for 2020 – 2024 should be.

#### **8.4 NHS Pension Scheme**

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. The Scheme is managed on our behalf by the NHS Wales Shared Services Partnership.

#### **8.5 Emergency Preparedness / Civil Contingencies / Disaster Recovery/ Environmental Management**

ABMUHB 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 to business and brings about a timely return to 'business as usual'.

The Civil Contingencies Act, (2004) requires NHS organisations to show that they can deal with such incidents while maintain services. The Health Board is a Category 1 responder under the Civil Contingencies Act, 2004 and is accountable for six civil protection duties, including risk assessment and emergency planning.



There is a specific Emergency Preparedness, Resilience and Response (EPRR) risk register, aligned with national and community risk registers which is managed via the Health Board risk management processes and it is reviewed quarterly. The risk register includes the necessary risk scoring and mitigations to either treat or tolerate the risks identified. This includes emergency preparedness measures through an integrated emergency planning system. There are two corporate EPRR related risks; a risk of a major incident and a risk of a business continuity incident. All EPRR related work is overseen by the Health Board EPRR Strategy Group. This group includes representation from each Service Delivery Unit, 'cross cutting' service and Corporate services. The six civil protection duties are the foundation for the Health Board EPRR Work Programme and emergency planning arrangements, and consequently there are a range of emergency response plans in place in accordance to the mitigation requirements for the associated high risks; including major incident procedures and business continuity response procedure to ensure the Health Board can respond to, and recover from a range of emergencies at an operational, tactical and strategic level.

To support the Health Board EPRR agenda, there is full engagement with the Local Resilience Forum and local multi-agency category 1 and 2 responders and there is attendance at appropriate groups at a local and national level. In addition the Health Board is represented at the Wales Counter Terrorism Prepare Delivery Group in order that there is preparedness in terms of the threats as well as the identified hazards.

The Health Board is updated annually in terms of EPRR preparedness; noting the progress as well as challenges that exist with regard to resilience. The Executive Team is updated on EPRR related matters quarterly and sooner if there is a requirement to do so.

## **8.6 Environment, Sustainability & Carbon Reduction**

The Health Board has once again retained ISO 14001 accreditation for its environmental management systems. This year it transitioned across to the updated 2015 standard. Our Environmental Committee is chaired by the Chairman of ABMUHB and attended by the Director of Strategy, along with representatives from each of the Service Units. This is part of ABMUHB's long-term carbon reduction strategy which aligns with the objectives determined by the Environmental (Wales) Act 2016 and the Well-being of Future Generations (Wales) Act 2015. We have seen the growth of recycling and recovery rates for the Health Board.

Over the last 12 months our acute hospital sites (Morriston Hospital, Singleton Hospital, Princess of Wales Hospital & Neath Port Talbot Hospital) have achieved an increase in mixed recycling once again, with more than a 53%\* percent rise during 2018–2019. This has seen an additional 130 tonnes of waste being recycled compared to the previous year. In addition, we have reduced generation of black bag non-recyclable waste by 12%\*, with a 203 tonnes reduction in black bag production compared to the previous year.

*\*Please note these figures are based on year to date analysis and will change as all figures for 2018-2019 are not available at the time of reporting.*

The Health Board is working with Refit Cymru – a Government initiative set up to support the public sector in the development of energy-saving schemes. Over the last year the

Health Board has been developing its specification and in 2018 over 10 companies responded to its invitation to tender. The Health Board has subsequently appointed Vital Environmental as its preferred partner and is currently developing a business grade proposal for downstream energy schemes. The Health Board is developing a vital bid of around £10 million for energy initiatives, with strict criteria on carbon reduction being part of the funding requirements of Welsh Government. ABMUHB are the first Health Board in Wales to enter into such an agreement with Refit Cymru. These plans address scope 1<sup>9</sup> and 2<sup>10</sup> of the greenhouse gas protocol (as set by the World Resources Institute and World Business Council on Sustainable Development).

ABMUHB is required to publish an annual Sustainability report which includes data in relation to key sustainability metrics including utilities consumption, waste production and environmental management. The Sustainability Report for 2018-2019 can be accessed on our website.

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

## 8.7 Data Security

Information Governance (IG) is robustly managed within ABMUHB. The framework includes the following:

- An Information Governance Board (IGB) whose role it is to support and drive the broad IG agenda and provide the Health Board with the assurance that effective IG best practice mechanisms are in place within the organisation
- 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
- IGB leads within each Service Delivery Unit and corporate department whose role it is to champion IG within their areas.

The financial year 2018-19 incorporated new data protection legislation which came into force during May 2018 in the form of the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). It was recognised that, in order to fulfil its data protection obligations, the Health Board needed to expand the Information Governance Department and additional resources were allocated to expand the staffing complement from three x WTE (Whole Time Equivalent) staff to eight x WTE staff.

Assurances that the organisation has compliant information governance practices are evidenced by:

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<sup>9</sup> Scope one: direct emissions are omissions resources that are owned or controlled by the company for example submissions from combustion informed or controlled board boilers, furnaces vehicles carbon footprint through reducing its energy consumption

<sup>10</sup> Scope 2: accounts are omissions from the generation of purchased electricity new buildings are designed to be energy efficient, complying with energy standards. The new buildings where cost-effective effective energy-saving systems are installed.

- Bimonthly reports to the IGB, including key performance indicators
- A detailed operational GDPR Work Plan, taken to IGB bimonthly, detailing progress made against actions required to ensure compliance with data protection legislation
- A raft of IG and information security policies, procedures and guidance documents
- The Information Commissioner's Office (ICO) commended the Health Board's IG intranet site
- A comprehensive biannual mandatory IG training programme for all staff, including proactive targeting of any staff non-compliant with their IG training
- A proactive IG audit programme across the Health Board
- A robust management of all reported IG breaches, including proactive reporting to the ICO
- An Information Asset Register used to manage information across the Health Board
- Audit reports from the Wales Audit Office (WAO) and Internal Audit
- The IGB Chair's Assurance report taken to both Audit Committee and the senior leadership team following all IGB 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 IGB and during the year there were 15 incidents relating to data security that required reporting to the ICO. All IG incidents were 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 and the ICO were informed.

Of the 15 reportable incidents, 12 have been closed by the ICO, with no further action from the ICO considered necessary. A summary of the actions completed is outlined in Table 1 below:

Table 1 – Summary of IG Actions Completed 2018-2019

Breach Summary for 2018-19	Summary of Actions Taken by ABMUHB	ICO status
1.Occupational health report sent to the incorrect address (previous letter used as a template by agency staff member) and opened by recipient's husband	<ul style="list-style-type: none"> <li>• Apology provided to staff member</li> <li>• Implementation of new administrative processes to avoid duplicate breach</li> <li>• Development of training video to be used by agency staff prior to taking up post</li> <li>• Information governance training requirements considered</li> <li>• Information governance audit undertaken</li> </ul>	Closed
2.Missing medical record declared as lost following transfer between two Health Boards. Failure to respond to subsequent subject access request within required legal timescale. Records later found	<ul style="list-style-type: none"> <li>• Extensive searches undertaken – records later found</li> <li>• Ward reminded of correct procedures for transfer of patient records</li> <li>• Information governance training requirements considered</li> </ul>	Closed

Breach Summary for 2018-19	Summary of Actions Taken by ABMUHB	ICO status
at the other Health Board, not at ABMUHB	<ul style="list-style-type: none"> <li>Information governance audit undertaken</li> </ul>	
3. Patient information found to be at risk following break-ins at storage site within Gorseinon Hospital	<ul style="list-style-type: none"> <li>On-site records securely destroyed or relocated as appropriate</li> <li>Additional physical security measures added to site</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
4. Address details of retired staff member were disclosed to other departmental staff (in order to send retirement cards). Complaint received regarding inappropriate disclosure	<ul style="list-style-type: none"> <li>Written apology provided to data subject</li> <li>Written warning provided to staff member</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
5. Discharge letter for special care baby unit patient, including sensitive details about the mother, was posted to an incorrect address. Error occurred due to a pre-prepared envelope for another letter being used by mistake	<ul style="list-style-type: none"> <li>Documentation fully recovered</li> <li>Change of administrative processes to avoid duplicate breach</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
6. Document containing details about staff member sickness saved in error to the departmental drive with open access. No personal identifiers were included but it was deduced who the document was about. Complaint received from data subject	<ul style="list-style-type: none"> <li>Written apology provided to data subject</li> <li>Documentation saved to secure location</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
7. A member of the public requested future dates for sessions held by the Living Life Well Programme. The incorrect attachment was sent in the response e-mail. The attachment contained limited personal data about 54 previous and future attendees of the "low mood" sessions	<ul style="list-style-type: none"> <li>Change of processes to avoid use of 'recently accessed documents' function in Outlook to avoid a similar breach occurring</li> <li>Confirmation received from e-mail recipient of deletion</li> <li>Word documents containing personal information stored on the network drive are now password protected</li> </ul>	Closed

Breach Summary for 2018-19	Summary of Actions Taken by ABMUHB	ICO status
	<ul style="list-style-type: none"> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	
8.Sensitive medical test request form sent to data subject's previous address. Opened by data subject's father due to having same initials	<ul style="list-style-type: none"> <li>Changes in practice considered (although forms not usually sent via post)</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
9.Theft of external pharmacy company's van containing the data and medication of homecare service users (included five ABMUHB patients)	<ul style="list-style-type: none"> <li>Breach meeting took place with external company</li> <li>External company liaised with Police</li> <li>Apology and communication with affected patients</li> <li>Review of service level agreements with external company</li> <li>Information governance audit undertaken</li> </ul>	Closed
10.Letters relating to three Learning Disabilities' patients found at a Cardiff bus stop by member of the public. Letters taken by finder to closest address and handed to parent of one of the patients. Parent returned letters to Health Board	<ul style="list-style-type: none"> <li>Changes to administrative processes to minimise the risk of a future breach</li> <li>Implementation of "clear desk" procedure (hot desking may have contributed to the incident so this procedure was implemented to prevent accidental picking up of information in the future)</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed
11.Mental Health Care & Treatment Plan containing sensitive information sent to incorrect patient	<ul style="list-style-type: none"> <li>Documentation collected and recovered</li> <li>Staff members reminded to take extra care when addressing envelopes</li> <li>Information governance training requirements considered</li> <li>Information governance audit undertaken</li> </ul>	Closed

Breach Summary for 2018-19	Summary of Actions Taken by ABMUHB	ICO status
12.A print run of Outpatient appointment letters were affected by misprinting causing the letters of other patients to be printed on the reverse, resulting in disclosure of personal data belonging to 78 individuals	<ul style="list-style-type: none"> <li>• Communication with affected data subjects including written apology</li> <li>• Attempts made to recover letters by providing pre-paid envelopes</li> <li>• Correctly re-printed letters provided to patients</li> <li>• Replaced departmental printer</li> <li>• Information governance audit to be arranged</li> </ul>	Closed
13.Sensitive images of a child taken on personal mobile phone and inappropriately shared with the parent of another patient	<ul style="list-style-type: none"> <li>• Police investigation underway</li> <li>• HR/Disciplinary investigation underway</li> <li>• Images removed from device</li> <li>• Information governance training requirements considered</li> <li>• Information governance audit undertaken</li> <li>• Assessed by ICO Criminal Investigation Team, no action to be taken at present – update required</li> </ul>	Open
14.Staff member inappropriately accessed the medical records of multiple family members over prolonged period of time	<ul style="list-style-type: none"> <li>• HR/Disciplinary investigation underway</li> <li>• Information governance training requirements considered</li> <li>• Information governance audit to be arranged</li> </ul>	Open
15.Inappropriate staff access to patient case notes, including disclosure to family members.	<ul style="list-style-type: none"> <li>• HR/Disciplinary investigation underway</li> <li>• Information governance training requirements considered</li> <li>• Information governance audit to be arranged</li> </ul>	Open

There were no outstanding ICO responses from 2017-18.

## 8.8 Ministerial Directions

The Welsh Government has issued Non-Statutory Instruments and reintroduced Welsh Health Circulars in 2014/15. A list of Ministerial Directions issued by the Welsh Government during 2018-2019 are available at:

- Welsh Government: <http://wales.gov.uk/topics/health/nhswales/circulars/?lang=en>
- HOWIS: <http://extranet.wales.nhs.uk/howis/whcirculars.cfm?filter=2014>



The Health Board can confirm that all relevant Directions have been fully considered and where appropriate implemented.

The Welsh Health Circulars (WHCs) published by Welsh Government during 2018-2019 are centrally logged within the UHB with a lead Executive Director being assigned to oversee implementation of any required actions.

Details of Welsh Health Circulars (WHCs) issued during the year are reported at each Board meeting and are available on our [website](#). The Health Board has arrangements in place to ensure compliance.

## **8.9 Welsh Language**

The Health Board is committed to ensuring that the Welsh and English languages are treated on the basis of equality in the services we provide to the public and other NHS partner organisations in Wales. This is in accordance with the ABMUHB Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards (WLS) (No7) Regulations which were approved by the National Assembly for Wales on the 20 March 2018. The Welsh Language Standards replaced existing Welsh Language Schemes and set out responsibility for ensuring services are offered and delivered through the medium of Welsh in particular circumstances whether this is in written form (including via the internet/email), in face-to-face interactions or verbally.

The ABMUHB recognises that care and language go hand in hand. The quality of care, patient safety, dignity and respect can be compromised by the failure to communicate with patients and service users in their first language. Many people can only communicate and participate in their care as equal partners effectively through the medium of Welsh. We are committed to meeting the Welsh language needs and preferences of our service users.

Over the years the health board has been making good progress implementing its statutory Welsh Language Scheme and, more recently, the Welsh Government's strategic framework for Welsh language services in health, social services and social care: 'More Than Just Words'. The aim of this work has been to improve the availability, accessibility, quality and equality of our Welsh medium services.

The Health Board was issued with a draft Compliance Notice in respect of the WLS by the Welsh Language Commissioner's Office in July 2018, in accordance with Section 47 of the Welsh Language Wales (Wales) Measure 2011. The draft Compliance Notice, invited the Health Board to participate in a consultation in respect of the WLS which apply to it. This required a response which set out whether it was anticipated that the organisation would be able to comply with each individual WLS or whether the requirement to comply with any specific WLS was viewed as unreasonable or disproportionate, in which case the Health Board must provide evidence to support its position. The Health Board was also given the opportunity to suggest variations to the requirements.

Both corporate departments and delivery units were invited to contribute to the response to the Compliance Notice which was submitted to the Welsh Language Commissioner at the beginning of October 2018 with an appeal being submitted thereafter resulting in a Final Compliance Notice being received at the end of November 2018.

ABMUHB was successful in a significant number of challenges resulting in a number of changes to requirements both in terms of their scope and compliance deadlines.

A Welsh Language Action plan has been introduced which sets out the detail of the requirements, outlined Executive leads and timescale for completion of actions.

Whilst good progress has been made, we recognise there is much more to do and we continue to improve our Welsh language services by implementing the requirements of the Welsh Language standards and the “More Than Just Words” strategy. ABMUHB is also aware of its contribution to the Welsh Government’s “Cymraeg 2050 – A million Welsh speakers” strategy and vision to achieve a million Welsh speakers in Wales by the year 2050.

Progress against the ABMUHB Welsh Language Standards Action plan and the ‘More Than Just Words’, strategy is reported to our internal “Welsh Language Delivery Group”, the Executive Board, the Welsh Language Commissioner and Welsh Government.

## 9 REVIEW OF EFFECTIVENESS

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

Executive directors and delivery unit senior leadership teams also have a responsibility for the development and maintenance of the internal control framework and for continually improving effectiveness within the organisation.

Work has continued to improve the performance information provided to the Board and its committees so that it can be assured on the accuracy and reliability of the information it receives as well as ensuring this is focussed on the achievement of organisational objectives.

As part of revisions to Board committee arrangements ABMUHB established a Performance & Finance Committee in June 2017 which has played a key role in overseeing improvements in key delivery areas.

The Board functioning as a corporate decision making body, has regularly considered assurance reports, whilst also receiving updates on key issues. Full details of Board reporting arrangements are set out in Section 1. The Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is primarily supported in this role by the work of the Audit Committee and the Quality & Safety Committee. Further information about both these committees can be found at **Appendices 1 & 2**.

The overall opinion by the Head of Internal Audit on governance and risk management and control is a function of this risk based programme and contributes to the picture of assurance

available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

### 9.1 Internal Audit

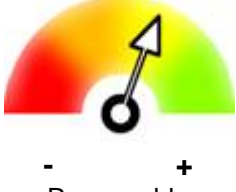
Internal Audit provide me as accountable officer and the Board through the Audit Committee with a flow of assurance on the systems of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NWSSP. The scope 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.

The Head of Internal Audit has concluded:

#### Head of Internal Audit Opinion

The scope of my opinion is confined to those areas examined in the risk based audit plan which has been agreed with senior management and approved by the Audit Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

	<p>The Board can take <b>reasonable assurance</b> 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 <b>low to moderate impact on residual risk</b> exposure until resolved.</p>
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any *limited assurance* reports issued during the year and the significance of the recommendations made.

#### Basis for Forming the Opinion

In reaching the opinion the Head of Internal Audit has applied both professional judgement and the Audit & Assurance “*Supporting criteria for the overall opinion*” guidance produced by the Director of Audit & Assurance and shared with key stakeholders.

The Head of Internal Audit has concluded that *Limited* assurance can be reported for the *Clinical Governance, Quality and Safety; Strategic Planning, Performance Management and Reporting and Capital and Estates* assurance domains. *Reasonable* assurance can be reported for *Corporate Governance, Risk and Regulatory Compliance; Financial Governance and Management; Information Governance and Security; Operational Services and Functional Management; and Workforce Management* domains.

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

IT Infrastructure Assets (2017/18 audit)
Fire Safety (Follow Up) (2017/18 audit)
Non-Pay Expenditure: Goods Receipting (2017/18 audit)
European Working Time Directive: Porter Services (2017/18 audit)
Vaccination & Immunisation
Princess of Wales Service Delivery Unit <sup>11</sup>
Funds Held On Trust (Part I) & Funds Held On Trust (Part II)
Deprivation of Liberty Safeguards (Protection of Vulnerable Adults) (Follow Up)
Mortality Reviews (follow up)
Annual Plan: Delivery Framework
Nursing Quality Assurance / Matron checks
Third Sector Commissioning (follow up)
Charitable Fund: Golau (follow up)
Outpatient Delayed Follow Ups
Fire Safety (follow up) (2018/2019 audit)
Clinical Audit & Assurance
Board Assurance Framework
Staff Appraisal & Performance Management
Locum Medical Cover (Follow Up)
Estates Assurance: Control of Substances Hazardous to Health Systems (Risk Management/Declarations of Interest)

Action plans have been agreed to improve performance in these areas and this will be monitored through the Audit Committee, with follow up Internal Audit reviews undertaken where necessary. Reports issued in draft, and audits being concluded currently, will be subject to the same management action and monitoring arrangements.

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

- Patient Reported Outcome Measures
- Discharge Planning (Follow-Up Review)
- HR & OD Directorate (Follow-Up Review)
- ARCH (SSu element)
- Capital Projects: Primary and Community Care Infrastructure Projects

Further detail on all audit work is included within Audit Committee papers and the *Head of Internal Audit Opinion & Annual Report 2018/2019*.

<sup>11</sup> This audit was followed up during the year and a *Reasonable* assurance rating subsequently reported.

## 9.2 External Audit

The Auditor General for Wales (AGfW) issued a qualified opinion on 2017-2018 financial statements of the Health Board, and in doing so brought several issues to the attention of officers and the Audit Committee, including:

- The qualification relates solely to the regularity opinion and is because the Health Board failed to achieve its first financial duty under the NHS Finance (Wales) Act 2014, to achieve financial balance for the three-year period ending 2017-18.
- The AGfW concluded that the Health Board's accounts were properly prepared and materially accurate, and did not identify any material weaknesses in the Health Board's internal controls relevant to my audit of the accounts.
- In addition, the AGfW placed a substantive report on the Health Board's financial statements to highlight its failure to achieve financial balance and its failure to have an approved three-year plan in place.

The AGfW examined the Health Board's financial planning and management arrangements, its governance and assurance arrangements, and its progress on the improvement issues identified in last year's Structured Assessment.

The AGfW concluded that:

- The new Board is improving governance and leadership arrangements, though work remains to improve quality governance and whole system working;
- Whilst working to an annual plan, the Health Board is showing ambition in developing its longer-term strategic planning but will need to ensure sufficient capacity to drive through the necessary change;
- There are signs of the Health Board managing its resources more strategically with an evolving values-based approach, but finance, performance and efficiency challenges remain with workforce and asset management presenting key risks;
- The AGfW wider programme of work has included reviews of primary care and the integrated care fund and the progress in addressing previous recommendations. This work found some aspects of good practice as well as opportunities to strengthen arrangements for securing efficient, effective and economical use of resources; and
- The Health Board is participating in the National Fraud Initiative and has made generally good use of the data matches released in 2017.

To inform the Board in terms of the compliance with the governance standard and the wider frameworks, the Wales Audit Structured Assessment for 2018 assists in the determining the governance arrangements and improvements achieved during the year.

The Wales Audit Office (WAO) 2017 structured assessment acknowledged the fragility that existed at board level because of the major turnover of both executives and independent members. It also highlighted the on-going challenges that the Health Board faced in respect of its finances and performance. It also recognised that the appointment of new senior leaders and independent members gave the much-needed stability to achieve the turnaround required.

The conclusion on the Wales Audit Office 2018 structured assessment found that with strengthened leadership, the health board is improving governance and strategic planning, whilst recognising that it needs to do more to strengthen quality governance and design a



more coherent operating model for the organisation. The health board needs to continue its focus on managing workforce risks and improving performance and efficiency, but there are positive signs of resources being managed more strategically and of an evolving values-based approach.

The full conclusions from the *Structured Assessment* are available via the WAO website <http://www.wao.gov.uk>. Management actions arising from the *Structured Assessment* are being incorporated into our Governance Work Programme.

## 10. CONCLUSION

As Accountable Officer and based on the review process outlined above I have reviewed the relevant evidence and assurances in respect of internal control. The Board and its Executive Directors are alert to their accountabilities in respect of internal control. The Board has assessed itself against the *Health and Care Standards*, the board effectiveness self-assessment and the 'governance maturity matrix' to assist with the identification and management of risk.

During 2018-2019, the Health Board has made good progress, with a fully established Executive Team and a number of significant independent member appointments made during this period. The Board has also benefited from an extensive year-long Board Development Programme delivered by The Kings Fund.

The Wales Audit Office (WAO) 2017 structured assessment report acknowledged the fragility that existed at board level because of the major turnover of both executives and independent members. It also highlighted the on-going challenges that the Health Board faced in respect of its finances and performance. The Wales Audit Office (WAO) 2018 structured assessment report has recognised the strengthened leadership, the health board is improving governance and strategic planning, whilst recognising that it needs to do more to strengthen quality governance and design a more coherent operating model for the organisation.

Whilst the challenges we face remain largely the same as those described in the Annual Governance Statement for 2018-19, the Health Board has demonstrated improvement in governance during 2018-19 which is evidenced through the structured assessment and the Head of Internal Audit opinion. With the support of the Board, as Accountable Officer, I am determined we will address these. Now that the Health Board has an approved organisational strategy, we are working on developing an IMTP, setting out our clinical services plan alongside our continuing focus on improving quality, reducing waiting times and improving access.

Despite the challenges highlighted in 2018-2019, the Health Board in partnership with CTUHB has delivered a very significant change programme during the year.

This Governance Statement highlights the positive improvements in strengthening our governance arrangements whilst at the same time addressing the challenges of being in targeted intervention. I am confident that we have good plans in place to address the weaknesses highlighted in this statement. The Health Board is disappointed with the number of areas across the organisation that have received a 'limited' assurance rating from the Head of Internal Audit and is working hard to strengthen and improve its services.



Whilst the last year has been difficult and challenging for the organisation, the latter part of the financial year has started to bring some stability and progress is beginning to be made. We have seen some progress with regard to financial status and the Health Board continues to strive to deliver much needed improvement in particular service areas such as unscheduled care, meeting 36 week waiting times, cancer service targets and lowering rates of infection. Key to this will be the continuation of improved financial delivery and a robust workforce model. We have a series of controls in place to manage and mitigate these risks which are documented within our corporate risk register.

My review confirms that the Board has a generally sound system of internal control that supports the achievement of its policies, aims and objectives and that no significant internal control issues have been identified. Internal Audits identified areas requiring action to strengthen systems and processes as listed on pages 48-49.

Detailed action plans have been agreed to improve performance in all these areas along with a Governance Work Programme for 2019-2020. These will be monitored through the Audit Committee, with follow up internal audits undertaken where necessary.



**Tracy Myhill**  
**Chief Executive Swansea Bay University Health Board (SBUHB)**

**Date:** 31.05.2019

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# Annual Governance Statement Appendices

# **Appendix 1 – Member Attendance at Meetings 2018-2019**

	Health Board	Audit Committee	Mental Health and Capacity Act Legislative Committee	Remuneration & Terms of Service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Strategy, Planning and Commissioning Group	Workforce and OD Committee	Health and Safety Committee
Andrew Davies Chair	10			5				2		
Emma Woollett Vice-Chair	9		4	5		12		1	6	
Ceri Phillips Independent Member (Until January 2019)	5						2		5	
Jackie Davies Independent Member	9		4		4	11			6	3
Maggie Berry Independent Member	8	1*	4	5		5	5	1		3
Mark Child Independent Member	7	3			1*			0		
Martin Sollis Independent Member	9	8		4	3	11		1		
Martyn Waygood Independent Member	9	7	3	4	5		6			3
Tom Crick Independent Member	7	4							2	
Reena Owen Independent Member (From August 2018)	2					1*	3		2	2

	Health Board	Audit Committee	Mental Health and Capacity Act Legislative Committee	Remuneration & Terms of Service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Strategy, Planning and Commissioning Group	Workforce and OD Committee	Health and Safety Committee
Julian Hopkin Independent Member (From January 2019)	1									
Raymond Cibrowski Independent Member (Aug- Dec 2018)	3	1*								
<b>Executive Directors</b>										
Tracy Myhill Chief Executive	9			5				1		
Lynne Hamilton Director of Finance	10	8			5	12		1		
Angela Hopkins Interim Director of Nursing and Patient Experience (from December 2017- July 2018)	3	2	1				1		0	
Gareth Howells Director of Patient Experience (From July 2018)	7	2	3				3		3	1

	Health Board	Audit Committee	Mental Health and Capacity Act Legislative Committee	Remuneration & Terms of Service Committee	Charitable Funds Committee	Finance and Performance Committee	Quality and Safety Committee	Strategy, Planning and Commissioning Group	Workforce and OD Committee	Health and Safety Committee
Sandra Husbands Director of Public Health	9									1
Hazel Robinson Director of Workforce and OD	9			5		9			7	3
Siân Harrop-Griffiths Director of Strategy	7				2	10				2
Christine Morrell Director of Therapies and Health Sciences (Until November 2017)	4						4		1	1
Hamish Laing Medical Director (Until July 2018)	4						1	1		
Richard Evans Medical Director (From November 2018)	3						2		4	
Chris White Chief Operating Officer and Director of Therapies and Health Sciences (From Nov 2018)	9		2			11	3		2	



	Health Board	Audit Committee	Mental Health and Capacity Act Legislative Committee	Remuneration & Terms of Service Committee	Charitable Funds Committee	Finance and Performance Committee (	Quality and Safety Committee	Strategy, Planning and Commissioning Group	Workforce and OD Committee	Health and Safety Committee
Sue Cooper Associate Board Member	3									
Alison James Associate Board Member	7									
Malcolm Lewis Associate Board Member	2									

\*Attendance at meeting at request of the Chair or as an Observer.

### Board and Committee Meetings 2018-2019

The following table outlines dates of Board and Committee meetings held during **2018-2019**, highlighting any meetings that were not quorate:

Board/ Committee	Dates in 2018-2019											
<b>Health Board</b>	30 <sup>th</sup> May 2018	31 <sup>st</sup> May 2018	25 <sup>th</sup> June 2018	26 <sup>th</sup> July 2018	30 <sup>th</sup> August 2018	27 <sup>th</sup> September 2018	25 <sup>th</sup> October 2018	29 <sup>th</sup> November 2018	31 <sup>st</sup> January 2018	28 <sup>th</sup> March 2018		
<b>Quorate/Not Quorate</b>	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate			
<b>Audit Committee</b>	19 <sup>th</sup> April 2018	17 <sup>th</sup> May 2018	30 <sup>th</sup> May 2018	31 <sup>st</sup> July 2018	20 <sup>th</sup> September 2018	13 <sup>th</sup> November 2018	24 <sup>th</sup> January 2019	21 <sup>st</sup> March 2019				
<b>Quorate/Not Quorate</b>	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate				
<b>Mental Health Legislative Committee</b>	10 <sup>th</sup> May 2018	24 <sup>th</sup> August 2018	8 <sup>th</sup> November 2018	7 <sup>th</sup> February 2019								
<b>Quorate/Not Quorate</b>	Quorate	Quorate	Quorate	Quorate								
<b>Remunerations and Terms of Service Committee</b>	26 <sup>th</sup> April 2018	28 <sup>th</sup> June 2018	8 <sup>th</sup> October 2018	13 <sup>th</sup> December 2018	28 <sup>th</sup> January 2019							
<b>Quorate/Not Quorate</b>	Quorate	Quorate	Quorate	Quorate	*Not quorate							
<b>Charitable Funds Committee</b>	26 <sup>th</sup> June 2018	9 <sup>th</sup> October 2018	1 <sup>st</sup> November 2018	11 <sup>th</sup> December 2018	25 <sup>th</sup> March 2018							
<b>Quorate/Not Quorate</b>	Quorate	Quorate	Quorate	Quorate	Quorate							

<b>Finance and Performance Committee</b>	27 <sup>th</sup> April 2018	23 <sup>rd</sup> May 2018	20 <sup>th</sup> June 2018	18 <sup>th</sup> July 2018	22 <sup>nd</sup> August 2018	26 <sup>th</sup> September 2018	22 <sup>nd</sup> October 2018	28 <sup>th</sup> November 2018	17 <sup>th</sup> December 2018	22 <sup>nd</sup> January 2019	19 <sup>th</sup> February 2019	19 <sup>th</sup> March 2019
Quorate/Not Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate
<b>Quality and Safety Committee</b>	5 <sup>th</sup> April 2018	7 <sup>th</sup> May 2018	2 <sup>nd</sup> August 2018	4 <sup>th</sup> October 2018	6 <sup>th</sup> December 2018	21 <sup>st</sup> February 2019						
Quorate/Not Quorate	Quorate	Quorate	Quorate	Quorate	Quorate	Quorate						
<b>Workforce and OD Committee</b>	3 <sup>rd</sup> May 2018	5 <sup>th</sup> July 2018	16 <sup>th</sup> August 2018	18 <sup>th</sup> October 2018	13 <sup>th</sup> November 2018	18 <sup>th</sup> December 2018	17 <sup>th</sup> January 2019	27 <sup>th</sup> February 2019				
<b>Health and Safety Committee</b>	20 <sup>th</sup> April 2018	7 <sup>th</sup> August 2018	3 <sup>rd</sup> December 2018	4 <sup>th</sup> March 2019								
Quorate/Not Quorate	Quorate	Quorate	Quorate	Quorate								
<b>Strategy, Planning and Commissioning Group</b>	11 <sup>th</sup> April 2018	25 <sup>th</sup> July 2018										
Quorate/Not Quorate	Quorate	Quorate										
<b>Pharmaceutical Applications</b>	14 <sup>th</sup> January 2019											
Quorate/Not Quorate	Quorate											

**\*Quorate/Not quorate**

Where meetings were not quorate, escalation arrangements were in place to ensure that any matters of significant concern that could not be brought to the attention of the Committee could be raised with the LHB / NHS Trust Chair.

## Declarations of Interests - ABMU Board Members – 2018-2019

### 1. Board Members

Board Member	Declaration of Interest
Andrew Davies, Chairman	<ul style="list-style-type: none"> <li>Localist Limited – Director</li> <li>Swansea Public Service Board - Chairman</li> <li>Ospreys in the Community – Board Member</li> <li>Swansea Early Years Steering Group – Chairman</li> </ul>
Emma Woollett, Vice-Chair	<ul style="list-style-type: none"> <li>Woollett Consulting Ltd – owner/director (provide advisory services to NHS – non-NHS organisation).</li> </ul>
Ceri Phillips, Independent Member	<ul style="list-style-type: none"> <li>Welsh Wound Innovation – director</li> <li>Health Education and Improvement Wales – board member;</li> <li>Swansea University – head of college which receives research funding from commercial bodies and educational funding for course provision.</li> </ul>
Jackie Davies	<ul style="list-style-type: none"> <li>Royal College of Nursing Wales – board member;</li> <li>Labour party - member</li> </ul>
Maggie Berry, Independent Member	<ul style="list-style-type: none"> <li>Care and Repair Cardiff and the Vale – chair of the board;</li> <li>Care and Repair Cymru – board trustee</li> </ul>
Mark Child	<ul style="list-style-type: none"> <li>Wales National Pool – board member;</li> <li>City and Council for Swansea – cabinet member for health and wellbeing;</li> <li>Labour Wales – member;</li> </ul>

	<ul style="list-style-type: none"> <li>• UNISON – member.</li> </ul>
Martin Sollis, Independent Member	<ul style="list-style-type: none"> <li>• Wife works for waste management company with some contact with NHS bodies.</li> </ul>
Martyn Waygood, Independent Member(from June 2017)	<ul style="list-style-type: none"> <li>• Chair of ABMU Charitable Funds Committee, which includes contact with Ospreys in the Community;</li> <li>• Former Judge of Immigration and Asylum chamber.</li> <li>• Cardiff and Vale University Health Board – son is an accountant within finance department;</li> <li>• West Sussex NHS Foundation Trust daughter is a nurse.</li> <li>• Currently a Judge appointed to the Social Entitlement Chamber.</li> </ul>
Tom Crick, Independent Member	<ul style="list-style-type: none"> <li>• Professor, Swansea University</li> <li>• Vice President BCS; The Chartered Institute for IT</li> <li>• Member of the Expert Panel for the Welsh Government's Review of Digital Innovation and the Future of Work</li> <li>• Commissioner, National Infrastructure Commissioner for Wales</li> <li>• Non-Executive Director, Dwr Cymru Welsh Water</li> </ul>
Susan Cooper, Associate Board Member	<ul style="list-style-type: none"> <li>• Director of Social Services in Bridgend County Borough Council</li> </ul>
Alison James, Associate Board Member	<ul style="list-style-type: none"> <li>• Chief Executive Officer - NPT Carers Service Ltd</li> </ul>
Reena Owen, Independent Member	<ul style="list-style-type: none"> <li>• Trustee, Swansea Environment Centre,</li> <li>• Spouse – Trustee of Bikeability (Registered Charity)</li> </ul>
Raymond Ciborowski, Independent Member	<ul style="list-style-type: none"> <li>• Trustee - NPT CVS</li> <li>• Trustee - Ospreys in the Community</li> </ul>

	<ul style="list-style-type: none"> <li>• Fee Paid Welsh Government Advisor – North Wales</li> <li>• Management Consultant –m St John’s Cymru Wales</li> </ul>
Tracy Myhill, Chief Executive	<ul style="list-style-type: none"> <li>• Omnimark Ltd – director;</li> <li>• Trivallis Housing Association – chair (September to December 2017);</li> <li>• Trivallis Housing Association – board member (January 2018 to present);</li> <li>• Highfield Close Management Ltd - director</li> </ul>
Angela Hopkins, Interim Director of Nursing and Patient Experience	<ul style="list-style-type: none"> <li>• Angela Hopkins Consultancy –consultancy business contracted into ABMU interim role;</li> <li>• Royal college of Nursing (RCN) Foundation – RCN Foundation (Wales) committee expert advisor</li> </ul>
Christine Morrell, Director of Therapies and Health Sciences	Nothing to declare
Chris White, Chief Operating Officer	Nothing to declare
Hamish Laing, Medical Director	<ul style="list-style-type: none"> <li>• Centre for Global Burn Policy Research Advisory Board, Swansea University - chair.</li> <li>• Swansea University – member of court and honorary professor</li> </ul>
Hazel Robinson, Director of Workforce and Organisational Development (OD)	<ul style="list-style-type: none"> <li>• Sister-in-law employed by the health board</li> </ul>
Lynne Hamilton, Director of Finance	Nothing to declare.
Sandra Husbands, Director of Public Health	<ul style="list-style-type: none"> <li>• 73 Manor Park Road Ltd – director of freehold company (non-trading)</li> </ul>
Siân Harrop-Griffiths, Director of Strategy	Nothing to declare.



Pamela Wenger, Director of Corporate Governance	Nothing to declare
Gareth Howells, Director of Nursing and Patient Experience	<ul style="list-style-type: none"> <li>• Wife employed by Clinic supplies</li> </ul>
Richard Evans, Medical Director	<ul style="list-style-type: none"> <li>• Director - PC Learning Ltd</li> <li>• Director - White Farm Estates Ltd</li> </ul>

## KEY REPORTS RECEIVED IN 2018-2019

### ABMU Board

- Patient Story;
- Action Log;
- Chair and Chief Executive Report;
- Corporate Governance Report (to include Chairs Action, WHC, Common Seal and matters reported In-Committee);
- Chairs Sub Committees Report;
- Finance Report;
- Integrated Performance Report;
- Bridgend Transition Programme;
- Population Needs Assessment;
- Western Bay Area Plan;
- Wellbeing Plans;
- Public Health Annual Screening Update;
- Public Health Director Annual Report;
- Seasonal Plan;
- Thoracic Surgery;
- Serious Incidents;
- Emergency Planning (including Annual Report);
- Welsh Language Services;
- Organ Donation Progress Report;
- CAMHS Performance Report;
- 111 Update Report;
- NHS Shared Services Partnership – Meeting Summary;
- Emergency Ambulance Services Committee;
- Welsh Health Specialised Services Committee;
- Primary Care Annual Report;
- Carers Annual Report;
- IMTP (approval of Annual Plan);
- Quarterly Report on IMTP (Annual Plan);
- Discretionary Capital Plan for approval;
- Capital Report Progress Report;
- Budget and financial allocations;
- Pathology laboratory information management system (LIMS) for Wales;
- Digital Inclusion Updates ;
- Clinical Service Plan;
- Provision of Specialised Services & Resourcing ;
- Staff Survey;
- Nurse Staffing Levels (Wales) Act Report;
- Research and Development Annual Report;

- Annual Education Report;
- Voluntary Sector Funding
- Update on Partnerships (6 monthly)
- SIRO Annual Report
- Annual Accounts
- Accountability Report
- Annual Report
- Annual Quality Statement
- Annual Audit Letter
- Structured Assessment
- Charitable Funds Accounts for Approval
- Health and Safety Annual Report
- Risk Management Strategy
- Board Assurance Framework
- Organisational Risk Register
- Review of Standing Orders and Standing Financial Instructions
- Review of Board Governance Arrangements (annually)
- Policies/Plans as appropriate as identified by each Executive Director

#### **Audit Committee:**

- Annual governance statement;
- Board assurance framework;
- Organisational annual report;
- Standing orders;
- Audit Committee terms of reference;
- Corporate risk register;
- Risk management system;
- Annual quality statement;
- Annual accounts timetable and plan;
- Annual accounts;
- Remuneration and staff report;
- Bridgend Clinic trading account;
- Summary on capital contracts and consultant appointments;
- Financial control procedure review plan;
- Finance update;
- Losses and special payments;
- Audit registers and status of recommendations;
- NWSSP Procurement: single tender actions and quotations;
- NWSSP Procurement: contract extensions;
- Review and approve Internal Audit annual plan (to include the charter);
- Internal audit opinion and annual report;
- Progress reports;
- Audit assignment summary report;

- Receive PPV reports;
- Wales Audit Office annual plan and fees;
- Wales Audit Office annual audit report;
- Structured assessment;
- Wales Audit Office Audit of financial statements;
- Wales Audit Office performance and progress reports;
- Clinical Audit - mid-year progress report;
- Clinical Audit - annual report;
- Counter Fraud annual plan;
- Counter Fraud annual report;
- Counter Fraud self-assessment against NHS protect standards;
- Counter Fraud progress reports;
- Annual report of Quality and Safety Committee;
- Effectiveness of audit;
- Audit Committee annual report;
- declarations of interest register;
- Receive hospitality register;
- Information governance board updates;
- SIRO annual report;
- Minutes of hosted agencies sub-committees.

#### **Quality and Safety Committee:**

- Annual Quality Statement;
- Ward to Board Dashboard;
- Quality Assurance Framework;
- Benchmarking, Learning and Quality Improvement;
- Serious Incident and Never Events Report;
- Nurse Staffing Act (Wales) 2016 Report;
- Staff Survey Results;
- Infection Control Report;
- Staying Healthy;
- Safeguarding Report;
- Blood Glucometry Report;
- Healthcare Quality Division Feedback Report;
- Pharmacy and Medicines Management;
- Quality and Safety Dashboard;
- Patient Recorded Outcome Measures;
- Child and Adolescent Mental Health Services;
- Patient Experience (to include complaints and concerns);
- Older Person's Dashboard;
- Terms of Reference;
- Committee Annual Report;
- Committee Self-Assessment;
- Unit Exception Report;

- Board Assurance Framework/Corporate Risk Register;
- Welsh Government Quality Division Feedback Report;
- Report from Quality and Safety Forum;
- Health and Care Standards Update;
- Internal Audit Update;
- Clinical Outcomes Group Update;
- External Audit Reports;
- Ombudsman's Annual Report;
- Welsh Risk Pool Annual Report;
- EMRTS Clinical Governance;
- External Inspections.

## Board and Committee Membership 2018-2019

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

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
Professor Andrew Davies	Chair	N/A	<ul style="list-style-type: none"> <li>Health Board (Chair)</li> <li>Remuneration and Terms of Service Committee (RATS) (Chair)</li> <li>Strategy, Planning and Commissioning Group (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Champion</li> <li>Values Champion</li> <li>Equality Champion</li> </ul>
Emma Woollett	Vice Chair	Primary Care and Mental Health	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Mental Health Legislation Committee (Chair)</li> <li>RATs (Member)</li> <li>Performance and Finance (Chair)</li> <li>Strategy, Planning and Commissioning (Member)</li> <li>Workforce and OD Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Mental Health and Learning Disabilities Champion</li> <li>Whistleblowing Champion</li> </ul>
Martin Sollis	Independent Member	Finance	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Audit Committee (Chair)</li> </ul>	



NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
			<ul style="list-style-type: none"> <li>• RATS (Member)</li> <li>• Charitable Funds Committee (Member)</li> <li>• Performance and Finance Committee (Member)</li> </ul>	
Martyn Waygood	Independent Member	Legal	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Audit Committee (Member)</li> <li>• Mental Health Legislative Committee (Member)</li> <li>• RATS</li> <li>• Charitable Funds Committee (Chair)</li> <li>• Health and Safety (Former Chair)</li> <li>• Quality and Safety (Chair)</li> <li>• Pharmaceutical Applications (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints Champion</li> <li>• Health and Safety Champion</li> </ul>
Maggie Berry	Independent Member	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Mental Health Legislative Committee (Member)</li> <li>• RATS (Member)</li> <li>• Performance and Finance (Member)</li> <li>• Quality and Safety Committee (Former Chair)</li> <li>• Health and Safety Committee (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>• Catering and Nutrition Champion</li> <li>• Older person Champion</li> </ul>
Tom Crick	Independent Member	ICT	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Audit Committee (Member)</li> <li>• Workforce and OD Committee (Chair from Feb 2019)</li> <li>• Hosted Agencies (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>• Information Governance Champion</li> <li>• Welsh Language Champion</li> </ul>

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
Mark Child	Independent Member	Local Authority	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Audit Committee (Member)</li> <li>• Strategy, Planning and Commissioning Group (Member)</li> <li>• Pharmaceutical Applications (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Young Person's Champion</li> </ul>
Jackie Davies	Independent Member	Staff Side	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Mental Health Legislative Committee (Member)</li> <li>• Charitable Funds Committee (Member)</li> <li>• Performance and Finance Committee (Member)</li> <li>• Workforce and OD Committee (Member)</li> <li>• Health and Safety Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Side Champion</li> <li>• Veterans Champion</li> </ul>
Reena Owen	Independent Member (From August 2018)	Community	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee (Member)</li> <li>• Workforce and OD Committee (Member)</li> <li>• Hosted Agencies (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Public Health and Carers Champion</li> </ul>
Professor Ceri Phillips	Independent Member (Until January 2019)	University	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee (Member)</li> <li>• Strategy, Planning and Commissioning Group (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Veterans Champion</li> </ul>

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
			<ul style="list-style-type: none"> <li>Workforce and OD Committee (Chair until Jan 2019)</li> </ul>	
Raymond Ciborowski	Independent Member (Aug - Dec 2018)	Voluntary Sector	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Hosted Agencies (Member)</li> <li>Pharmaceutical Applications (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer Champion</li> </ul>
EXECUTIVE DIRECTORS				
NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
Tracy Myhill	Chief Executive	N/A	<ul style="list-style-type: none"> <li>Health Board (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Ambulance Services Committee (EASC) Member</li> </ul>
Chris White	Chief Operating Officer  Director of Therapies and Health Sciences (From November 2018)	N/A	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Mental Health Legislative Committee (In attendance)</li> <li>Performance and Finance Committee (Lead Director/Member)</li> <li>Quality and Safety Committee (In attendance)</li> <li>Workforce and OD Committee (In attendance)</li> </ul>	

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
Pamela Wenger	Director of Corporate Governance and Board Secretary	N/A	<ul style="list-style-type: none"> <li>• Health Board (In attendance)</li> <li>• Audit Committee (Lead Director/In Attendance)</li> </ul>	
Lynne Hamilton	Executive Director of Finance	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Audit Committee( In attendance)</li> <li>• Charitable Funds (Lead Director/Member)</li> <li>• Performance and Finance (Lead Director/Member)</li> <li>• Hosted Agencies (Member)</li> </ul>	
Professor Hamish Laing	Medical Director (Until July 2018)	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee (In attendance)</li> <li>• Strategy, Planning and Commissioning Board (Member)</li> <li>• Hosted Agencies (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• ARCH Programme Board Member</li> <li>• Advisory Committee on Clinical Excellence Awards</li> </ul>
Richard Evans	Executive Medical Director	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee (In attendance)</li> <li>• Strategy, Planning and Commissioning Board (Member)</li> <li>• Hosted Agencies (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• ARCH Programme Board Member</li> <li>• Advisory Committee on Clinical Excellence Awards</li> </ul>
Angela Hopkins	Interim Director of Nursing and Patient Experience		<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Audit Committee (In Attendance)</li> <li>• Mental Health Legislative Committee (Lead Director/In Attendance)</li> </ul>	

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
	(Until July 2018)		<ul style="list-style-type: none"> <li>Quality and Safety Committee (Lead Director/In Attendance)</li> <li>Workforce and OD Committee (In Attendance)</li> </ul>	
Gareth Howells	Director of Nursing and Patient Experience (From July 2018)	N/A	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Audit Committee (In Attendance)</li> <li>Mental Health Legislative Committee (Lead Director/In Attendance)</li> <li>Quality and Safety Committee (Lead Director/In Attendance)</li> <li>Health and Safety (Lead Director/In Attendance)</li> <li>Workforce and OD Committee (In Attendance)</li> </ul>	
Sian Harrop-Griffiths	Director of Strategy	N/A	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>Charitable Funds Committee (Member)</li> <li>Performance and Finance (Member)</li> <li>Strategy, Planning and Commissioning Group (Lead Director/Member)</li> <li>Health and Safety Committee (Lead Director until Dec 2018)</li> </ul>	<ul style="list-style-type: none"> <li>Western Bay Partnership Board</li> <li>ARCH Programme Board Member</li> <li>Design Champion</li> </ul>
Hazel Robinson	Director of Workforce & OD	N/A	<ul style="list-style-type: none"> <li>Health Board (Member)</li> <li>RATS (Lead Director/In Attendance)</li> <li>Performance and Finance Committee</li> <li>Workforce and OD (Lead Director/In Attendance)</li> </ul>	<ul style="list-style-type: none"> <li>NHS Wales Shared Services Partnership Committee (NWSSP) Member</li> </ul>

NAME	POSITION	AREA OF EXPERTISE REPRESENTATION ROLE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
			<ul style="list-style-type: none"> <li>• Hosted Agencies</li> <li>• Health and Safety Committee (In attendance)</li> </ul>	
Sandra Husbands	Director of Public Health	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee (In Attendance)</li> <li>• Strategy, Planning and Commissioning Group (Member)</li> </ul>	
Christine Morell	Director of Therapies and Health Sciences (Until November 2018)	N/A	<ul style="list-style-type: none"> <li>• Health Board (Member)</li> <li>• Quality and Safety Committee(In Attendance)</li> <li>• Workforce and OD (In Attendance)</li> <li>• Health and Safety Committee (In attendance)</li> </ul>	

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



# Directors' Report and Statement of Accountable Officer's Responsibilities

### **Statement of the Chief Executive's responsibilities as Accountable Officer of the LHB**

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

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

As Accountable Officer I can confirm that as far as I am aware there is no relevant audit information of which Abertawe Bro Morgannwg University Health Board's (ABMUHB's) auditors are unaware and that I have taken all the steps that I ought to have taken to ensure that I and the auditors are aware of relevant audit information. I can confirm that the annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for these and the judgement required for doing so.

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.



Tracy Myhill..

.Chief Executive

31.05.2019 (date)

## **Statement of Directors' responsibilities 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 LHB and of the income and expenditure of the LHB for that period.

In preparing those accounts, the directors are required to:

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

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

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

### **By Order of the Board**

**Signed:**

**Chairman.....dated:.**

**Chief Executive.....dated:.**

Director of Finance.....dated:..

## Annex C

# Remuneration and Staff Report

## REMUNERATION AND STAFF REPORT

This report provides information in relation to Executive Directors' and Non-officer 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 2018/19 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 Non-officer 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 2018/19, the only uplifts recommended were an inflationary uplift of 2%.

### 2. Non-officer Members' Remuneration

Remuneration for Non-officer Members is decided by the Welsh Government, who also determines tenure of appointment.

### 3. Single Remuneration Report

The Single Total Remuneration for each Director and Non-officer Member for 2018/19 and 2017/18 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 2018/19 and 2017/18. 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 31<sup>st</sup> March 2019 since the NHS Pensions Agency is unable to provide the relevant information on pensions for staff who have left or are no longer acting as Executive Directors.

The value of pension benefits is calculated as follows: (real increase in pension<sup>12</sup> 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) 2019 report. Further details on the Single Total Remuneration figure from Cabinet Office can be found at the following Employer Pension Notices website in EPN 571 (2018-19) <https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn571-resource-accounts-2018-19-disclosure-of-salary-pension-and-compensation-information>

Names	Titles	2018/19					2017/18				
		Salary £5k Bands)	Other Remun. £5k Bands	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total £5k Bands) £000	Salary £5k Bands)	Other Remun. £5k Bands	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Total £5k Bands) £000
		£000	£000	£00	£000	£000	£000	£000	£00	£000	£000
A Davies	Chairman	65-70	0	0	0	<b>65-70</b>	65-70	0	0	0	<b>65-70</b>
E Woollett	Vice Chairman from 1 <sup>st</sup> October 2017	55-60	0	0	0	<b>55-60</b>	25-30	0	0	0	<b>25-30</b>
C Janczewski	Vice Chairman until 30 <sup>th</sup> September 2017						25-30	0	0	0	<b>25-30</b>
T Myhill	Chief Executive from 1 <sup>st</sup> February 2018	200-205	0	0	99	<b>295-300</b>	30-35	0	0	117	<b>150-155</b>

<sup>12</sup> excluding increases due to inflation or any increase or decrease due to a transfer of pension rights



Names	Titles	2018/19					2017/18				
		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 Howells	Interim Chief Executive from 1st February 2017 to 31st January 2018. Chief Operating Officer until 31st January 2017						170-175	0	0	0	170-175
C White	Deputy Chief Executive from 4 February 2019. Interim Chief Operating Officer from 1st December 2017	140-145	0	0	73	215-218	45-50	0	0	26	70-75
L Hamilton	Director of Finance from 29th May 2017	135-140	0	0	32	165-170	110-115	0	0	25	140-145
P Gilchrist	Interim Director of Finance from 27th October 2016 until 12th June 2017						25-30	0	0	0	25-30
R Evans	Medical Director from 4th November 2018.	65-70	0	0	90	155-160					
A Reeves	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	0-5	0		35-40					
H Laing	Medical Director to 31st July 2018	55-60	10-15	0		70-75	175-180	35-40	0		210-215
G Howells	Director of Nursing & Patient Experience from 16th July 2018	90-95	0	0	181	270-275					
A Hopkins	Interim Director of Nursing & Patient	80-85	0	0		80-85	80-85	0	0		80-85

Names	Titles	2018/19					2017/18				
		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
	Experience from 4 <sup>th</sup> December 2017 to 13 <sup>th</sup> July 2018										
R Farelly	Acting Deputy Chief Executive, Acting Chief Operating Officer and Director of Nursing & Patient Experience until 6 <sup>th</sup> December 2017						85-90	0	7	0	85-90
H Robinson	Director of Workforce & OD from 9 <sup>th</sup> April 2018	125-130	0	0	215	340-345					
K Lorenti	Acting Director of Human Resources from 1 <sup>st</sup> October 2016 to 8 <sup>th</sup> April 2018	0-5	0	0		0-5	125-130	0	0	74	195-200
B Edgar	Director of Human Resources until 21 <sup>st</sup> July 2017						90-95	0	0	0	90-95
C Morrell	Director of Therapies & Health Sciences from 6 <sup>th</sup> February 2017 to 1 <sup>st</sup> November 2018	55-60	0	0		55-60	95-100	0	0		95-100
S Husbands	Director of Public Health from 5 <sup>th</sup> June 2017	115-120	0	0	46	165-170	90-95	0	0	155	245-250
S. Harrop- Griffiths	Director of Strategy	125-130	0	50	22	150-155	120-125	0	26	10	135-140
P Wenger	Director of Corporate Governance/Board Secretary from 1 <sup>st</sup> January 2018	100-105	0	0	77	180-185	25-30	0	0	81	105-110
S Combe	Board Secretary until						75-80	0	0		75-80

Names	Titles	2018/19					2017/18				
		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
	31 <sup>st</sup> December 2017										
M Berry	Non-officer Member	15-20	0	0	0	15-20	15-20	0	0	0	15-20
C Phillips	Non-officer Member to 31 <sup>st</sup> December 2018	10-15	0	0	0	10-15	15-20	0	0	0	15-20
M Sollis	Non-officer Member from 8 <sup>th</sup> June 2017	15-20	0	0	0	15-20	10-15	0	0	0	10-15
M Waygood	Non-officer Member from 1 <sup>st</sup> June 2017	15-20	0	0	0	15-20	5-10	0	0	0	5-10
T Crick	Non-officer Member from 16 <sup>th</sup> October 2017	15-20	0	0	0	15-20	5-10	0	0	0	5-10
M Child	Non-officer Member from 16 <sup>th</sup> October 2017	15-20	0	0	0	15-20	5-10	0	0	0	5-10
R Owen	Non-officer Member from 10 <sup>th</sup> August 2018	10-15	0	0	0	10-15					
R Ciborowski	Non-officer Member from 14 <sup>th</sup> August 2018 to 31 <sup>st</sup> December 2018	5-10	0	0	0	5-10					
J Davies	Non-officer Member	0	0	0	0	0	0	0	0	0	0
P Newman	Non-officer Member until 30 <sup>th</sup> September 2017						5-10	0	0	0	5-10
M Nott	Non-officer Member until 4 <sup>th</sup> May 2017						0-5	0	0	0	0-5
G Richards	Non-officer Member until 30 <sup>th</sup> September 2017						5-10	0	0	0	5-10
D Evans Williams	Non-officer Member until 8 <sup>th</sup> May 2017						0-5	0	0	0	0-5
C Patel	Non-officer Member						15-20	0	0	0	15-20

Names	Titles	2018/19					2017/18				
		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
	until 31 <sup>st</sup> March 2018										

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

- C White commenced as Interim Chief Operating Officer on 1<sup>st</sup> December 2017 on secondment from Cwm Taf Health Board. He was then appointed as Deputy Chief Executive with effect from 4<sup>th</sup> February 2019.
- H Laing, Other Remuneration related to payment of a clinical excellence award.
- A Hopkins commenced as Interim Director of Nursing & Patient Experience on 4<sup>th</sup> December 2017 and left the role on 13<sup>th</sup> July 2018. She was engaged via a Personal Services Contract (PSC), with the arrangement falling within the remit of the IR35 regulations.
- R Farrelly, Director of Nursing & Patient Experience was also Acting Deputy Chief Executive and Acting Chief Operating Officer from 20<sup>th</sup> March 2017 until 6<sup>th</sup> December 2017. No additional remuneration was accepted for these additional responsibilities.
- B Edgar, Director of Human Resources was seconded to NWSSP from 16<sup>th</sup> January 2017 until departure on 21<sup>st</sup> July 2017. In line with the settlement agreement for her departure, the salary reported within the table above represents a repayment for over taken annual leave of £2,359.50, an ex-gratia payment for termination of employment of £63,125 and a payment of £31,562.50 in respect of her contractual entitlement to payment in lieu of notice.
- M Waygood, Non Officer Member, commenced on 1<sup>st</sup> June 2017 but did not take any remuneration until 1<sup>st</sup> October 2017
- J Davies is a full time employee of the Health Board and as such, has not received the remuneration that is normally paid to a Non-officer Member.

- C Morrell stood down from the role of Director of Therapies and Health Science on 1<sup>st</sup> 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 Human Resources left the Health Board on 21<sup>st</sup> July 2017 receiving payments in line with the Settlement Agreement. These payments (excluding the payment for accrued but untaken annual leave and over taken annual leave respectively)) are disclosed in this report, and in full within the prior year 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 banded remuneration of the highest-paid director in the LHB in the financial year 2018/19 was £200,000 - £205,000 (2017/18, £210,000 - £215,000). This was 7.0 times (2017/18, 7.4) the median remuneration of the workforce, which was £28,840 (2017/18, £28,667).

The highest paid director in the LHB in 2018/19 was the Chief Executive (In 2017/18, the highest paid director in the LHB was the Medical Director, who was in receipt of a Clinical Excellence Award, the value of which when added to the remuneration as Medical Director resulted in the Medical Director becoming the highest-paid director).

The banded remuneration of the Chief Executive in the LHB in the financial year 2018/19 was £200,000 - £205,000 (2017/18, £200,000 - £205,000). This was 7.0 times (2016/17, 7.1) the median remuneration of the workforce, which was £28,840 (2017/18, £28,667).

In 2018/19, 11 (2017/18, 2 ) employees received remuneration in excess of the highest-paid director. The remuneration for these 11 employees includes payments in respect of waiting list initiatives undertaken in addition to their normal salary. Remuneration for staff ranged from £17,460 to £245,038 (2017/18 £16,523 to £222,051).

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 2018/19 were all medical staff as in 2017/18. None of these staff are related to the Chairman, Executive Directors or Non-officer 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 14.38%. 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 non-officer 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 31<sup>st</sup> March 2019 since the NHS Pensions Agency is unable to provide the relevant information on pensions for staff who have left or are no longer acting as Executive Directors.



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 2019  (bands of £5,000) £000	Lump Sum at age 60 related to accrued Pension at 31 March 2019 (bands of £5,000) £000	Cash Equiv. Transfer Value at 31/03/2019  £000	Cash Equiv. Transfer Value at 31/03/2018  £000	Real increase in Cash Equiv. Transfer Value  £000	Employer's contrib. to stake-holder pension  £000
T Myhill	Chief Executive	5-7.5	12.5-15	70-75	190-195	1,480	1,178	266	0
L Hamilton	Director of Finance	2.5-5		0-5		66	25	40	0
C White	Deputy Chief Executive and Interim Chief Operating Officer	2.5-5	12.5-15	55-60	175-180	1,344	1,104	207	0
S Husbands	Director of Public Health	2.5-5	7.5-10	35-40	105-110	801	651	131	0
S Harrop- Griffiths	Director of Strategy	0-2.5	(0-2.5)	45-50	115-120	951	801	125	0
R Evans	Medical Director	5-7.5	5-7.5	50-55	115-120	950	750	178	0
G Howells	Director of Nursing & Patient Experience	7.5-10	25-27.5	50-55	160-165	1,194	882	285	0
H Robinson	Director of Human Resources	10-12.5	30-32.5	35-40	110-115	867	560	290	0
P Wenger	Director of Corporate Governance/Board Secretary	2.5-5	5-7.5	35-40	85-90	655	504	136	0

- 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.

## 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 Abertawe Bro Morgannwg University Health Board. Executive Directors are required to give the Health Board three month's notice and are eligible to receive three month's 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 2018/19 is set out in the table below, along with the comparison for 2017/18. 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.

Staff Group	Permanent Staff	Agency Staff	Staff on Inward Secondment	Total 2018/19	Total 2017/18
Administration, Clerical & Board Members	2,490	34	11	2,535	2,501
Medical & Dental	1,355	37	0	1,392	1,386
Nursing, Midwifery registered	4,480	156	0	4,636	4,567
Professional, Scientific & technical	448	0	0	448	439

Staff Group	Permanent Staff	Agency Staff	Staff on Inward Secondment	Total 2018/19	Total 2017/18
staff					
Additional Clinical Services	2,744	23	0	2,767	2,798
Allied Health Professions	909	12	0	921	907
Healthcare Scientists	323	1	0	324	328
Estates and Ancillary	1,390	20	0	1,410	1,419
Students	5	0	0	5	9
<b>Totals</b>	<b>14,144</b>	<b>283</b>	<b>11</b>	<b>14,438</b>	<b>14,354</b>

As at 31<sup>st</sup> March 2019, the Health Board has 16,166 employees, of which 8 are Executive Directors. Of these staff, 3,522 are male, including 3 Executive Directors, and 12,644 are female, including 5 female Executive Directors.

There are also 9 Non-officer Members, of which 5 are male and 4 are female.

## 7.2 Sickness Absence Data

	2018/19	2017/18
Total days lost	303,195.43	294,456.22
Short Term Sickness (27 days or less)	78,448.06	85,798.25
Long Term Sickness (28 days or more)	224,747.37	208,657.91
Total staff years	14,093.05	13,990.25
Average working days lost	13	13
Total staff employed in period (headcount)	16,088	16,081
Total staff employed in period with no absence (headcount)	6,521	6,062
Percentage staff with no sick leave	40.32%	38.08%

### **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 £0.530m on Consultancy Services in 2018/19. 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 including coaching for performance and mentoring.

## 7.5 Off-payroll Engagements

**Table 1: For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months**

Number of existing engagements as of 31 March 2019	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 2018 and 31 March 2019, 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 2018 and 31 March 2019**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1	There were 2 off payroll
Details of the exceptional circumstances that led to each of these engagements.	On resignation of the Director of Nursing & Patient Experience in December 2017, temporary cover was provided off payroll via a PSC. A permanent Director of Nursing & Patient Experience commenced on 16 <sup>th</sup> July 2018 and is not the person who provided the temporary cover.	
Details of the length of time each of these exceptional engagements lasted	Commenced on 4 <sup>th</sup> December 2017 and ended on 13 <sup>th</sup> July 2018	
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.	1	

engagements in place at the start of the 2018/19 financial year but both these arrangements ceased in 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.

	2018-19				2017-18
<b>Staff Numbers</b> 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	1
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>
<b>Exit Packages Costs</b> 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	24,421
£25,000 to £50,000	0	45,805	45,805	0	0
£50,000 to £100,000	0	0	0	0	92,328
£100,000 to £150,000	0	0	0	0	0

	2018-19				2017-18
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>45,805</b>	<b>45,805</b>	<b>0</b>	<b>116,749</b>

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).

Of the packages disclosed above for 2017/18, 1 package comprises departure costs paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS), and 1 package relates to the former Director of Human Resources under a Settlement Agreement whereby the terms were approved by the Remuneration Committee and in accordance with Welsh Government guidance.

Exit costs are accounted for in full in the year of departure. Where the Health Board has agreed early retirements, the additional costs are met by the Health Board and not by the NHS pension's scheme. Ill health retirement costs are met by the NHS pension's scheme and are not included in the table.

# National Assembly for Wales Accountability and Audit Report

# National Assembly for Wales Accountability and Audit Report

## 1. Regularity of Expenditure

Regularity is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority and the rules of Government Accounting.

The Abertawe Bro Morgannwg University Health Board ensures that the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

The Health Board's Chief Executive is the Accountable Officer and ensures that the financial statements are prepared in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, the Chief Executive is required to:

- observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
- prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation.

## 2. Remote Contingent Liabilities

Remote contingent liabilities are made for three categories, comprising indemnities, letters of comfort and guarantees.

Indemnity in the legal sense may also refer to an exemption from liability for damages. The concept of indemnity is based on a contractual agreement made between two parties, in which one party agrees to pay for potential losses or damages caused by the other party

Letters of comfort, however vague, give rise to moral and sometimes legal obligations. They should therefore be treated in the same way as any other proposal for a liability. Great care should be taken with proposals to offer general statements of awareness of a third party's position, or oral statements with equivalent effect. Creditors could easily take these to mean more than intended and threats of legal action could result.

Guarantees should normally arise using statutory powers. They typically involve guarantees against non-payment of debts to third parties.

The Health Board has identified remote contingent liabilities in the form of indemnities in respect of the net liability for remote clinical negligence and personal injury claims. This remote contingent liability comprises the first £25,000 of such claims with all indemnities above this value being met by the Welsh Risk Pool.

The value of remote contingent liabilities for 2018-19 is £0.290m and is disclosed in note 21.2 of the Health Board's accounts.



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# Annual Accounts

## 2018-2019





## ABERTAWE BRO MORGANNWG UNIVERSITY HEALTH BOARD

### FOREWORD

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

#### Statutory background

The Local Health Board was established on 1st October 2009.

#### Performance Management and Financial Results

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

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

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

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Expenditure on Primary Healthcare Services	3.1	<b>245,546</b>	242,052
Expenditure on healthcare from other providers	3.2	<b>250,518</b>	238,469
Expenditure on Hospital and Community Health Services	3.3	<b>898,238</b>	887,423
		<b>1,394,302</b>	1,367,944
Less: Miscellaneous Income	4	<b>(255,796)</b>	(243,248)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>1,138,506</b>	1,124,696
Investment Revenue	5	<b>0</b>	0
Other (Gains) / Losses	6	<b>(292)</b>	(127)
Finance costs	7	<b>5,165</b>	4,923
<b>Net operating costs for the financial year</b>		<b>1,143,379</b>	1,129,492

See note 2 on page 23 for details of performance against Revenue and Capital allocations.

The notes on pages 2 to 70 form part of these accounts

## Other Comprehensive Net Expenditure

	2018-19 £'000	2017-18 £'000
Net (gain) / loss on revaluation of property, plant and equipment	(3,526)	(17,074)
Net (gain) / (loss) on revaluation of intangibles	0	0
Net (gain) / loss on revaluation of available for sale financial assets	0	44
(Gain) / loss on other reserves	0	0
Impairment and reversals	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0
Other comprehensive net expenditure for the year	(3,526)	(17,030)
<b>Total comprehensive net expenditure for the year</b>	<b>1,139,853</b>	<b>1,112,462</b>

The Net (gain) / loss on revaluation of property, plant and equipment figure reported in 2017-18 includes the impact of the revaluation of the NHS estate undertaken by the Valuation Office Agency effective from 1st April 2017.

# Statement of Financial Position as at 31 March 2019

	Notes	31 March 2019 £'000	31 March 2018 £'000
<b>Non-current assets</b>			
Property, plant and equipment	11	611,982	603,428
Intangible assets	12	2,751	2,474
Trade and other receivables	15	108,880	153,983
Other financial assets	16	0	0
<b>Total non-current assets</b>		<b>723,613</b>	<b>759,885</b>
<b>Current assets</b>			
Inventories	14	10,234	9,725
Trade and other receivables	15	66,331	55,901
Other financial assets	16	0	0
Cash and cash equivalents	17	830	491
		<b>77,395</b>	<b>66,117</b>
Non-current assets classified as "Held for Sale"	11	155	330
<b>Total current assets</b>		<b>77,550</b>	<b>66,447</b>
<b>Total assets</b>		<b>801,163</b>	<b>826,332</b>
<b>Current liabilities</b>			
Trade and other payables	18	(151,171)	(150,778)
Other financial liabilities	19	0	0
Provisions	20	(35,458)	(24,092)
<b>Total current liabilities</b>		<b>(186,629)</b>	<b>(174,870)</b>
<b>Net current assets/ (liabilities)</b>		<b>(109,079)</b>	<b>(108,423)</b>
<b>Non-current liabilities</b>			
Trade and other payables	18	(40,178)	(43,018)
Other financial liabilities	19	0	0
Provisions	20	(115,048)	(160,437)
<b>Total non-current liabilities</b>		<b>(155,226)</b>	<b>(203,455)</b>
<b>Total assets employed</b>		<b>459,308</b>	<b>448,007</b>
<b>Financed by :</b>			
<b>Taxpayers' equity</b>			
General Fund		408,417	399,366
Revaluation reserve		50,891	48,641
<b>Total taxpayers' equity</b>		<b>459,308</b>	<b>448,007</b>

The financial statements on pages 2 to 7 were approved by the Board on 29th May 2019 and signed on its behalf by:

On Behalf of the Chief Executive and Accountable Officer Tracy Myhill

Date 29th May 2019

The notes on pages 2 to 70 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
<b>Changes in taxpayers' equity for 2018-19</b>			
Balance as at 31 March 2018	399,366	48,641	<b>448,007</b>
Adjustment for Implementation of IFRS 9	(504)	0	<b>-504</b>
Balance at 1 April 2018	398,862	48,641	447,503
Net operating cost for the year	(1,143,379)		<b>(1,143,379)</b>
Net gain/(loss) on revaluation of property, plant and equipment	0	3,526	<b>3,526</b>
Net gain/(loss) on revaluation of intangible assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of financial assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of assets held for sale	0	0	<b>0</b>
Impairments and reversals	0	0	<b>0</b>
Movements in other reserves	0	0	<b>0</b>
Transfers between reserves	1,276	(1,276)	<b>0</b>
Release of reserves to SoCNE	0	0	<b>0</b>
Transfers to/from (please specify)	0	0	<b>0</b>
<b>Total recognised income and expense for 2018-19</b>	<b>(1,142,103)</b>	2,250	<b>(1,139,853)</b>
Net Welsh Government funding	1,151,658		<b>1,151,658</b>
<b>Balance at 31 March 2019</b>	<b>408,417</b>	<b>50,891</b>	<b>459,308</b>

The notes on pages 2 to 70 form part of these accounts

## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2018

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
<b>Changes in taxpayers' equity for 2017-18</b>			
<b>Balance at 31 March 2017</b>	408,605	27,826	436,431
Net operating cost for the year	(1,129,492)		(1,129,492)
Net gain/(loss) on revaluation of property, plant and equipment	0	17,074	17,074
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	(44)	(44)
Impairments and reversals	0	0	0
Movements in other reserves	0	0	0
Transfers between reserves	(3,785)	3,785	0
<b>Release of reserves to SoCNE</b>	0	0	0
Transfers to/from (please specify)	(505)	0	(505)
<b>Total recognised income and expense for 2017-18</b>	(1,133,782)	20,815	(1,112,967)
Net Welsh Government funding	1,124,543		1,124,543
<b>Balance at 31 March 2018</b>	399,366	48,641	448,007

The notes on pages 2 to 70 form part of these accounts



**Statement of Cash Flows for year ended 31 March 2019**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash Flows from operating activities</b>	notes	
Net operating cost for the financial year	<b>(1,143,379)</b>	(1,129,492)
Movements in Working Capital	27 <b>27,348</b>	(52,251)
Other cash flow adjustments	28 <b>22,203</b>	131,449
Provisions utilised	20 <b>(25,389)</b>	(25,868)
<b>Net cash outflow from operating activities</b>	<b>(1,119,217)</b>	(1,076,162)
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(35,340)</b>	(49,716)
Proceeds from disposal of property, plant and equipment	<b>644</b>	2,043
Purchase of intangible assets	<b>(994)</b>	(942)
Proceeds from disposal of intangible assets	<b>0</b>	0
Payment for other financial assets	<b>0</b>	0
Proceeds from disposal of other financial assets	<b>0</b>	0
Payment for other assets	<b>0</b>	0
Proceeds from disposal of other assets	<b>0</b>	0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(35,690)</b>	(48,615)
<b>Net cash inflow/(outflow) before financing</b>	<b>(1,154,907)</b>	(1,124,777)
<b>Cash Flows from financing activities</b>		
Welsh Government funding (including capital)	<b>1,151,658</b>	1,124,543
Capital receipts surrendered	<b>0</b>	0
Capital grants received	<b>384</b>	0
Capital element of payments in respect of finance leases and on-SoFP	<b>3,204</b>	0
Cash transferred (to)/ from other NHS bodies	<b>0</b>	0
<b>Net financing</b>	<b>1,155,246</b>	1,124,543
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>339</b>	(234)
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2018</b>	<b>491</b>	725
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2019</b>	<b>830</b>	491

The notes on pages 2 to 70 form part of these accounts

## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2018-19 Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

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

#### 1.2 Acquisitions and discontinued operations

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

#### 1.3 Income and funding

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

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

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

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

From 2018-19, IFRS 15 Revenue from Contracts with Customers is applied, as interpreted and adapted for the public sector, in the Financial Reporting Manual (FRM). It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. Upon transition the accounting policy to retrospectively restate in accordance with IAS 8 has been withdrawn. All entities applying the FRM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayer's equity. A review consistent with the portfolio approach was undertaken by the NHS Technical Accounting Group members, which:

- identified that the only material income that would potentially require adjustment under IFRS 15 was that for patient care provided under Long Term Agreements (LTAs) for episodes of care which had started but not concluded as at the end of the financial period;
- demonstrated that the potential amendments to NHS Wales NHS Trust and Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

Under the Conceptual IFRS Framework due consideration must be given to the users of the accounts and the cost restraint of compliance and reporting and production of financial reporting. Given the income for LTA activity is recognised in accordance with established NHS Terms and Conditions affecting multiple parties across NHS Wales it was considered reasonable to continue recognising in accordance with those established terms on the basis that this provides information that is relevant to the user and to do so does not result in a material misstatement of the figures reported.

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

#### **1.4 Employee benefits**

##### **Short-term employee benefits**

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

##### **Retirement benefit costs**

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

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

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

##### **NEST Pension Scheme**

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

#### **1.5 Other expenses**

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

## 1.6 Property, plant and equipment

### Recognition

Property, plant and equipment is capitalised if:

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

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

### Valuation

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

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

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

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

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

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

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

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

From 2015-16, the LHB must comply with IFRS 13 Fair Value Measurement in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

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

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

#### **Subsequent expenditure**

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

### **1.7 Intangible assets**

#### **Recognition**

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it, and
- 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 cost or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the LHB expects to obtain economic benefits or service potential from the asset. This is specific to the LHB and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

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

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

### **1.9 Research and Development**

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



**1.10 Non-current assets held for sale**

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

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

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

**1.11 Leases**

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

**1.11.1 The Local Health Board as lessee**

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

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

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

**1.11.2 The Local Health Board as lessor**

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

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

**1.12 Inventories**

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

### 1.13 Cash and cash equivalents

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

### 1.14 Provisions

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

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

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

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

#### 1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool (WRP) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. ***The risk sharing option was not implemented in 2018-19.*** The WRP is hosted by Velindre NHS Trust.

### 1.15 Financial Instruments

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

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

### 1.16 Financial assets

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

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

NHS Wales Technical Accounting Group members reviewed the IFRS 9 requirements and determined a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS9 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 Statement of Financial Position date, the LHB assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

Comprehensive Net Expenditure and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

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

#### **1.17 Financial liabilities**

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

##### **1.17.1 Financial liabilities are initially recognised at fair value**

Financial liabilities are classified as either financial liabilities at fair value through the Statement of Comprehensive Net Expenditure or other financial liabilities.

##### **1.17.2 Financial liabilities at fair value through the Statement of Comprehensive Net Expenditure**

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

##### **1.17.3 Other financial liabilities**

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

#### **1.18 Value Added Tax**

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

#### **1.19 Foreign currencies**

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

#### **1.20 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the LHB has no beneficial interest in them. Details of third party assets are given in Note 29 to the accounts.

#### **1.21 Losses and Special Payments**

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

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

The LHB accounts for all losses and special payments gross (including assistance from the WRP). The LHB accrues or provides for the best estimate of future payouts for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

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

### **1.22 Pooled budget**

The LHB has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in Note 32.

The pool is hosted by one organisation. Payments for services provided are accounted for as miscellaneous income. The LHB 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 LHB's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

### **1.24 Key sources of estimation uncertainty**

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

#### **Provisions**

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

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

### Probable & Certain Cases – Accounting Treatment

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

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

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

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

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

#### Annual Leave Accrual

In line with International Accounting Standard (IAS) 19, the Health Board has reviewed the level of annual leave taken by its staff to 31st March 2019. Based on a sample, the Health Board has accrued £1.019m (2017-18 £1.310m) for untaken annual leave. This is based on a sample of the leave records of 8% (2017-18: 8%) of all LHB staff and reflects the Health Board's policy of only allowing staff to carry over annual leave in exceptional circumstances. However, 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 2019. The Health Board is aware of the EU ruling on Holiday pay but given the significant work required to identify any potential liabilities arising from this judgement, the Health Board is not yet in a position to have identified if there are any such liabilities arising from the ruling.

#### Retrospective Continuing Healthcare Claims

The Health Board has an estimated liability of £1.166m (2017-18: £2.467m) 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 2018/19, as in 2017/18, 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.

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:

#### Primary Care Expenditure

##### General Medical Services Quality and Outcomes Framework

An amount of £2.422m (2017-18: £2.299m) was accrued on the basis of the number of points achieved by each GP Practice in 2018/19 capped at 567 points which is the maximum number of points available under this scheme. Unlike in both 2016/17 and 2017/18 the relaxation of QOF ceased in 2018/19 and therefore no adjustment for relaxation is included in the accrual. The cost per point for QOF included within the accrual for 2018/19 has been uplifted by 3.05% in accordance with the inflation uplift advised by Welsh Government.

##### Prescribing Costs

The Health Board has accrued a total of £14.725m (2017-18: £15.815m) in respect of prescribing costs for the months of February and March 2019. 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 2019 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 £4.560m (2017-18: £4.638m) was accrued for February and March pharmacy contract payments and £0.466m (2017-18: £0.525m) for the February and March costs of GMS dispensing. For the past four 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 2018/19 with estimated adjustments made for the increase in contract price per item for February and March 2019.

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 2019.

#### **1.25 Private Finance Initiative (PFI) transactions**

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.



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

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

### **Services received**

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

### **PFI asset**

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

### **PFI liability**

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

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

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

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

### **Lifecycle replacement**

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

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

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

**Assets contributed by the LHB to the operator for use in the scheme**

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHBs Statement of Financial Position.

**Other assets contributed by the LHB to the operator**

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

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

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

**1.26 Contingencies**

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

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

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

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

**1.27 Carbon Reduction Commitment Scheme**

Carbon Reduction Commitment Scheme allowances are accounted for as government grant funded intangible assets if they are not realised within twelve months and otherwise as current assets. The asset should be measured initially at cost. Scheme assets in respect of allowances shall be valued at fair value where there is evidence of an active market.

**1.28 Absorption accounting**

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

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

**1.29 Accounting standards that have been issued but not yet been adopted**

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

IFRS14 Regulatory Deferral Accounts (The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries), IFRS 16 Leases, HMT have confirmed that IFRS16 Leases, as interpreted and adapted by the FReM is to be effective from 1st April 2020.  
IFRS 17 Insurance Contracts,  
IFRIC 23 Uncertainty over Income Tax Treatment.

### **1.30 Accounting standards issued that have been adopted early**

During 2018-19 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

### **1.31 Charities**

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the LHB has established that as the LHB is the corporate trustee of the Abertawe Bro Morgannwg University Health Board linked NHS Charity it is considered for accounting standards compliance to have control of Abertawe Bro Morgannwg University Local Health Board Charity as a subsidiary and therefore is required to consolidate the results of Abertawe Bro Morgannwg University Local Health Board Charity within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of Abertawe Bro Morgannwg University Local Health Board Charity or its independence in its management of charitable funds.

However, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will consolidate the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

## 2. Financial Duties Performance

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

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

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

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

### 2.1 Revenue Resource Performance

	Annual financial performance			
	2016-17 £'000	2017-18 £'000	2018-19 £'000	Total £'000
<b>Net operating costs for the year</b>	<b>1,102,684</b>	<b>1,129,492</b>	<b>1,143,379</b>	<b>3,375,555</b>
Less general ophthalmic services expenditure and other non-cash limited expenditure	(147)	726	1,484	2,063
Less revenue consequences of bringing PFI schemes onto SoFP	(2,283)	(1,551)	(1,684)	(5,518)
Total operating expenses	1,100,254	1,128,667	1,143,179	3,372,100
Revenue Resource Allocation	1,060,938	1,096,250	1,133,300	3,290,488
<b>Under /(over) spend against Allocation</b>	<b>(39,316)</b>	<b>(32,417)</b>	<b>(9,879)</b>	<b>(81,612)</b>

Abertawe Bro Morgannwg University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2016-17 to 2018-19.

The Health Board did not receive any repayable brokerage during the year.

The Health Board received £7.979m cash only support in 2018-19. The accumulated cash support provided to the Health Board by the Welsh Government is £63.271m as at 31st March 2019. The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers. There is no interest payable on cash only support. Repayment of this cash assistance will be in accordance with the Health Board's future Integrated Medium Term Plan.

### 2.2 Capital Resource Performance

	2016-17 £'000	2017-18 £'000	2018-19 £'000	Total £'000
	£'000	£'000	£'000	£'000
<b>Gross capital expenditure</b>	<b>44,241</b>	<b>42,663</b>	<b>37,873</b>	<b>124,777</b>
Add: Losses on disposal of donated assets	0	0	0	0
Less: NBV of property, plant and equipment and intangible assets disposed	(83)	(1,918)	(352)	(2,353)
Less: capital grants received	0	0	(384)	(384)
Less: donations received	(407)	(694)	(730)	(1,831)
Charge against Capital Resource Allocation	43,751	40,051	36,407	120,209
Capital Resource Allocation	43,845	40,093	36,447	120,385
<b>(Over) / Underspend against Capital Resource Allocation</b>	<b>94</b>	<b>42</b>	<b>40</b>	<b>176</b>

Abertawe Bro Morgannwg University LHB met its financial duty to break-even against its Capital Resource Limit over the 3 years 2016-17 to 2018-19.

### 2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2018-19 to 2020-21 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2018-19 to 2020-21 in accordance with NHS Wales Planning Framework.

**2018-19  
to  
2020-21**

The Minister for Health and Social Services approval status

**Not Approved**

The LHB has not therefore met its statutory duty to have an approved financial plan for the period 2018-19 to 2020-21

The LHB Integrated Medium Term Plan was not approved in 2017-18.

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 2018-21. The LHB has since operated, in agreement with Welsh Government, under annual planning arrangements. The LHB's Annual Operating Plan for 2018-19, which identified a planned annual deficit of £25 million, was approved by its Board in March 2018. The Board subsequently approved further amendments to the Annual Operating Plan, resulting in a reduction in the planned annual deficit to £10m. The LHB's eventual deficit for 2018/19 was £9.879m.

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2018-19 Total £'000	2017-18 £'000
General Medical Services	86,542		86,542	78,116
Pharmaceutical Services	27,447	(7,189)	20,258	20,811
General Dental Services	36,325		36,325	34,802
General Ophthalmic Services	1,415	5,705	7,120	7,089
Other Primary Health Care expenditure	957		957	2,430
Prescribed drugs and appliances	94,344		94,344	98,804
<b>Total</b>	<b>247,030</b>	<b>-1,484</b>	<b>245,546</b>	<b>242,052</b>

The Total expenditure above includes £0.460m in respect of staff costs (2017-18, £0.640m).

#### 3.2 Expenditure on healthcare from other providers

	2018-19 £'000	2017-18 £'000
Goods and services from other NHS Wales Health Boards	21,969	23,936
Goods and services from other NHS Wales Trusts	14,126	13,016
Goods and services from Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	1,641	1,784
Goods and services from WHSSC / EASC	123,210	118,494
Local Authorities	12,913	9,630
Voluntary organisations	5,158	4,155
NHS Funded Nursing Care	10,169	12,543
Continuing Care	52,076	49,537
Private providers	9,251	5,364
Specific projects funded by the Welsh Government	0	0
Other	5	10
<b>Total</b>	<b>250,518</b>	<b>238,469</b>

GMS Expenditure in Note 3.1 includes £0.068m (2017-18, £2.996m) 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 of £86.542m for 2018-19 (2017-18, £78.116m) is therefore net of the rates rebates received.

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 schemes with City & County of Swansea and Rhondda Cynon Taff County Borough Council. Expenditure in respect of other projects run by Local Authorities but where contributions are made by the Health Board are also included here such as the contributions to the Assisted Recovery in the Community (ARC) pooled budget detailed in Note 32 to the accounts.

### 3.3 Expenditure on Hospital and Community Health Services

	2018-19 £'000	2017-18 £'000
Directors' costs	1,846	1,799
Staff costs	657,097	627,156
Supplies and services - clinical	130,772	134,734
Supplies and services - general	10,886	11,117
Consultancy Services	530	476
Establishment	14,365	14,817
Transport	2,881	3,208
Premises	29,340	28,866
External Contractors	3,816	3,829
Depreciation	30,529	32,495
Amortisation	772	607
Fixed asset impairments and reversals (Property, plant & equipment)	1,089	14,716
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	402	407
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	3,035	3,739
Research and Development	5,978	4,982
Other operating expenses	4,900	4,475
<b>Total</b>	<b>898,238</b>	<b>887,423</b>

### 3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2018-19 £'000	2017-18 £'000
<b>Increase/(decrease) in provision for future payments:</b>	<b>£'000</b>	<b>£'000</b>
Clinical negligence	(9,988)	85,246
Personal injury	396	(170)
All other losses and special payments	693	221
Defence legal fees and other administrative costs	1,458	1,235
Gross increase/(decrease) in provision for future payments	(7,441)	86,532
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
<b>Less: income received/due from Welsh Risk Pool</b>	<b>10,476</b>	<b>(82,793)</b>
<b>Total</b>	<b>3,035</b>	<b>3,739</b>

Personal injury includes £276k (2017-18 -£3k) in respect of permanent injury benefits.

Clinical Redress expenditure during the year was £523k in respect of 76 cases (2017-18 £631k re 95 cases).



#### 4. Miscellaneous Income

	2018-19 £'000	2017-18 £'000
Local Health Boards	69,037	67,042
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	107,369	102,615
NHS trusts	6,059	6,808
Health Education and Improvement Wales (HEIW)	5,976	0
Other NHS England bodies	3,521	3,227
Foundation Trusts	0	0
Local authorities	7,404	7,504
Welsh Government	11,168	8,170
Non NHS:		
Prescription charge income	0	0
Dental fee income	6,843	6,818
Private patient income	3,862	3,817
Overseas patients (non-reciprocal)	144	202
Injury Costs Recovery (ICR) Scheme	2,685	2,367
Other income from activities	3,545	3,103
Patient transport services	0	
Education, training and research	17,460	22,548
Charitable and other contributions to expenditure	784	368
Receipt of donated assets	730	694
Receipt of Government granted assets	384	0
Non-patient care income generation schemes	656	643
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	822	245
Contingent rental income from finance leases	0	0
Rental income from operating leases	509	522
Other income:		
Provision of laundry, pathology, payroll services	267	233
Accommodation and catering charges	3,380	3,196
Mortuary fees	322	344
Staff payments for use of cars	1,916	1,690
Business Unit	0	0
Other	953	1,092
<b>Total</b>	<b>255,796</b>	<b>243,248</b>

Injury Cost Recovery (ICR) Scheme income is subject to a provision for impairment of **21.89%** to reflect expected rates of collection.

	2018-19	2017-18
Other Income includes:		
Grant Income	20	5
Pharmacy and Other Sales Income	97	106
Clinical Trials Income	96	96
Search Fee Income	34	159
Syrian Refugee Income	109	279
All Other Income	597	447
<b>Total</b>	<b>953</b>	<b>1,092</b>

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**

	2018-19 £000	2017-18 £000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**6. Other gains and losses**

	2018-19 £000	2017-18 £000
Gain/(loss) on disposal of property, plant and equipment	142	37
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	150	90
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
<b>Total</b>	<b>292</b>	<b>127</b>

**7. Finance costs**

	2018-19 £000	2017-18 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	26	39
Interest on obligations under PFI contracts		
main finance cost	2,529	2,673
contingent finance cost	2,604	2,194
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>5,159</b>	<b>4,906</b>
Provisions unwinding of discount	6	17
Other finance costs	0	0
<b>Total</b>	<b>5,165</b>	<b>4,923</b>

## 8. Operating leases

### LHB as lessee

As at 31st March 2019 the LHB had 27 operating leases agreements in place for the leases of premises, 230 arrangements in respect of equipment and 363 in respect of vehicles, with 2 premises, 88 equipment and 45 vehicle leases having expired in year. The periods in which the remaining 620 agreements expire are shown below:

Payments recognised as an expense	2018-19 £000	2017-18 £000
Minimum lease payments	7,207	6,524
Contingent rents	0	0
Sub-lease payments	0	0
<b>Total</b>	<b>7,207</b>	<b>6,524</b>

### Total future minimum lease payments

Payable	£000	£000
Not later than one year	6,815	6,150
Between one and five years	15,759	15,021
After 5 years	11,264	8,455
<b>Total</b>	<b>33,838</b>	<b>29,626</b>

Number of operating leases expiring	Land & Buildings	Vehicles	Equipment	Total
Not later than one year	8	82	44	134
Between one and five years	2	281	185	468
After 5 years	17	0	1	18
<b>Total</b>	<b>27</b>	<b>363</b>	<b>230</b>	<b>620</b>

<b>Charged to the income statement (£000)</b>	<b>1,504</b>	<b>1,030</b>	<b>4,673</b>	<b>7,207</b>
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There are no future sublease payments expected to be received

### LHB as lessor

Rental revenue	£000	£000
Rent	509	522
Contingent rents	0	0
<b>Total revenue rental</b>	<b>509</b>	<b>522</b>

### Total future minimum lease payments

Receivable	£000	£000
Not later than one year	361	383
Between one and five years	1,143	871
After 5 years	1,718	1,309
<b>Total</b>	<b>3,222</b>	<b>2,563</b>

## 9. Employee benefits and staff numbers

### 9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other Staff	Total 2018-19	2017-18
	£000	£000	£000	£000	£000	£000
Salaries and wages	521,626	936	26,217	0	548,779	525,182
Social security costs	49,917	0	0	0	49,917	47,634
Employer contributions to NHS Pension Scheme	65,202	0	0	0	65,202	62,180
Other pension costs	196	0	0	0	196	177
Other employment benefits	0	0	0	0	0	0
Termination benefits	70	0	0	0	70	117
<b>Total</b>	<b>637,011</b>	<b>936</b>	<b>26,217</b>	<b>0</b>	<b>664,164</b>	<b>635,290</b>
Charged to capital					708	743
Charged to revenue					663,961	634,547
					<b>664,669</b>	<b>635,290</b>
Net movement in accrued employee benefits (untaken staff leave accrual included above)					1,086	(236)

### 9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other Staff	Total 2018-19	2017-18
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,490	11	34	0	2,535	2,501
Medical and dental	1,355	0	37	0	1,392	1,386
Nursing, midwifery registered	4,480	0	156	0	4,636	4,567
Professional, Scientific, and technical staff	448	0	0	0	448	439
Additional Clinical Services	2,744	0	23	0	2,767	2,798
Allied Health Professions	909	0	12	0	921	907
Healthcare Scientists	323	0	1	0	324	328
Estates and Ancillary	1,390	0	20	0	1,410	1,419
Students	5	0	0	0	5	9
<b>Total</b>	<b>14,144</b>	<b>11</b>	<b>283</b>	<b>0</b>	<b>14,438</b>	<b>14,354</b>

### 9.3. Retirements due to ill-health

During 2018-19 there were 15 early retirements from the LHB agreed on the grounds of ill-health (2017-18, 11). The estimated additional pension costs of these ill-health retirements (calculated on an average basis and borne by the NHS Pension Scheme) will be £660,912 (2017-18, £600,398)

### 9.4 Employee benefits

The LHB does not have an employee benefit scheme.

## 9.5 Reporting of other compensation schemes - exit packages

	2018-19	2018-19	2018-19	2018-19	2017-18
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	1
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	1	1	0	2

	2018-19	2018-19	2018-19	2018-19	2017-18
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	24,421
£25,000 to £50,000	0	45,805	45,805	0	0
£50,000 to £100,000	0	0	0	0	92,328
£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	45,805	45,805	0	116,749

The exit package disclosed for 2018-19 comprises departure costs paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Of the packages disclosed above for 2017-18, 1 package comprises departure costs paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). The remaining package relates to a payment made to the former Director of Human Resources who left the Health Board on 21st July 2017. This package comprised payments in lieu of notice and an Ex-Gratia payment on termination.

Exit costs in this note are accounted for in full in the year of departure. Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

## 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 2018-19 the highest paid director in the LHB was the Chief Executive, in 2017-18 it was the Medical Director who left the LHB in July 2018.

The banded remuneration of the Chief Executive in the LHB in the financial year 2018-19 was £200,000 - £205,000 (2017-18, £200,000- £205,000). This was 7.0 times (2017-18, 7.1) the median remuneration of the workforce, which was £28,840 (2017-18, £28,667).

In 2018-19, 11 (2017-18, 2) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £17,460 to £245,038 (2017-18 £16,523 to £222,051).

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 employees who received remuneration in excess of the highest paid director in 2018-19 were all medical staff as in 2017-18. None of these staff are related to the Chairman, Executive Directors or Non Officer 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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.



### **c) National Employment Savings Trust (NEST)**

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

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

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

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 5% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 2% of this. The legal minimum level of contribution level is due to increase to 8% in April 2019.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,032 and £46,350 for the 2018-19 tax year (2017-18 £5,876 and £45,000 ).

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

## 10. Public Sector Payment Policy - Measure of Compliance

### 10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2018-19 Number	2018-19 £000	2017-18 Number	2017-18 £000
<b>NHS</b>				
Total bills paid	5,770	189,151	5,822	176,146
Total bills paid within target	4,845	182,341	4,881	164,686
Percentage of bills paid within target	84.0%	96.4%	83.8%	93.5%
<b>Non-NHS</b>				
Total bills paid	310,861	374,262	300,160	379,963
Total bills paid within target	294,597	353,753	282,150	354,208
Percentage of bills paid within target	94.8%	94.5%	94.0%	93.2%
<b>Total</b>				
Total bills paid	316,631	563,413	305,982	556,109
Total bills paid within target	299,442	536,094	287,031	518,894
Percentage of bills paid within target	94.6%	95.2%	93.8%	93.3%

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

	2018-19 £	2017-18 £
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

# 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
<b>Cost or valuation at 1 April 2018</b>	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)
<b>At 31 March 2019</b>	56,827	494,129	12,958	20,731	136,664	1,626	43,407	5,656	771,998
<b>Depreciation at 1 April 2018</b>	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
<b>At 31 March 2019</b>	0	26,844	525	0	100,297	1,259	27,879	3,212	160,016
<b>Net book value at 1 April 2018</b>	55,640	466,598	12,660	15,541	34,231	313	15,755	2,690	603,428
<b>Net book value at 31 March 2019</b>	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	611,982
<b>Net book value at 31 March 2019 comprises :</b>									
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
<b>At 31 March 2019</b>	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	611,982
<b>Asset financing :</b>									
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
<b>At 31 March 2019</b>	56,827	467,285	12,433	20,731	36,367	367	15,528	2,444	611,982
<b>The net book value of land, buildings and dwellings at 31 March 2019 comprises :</b>									
									£000
Freehold									481,080
Long Leasehold									55,465
Short Leasehold									0
									536,545

Within the note above, reclassifications of (£56k) are shown. This is due to the recalsification of an intangible asset from assets under construction and the opposite entry is shown in Note 12.

# 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
<b>Cost or valuation at 1 April 2017</b>	59,854	528,613	12,714	18,504	131,274	1,710	34,751	7,743	<b>795,163</b>
Indexation	0	0	0	0	0	0	0	0	<b>0</b>
Additions									
- purchased	771	3,005	0	22,359	10,149	0	4,514	228	<b>41,026</b>
- donated	0	16	0	199	287	0	164	7	<b>673</b>
- government granted	0	0	0	0	0	0	0	0	<b>0</b>
Transfer from/into other NHS bodies	(110)	(396)	0	0	0	0	0	0	<b>(506)</b>
Reclassifications	0	22,755	0	(25,521)	31	0	2,611	0	<b>(124)</b>
Revaluations	(3,040)	(63,360)	(197)	0	0	0	0	0	<b>(66,597)</b>
Reversal of impairments	8	5,487	385	0	0	0	0	0	<b>5,880</b>
Impairments	(1,477)	(19,046)	(73)	0	0	0	0	0	<b>(20,596)</b>
Reclassified as held for sale	(330)	0	0	0	0	0	0	0	<b>(330)</b>
Disposals	(36)	0	0	0	(8,498)	(125)	(57)	0	<b>(8,716)</b>
<b>At 31 March 2018</b>	<b>55,640</b>	<b>477,074</b>	<b>12,829</b>	<b>15,541</b>	<b>133,243</b>	<b>1,585</b>	<b>41,983</b>	<b>7,978</b>	<b>745,873</b>
<b>Depreciation at 1 April 2017</b>	0	76,413	1,590	0	96,279	1,275	22,088	4,606	<b>202,251</b>
Indexation	0	0	0	0	0	0	0	0	<b>0</b>
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	<b>0</b>
Reclassifications	0	(12)	0	0	12	0	0	0	<b>0</b>
Revaluations	0	(81,864)	(1,763)	0	0	0	0	0	<b>(83,627)</b>
Reversal of impairments	0	0	0	0	0	0	0	0	<b>0</b>
Impairments	0	0	0	0	0	0	0	0	<b>0</b>
Reclassified as held for sale	0	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	(8,492)	(125)	(57)	0	<b>(8,674)</b>
Provided during the year	0	15,939	342	0	11,213	122	4,197	682	<b>32,495</b>
<b>At 31 March 2018</b>	<b>0</b>	<b>10,476</b>	<b>169</b>	<b>0</b>	<b>99,012</b>	<b>1,272</b>	<b>26,228</b>	<b>5,288</b>	<b>142,445</b>
<b>Net book value at 1 April 2017</b>	<b>59,854</b>	<b>452,200</b>	<b>11,124</b>	<b>18,504</b>	<b>34,995</b>	<b>435</b>	<b>12,663</b>	<b>3,137</b>	<b>592,912</b>
<b>Net book value at 31 March 2018</b>	<b>55,640</b>	<b>466,598</b>	<b>12,660</b>	<b>15,541</b>	<b>34,231</b>	<b>313</b>	<b>15,755</b>	<b>2,690</b>	<b>603,428</b>
<b>Net book value at 31 March 2018 comprises :</b>									
Purchased	55,640	462,781	12,660	15,539	33,539	305	15,285	2,653	<b>598,402</b>
Donated	0	3,817	0	2	672	0	352	7	<b>4,850</b>
Government Granted	0	0	0	0	20	8	118	30	<b>176</b>
<b>At 31 March 2018</b>	<b>55,640</b>	<b>466,598</b>	<b>12,660</b>	<b>15,541</b>	<b>34,231</b>	<b>313</b>	<b>15,755</b>	<b>2,690</b>	<b>603,428</b>
<b>Asset financing :</b>									
Owned	53,640	416,195	12,660	15,541	33,601	313	15,755	2,690	<b>550,395</b>
Held on finance lease	0	0	0	0	630	0	0	0	<b>630</b>
On-SoFP PFI contracts	2,000	50,403	0	0	0	0	0	0	<b>52,403</b>
PFI residual interests	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2018</b>	<b>55,640</b>	<b>466,598</b>	<b>12,660</b>	<b>15,541</b>	<b>34,231</b>	<b>313</b>	<b>15,755</b>	<b>2,690</b>	<b>603,428</b>

The net book value of land, buildings and dwellings at 31 March 2018 comprises :

	£000
Freehold	480,002
Long Leasehold	54,896
Short Leasehold	0
	<b>534,898</b>

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

Within the note above reclassifications of £124k are shown. This is due to recalcification of an intangible asset from assets under construction with the opposite entry shown in Note 12.

## 11. Property, plant and equipment (continued)

### Additional disclosures re Property, Plant and Equipment

The majority of donated assets were purchased by the Abertawe Bro Morgannwg University Health Board Charity and donated to the health board.

Building asset lives are as determined by the District Valuer and range from 2 to 84 years.

Equipment assets are allocated lives 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. The equipment lives are as follows:

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

The following assets were valued on completion by the District Valuer:

Morrison Hospital Renal Unit Refurbishment - June 2018

Morrison Hospital Chiller Replacement - June 2018

Singleton Hospital Pharmacy Aseptic Development - June 2018

### IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13 in 2018-19.

**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
<b>Balance brought forward 1 April 2018</b>	330	0	0	0	0	<b>330</b>
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
<b>Balance carried forward 31 March 2019</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155</b>
<b>Balance brought forward 1 April 2017</b>	1,875	0	0	0	0	<b>1,875</b>
Plus assets classified as held for sale in the year	330	0	0	0	0	330
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(1,875)	0	0	0	0	(1,875)
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
<b>Balance carried forward 31 March 2018</b>	<b>330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330</b>

**Assets sold in the period**

Fairwood Hospital was sold during the 2018/19 financial year. The health board made a profit on disposal of the asset of £150k which is disclosed in Note 6 of the accounts.

**Assets classified as held for sale during the year**

Coelbren Health Centre was classified as an asset held for sale during the year.

## 12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2018</b>	6,953	0	279	0	0	0	<b>7,232</b>
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
<b>Gross cost at 31 March 2019</b>	<b>7,806</b>	<b>0</b>	<b>475</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,281</b>
<b>Amortisation at 1 April 2018</b>	4,756	0	2	0	0	0	<b>4,758</b>
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
<b>Amortisation at 31 March 2019</b>	<b>5,375</b>	<b>0</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,530</b>
<b>Net book value at 1 April 2018</b>	<b>2,197</b>	<b>0</b>	<b>277</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,474</b>
<b>Net book value at 31 March 2019</b>	<b>2,431</b>	<b>0</b>	<b>320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,751</b>
<b>At 31 March 2019</b>							
Purchased	2,408	0	320	0	0	0	2,728
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
<b>Total at 31 March 2019</b>	<b>2,430</b>	<b>0</b>	<b>320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,750</b>

The reclassification of £56k 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

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2017</b>	6,135	0	9	0	0	0	<b>6,144</b>
Revaluation	0	0	0	0	0	0	<b>0</b>
Reclassifications	124	0	0	0	0	0	<b>124</b>
Reversal of impairments	0	0	0	0	0	0	<b>0</b>
Impairments	0	0	0	0	0	0	<b>0</b>
Additions- purchased	672	0	270	0	0	0	<b>942</b>
Additions- internally generated	0	0	0	0	0	0	<b>0</b>
Additions- donated	22	0	0	0	0	0	<b>22</b>
Additions- government granted	0	0	0	0	0	0	<b>0</b>
Reclassified as held for sale	0	0	0	0	0	0	<b>0</b>
Transfers	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	0	0	<b>0</b>
<b>Gross cost at 31 March 2018</b>	<b>6,953</b>	<b>0</b>	<b>279</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,232</b>
<b>Amortisation at 1 April 2017</b>	4,151	0	0	0	0	0	<b>4,151</b>
Revaluation	0	0	0	0	0	0	<b>0</b>
Reclassifications	0	0	0	0	0	0	<b>0</b>
Reversal of impairments	0	0	0	0	0	0	<b>0</b>
Impairment	0	0	0	0	0	0	<b>0</b>
Provided during the year	605	0	2	0	0	0	<b>607</b>
Reclassified as held for sale	0	0	0	0	0	0	<b>0</b>
Transfers	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	0	0	0	<b>0</b>
<b>Amortisation at 31 March 2018</b>	<b>4,756</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,758</b>
<b>Net book value at 1 April 2017</b>	<b>1,984</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,993</b>
<b>Net book value at 31 March 2018</b>	<b>2,197</b>	<b>0</b>	<b>277</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,474</b>
<b>At 31 March 2018</b>							
Purchased	2,164	0	277	0	0	0	<b>2,441</b>
Donated	33	0	0	0	0	0	<b>33</b>
Government Granted	0	0	0	0	0	0	<b>0</b>
Internally generated	0	0	0	0	0	0	<b>0</b>
<b>Total at 31 March 2018</b>	<b>2,197</b>	<b>0</b>	<b>277</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,474</b>

The reclassification of £124k 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

	2018-19		2017-18	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	24	0	13	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	10	0	445	0
Others (specify)	3,434	0	26,563	0
Reversal of impairments	(2,379)	0	(5,881)	0
<b>Total of all impairments</b>	<b>1,089</b>	<b>0</b>	<b>21,140</b>	<b>0</b>

#### Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	1,089	0	14,716	0
Charged to Revaluation Reserve	0	0	6,424	0
	<b>1,089</b>	<b>0</b>	<b>21,140</b>	<b>0</b>

The impairment losses disclosed above as "other" comprise:

£3.434m for the write down to depreciated replacement cost following the initial professional valuation on completion of 3 specialised assets as detailed below

Morrison Hospital Renal Unit Refurbishment - £2.189m  
Morrison Hospital Chiller Replacement - £0.096m  
Singleton Hospital Pharmacy Aseptic Development - £1.149m

## 14.1 Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	4,525	4,523
Consumables	5,334	5,092
Energy	375	110
Work in progress	0	0
Other	0	0
<b>Total</b>	<b>10,234</b>	<b>9,725</b>
Of which held at realisable value	0	0

## 14.2 Inventories recognised in expenses

	31 March 2019 £000	31 March 2018 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Note 14.1 discloses the stock values held at 31st March 2019. 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.

Note 14.2 only requires completion where inventories are purchased for sale.  
ABMU LHB does not purchase inventories for sale.

# 15. Trade and other Receivables

Current	31 March 2019 £000	31 March 2018 £000
Welsh Government	4,853	1,858
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	1,981	1,675
Welsh Health Boards	3,612	4,069
Welsh NHS Trusts	1,640	1,340
Health Education and Improvement Wales (HEIW)	329	0
Non - Welsh Trusts	75	32
Other NHS	253	551
Welsh Risk Pool	38,211	31,106
Local Authorities	2,235	2,609
Capital debtors	0	13
Other debtors	10,522	9,209
Provision for irrecoverable debts	(3,068)	(2,222)
Pension Prepayments	0	0
Other prepayments	5,037	5,334
Other accrued income	651	327
<b>Sub total</b>	<b>66,331</b>	<b>55,901</b>
<b>Non-current</b>		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	108,880	153,983
Local Authorities	0	0
Capital debtors	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments	0	0
Other prepayments	0	0
Other accrued income	0	0
<b>Sub total</b>	<b>108,880</b>	<b>153,983</b>
<b>Total</b>	<b>175,211</b>	<b>209,884</b>
<b>Receivables past their due date but not impaired</b>		
By up to three months	6,772	3,509
By three to six months	358	529
By more than six months	467	745
	<b>7,597</b>	<b>4,783</b>

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

Balance at 31 March 2018	(2,222)	
Adjustment for Implementation of IFRS 9	(504)	
Balance at 1 April 2018	(2,726)	(1,165)
Transfer to other NHS Wales body	0	0
Amount written off during the year	635	155
Amount recovered during the year	94	377
(Increase) / decrease in receivables impaired	(1,071)	(1,589)
Bad debts recovered during year	0	0
Balance at 31 March	(3,068)	(2,222)

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. Further details on the ECL provision is provided at Note 34.

## Receivables VAT

Trade receivables	2,373	1,219
Other	0	0
<b>Total</b>	<b>2,373</b>	<b>1,219</b>

## 16. Other Financial Assets

	Current		Non-current	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
<b>Financial assets</b>				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 17. Cash and cash equivalents

	2018-19 £000	2017-18 £000
Balance at 1 April	491	725
Net change in cash and cash equivalent balances	339	(234)
Balance at 31 March	<b>830</b>	491
Made up of:		
Cash held at GBS	708	329
Commercial banks	0	0
Cash in hand	122	162
Current Investments	0	0
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>830</b>	491
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>830</b>	491

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

Lease Liabilities £258k  
PFI liabilities £2,946k

The movement relates to cash, no comparative information is required by IAS 7 in 2018-19.

# 18. Trade and other payables

Current	31 March 2019 £000	31 March 2018 £000
Welsh Government	16	18
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	650	925
Welsh Health Boards	4,532	3,282
Welsh NHS Trusts	2,540	1,877
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	1,192	810
Taxation and social security payable / refunds	5,896	5,621
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	241	101
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	7,571	7,257
Non-NHS creditors	19,622	20,923
Local Authorities	6,285	4,109
Capital Creditors	10,643	9,989
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	270	258
Imputed finance lease element of on SoFP PFI contracts	2,569	2,945
Pensions: staff	10,297	9,305
Accruals	75,354	79,668
Deferred Income:		
Deferred Income brought forward	2,720	253
Deferred Income Additions	1,061	2,711
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(822)	(245)
Other creditors	534	971
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Total</b>	<b>151,171</b>	<b>150,778</b>
<b>Non-current</b>		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS creditors	0	0
Local Authorities	0	0
Capital Creditors	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	211	481
Imputed finance lease element of on SoFP PFI contracts	39,967	42,537
Pensions: staff	0	0
Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Total</b>	<b>40,178</b>	<b>43,018</b>

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

## Amounts falling due more than one year are expected to be settled as follows:

	31-Mar-19 £000	31-Mar-18 £000
Between one and two years	3,042	2,840
Between two and five years	10,878	11,020
In five years or more	26,258	29,158
<b>Sub-total</b>	<b>40,178</b>	<b>43,018</b>



## 19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 20. Provisions

	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence	17,587	0	(714)	43,837	27,946	(20,347)	(37,912)	0	30,397
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
<b>Total</b>	<b>24,092</b>	<b>0</b>	<b>(714)</b>	<b>44,609</b>	<b>33,115</b>	<b>(24,268)</b>	<b>(41,382)</b>	<b>6</b>	<b>35,458</b>
<b>Non Current</b>									
Clinical negligence	152,908	0	0	(43,837)	5,067	(1,104)	(5,089)	0	107,945
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
<b>Total</b>	<b>160,437</b>	<b>0</b>	<b>0</b>	<b>(44,609)</b>	<b>5,556</b>	<b>(1,121)</b>	<b>(5,215)</b>	<b>0</b>	<b>115,048</b>
<b>TOTAL</b>									
Clinical negligence	170,495	0	(714)	0	33,013	(21,451)	(43,001)	0	138,342
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
<b>Total</b>	<b>184,529</b>	<b>0</b>	<b>(714)</b>	<b>0</b>	<b>38,671</b>	<b>(25,389)</b>	<b>(46,597)</b>	<b>6</b>	<b>150,506</b>

### Expected timing of cash flows:

	In year to 31 March 2020	Between 1 April 2020 31 March 2024	Thereafter	Total
				£000
Clinical negligence	30,397	107,945	0	138,342
Personal injury	728	1,978	3,766	6,472
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	2,154	1,191	0	3,345
Pensions relating to former directors	4	12	0	16
Pensions relating to other staff	139	135	21	295
Restructuring	0	0	0	0
Other	2,036	0	0	2,036
<b>Total</b>	<b>35,458</b>	<b>111,261</b>	<b>3,787</b>	<b>150,506</b>

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

The Clinical Negligence provision arising from redress includes £523k arising and £523k utilised in year.

Other provisions includes £1.166m in respect of retrospective Continuing Healthcare claims (CHC) which are subject to review by CHC teams in Powys and ABMU Health Boards. Other provisions also include £0.607m in respect of payments to HMRC in respect of the HMRC review of employment status of GP's undertaking GP out of Hours sessions for the Health Board.

Reimbursements are anticipated from the Welsh Risk Pool for Clinical Negligence, Personal Injury and Defence Fee payments against these provisions above amounting to £147.091m. This amount is recognised in Note 15 Trade and Other Receivables.

## 20. Provisions (continued)

	At 1 April 2017	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2018
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence	29,338	0	(1,652)	(930)	18,640	(18,658)	(9,151)	0	17,587
Personal injury	1,661	0	0	435	768	(940)	(930)	16	1,010
All other losses and special payments	0	0	0	0	221	(221)	0	0	0
Defence legal fees and other administration	1,945	0	0	(539)	1,562	(661)	(818)		1,489
Pensions relating to former directors	2			4	0	(2)	0	0	4
Pensions relating to other staff	146			64	75	(142)	(5)	1	139
Restructuring	0			0	0	0	0	0	0
Other	2,478		0	0	4,009	(1,296)	(1,328)		3,863
<b>Total</b>	<b>35,570</b>	<b>0</b>	<b>(1,652)</b>	<b>(966)</b>	<b>25,275</b>	<b>(21,920)</b>	<b>(12,232)</b>	<b>17</b>	<b>24,092</b>
<b>Non Current</b>									
Clinical negligence	83,278	0	(3,200)	930	82,005	(3,857)	(6,248)	0	152,908
Personal injury	6,479	0	0	(435)	153	0	(161)	0	6,036
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	338	0	0	539	491	(91)	0		1,277
Pensions relating to former directors	20			(4)	0	0	0	0	16
Pensions relating to other staff	260			(64)	4	0	0	0	200
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>90,375</b>	<b>0</b>	<b>(3,200)</b>	<b>966</b>	<b>82,653</b>	<b>(3,948)</b>	<b>(6,409)</b>	<b>0</b>	<b>160,437</b>
<b>TOTAL</b>									
Clinical negligence	112,616	0	(4,852)	0	100,645	(22,515)	(15,399)	0	170,495
Personal injury	8,140	0	0	0	921	(940)	(1,091)	16	7,046
All other losses and special payments	0	0	0	0	221	(221)	0	0	0
Defence legal fees and other administration	2,283	0	0	0	2,053	(752)	(818)		2,766
Pensions relating to former directors	22			0	0	(2)	0	0	20
Pensions relating to other staff	406			0	79	(142)	(5)	1	339
Restructuring	0			0	0	0	0	0	0
Other	2,478		0	0	4,009	(1,296)	(1,328)		3,863
<b>Total</b>	<b>125,945</b>	<b>0</b>	<b>(4,852)</b>	<b>0</b>	<b>107,928</b>	<b>(25,868)</b>	<b>(18,641)</b>	<b>17</b>	<b>184,529</b>

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

The Clinical Negligence provision arising from redress includes £631k arising and £631k utilised in year.

Other provisions includes £2.467m in respect of retrospective Continuing Healthcare claims (CHC) which are subject to review by CHC teams in Powys and ABMU Health Boards.

Reimbursements are anticipated from the Welsh Risk Pool for Clinical Negligence, Personal Injury and Defence Fee payments against these provisions above amounting to £185.089m. This amount is recognised in Note 15 Trade and Other Receivables.

## 21. Contingencies

### 21.1 Contingent liabilities

	2018-19 £'000	2017-18 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence	146,656	80,325
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	3,831	2,892
Continuing Health Care costs	3,398	8,336
Other	0	0
Total value of disputed claims	153,885	91,553
Amounts (recovered) in the event of claims being successful	(138,606)	(70,422)
<b>Net contingent liability</b>	<b>15,279</b>	<b>21,131</b>

### Continuing Healthcare Cost Uncertainties

Liabilities for continuing healthcare costs continue to be a significant issue for the LHB. The 31st July 2014 deadline for the submission of any claims dating back to 1st April 2003 resulted in a large increase in the number of claims registered (phase 2 claims).

ABMU LHB is responsible for the post 1st April 2003 costs and the financial statements include the following amounts relating to these uncertain continuing healthcare costs:

Note 20 sets out the £6,090 provision made for probable continuing care costs relating to the 1 claim remaining.

There are no remaining contingent liabilities for phase 2 claims.

During the 2017/18 financial year, the health board made significant progress in assessing phase 3,4 and 5 continuing healthcare claims and enabling provisions to be made in the health board's accounts for the year ended 31st March 2018. Further progress has been made in 2018/19 in assessing phase 7 claims which are also now able to be included within both the provisions figure reported in Note 20 and within the contingent liabilities figure reported above. Therefore, as at 31st March 2019, the LHB has included the following amounts relating to these uncertain continuing healthcare costs for these claims:

Note 20 sets out the £1,159,839 provision for probable continuing care costs relating to 95 claims received.

Note 21.1 sets out the £3,398,130 contingent liability for possible continuing care costs relating to 71 claims received.

## 21.2 Remote Contingent liabilities

2018-19	2017-18
£'000	£'000

Please disclose the values of the following categories of remote contingent liabilities :

Guarantees	290	144
Indemnities	0	0
Letters of Comfort	0	0
<b>Total</b>	<b>290</b>	<b>144</b>

## 21.3 Contingent assets

2018-19	2017-18
£'000	£'000

0	0
0	0
0	0

<b>Total</b>	<b>0</b>	<b>0</b>
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## 22. Capital commitments

### Contracted capital commitments at 31 March

2018-19	2017-18
£'000	£'000

Property, plant and equipment	8,214	1,032
Intangible assets	0	0

<b>Total</b>	<b>8,214</b>	<b>1,032</b>
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## 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

### Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during period to 31 March 2019		Approved to write-off to 31 March 2019	
	Number	£	Number	£
Clinical negligence	143	20,928,034	13	1,054,590
Personal injury	43	421,976	26	217,774
All other losses and special payments	266	692,787	266	692,787
<b>Total</b>	<b>452</b>	<b>22,042,797</b>	<b>305</b>	<b>1,965,151</b>

Analysis of cases which exceed £300,000 and all other cases

		Amounts paid out in year	Cumulative amount	Approved to write-off in year
		£	£	£
<b>Cases exceeding £300,000</b>	Case type			
04RVCMN0045	Clinical Negligence	6,500	2,182,651	0
07RVCMN0045	Clinical Negligence	0	710,000	0
08RVCMN0021	Clinical Negligence	25,000	1,129,996	0
08RVCMN0035	Clinical Negligence	0	708,000	0
09RVCMN0077	Clinical Negligence	0	8,500,000	0
10RYMMN0033	Clinical Negligence	0	1,100,000	0
10RYMMN0057	Clinical Negligence	6,500	2,312,556	0
10RYMMN0173	Clinical Negligence	0	831,250	0
10RYMMN0205	Clinical Negligence	0	481,250	0
10RYMMN0212	Clinical Negligence	50,000	751,100	0
10RYMMN0223	Clinical Negligence	3,005,000	3,935,000	0
11RYMMN0156	Clinical Negligence	350,000	370,000	0
11RYMMN0179	Clinical Negligence	0	839,224	0
12RYMMN0001	Clinical Negligence	84,880	1,254,880	0
12RYMMN0047	Clinical Negligence	130,000	338,000	0
12RYMMN0106	Clinical Negligence	0	845,541	0
12RYMMN0108	Clinical Negligence	0	736,164	0
12RYMMN0130	Clinical Negligence	250,000	424,000	0
13RYMMN0004	Clinical Negligence	0	319,550	0
13RYMMN0010	Clinical Negligence	85,000	730,311	0
13RYMMN0078	Clinical Negligence	62,500	595,000	0
13RYMMN0094	Clinical Negligence	715,977	778,061	0
13RYMMN0235	Clinical Negligence	4,140,000	5,325,000	0
14RYMMN0034	Clinical Negligence	0	890,000	0
14RYMMN0047	Clinical Negligence	512,837	547,837	0
14RYMMN0103	Clinical Negligence	1,618,830	2,568,119	0
14RYMMN0110	Clinical Negligence	58,500	301,705	0
14RYMMN0120	Clinical Negligence	200,000	430,000	0
14RYMMN0169	Clinical Negligence	0	481,517	0
14RYMMN0207	Clinical Negligence	0	615,000	0
15RYMMN0036	Clinical Negligence	688,185	688,185	688,185
15RYMMN0105	Clinical Negligence	91,000	316,000	0
15RYMMN0106	Clinical Negligence	30,000	656,000	0
15RYMMN0176	Clinical Negligence	1,535,000	1,663,329	0
15RYMMN0232	Clinical Negligence	415,800	415,800	0
15RYMMN0240	Clinical Negligence	77,100	417,100	0
16RYMMN0120	Clinical Negligence	(18,021)	441,979	0
17RYMMN030	Clinical Negligence	660,284	1,360,284	0
<b>Sub-total</b>		<b>14,780,872</b>	<b>46,990,389</b>	<b>688,185</b>
<b>All other cases</b>		<b>7,261,925</b>	<b>18,344,658</b>	<b>1,276,966</b>
<b>Total cases</b>		<b>22,042,797</b>	<b>65,335,047</b>	<b>1,965,151</b>

**24. Finance leases****24.1 Finance leases obligations (as lessee)**

The 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 (2017-18 - £Nil).

Contingent rents recognised as an expense total £Nil (2017-18 - £Nil).

The Health Board does not hold any finance leases in respect of land and buildings.

**Amounts payable under finance leases:**

Land	31 March 2019 £000	31 March 2018 £000
<b>Minimum lease payments</b>		
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	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>



## 24.1 Finance leases obligations (as lessee) continue

### Amounts payable under finance leases:

<b>Buildings</b>	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Minimum lease payments</b>		
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	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

### 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	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

### Other

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Minimum lease payments</b>		
Within one year	284	284
Between one and five years	213	498
After five years	0	0
Less finance charges allocated to future periods	(16)	(43)
Minimum lease payments	<b>481</b>	<b>739</b>
Included in:		
Current borrowings	270	258
Non-current borrowings	211	481
	<b>481</b>	<b>739</b>

### Present value of minimum lease payments

Within one year	270	258
Between one and five years	211	481
After five years	0	0
Present value of minimum lease payments	<b>481</b>	<b>739</b>
Included in:		
Current borrowings	270	258
Non-current borrowings	211	481
	<b>481</b>	<b>739</b>

**24.2 Finance leases obligations (as lessor) continued**

The Health Board [has no](#) finance leases receivable as a lessor.

**Amounts receivable under finance leases:**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Gross Investment in leases</b>		
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	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI schemes which are deemed to be off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2019 £000	31 March 2018 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	0	0
Total estimated capital value of off-SoFP PFI contracts	0	0

### 25.2 PFI schemes on-Statement of Financial Position

On 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 Moor Healthcare in respect of Neath Port Hospital.

The first payment on the contract was made in December 2002. The annual payments to the contractor amount to approximately £11.925 million. The hospital becomes the property of the Health Board at the end of the contract.

Under IFRS the hospital is recognised in the Health Board's accounts as an asset. A corresponding liability for payment of the asset is similarly recognised.

#### Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2019 £000	On SoFP PFI Imputed interest 31 March 2019 £000	On SoFP PFI Service charges 31 March 2019 £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

	On SoFP PFI Capital element 31 March 2018 £000	On SoFP PFI Imputed interest 31 March 2018 £000	On SoFP PFI Service charges 31 March 2018 £000
Total payments due within one year	2,946	5,133	3,846
Total payments due between 1 and 5 years	11,620	19,978	19,159
Total payments due thereafter	30,916	44,126	29,447
Total future payments in relation to PFI contracts	45,482	69,237	52,452

Total present value of obligations for on-SoFP PFI contracts **£155m**

### 25.3 Charges to expenditure

	2018-19	2017-18
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,488	2,428
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	2,488	2,428

The LHB is committed to the following annual charges

	31 March 2019	31 March 2018
	£000	£000
<b>PFI scheme expiry date:</b>		
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	12,223	11,925
<b>Total</b>	12,223	11,925

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

Number of PFI contracts which individually have a total commitment > £500m

On / Off-  
statement  
of financial  
position  
0

#### PFI Contract

Neath Port Talbot Hospital

On

### 25.5 The LHB had no Public Private Partnerships during the year

**26. Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

**Currency risk**

The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

**Credit risk**

Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

**Liquidity risk**

The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

## 27. Movements in working capital

	2018-19 £000	2017-18 £000
(Increase)/decrease in inventories	(509)	730
(Increase)/decrease in trade and other receivables - non-current	45,103	(70,458)
(Increase)/decrease in trade and other receivables - current	(10,430)	10,631
Increase/(decrease) in trade and other payables - non-current	(2,840)	(3,204)
Increase/(decrease) in trade and other payables - current	393	1,359
<b>Total</b>	<b>31,717</b>	<b>(60,942)</b>
Adjustment for accrual movements in fixed assets - creditors	(654)	8,718
Adjustment for accrual movements in fixed assets - debtors	(7)	(27)
Other adjustments	(3,708)	0
	<b>27,348</b>	<b>(52,251)</b>

## 28. Other cash flow adjustments

	2018-19 £000	2017-18 £000
Depreciation	30,529	32,495
Amortisation	772	607
(Gains)/Loss on Disposal	(292)	(127)
Impairments and reversals	1,089	14,716
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	(730)	(694)
Government Grant assets received credited to revenue but non-cash	(384)	0
Non-cash movements in provisions	(8,781)	84,452
<b>Total</b>	<b>22,203</b>	<b>131,449</b>

Other adjustments in Note 27 relate to the capital element of payments in respect of finance leases and on SoFP PFI schemes, (£3,204k) together with the non cash movement associated with the introduction of IFRS 9 with the prior year impact being adjusted through reserves (£504k).

## 29. Third Party assets

The LHB held £721,755 cash at bank and in hand at 31 March 2019 (31st March 2018, £645,388) which relates to monies held by the LHB on behalf of patients. Cash held in Patient's Investment Accounts amounted to £616,247 at 31st March 2019 (31st March 2018, £638,071). 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 2019 was £593,564 (£479,529 as at 31st March 2018).



### 30. Events after the Reporting Period

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 will move from Abertawe Bro Morgannwg UHB to Cwm Taf UHB.

The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019 transfers the principal local government area of Bridgend from Abertawe Bro Morgannwg UHB to Cwm Taf UHB.

The Order also changes 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 will transfer from Swansea Bay ULHB to Cwm Taf Morgannwg ULHB on 1 April 2019.

The transfer will be accounted for as a 'Transfer by Absorption' in accordance with the Government Financial Reporting Manual. The recorded amounts of net assets will be brought into the financial statements of Cwm Taf Morgannwg ULHB from the 1 April 2019.

The impact of the transfer for Swansea Bay ULHB is estimated to reduce the expenditure and associated funding by 28% for future financial years.

### 31. 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 Health and Wellbeing for Swansea Council
Mr R. Ciborowski	Independent Member 14th August to 31st December 2018	Trustee at Neath Port Talbot CVS
Mrs S. Cooper	Associate Board Member	Director of Social Services and Wellbeing, Bridgend County Borough Council
Professor T. Crick	Independent Member	Non Executive Director of Welsh Water/Dwr Cymru
Mrs J. Davies	Board Member - Staff Representative	Board Member at Royal College of Nursing Wales
Mr H. Laing	Executive Medical Director until 31st July 2018	Honorary Chair, Swansea University

The total value of transactions with related parties in 2018/19 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	13,982	1,999	2,679	769
Neath Port Talbot CVS	120	0	0	0
Bridgend County Borough Council	9,671	4,485	1,477	118
Welsh Water - Dwr Cymru	995	0	3	0
Royal College of Nursing	1	1	0	0
Swansea University	6,654	1,115	196	484

The Welsh Government is regarded as a related party. During the year ABMU 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	292	1,174,240	16	4,853
Welsh Health Specialised Services Commission	123,239	107,383	650	1,981
Aneurin Bevan LHB	1,164	3,480	138	198
Betsi Cadwaladr LHB	290	140	98	10
Cardiff & Vale LHB	11,292	16,821	1,469	2,034
Cwm Taf LHB	7,721	5,894	1,972	641
Health Education & Improvement Wales	0	7,311	0	329
Hywel Dda LHB	4,150	35,335	406	433
Powys LHB	1,673	9,218	448	297
Public Health Wales NHS Trust	4,498	4,439	411	371
Velindre NHS Trust	25,498	5,292	2,053	1,253
Welsh Ambulance Services NHS Trust	4,146	180	76	16
<b>Total</b>	<b>183,963</b>	<b>1,369,733</b>	<b>7,737</b>	<b>12,416</b>

### 32. Pooled budgets

The Health Board has entered into a pooled budget with Bridgend County Borough Council. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an Assisted Recovery in the Community Service which is a Day Opportunity Service for individuals with mental illness. A memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by Bridgend County Borough Council. The financial operation of the pool is governed by a pooled budget agreement between Bridgend County Borough Council and the Health Board. Contributions to the pool from the Health Board amounted to £300,077 for the 2018/19 financial year. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The pooled budget arrangement is accounted for in accordance with IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities.

#### Pooled Budget Memorandum Account

	2018/19	2017/18
<b>Gross Funding</b>	£	£
Bridgend County Borough Council	300,077	401,488
ABMU Health Board	300,077	158,135
<b>Total Funding</b>	<b>600,154</b>	<b>559,623</b>
<b>Expenditure</b>		
Provision of Day Opportunities to individuals recovering from mental health problems	600,154	559,623
<b>Net Under/Over Spend</b>	<b>0</b>	<b>0</b>

**32. Pooled budgets (continued)**

The Health Board (Swansea Locality) has participated in a formal pooled budget arrangement in 2018/19 which commenced in April 2012 and replaced previous agreements in place between 2008/09 and March 2012.

**Section 33 Partnership : Community Equipment**

1. Statutory Partners City & County of Swansea Neath Port Talbot County Borough Council Abertawe Bro Morgannwg University Local 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 Assembly 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**

<b>Gross Funding</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
City & County of Swansea	705,000	698,155
Neath Port Talbot County Borough Council	470,000	465,437
ABMU Local Health Board	1,175,000	1,163,593
Other Income	354,383	42,919
<b>Total Funding</b>	<b>2,704,383</b>	<b>2,370,104</b>
 <b>Expenditure</b>	 2,333,546	 2,370,104
 <b>Net (under)/over spend</b>	 <b>-370,837</b>	 <b>0</b>

**32. Pooled budgets (continued)**

The Health Board has participated in a formal pooled budget arrangement in 2018/19 which commenced in June 2012. This replaced the previous agreement which ran from 2008/09 to 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 : Rhondda Cynon Taff, Bridgend and Merthyr Tydfil Integrated Community Equipment Service

1. Statutory Partners Rhondda Cynon Taff County Borough Council Merthyr Tydfil County Borough Council Bridgend County Borough Council Cwm Taf Local Health Board Abertawe Bro Morgannwg University Local Health Board (Bridgend Locality)

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 Assembly 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 maintain recycling, cleaning and maintenance of equipment to meet national standards.

To provide an assessment, demonstration display and learning facility for service users and practitioners from health, education and social services.

**3. Financial Value of the Pooled Budget**

<b>Gross Funding</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Rhondda Cynon Taff County Borough Council	1,222,913	788,151
Merthyr Tydfil County Borough Council	213,328	130,468
Bridgend County Borough Council	593,877	608,833
Cwm Taf Local Health Board	355,290	223,325
Abertawe Bro Morgannwg Local Health Board	362,076	694,076
I.C.F. Funding	32,701	0
Other Income Received	50,647	200,938
<b>Total Funding</b>	<b>2,830,832</b>	<b>2,645,791</b>
 <b>Total Expenditure</b>	 <b>2,711,594</b>	 <b>2,733,604</b>
<b>Pool (Deficit)/Surplus</b>	<b>119,238</b>	<b>(87,813)</b>

### 33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

ABMU Health Board has organised its operational services into 6 Service Delivery Units (SDU)'s. Four of these units are centred on the Health Board's main hospital sites of Morriston, Neath Port Talbot, Princess of Wales and Singleton. The remaining two SDU's cover Mental Health and Learning Disabilities Services and Primary Care and Community Services.

The LHB has formed the view that the activities of its SDU's 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 2018/19, 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 2018/19 these accounts contain income of £2.885m and expenditure of £2.826m 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

### IFRS15

Work was undertaken by the TAG IFRS sub group, consistent with the 'portfolio' approach allowed by the standard. Each income line in the notes from a previous year's annual accounts (either 2016/17 or 2017/18) was considered to determine how it would be affected by the implementation of IFRS 15. It was determined that the following types of consideration received from customers for goods and services (hereon referred to as income) fell outside the scope of the standard, as the body providing the income does not contract with the body to receive any direct goods or services in return for the income flow.

- Charitable Income and other contributions to Expenditure.
- Receipt of Donated Assets.
- WG Funding without direct performance obligation (e.g. SIFT/SIFT@/Junior Doctors & PDGME Funding).

Income that fell wholly or partially within the scope of the standard included:

- Welsh LHB & WHSCC LTA Income;
- Non Welsh Commissioner Income;
- NHS Trust Income;
- Foundation Trust Income;
- Other WG Income;
- Local Authority Income;
- ICR Income ;
- Training & Education income ;
- Accommodation & Catering income

It was identified that the only material income flows likely to require adjustment for compliance with IFRS15 was that for patient care provided under Long Term Agreements (LTA's). The adjustment being, for episodes of patient care which had started but not concluded (Finished Consultant Episode's), as at period end, e.g. 31 March. Abertawe Bro Morgannwg University Local Health Board does not use FCE's as its contract currency which is based on Discharges and Deaths (D&D's).

When calculating the income generated from these episodes, it was determined that it was appropriate to use length of stay as the best proxy for the attributable Work In Progress (WIP) value. In theory, as soon as an episode is opened, income is due. Under the terms and conditions of the contract this will only ever be realised on episode closure, in effect the discharge or death of the patient, so the average length of stay would be the accepted normal proxy for the work in progress value. However, the Abertawe Bro Morgannwg University Local Health Board also adjusts for contract performance with its providers and commissioners at the end of February each year based on contract activity for the period April to February. This information is then used to make income and expenditure adjustments for March to reflect expected contract activity and therefore ensure that only income due for the financial year is recognised in the year end accounts.

For Abertawe Bro Morgannwg University Local Health Board, the following methodology was applied to assess the value of the unaccounted WIP.

1. For 2017/18, income for inpatient activity recorded on D&D basis was £70.9m, representing 41.8% of total LTA income (total income from LTA's, including WHSCC, Welsh Health Boards and Non Welsh Commissioners, was £169.6m).



**34. Other Information (continued)**

1. This related to circa 19,000 D&D's, with an estimated average unit cost of £3,786
2. Using available Business Intelligence/ Costing Information, the total open episodes at year-end of 286 were identified.
3. There are marginal rates in place for inpatient contracts and utilising these marginal rates and applying them to the open episodes at the end of the 2017/18 financial year generates an adjustment calculation of 0.59% to align revenue recognised to the requirements of the standard, amounting to £0.422m.

A summary of the Impact Assessment carried out by Abertawe Bro Morgannwg University Local Health Board is shown in the table below:

	£m
Total Income as per the Accounts for 2017-18	243.248
Total Income Reviewed as part of the Exercise	205.708
Total Income considered to be outside the scope of IFRS 15	32.984
Total income considered to be inside the scope of IFRS 15	172.724
Total income inside the scope of IFRS15 that potentially requires adjustment for incomplete service provision	70.897
Total Estimated Adjustment Required under IFRS 15	0.422

It is clear from the above that the potential amendments to the Abertawe BRo Morgannwg University Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

The significant majority of income flows are either outside the scope of IFRS15, or already accounted for consistent with the recognition principles required by the standard. In the few instances noted and outlined above where income recognition is not wholly consistent with the principles required by the standard, the full implementation of the standard principles would not lead to a material difference in the income recognised.

Under the Conceptual Framework for IFRS, due consideration must be given both to the users of the account and the cost constraints of compliance and production of financial reporting. Given income for LTA activity is recognised in accordance with established NHS Terms and Conditions, affecting multiple parties across the NHS system in Wales such as WHSCC due to the mixed commissioner / provider relationship, it is reasonable that continuing to recognise income in accordance with the established terms and conditions provides financial information that is relevant to the user. As continuing to do so does not result in a material misstatement of the financial reporting, a true and fair view taking account of the needs of the users is achieved for LTA activity.

Further given that an IFRS 15 review of income could only be properly carried out once financial ledgers had closed in month 12 and that any adjustments that come out of that would inevitably impact on the Agreement of Balances Exercise and the WHSCC Risk Sharing arrangement, there are clearly significant wider risks to the statutory accounts accuracy of preparation and operational increased costs involved in implementing the standard in full for LTA activity.

The Conceptual Framework allows bodies not to implement standards if the work involved in the implementation outweighs the benefit of that implementation for the users of the accounts and the overall true and fair picture provided by the accounts. Given the relatively small size of the adjustments that the adoption would give rise to, NHS Wales has decided to make use of this approach for LTA activity.

### 34. Other Information (continued)

#### IFRS 9

For consistency across Wales, the practical expedient provision matrix was used to estimate expected credit losses (ECLs) based on the 'age' of receivables as follows:

- Receivables were segregated into appropriate groups based on the profile class categories used within the health board.
- Each group, was analysed:
  - a) age-bands
    - 1-30 days (including current)
    - 31-60 days
    - 61-90 days
    - 91-180 days
    - 181- 365 days
    - > 1 year
  - b) at historical back-testing dates (data points)
- For each age-band, recoverability rates were established by reviewing the balances outstanding at 31st March 2015 and calculating the amounts :
  - a) collected over the following 3 years
  - b) written-off over the following 3 years.
- The average historical loss rate by age-band was therefore determined, and adjusted where necessary e.g. to take account of changes in:
  - a) economic conditions
  - b) types of customer
  - c) credit management practices
- Consideration was given as to whether ECLs should be estimated individually for any period-end receivables, e.g. because information was available specific debtors.
- Loss rate estimates were applied to each age-band for the other receivables
- The percentages calculated have been applied to those invoices outstanding as at 31st March 2018 (which don't already have a specific provision against them) to recalculate the value of the HB/Trust non-specific provision under IFRS9. This approach resulted in the non-specific bad debt provision for the health board increasing by £0.504m. In line with the accounting treatment mandated in the FReM, the increase in provision was taken to the reserves through the general fund.
- The percentages calculated have been applied to those invoices outstanding as at 31st March 2019 (which don't already have a specific provision against them) to calculate the non specific bad debt provision as at 31st March 2019, this sum amounting to £1.064m which is reported in note 15 to the accounts within the figure shown as provision for irrecoverable debts.

#### Brexit

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts."

## The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

### Report on the audit of the financial statements

#### Opinion

I certify that I have audited the financial statements of Abertawe Bro Morgannwg University Health Board for the year ended 31 March 2019 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Abertawe Bro Morgannwg University Health Board as at 31 March 2019 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

#### Basis for 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.

#### Basis for Qualified Opinion on Regularity

Abertawe Bro Morgannwg University Health Board has breached its revenue resource limit by spending £81.612 million over the £3,290 million that it was authorised to spend in the three-year period 2016-17 to 2018-19. This spend constitutes irregular expenditure. Further detail is set out in the report on page 73.

#### Qualified Opinion on Regularity

In my opinion, except for the irregular expenditure of £81.612 million explained in the paragraph above, in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

## Report on other requirements

### Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder 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 health 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### Responsibilities for regularity

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

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

Adrian Crompton  
Auditor General for Wales  
11 June 2019

24 Cathedral Road  
Cardiff  
CF11 9LJ

## Report of the Auditor General to the National Assembly for Wales

### Introduction

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

For 2018-19, Abertawe Bro Morgannwg University Local Health Board (the LHB) failed to meet both the first and the second financial duty and so I have decided to issue a narrative report to explain the position.

### Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The third three-year period under this duty is 2016-17 to 2018-19, and so it is measured this year for the third time.

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 £3,290 million by £81.612 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 (ie spending limit) for those three years exceeds the LHB's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

### Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2018-19 if it submitted a 2018-19 to 2020-21 plan approved by its Board to the Welsh Ministers who then approved it by 30 June 2018.

As shown in Note 2.3 to the Financial Statements, the LHB did not meet its second financial duty to have an approved three-year integrated medium term plan in place for the period 2018-19 to 2020-21.

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 2018-21. Instead the LHB has operated, in agreement with Welsh Government, under annual planning arrangements. The LHB's Annual Operating Plan for 2018-19, which identified a planned annual deficit of £25 million, was approved by its Board in March 2018. The Board subsequently approved further amendments to the Annual Operating Plan, resulting in a reduction in the planned annual deficit to £10 million. The LHB's eventual deficit for 2018-19 was £9.879 million.

**Adrian Crompton**  
**Auditor General for Wales**  
11 June 2019

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**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)<sup>1</sup>, 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