

SWANSEA BAY 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 April 2019 under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

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

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

On 1st April 2019 all staff property, assets and liabilities relating to services provided to the local government area of Bridgend transferred from Swansea Bay University Local Health Board to Cwm Taf Morgannwg Local Health Board. This transfer was undertaken in line with the Local Health Boards (Area Change) (transfer of Staff, Property and Liabilities) (Wales) Order 2019. The transfer was accounted for under absorption accounting rules.

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

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2023-24. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	213,437	202,658
Expenditure on healthcare from other providers	3.2	309,640	282,070
Expenditure on Hospital and Community Health Services	3.3	1,073,680	981,563
		<u>1,596,757</u>	<u>1,466,291</u>
Less: Miscellaneous Income	4	(319,587)	(305,442)
LHB net operating costs before interest and other gains and losses		1,277,170	1,160,849
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(8)	(116)
Finance costs	7	5,175	4,944
Net operating costs for the financial year		<u>1,282,337</u>	<u>1,165,677</u>

See note 2 on page 27 for details of performance against Revenue and Capital allocations.

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

Other Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(17,751)	(24,674)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	166	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	(6)	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(17,591)	(24,674)
Total comprehensive net expenditure for the year	1,264,746	1,141,003

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

Statement of Financial Position as at 31 March 2024

		31 March 2024	31 March 2023
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	11	595,358	578,411
Right of Use Assets	11.3	31,269	16,802
Intangible assets	12	2,987	4,033
Trade and other receivables	15	142,699	124,590
Other financial assets	16	0	0
Total non-current assets		772,313	723,836
Current assets			
Inventories	14	12,264	10,714
Trade and other receivables	15	100,278	75,640
Other financial assets	16	0	0
Cash and cash equivalents	17	2,824	2,859
		115,366	89,213
Non-current assets classified as "Held for Sale"	11	170	0
Total current assets		115,536	89,213
Total assets		887,849	813,049
Current liabilities			
Trade and other payables	18	(198,904)	(219,166)
Other financial liabilities	19	0	0
Provisions	20	(53,082)	(29,851)
Total current liabilities		(251,986)	(249,017)
Net current assets/ (liabilities)		(136,450)	(159,804)
Non-current liabilities			
Trade and other payables	18	(80,726)	(41,052)
Other financial liabilities	19	0	0
Provisions	20	(147,307)	(128,622)
Total non-current liabilities		(228,033)	(169,674)
Total assets employed		407,830	394,358
Financed by :			
Taxpayers' equity			
General Fund		340,985	327,629
Revaluation reserve		66,845	66,729
Total taxpayers' equity		407,830	394,358

The financial statements on pages 2 to 7 were approved by the Board on 11/07/ 2024 and signed on its behalf by:

Chief Executive and Accountable Officer

Date:
11th July 2024

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

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2024**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	327,629	66,729	394,358
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	(32,126)	0	(32,126)
Balance at 1 April 2023	295,503	66,729	362,232
Net operating cost for the year	(1,282,337)		(1,282,337)
Net gain/(loss) on revaluation of property, plant and equipment	0	17,751	17,751
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	(166)	(166)
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	17,469	(17,469)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	6	0	6
Total recognised income and expense for 2023-24	(1,264,862)	116	(1,264,746)
Net Welsh Government funding	1,278,416		1,278,416
Notional Welsh Government Funding	31,928		31,928
Balance at 31 March 2024	340,985	66,845	407,830

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;

Notional 6.3% staff employer pension £31,901,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £27,000

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

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	282,899	45,848	328,747
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	(902)	0	(902)
Balance at 1 April 2022	281,997	45,848	327,845
Net operating cost for the year	(1,165,677)		(1,165,677)
Net gain/(loss) on revaluation of property, plant and equipment	0	24,674	24,674
Net gain/(loss) on revaluation of right of use assets	0	81	81
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	3,874	(3,874)	0
Release of reserves to SoCNE	24	0	24
Transfers to/from LHBs	(1,788)	0	(1,788)
Total recognised income and expense for 2022-23	(1,163,567)	20,881	(1,142,686)
Net Welsh Government funding	1,180,716		1,180,716
Notional Welsh Government Funding	28,483		28,483
Balance at 31 March 2023	327,629	66,729	394,358

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

Statement of Cash Flows for year ended 31 March 2024

	2023-24	2022-23
	£000	£000
Cash Flows from operating activities		
Net operating cost for the financial year	(1,282,337)	(1,165,677)
Movements in Working Capital	27 (64,720)	(16,718)
Other cash flow adjustments	28 136,985	82,650
Provisions utilised	20 (12,023)	(19,500)
Net cash outflow from operating activities	(1,222,095)	(1,119,245)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(48,375)	(56,849)
Proceeds from disposal of property, plant and equipment	66	131
Purchase of intangible assets	(242)	(771)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
Net cash inflow/(outflow) from investing activities	(48,551)	(57,489)
Net cash inflow/(outflow) before financing	(1,270,646)	(1,176,734)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,278,416	1,180,716
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(3,538)	(2,899)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,267)	(2,622)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	1,270,611	1,175,195
Net increase/(decrease) in cash and cash equivalents	(35)	(1,539)
Cash and cash equivalents (and bank overdrafts) at 1 April 2023	2,859	4,398
Cash and cash equivalents (and bank overdrafts) at 31 March 2024	2,824	2,859

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

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FRM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

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

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

1.4.3 PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

1.4.4. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

1.6.2. Valuation

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

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

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

- Specialised buildings – depreciated replacement cost

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

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

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

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

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

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

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

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

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

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits 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 SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

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

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application Swansea Bay University LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16. Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16. There are further expedients or election that have been employed by Swansea Bay University LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

Swansea Bay University LHB will not apply IFRS 16 to any new leases of intangible assets applying the

List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16

The LHB is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 Swansea Bay University LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset Swansea Bay University LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified Swansea Bay University LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by Swansea Bay University LHB.

1.11.2 Swansea Bay University LHB as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

Income from operating leases is recognised on a straight-line or another systematic 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 as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

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

1.13. Cash and cash equivalents

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

1.14. Provisions

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

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2022-23. The WRP is hosted by Velindre NHS University Trust.

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budget

The NHS Wales organisation has entered into pooled budgets with the City and County of Swansea and Neath Port Talbot County Borough Council Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by the City and County of Swansea. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

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

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

1.24.1. Provisions

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

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

1.24.2. Probable & Certain Cases – Accounting Treatment

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

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

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

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

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

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

1.24.3 Annual Leave Accrual

In the 22-23 accounts and in line with International Accounting Standard (IAS) 19, the Health Board included in its accounts an accrual for untaken annual leave as at 31st March 2023. The impact of Covid-19 and the availability of staff across the service due to sickness absence had a significant impact on the ability of staff to take annual leave during both 2020-21 and 2021-22, however in 2022-23 given the ability to sell back leave and the reducing prevalence of Covid-19 the carry forward arrangements were set at a maximum of 5 days untaken leave requiring managers approval.

During the 2023-24 financial year, the Health Board issued a bulletin to all Staff during September 2023, that there would be no carry forward of annual leave permitted into the financial year 2024-25, and that all leave was to be utilised within the period for which it relates during the financial year, to ensure staff wellbeing and following recovery of services back to more normal pre-Covid levels.

This would remove the need to provide for unused leave as per IAS19. As a result there is no accrual within the following financial statements for unused carried forward annual leave.

1.24.4 Primary Care Expenditure

As in previous years, due to the short timescale available to prepare the year end accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of the actual liabilities was not available prior to the date for accounts submission, the most material areas being:

General Medical Services Quality and Assurance Improvement Framework (QAIF)

From 1st October 2019, QAIF was introduced as part of the 2019/20 GMS contract reform, replacing the quality and outcomes framework. Under both schemes, GP Practices achieve a certain level of points and these are multiplied by a financial value per point to establish the payments due.

Clinical QAIF domains transferred into Core contract from 1 October 2022, resulting in a transfer of funding into Global Sum (GSUM). This quantum represents full achievement in all indicators for all practices moving into total GSUM and then distributed to practices via the Carr-Hill formula. The removal of Assurance indicators from the framework means that QAIF has become QIF (Quality Improvement Framework).

The points that are remaining in the Quality Improvement domains, namely Access (100 pts) and the newly drafted mandatory QI projects (170 pts), were revalued at £189 per point for 2022/23.

This compares to the 2021/22 points of Access (125 pts) and QI projects (185 pts) and QA projects (382 pts).

An amount of £1.092m (2022-23, £1.962m) has therefore been accrued on the basis of the number of points achieved by each GP Practice in 2023/24 capped at 270 points payable at £189 per point.

Prescribing Costs

For 2023/24, the Health Board has used the accrual methodology used in previous years. This has resulted in an accrual of £13.509m (2022-23: £13.206m accrual/£13.458m out-turn) in respect of prescribing costs for the months of February and March 2024.

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.

As in previous years, this amount was then reviewed to take into account the estimated impact of the additional day for the leap year (which equates to an additional weighted half a day), the bank holiday early dispensing/pick up effect and the growth factor in items that was seen previously at the latter end of 2023/24.

Pharmacy

A total of £5.013m (2022-23: £4.431m) was accrued for February and March pharmacy contract payments.

For the past six 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 2023-24 with estimated adjustments made for the increase in contract price per item for February and March 2024.

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 2024.

1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

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

1.26.1. Services received

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

1.26.2. PFI asset

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

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised.

Prior Year treatment

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

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

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

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

**1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes
As from 1st April 2023.**

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023/24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that 'a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement -the future PPP liability will need to be remeasured at 1 April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. Lifecycle replacement

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

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

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

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

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

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

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

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

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

1.27. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. 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

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

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 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 NHS Wales organisation has established that as it is the corporate trustee of the Swansea Bay University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Swansea Bay University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Swansea Bay University LHB NHS Charitable Fund within the statutory accounts of the NHS Wales organisation.

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

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

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

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is 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			
	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Net operating costs for the year	1,113,261	1,165,677	1,282,337	3,561,275
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,156	1,206	1,562	3,924
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	(2,406)	(2,024)	(2,711)	(7,141)
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	1,112,011	1,164,859	1,281,188	3,558,058
Revenue Resource Allocation	1,087,612	1,166,697	1,264,375	3,518,684
Under /(over) spend against Allocation	(24,399)	1,838	(16,813)	(39,374)

Swansea Bay University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The Health Board did receive £17m strategic cash support in 2023-24.

2.2 Capital Resource Performance

	2021-22	2022-23	2023-24	Total
	£000	£000	£000	£000
Gross capital expenditure	69,545	38,937	64,390	172,872
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment, right of use and intangible assets	(1,354)	(16)	(399)	(1,769)
Less capital grants received	(621)	(43)	0	(664)
Less donations received	(185)	(232)	(259)	(676)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	67,385	38,646	63,732	169,763
Capital Resource Allocation	67,417	38,684	63,787	169,888
(Over) / Underspend against Capital Resource Allocation	32	38	55	125

Swansea University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2023-2026 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government which sets out its strategy for securing that it complies with its 'break even' duty, whilst improving the health of the people for whom it is responsible and the provision of healthcare to such people.

As the LHB was unable to submit a balanced integrated medium-term plan in accordance with NHS Wales Planning Framework the Board submitted an Annual Plan for 2023-24 on 31st March 2023. This plan did not include a break even position. A collective review of the 31st March 2023 submission between LHB and Welsh Governance was convened on 2nd May, following which a revised Annual Plan was submitted on 31st May 2023.

The revised submission on 31st May 2023 did not include a break even position and throughout 2023-24 the LHB worked with WG to identify options to reduce the deficit annual plan. In October 2023 the Health Board received additional funding and a deficit 'control total' was set by WG for the LHB to achieve at 31st March 2024.

The LHB has therefore been unable to meet its statutory duty to have an approved financial plan.

The Minister for Health and Social Services extant approval

Status
Date

Not Approved

The LHB has not met its statutory duty to have an approved financial plan.

2.4 Creditor payment

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

	2023-24	2022-23
Total number of non-NHS bills paid	314,675	315,307
Total number of non-NHS bills paid within target	302,538	298,578
Percentage of non-NHS bills paid within target	96.1%	94.7%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2023-24 Total £000	2022-23 Total £000
General Medical Services	73,518		73,518	70,533
Pharmaceutical Services	23,757	(6,073)	17,684	17,316
General Dental Services	30,538		30,538	30,036
General Ophthalmic Services	1,408	4,511	5,919	4,781
Other Primary Health Care expenditure	1,428		1,428	794
Prescribed drugs and appliances	84,350		84,350	79,198
Total	214,999	(1,562)	213,437	202,658

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	39,934	43,308
Goods and services from other NHS Wales Trusts	8,787	8,644
Goods and services from Welsh Special Health Authorities	1,701	970
Goods and services from other non Welsh NHS bodies	830	861
Goods and services from WHSSC / EASC	134,297	126,423
Local Authorities	14,257	15,924
Voluntary organisations	4,860	2,956
NHS Funded Nursing Care	9,325	7,758
Continuing Care	79,468	60,703
Private providers	15,755	14,356
Specific projects funded by the Welsh Government	0	0
Other	426	167
Total	309,640	282,070

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	2,246	1,798
Operational Staff costs	742,212	692,569
Single lead employer Staff Trainee Cost	33,930	32,746
Collaborative Bank Staff Cost	417	335
Supplies and services - clinical	157,374	145,993
Supplies and services - general	10,610	9,500
Consultancy Services	660	1,065
Establishment	19,646	18,080
Transport	1,282	1,367
Premises	33,110	34,980
External Contractors	4,419	4,033
Depreciation	32,451	30,497
Depreciation Right of Use assets (RoU)	4,084	2,526
Amortisation	1,608	1,847
Fixed asset impairments and reversals (Property, plant & equipment)	12,902	(5,690)
Fixed asset impairments and reversals (RoU Assets)	0	0
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	441	418
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	(8,421)	3,790
Research and Development	8,860	5,380
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating expenses	15,849	329
Total	1,073,680	981,563

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2023-24	2022-23
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	49,577	29,579
Primary care	(68)	233
Redress Secondary Care	334	357
Redress Primary Care	0	0
Personal injury	1,689	(738)
All other losses and special payments	152	100
Defence legal fees and other administrative costs	1,917	1,807
Gross increase/(decrease) in provision for future payments	53,601	31,338
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	(62,022)	(27,548)
Total	(8,421)	3,790

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	(582,000)	(1,173,000)

4. Miscellaneous Income

	2023-24 £000	2022-23 £000
Local Health Boards	106,274	104,208
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	143,546	136,194
NHS Wales trusts	6,726	6,163
Welsh Special Health Authorities	18,740	16,588
Foundation Trusts	0	0
Other NHS England bodies	3,071	1,956
Other NHS Bodies	9	22
Local authorities	7,964	6,221
Welsh Government	1,048	7,350
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	2,598	2,876
Private patient income	610	356
Overseas patients (non-reciprocal)	162	85
Injury Costs Recovery (ICR) Scheme	1,277	1,268
Other income from activities	2,999	3,177
Patient transport services	0	0
Education, training and research	12,949	8,991
Charitable and other contributions to expenditure	393	293
Receipt of NWSPP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	259	232
Receipt of Government granted assets	0	43
Right of Use Grant (Peppercorn Lease)	0	969
Non-patient care income generation schemes	464	590
NHS Wales Shared Services Partnership (NWSPP)	0	0
Deferred income released to revenue	807	594
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	44	47
Other income:		
Provision of laundry, pathology, payroll services	337	237
Accommodation and catering charges	2,981	2,760
Mortuary fees	374	415
Staff payments for use of cars	4,900	3,805
Business Unit	0	0
Scheme Pays Reimbursement Notional	(108)	(825)
Other	1,163	827
Total	319,587	305,442
Other income Includes;		
Grant income	0	0
Pharmacy and other sales income	38	74
Clinical trial income	126	181
All other income	998	182
Licence Fee Income	0	390
	0	0
Total	1,162	827

Injury Cost Recovery (ICR) Scheme income

	2023-24 %	2022-23 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.07	23.76

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	10	116
Gain/(loss) on disposal other than by sale of right of use assets	(2)	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	8	116

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	696	158
Interest on obligations under PFI contracts;		
main finance cost	3,606	1,868
contingent finance cost	0	2,995
Impact of IFRS 16 on PPP/PFI contracts	800	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	5,102	5,021
Provisions unwinding of discount	73	(77)
Other finance costs	0	0
Total	5,175	4,944

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2024 the LHB had 454 leases agreements.

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	898	826	1,724	2,378
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	898	826	1,724	2,378
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	191	637	828	311
Between one and five years	96	1,934	2,030	173
After 5 years	0	1,570	1,570	0
Total	287	4,141	4,428	484

As a result of the implementation of IFRS 16 the lease figures disclosed relate only to low value and short term leases, in addition to other leases outside the scope of IFRS16.

LHB as lessor

	2023-24	2022-23
	£000	£000
Rental revenue		
Rent	44	47
Contingent rents	0	0
Total revenue rental	44	47
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	220	286
Between one and five years	944	1,185
After 5 years	239	415
Total	1,403	1,886

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	578,509	1,189	27,883	26,923	359	3,449	638,312	600,402
Social security costs	48,966	0	0	3,211	24	606	52,807	48,681
Employer contributions to NHS Pension Scheme	93,309	0	0	3,795	34	0	97,138	86,750
Other pension costs	117	0	0	0	0	0	117	261
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	10	0	0	0	0	0	10	3
Total	720,911	1,189	27,883	33,929	417	4,055	788,384	736,097

Charged to capital							645	732
Charged to revenue							787,740	735,365
							788,385	736,097

Net movement in accrued employee benefits (untaken staff leave) (2,112) (9,386)

The employer contributions to the NHS Pension Scheme disclosed above include £31.9m of NHS Pension contributions paid by Welsh Government for the twelve month period, 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board data for March 2024. This expenditure accounted for by the health board as notional expenditure paid to NHS BSA by Welsh Government has been covered off by notional funding provided to the health board. There is therefore no impact on the health board's Revenue Resource Performance as a result of the inclusion of these notional transactions. Further information is disclosed in Note 34.1.

Included within Note 9.1 above are £241k (2022-23 £58k) of final pay control charges relating to 20 (2022-23, 1) individuals.

The £4,055k other staffing cost in Note 9.1 relates to the cost of temporary staff sourced through the MEDACS managed service contract. These staff are paid via payroll.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,373	8	45	0	0	0	2,426	2,449
Medical and dental	835	5	19	485	25	62	1,431	1,334
Nursing, midwifery registered	3,928	7	245	0	0	0	4,180	3,932
Professional, Scientific, and technical staff	392	0	0	0	0	0	392	363
Additional Clinical Services	2,598	0	84	0	0	0	2,682	2,516
Allied Health Professions	930	1	3	0	0	0	934	894
Healthcare Scientists	341	0	13	0	0	0	354	341
Estates and Ancillary	964	0	11	0	0	0	975	998
Students	0	0	0	0	0	0	0	0
Total	12,361	21	420	485	25	62	13,374	12,827

9.3. Retirements due to ill-health

	2023-24	2022-23
Number	28	10
Estimated additional pension costs £	2,066,662	522,551

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

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

	2023-24	2023-24	2023-24	2023-24	2022-23
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	14	14	0	0
£10,000 to £25,000	0	2	2	0	0
£25,000 to £50,000	0	2	2	0	0
£50,000 to £100,000	0	2	2	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	20	20	0	1

	2023-24	2023-24	2023-24	2023-24	2022-23
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	36,019	36,019	0	0
£10,000 to £25,000	0	34,893	34,893	0	0
£25,000 to £50,000	0	68,429	68,429	0	0
£50,000 to £100,000	0	101,614	101,614	0	58
£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	240,955	240,955	0	58

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2023-24	2022-23
	£	£
Exit costs paid in year	240,955	58,000
Total	240,955	58,000

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

£240,955 exit costs were paid in 2023-24 (2022-23, £58,000).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2023-24 £000	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000	2022-23 £000
	Chief			Chief		
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	223	27	8.26:1	228	25	9.12:1
Median pay	223	34	6.56:1	228	31	7.35:1
75th percentile pay ratio	223	47	4.74:1	228	44	5.18:1
Salary component of total pay and benefits						
25th percentile pay ratio	223	27		228	25	
Median pay	223	34		228	31	
75th percentile pay ratio	223	47		228	44	
	Highest Paid			Highest Paid		
Total pay and benefits	Director	Employee	Ratio	Director	Employee	Ratio
25th percentile pay ratio	223	27	8.26:1	228	25	9.12:1
Median pay	223	34	6.56:1	228	31	7.35:1
75th percentile pay ratio	223	47	4.74:1	228	44	5.18:1
Salary component of total pay and benefits						
25th percentile pay ratio	223	27		228	25	
Median pay	223	34		228	31	
75th percentile pay ratio	223	47		228	44	

In 2023-24, 13 (2022-23, 9) employee received remuneration in excess of the highest-paid director. These staff members were not related to the Chairman, Executive Directors or Independent Members.

Remuneration for all staff ranged from £22,720 to £314,381 (2022-23, £20,758 to £294,062).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees. For the ratio calculation the salary of the Chief Executive and highest paid director is the mid point of the band range £220-£225k as per the single remuneration figure

Financial year summary

The reduction in the ratio of the Chief Executive salary to the 25th percentile, median and 75% percentile is not as great as in previous years due to the one off payment received by A4C staff with the exception of the Non A4C staff and the Chief Executive/other Executive Directors. This payment related to a non consolidated recovery payment for A4C staff of between £90 0 and £1,190.

9.6.2 Percentage Changes

	2022-23 to 2023-24 %	2021-22 to 2022-23 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	-0.30%	2.14
Performance pay and bonuses	0.00%	-
% Change from previous financial year in respect of highest paid director		
Salary and allowances	-0.30%	2.14
Performance pay and bonuses	0.00%	-
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	5.47%	18.52
Performance pay and bonuses	0.00%	-

The Health Board does not pay any performance pay or other bonuses

9.7 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2023-24 tax year (2022-23 £6,240 and £50,270).

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.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid	5,139	236,199	5,009	246,350
Total bills paid within target	4,445	225,050	4,352	239,972
Percentage of bills paid within target	86.5%	95.3%	86.9%	97.4%
Non-NHS				
Total bills paid	314,675	469,951	315,307	482,714
Total bills paid within target	302,538	436,052	298,578	440,446
Percentage of bills paid within target	96.1%	92.8%	94.7%	91.2%
Total				
Total bills paid	319,814	706,150	320,316	729,064
Total bills paid within target	306,983	661,102	302,930	680,418
Percentage of bills paid within target	96.0%	93.6%	94.6%	93.3%

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

	2023-24	2022-23
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	40,795	437,749	10,214	38,505	145,297	1,303	47,917	4,566	726,346
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	40,795	437,749	10,214	38,505	145,297	1,303	47,917	4,566	726,346
Indexation	(1,041)	18,581	609	0	0	0	0	0	18,149
Additions									
- purchased	209	1,032	0	34,507	3,312	357	5,133	201	44,751
- donated	0	0	0	0	258	0	1	0	259
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	6	0	0	0	6
Reclassifications	0	33,450	0	(44,881)	8,711	0	1,399	0	(1,321)
Revaluations	128	(523)	0	0	0	0	0	0	(395)
Reversal of impairments	0	7,538	0	0	0	0	0	0	7,538
Impairments	(221)	(23,469)	0	0	0	0	(32)	0	(23,721)
Reclassified as held for sale	(170)	0	0	0	0	0	0	0	(170)
Disposals	0	0	0	0	(8,218)	0	(12,964)	(308)	(21,490)
At 31 March 2024	39,700	474,359	10,823	28,131	149,366	1,660	41,454	4,459	749,952
Depreciation at 31 March bf	0	12,591	316	0	98,176	1,154	33,464	2,234	147,935
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	12,591	316	0	98,176	1,154	33,464	2,234	147,935
Indexation	0	751	19	0	0	0	0	0	770
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(602)	0	0	0	0	0	0	(602)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(4,525)	0	0	0	0	0	0	(4,525)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(8,204)	0	(12,923)	(308)	(21,435)
Provided during the year	0	15,770	335	0	11,017	76	4,820	433	32,451
At 31 March 2024	0	23,985	670	0	100,989	1,230	25,361	2,359	154,594
Net book value at 1 April 2023	40,795	425,158	9,898	38,505	47,121	149	14,453	2,332	578,411
Net book value at 31 March 2024	39,700	450,374	10,153	28,131	48,377	430	16,093	2,100	595,358
Net book value at 31 March 2024 comprises :									
Purchased	39,700	446,995	10,153	28,130	46,638	430	16,075	2,099	590,220
Donated	0	2,682	0	0	609	0	18	0	3,309
Government Granted	0	697	0	0	1,129	0	0	3	1,829
At 31 March 2024	39,700	450,374	10,153	28,130	48,376	430	16,093	2,102	595,358
Asset financing :									
Owned	37,820	385,607	10,153	28,005	48,376	430	16,093	2,102	528,586
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	1,880	64,767	0	125	0	0	0	0	66,772
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2024	39,700	450,374	10,153	28,130	48,376	430	16,093	2,102	595,358

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	500,227
Long Leasehold	0
Short Leasehold	0
	500,227

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

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. 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.

Write Downs

£18.948m of assets have been written down to depreciated replacement cost following the initial professional valuation on completion of 9 specialised building assets. These are detailed in Note 13 on page 50 of these accounts.

11.1 Property, plant and equipment

2022-23

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	39,850	438,311	10,043	40,475	140,081	1,350	44,471	3,997	718,578
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	(283)	(768)	0	0	0	0	0	0	(1,051)
Cost or valuation at 1 April 2022	39,567	437,543	10,043	40,475	140,081	1,350	44,471	3,997	717,527
Indexation	(1,262)	19,488	463	0	0	0	0	0	18,689
Additions									
- purchased	29	460	0	28,899	4,065	12	3,877	716	38,058
- donated	0	110	0	0	121	0	1	0	232
- government granted	0	0	0	0	43	0	0	0	43
Transfer from/into other NHS bodies	0	0	0	(1,788)	0	0	0	0	(1,788)
Reclassifications	0	22,959	0	(29,081)	5,181	0	940	0	(1)
Revaluations	2,682	(46,757)	(292)	0	0	0	0	0	(44,367)
Reversal of impairments	74	15,922	0	0	0	0	0	0	15,996
Impairments	(295)	(11,976)	0	0	0	0	0	0	(12,271)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,194)	(59)	(1,372)	(147)	(5,772)
At 31 March 2023	40,795	437,749	10,214	38,505	145,297	1,303	47,917	4,566	726,346
Depreciation at 31 March bf	0	49,354	1,207	0	92,272	1,166	29,671	1,991	175,661
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(151)	0	0	0	0	0	0	(151)
Depreciation at 1 April 2022	0	49,203	1,207	0	92,272	1,166	29,671	1,991	175,510
Indexation	0	54	1	0	0	0	0	0	55
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(49,198)	(1,207)	0	0	0	0	0	(50,405)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(1,965)	0	0	0	0	0	0	(1,965)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,179)	(59)	(1,372)	(147)	(5,757)
Provided during the year	0	14,497	315	0	10,083	47	5,165	390	30,497
At 31 March 2023	0	12,591	316	0	98,176	1,154	33,464	2,234	147,935
Net book value at 1 April 2022	39,567	388,340	8,836	40,475	47,809	184	14,800	2,006	542,017
Net book value at 31 March 2023	40,795	425,158	9,898	38,505	47,121	149	14,453	2,332	578,411
Net book value at 31 March 2023 comprises :									
Purchased	40,795	421,825	9,898	38,505	45,161	149	14,402	2,327	573,062
Donated	0	2,654	0	0	513	0	51	0	3,218
Government Granted	0	679	0	0	1,447	0	0	5	2,131
At 31 March 2023	40,795	425,158	9,898	38,505	47,121	149	14,453	2,332	578,411
Asset financing :									
Owned	38,855	365,160	9,898	38,505	47,121	149	14,453	2,332	516,473
On-SoFP PFI contracts	1,940	59,998	0	0	0	0	0	0	61,938
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	40,795	425,158	9,898	38,505	47,121	149	14,453	2,332	578,411

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	475,850
Long Leasehold	0
Short Leasehold	0
	<u>475,850</u>

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

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. 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.

11. Property, plant and equipment (continued)**Disclosures:****i) Donated Assets**

The majority of donated assets were purchased from SBU Charitable funds.

ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

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

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Building asset lives are as determined by the District Valuer and range from 2 to 84.
- Equipment assets are allocated lives on based on the professional judgement and past experience of clinicians, finance staff and other Health Board professionals. The appropriateness of these lives is reviewed regularly
- Medical Equipment range from 5 to 15 Years
- Non-clinical Equipment - 5 Years
- Vehicles - 7 Years
- Furniture - 10 Years
- IMT Hardware & Software - 5 years or reflects contract life for some software assets

iv) Compensation

There has not been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

There have been two DEL impairments for the following schemes which are not continuing:

- WCCIS - £1.244m
- Wrap Around Ward, Morriston - £0.004m

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

vii) Assets Held for Sale or sold in the period.

There are assets held for sale or sold in the period.

The following assets were valued on completion by the District Valuer:

- Orthopaedics NPT - April 2023
- National Imaging – MRI Scanner, Morriston - April 2023
- National Imaging – CT Scanner, Singleton - April 2023
- National Imaging – CT Scanner, NPT - July 2023
- Void Above Enfys - July 2023
- Environmental Modernisation Phase 2 - HSDU - July 2023
- National Imaging – SPECT CT, Morriston Hospital - October 2023
- Singleton Cladding Main Works - January 2024
- Morriston Server Room - January 2024
- Solar Farm Extension and Battery Storage - January 2024

IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

11. Property, plant and equipment**11.2 Non-current assets held for sale**

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2023	0	0	0	0	0	0
Plus assets classified as held for sale in the year	170	0	0	0	0	170
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2024	170	0	0	0	0	170
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	0	0	0	0	0	0

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, six are significant in their own right:

- Briton Ferry PCC (GP1 Premises) held under land and buildings NBV at 31 March 2024 £1,203k
- Briton Ferry PCC (GP2 Premises) held under land and buildings NBV at 31 March 2024 £1,099k
- Mayhill PCC held under land and buildings NBV at 31 March 2024 £1,209k
- Port Talbot Resource Centre held under land and buildings NBV at 31 March 2024 £1,895k
- Vale of Neath PCC (GP2 Premises) held under land and buildings NBV at 31 March 2024 £2,656k
- NPT Modular Orthopaedic Theatres held under land and buildings NBV at 31 March 2024 £13,969k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March	0	16,224	0	0	1,250	903	1,101	0	19,478
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April	0	16,224	0	0	1,250	903	1,101	0	19,478
Additions	0	16,158	0	0	2,816	121	0	0	19,095
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-420	0	0	0	0	0	0	-420
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	-75	-137	0	0	-212
At 31 March	0	31,982	0	0	3,791	887	1,101	0	37,741
Depreciation at 31 March	0	1,686	0	0	398	315	277	0	2,676
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	1,686	0	0	398	315	277	0	2,676
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-77	0	0	0	0	0	0	-77
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	-75	-137	0	0	-212
Provided during the year	0	3,085	0	0	739	255	26	0	4,085
At 31 March	0	4,674	0	0	1,062	433	303	0	6,472
Net book value at 1 April	0	14,538	0	0	852	588	824	0	16,802
Net book value at 31 March	0	27,288	0	0	2,729	454	798	0	31,269
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercom Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercom Leases	0	937	0	0	0	0	0	0	937
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercom Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	26,351	0	0	2,729	454	798	0	30,332
Total	0	27,288	0	0	2,729	454	798	0	31,269

11.3 Right of Use Assets

2022-23	Land & Buildings							Furniture & fittings	Total
	Land	buildings	Buildings	Dwellings	Plant and machinery	Transport equipment	Information technology		
	£000	£000	£000	£000	£000	£000	£000	£000	
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	
Transfer of Finance Leases from PPE Note	0	1,051	0	0	0	0	0	1,051	
Operating Leases Transitioning	0	14,929	0	0	1,186	863	1,101	18,079	
Cost or valuation at 1 April	0	15,980	0	0	1,186	863	1,101	19,130	
Additions	0	163	0	0	54	40	0	257	
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	
Disposals other than by sale	0	0	0	0	0	0	0	0	
Reclassifications	0	0	0	0	0	0	0	0	
Revaluations	0	81	0	0	0	0	0	81	
Reversal of impairments	0	0	0	0	0	0	0	0	
Impairments	0	0	0	0	0	0	0	0	
De-recognition	0	0	0	0	0	0	0	0	
At 31 March	0	16,224	0	0	1,250	903	1,101	19,478	
Depreciation at 31 March	0	0	0	0	0	0	0	0	
Transfer of Finance Leases from PPE Note	0	151	0	0	0	0	0	151	
Operating Leases Transitioning	0	0	0	0	0	0	0	0	
Depreciation at 1 April	0	151	0	0	0	0	0	151	
Recognition	0	0	0	0	0	0	0	0	
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	
Disposals other than by sale	0	0	0	0	0	0	0	0	
Reclassifications	0	0	0	0	0	0	0	0	
Revaluations	0	0	0	0	0	0	0	0	
Reversal of impairments	0	0	0	0	0	0	0	0	
Impairments	0	0	0	0	0	0	0	0	
De-recognition	0	0	0	0	0	0	0	0	
Provided during the year	0	1,535	0	0	398	315	277	2,525	
At 31 March	0	1,566	0	0	398	315	277	2,576	
Net book value at 1 April	0	15,829	0	0	1,186	863	1,101	18,979	
Net book value at 31 March	0	14,538	0	0	852	588	824	16,802	
RoU Asset Total Value Split by Lessor									
	Land	Land & buildings	Buildings	Dwellings	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
NHS Wales Peppercom Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercom Leases	0	994	0	0	0	0	0	0	994
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercom Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	13,544	0	0	852	588	824	0	15,808
Total	0	14,538	0	0	852	588	824	0	16,802

11.4 Right of Use Assets continued

Quantitative disclosures

	2023-24	2023-24	2023-24	2023-24	2022-23
	LAND	BUILDINGS	OTHER	TOTAL	
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	0	3,322	1,186	4,508	2,461
2-5 years	0	12,842	1,999	14,842	7,197
> 5 years	0	13,222	1,221	14,444	6,749
Less finance charges allocated to future periods	0	-3,038	-474	-3,512	-752
Total	0	26,349	3,933	30,281	15,655
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23
Current				3,817	2,324
Non-Current				26,465	13,330
Total				30,282	15,654
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23
Depreciation				4,084	2,526
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				696	158
Sub-leasing income				0	0
Expense related to short-term leases				0	0
Expense related to low-value asset leases (excluding short-term leases)				0	0
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				-696	-158
Repayments of principal on leases				-4,267	-2,623
Total				-4,963	-2,781

12. Intangible non-current assets

2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	13,200	0	1,029	0	0	0	14,229
Revaluation	0	0	0	0	0	0	0
Reclassifications	1,321	0	0	0	0	0	1,321
Reversal of impairments	0	0	0	0	0	0	0
Impairments	(1,244)	0	0	0	0	0	(1,244)
Additions- purchased	252	0	233	0	0	0	485
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	(51)	0	(154)	0	0	0	(205)
Gross cost at 31 March 2024	13,478	0	1,108	0	0	0	14,586
Amortisation at 1 April 2023	10,079	0	117	0	0	0	10,196
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	1,608	0	0	0	0	0	1,608
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(205)	0	0	0	0	0	(205)
Amortisation at 31 March 2024	11,482	0	117	0	0	0	11,599
Net book value at 1 April 2023	3,121	0	912	0	0	0	4,033
Net book value at 31 March 2024	1,996	0	991	0	0	0	2,987
NBV at 31 March 2024							
Purchased	1,996	0	991	0	0	0	2,987
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	1,996	0	991	0	0	0	2,987

**12. Intangible non-current assets
2022-23**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	12,862	0	1,029	0	0	0	13,891
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	338	0	0	0	0	0	338
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	13,200	0	1,029	0	0	0	14,229
Amortisation at 31 March bf	8,232	0	117	0	0	0	8,349
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	8,232	0	117	0	0	0	8,349
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	1,847	0	0	0	0	0	1,847
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	10,079	0	117	0	0	0	10,196
Net book value at 1 April 2022	4,630	0	912	0	0	0	5,542
Net book value at 31 March 2023	3,121	0	912	0	0	0	4,033
NBV at 31 March 2023							
Purchased	3,121	0	912	0	0	0	4,033
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	3,121	0	912	0	0	0	4,033

Additional Disclosures re Intangible Assets

Disclosures:

i) Donated Assets

Swansea Bay University LHB has not received any donated intangible assets during the year.

ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professionals and Finance staff.

iv) Additions during the period

Additions during 2023/24 relate to software and licenses.

v) Disposals during the period

Disposals during 2023/24 relate to software and licenses.

13 . Impairments

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	4	0	1,244	153	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	191	0	0	0	0	0
Others (specify)	18,948	0	0	7,799	0	0
Reversal of Impairments	(7,317)	0	0	(13,642)	0	0
Total of all impairments	11,826	0	1,244	(5,689)	0	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	11,659	0	1,244	(5,689)	0	0
Impairments as a result of revaluation/indexation Charged to Revaluation Reserve	166	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Total	11,825	0	1,244	(5,689)	0	0

The impairment losses disclosed above as "other" comprise

£18.95m for the write down to depreciated replacement cost following the initial professional valuation on completion of 9 specialised building assets as detailed below ;

- Orthopaedics NPT	£1.525m
- National Imaging – MRI Scanner, Morriston	£0.971m
- National Imaging – CT Scanner, NPT	£0.477m
- Void Above Enfys, Morriston Hospital	£2.660m
- Environmental Modernisation Phase 2 - HSDU	£0.102m
- National Imaging – SPECT CT, Morriston Hospital	£0.591m
- Singleton Cladding Main Works	£9.721m
- Morriston Server Room	£0.369m
- Solar Farm Extension and Battery Storage	£2.534m

14.1 Inventories

	31 March	31 March
	2024	2023
	£000	£000
Drugs	5,855	4,982
Consumables	6,015	5,275
Energy	394	457
Work in progress	0	0
Other	0	0
Total	12,264	10,714
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2024	2023
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

Note 14.1 discloses the stock values held at 31st March 2024. Where stock is counted manually stock takes are undertaken throughout February and March in order to ensure that stock valuations are available at the balance sheet date due to the time taken to price the items of stock counted.

In line with the 2015-16 guidance Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board.

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2023 £000
Welsh Government	1,376	1,534
WHSSC / EASC	5,087	5,009
Welsh Health Boards	5,824	5,770
Welsh NHS Trusts	2,436	1,632
Welsh Special Health Authorities	1,407	995
Non - Welsh Trusts	454	295
Other NHS	214	155
2019-20 Scheme Pays - Welsh Government Reimbursement	3	10
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	62,693	44,156
NHS Wales Primary Sector FLS Reimbursement	263	418
NHS Wales Redress	1,131	903
Other	0	0
Local Authorities	1,900	914
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	10,101	8,074
Provision for irrecoverable debts	(2,282)	(2,326)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	9,486	7,910
Other accrued income	185	191
Sub total	100,278	75,640
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	966	1,094
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	141,720	123,494
NHS Wales Primary Sector FLS Reimbursement	13	0
NHS Wales Redress	0	2
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	142,699	124,590
Total	242,977	200,230

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	15,519	13,147
By three to six months	397	387
By more than six months	460	617
	<u>16,376</u>	<u>14,151</u>

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

Balance at 1 April	(2,326)	(2,916)
Transfer to other NHS Wales body	0	0
Amount written off during the year	119	58
Amount recovered during the year	3	4
(Increase) / decrease in receivables impaired	(78)	528
Bad debts recovered during year	0	0
Balance at 31 March	<u>(2,282)</u>	<u>(2,326)</u>

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

Receivables VAT

Trade receivables	4,052	2,360
Other	0	0
Total	<u>4,052</u>	<u>2,360</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure

	2023-24	2022-23
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	2,859	4,398
Net change in cash and cash equivalent balances	(35)	(1,539)
Balance at 31 March	2,824	2,859
Made up of:		
Cash held at GBS	2,725	2,774
Commercial banks	0	0
Cash in hand	99	85
Cash and cash equivalents as in Statement of Financial Position	2,824	2,859
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	2,824	2,859

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

Lease Liabilities (ROUA) £0m

Lease Liabilities (short-term and low value leases) £0m

PFI liabilities: £6.044m

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	31 March	31 March
	2024	2023
	£000	£000
Welsh Government	59	46
WHSSC / EASC	2,473	907
Welsh Health Boards	3,042	5,052
Welsh NHS Trusts	4,386	2,966
Welsh Special Health Authorities	38	56
Other NHS	2,048	2,643
Taxation and social security payable / refunds	7,511	7,606
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	94	145
Other taxes payable to HMRC	0	2
NI contributions payable to HMRC	7,857	8,356
Non-NHS payables - Revenue	37,746	34,909
Local Authorities	1,186	353
Capital payables- Tangible	1,778	5,402
Capital payables- Intangible	281	38
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	3,817	2,324
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	3,755	3,194
Impact of IFRS 16 on SoFP PFI contracts	1,488	0
Pensions: staff	10,019	9,325
Non NHS Accruals	110,924	134,752
Deferred Income:		
Deferred Income brought forward	876	660
Deferred Income Additions	171	810
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(807)	(594)
Other creditors	162	214
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	198,904	219,166
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	26,465	13,330
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	49,588	27,722
Impact of IFRS 16 on SoFP PFI contracts	4,673	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	80,726	41,052
Total	279,630	260,218

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

Footnote re change in current year operating lease figures.

There were no transitioning or transferring operating leases during 2023-24 -this was only applicable in 2022-23.

All IFRS16 leases are under IFRS16 from the outset for 2023-24

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2024	2023
	£000	£000
Between one and two years	7,597	3,471
Between two and five years	30,215	14,210
In five years or more	16,450	10,041
Sub-total	<u>54,262</u>	<u>27,722</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

	At 1 April 2023	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 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence-									
Secondary care	23,994	0	(1,272)	24,756	13,949	(6,665)	(9,941)	0	44,821
Primary care	268	0	0	0	35	(160)	(103)	0	40
Redress Secondary care	593	0	(72)	2	558	(148)	(224)	0	709
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	769	0	(70)	148	393	(622)	(34)	72	656
All other losses and special payments	0	0	0	0	152	(152)	0	0	0
Defence legal fees and other administration	1,693	0	0	388	1,501	(926)	(981)		1,675
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	36			3	39	(39)	(3)	1	37
2019-20 Scheme Pays - Reimbursement	10			0	50	(27)	0	0	33
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	2,488		(407)	0	4,885	(406)	(1,449)		5,111
Total	29,851	0	(1,821)	25,297	21,562	(9,145)	(12,735)	73	53,082

Non Current

Clinical negligence-									
Secondary care	121,369	0	(1,529)	(24,756)	56,328	(1,646)	(10,759)	0	139,007
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	2	0	0	(2)	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,813	0	0	(148)	1,679	(932)	(349)	0	4,063
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,332	0	0	(388)	1,668	(300)	(271)		3,041
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	12			(3)	1	0	0	0	10
2019-20 Scheme Pays - Reimbursement	1,094			0	0	0	(158)	0	936
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	250	0	0	0	250
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	128,622	0	(1,529)	(25,297)	59,926	(2,878)	(11,537)	0	147,307

TOTAL

Clinical negligence-									
Secondary care	145,363	0	(2,801)	0	70,277	(8,311)	(20,700)	0	183,828
Primary care	268	0	0	0	35	(160)	(103)	0	40
Redress Secondary care	593	0	(72)	0	558	(148)	(224)	0	709
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,582	0	(70)	0	2,072	(1,554)	(383)	72	4,719
All other losses and special payments	0	0	0	0	152	(152)	0	0	0
Defence legal fees and other administration	4,025	0	0	0	3,169	(1,226)	(1,252)		4,716
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	48			0	40	(39)	(3)	1	47
2019-20 Scheme Pays - Reimbursement	1,104			0	50	(27)	(158)	0	969
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	250	0	0	0	250
Other Capital Provisions	0			0	0	0	0	0	0
Other	2,488		(407)	0	4,885	(406)	(1,449)		5,111
Total	158,473	0	(3,350)	0	81,488	(12,023)	(24,272)	73	200,389

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 and 31 March 2029	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	44,821	139,009	0	183,830
Primary care	40	0	0	40
Redress Secondary care	709	0	0	709
Redress Primary care	0	0	0	0
Personal injury	656	1,750	2,314	4,720
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,675	3,039	0	4,714
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	37	10	0	47
2019-20 Scheme Pays - Reimbursement	33	63	873	969
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	250	250
Other Capital Provisions	0	0	0	0
Other	5,111	0	0	5,111
Total	53,082	143,871	3,437	200,390

20. Provisions (continued)

	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	19,969	(7,834)	(4,151)	11,834	27,190	(16,284)	(6,730)	0	23,994
Primary care	70	0	0	0	298	(35)	(65)	0	268
Redress Secondary care	538	0	(98)	0	633	(202)	(278)	0	593
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	652	0	0	424	817	(728)	(320)	(76)	769
All other losses and special payments	0	0	0	0	100	(100)	0	0	0
Defence legal fees and other administration	1,624	0	0	150	1,994	(1,047)	(1,028)		1,693
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	41			3	36	(39)	(4)	(1)	36
2019-20 Scheme Pays - Reimbursement	28			0	6	(24)	0	0	10
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,527		0	0	2,191	(140)	(1,090)		2,488
Total	24,449	(7,834)	(4,249)	12,411	33,265	(18,599)	(9,515)	(77)	29,851
Non Current									
Clinical negligence:-									
Secondary care	117,107	0	0	(11,834)	20,153	(857)	(3,200)	0	121,369
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	2	0	0	0	2
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	5,472	0	0	(424)	115	0	(1,350)	0	3,813
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,685	0	0	(150)	843	(44)	(2)		2,332
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	17			(3)	0	0	(2)	0	12
2019-20 Scheme Pays - Reimbursement	1,925			0	0	0	(831)	0	1,094
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	126,206	0	0	(12,411)	21,113	(901)	(5,385)	0	128,622
TOTAL									
Clinical negligence:-									
Secondary care	137,076	(7,834)	(4,151)	0	47,343	(17,141)	(9,930)	0	145,363
Primary care	70	0	0	0	298	(35)	(65)	0	268
Redress Secondary care	538	0	(98)	0	635	(202)	(278)	0	595
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	6,124	0	0	0	932	(728)	(1,670)	(76)	4,582
All other losses and special payments	0	0	0	0	100	(100)	0	0	0
Defence legal fees and other administration	3,309	0	0	0	2,837	(1,091)	(1,030)		4,025
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	58			0	36	(39)	(6)	(1)	48
2019-20 Scheme Pays - Reimbursement	1,953			0	6	(24)	(831)	0	1,104
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,527		0	0	2,191	(140)	(1,090)		2,488
Total	150,655	(7,834)	(4,249)	0	54,378	(19,500)	(14,900)	(77)	158,473

21. Contingencies

21.1 Contingent liabilities

	2023-24 £'000	2022-23 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	148,238	173,077
Primary care	889	689
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	3,293	3,903
Continuing Health Care costs	189	120
Other	0	0
Total value of disputed claims	<u>152,610</u>	<u>177,789</u>
Amounts (recovered) in the event of claims being successful	<u>(149,708)</u>	<u>(174,008)</u>
Net contingent liability	<u>2,901</u>	<u>3,781</u>

21.2 Remote Contingent liabilities	2023-24	2022-23
	£000	£000
Guarantees	0	0
Indemnities	141	106
Letters of Comfort	0	0
	<hr/>	<hr/>
Total	141	106

21.3 Contingent assets	2023-24	2022-23
	£000	£000
The Health Board has no contingent assets	0	0
	<hr/>	<hr/>
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2023-24	2022-23
	£000	£000
Property, plant and equipment	7,035	19,288
Right of Use Assets	0	0
Intangible assets	0	0
	<hr/>	<hr/>
Total	7,035	19,288

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, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2024	
	Number	£
Clinical negligence	118	8,621,531
Personal injury	20	1,082,162
All other losses and special payments	164	151,672
Total	302	9,855,365

23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year claims in excess of £300,000		Cumulative amount
	Case Number	£	£
Cases in excess of £300,000:			
08RVCMN0008	Clinical Negligence	0	390,000
08RVCMN0021	Clinical Negligence	0	1,129,996
10RYMMN0033	Clinical Negligence	0	1,300,000
10RYMMN0205	Clinical Negligence	0	481,250
10RYMMN0212	Clinical Negligence	0	6,091,100
10RYMMN0223	Clinical Negligence	0	3,935,000
11RYMMN0156	Clinical Negligence	0	2,331,278
12RYMMN0001	Clinical Negligence	0	1,254,880
12RYMMN0130	Clinical Negligence	0	958,319
13RYMMN0010	Clinical Negligence	0	730,311
13RYMMN0037	Clinical Negligence	0	331,247
13RYMMN0094	Clinical Negligence	0	778,061
13RYMMN0115	Clinical Negligence	0	655,000
13RYMMN0218	Clinical Negligence	0	850,000
13RYMMN0225	Clinical Negligence	0	940,000
13RYMMN0234	Clinical Negligence	0	565,000
13RYMMN0235	Clinical Negligence	0	5,595,000
13RYMMN0247	Clinical Negligence	0	461,375
14RYMMN0033	Clinical Negligence	0	810,000
14RYMMN0034	Clinical Negligence	0	2,271,281
14RYMMN0047	Clinical Negligence	0	547,837
14RYMMN0083	Clinical Negligence	0	351,904
14RYMMN0103	Clinical Negligence	0	2,610,619
14RYMMN0110	Clinical Negligence	0	301,705
14RYMMN0120	Clinical Negligence	0	4,362,000
14RYMMN0122	Clinical Negligence	0	967,500
14RYMMN0131	Clinical Negligence	0	510,573
14RYMMN0136	Clinical Negligence	0	2,684,463
15RYMMN0040	Clinical Negligence	0	2,906,000
15RYMMN0151	Clinical Negligence	0	6,700,000
15RYMMN0154	Clinical Negligence	0	1,218,995
15RYMMN0176	Clinical Negligence	0	1,778,329
15RYMMN0190	Clinical Negligence	0	1,588,000
15RYMMN0232	Clinical Negligence	0	522,550
15RYMMN0240	Clinical Negligence	0	417,100
16RYMMN0057	Clinical Negligence	0	890,133
16RYMMN0068	Clinical Negligence	0	490,000
16RYMMN0126	Clinical Negligence	0	792,500
16RYMMN0161	Clinical Negligence	0	2,431,831
16RYMMN0185	Clinical Negligence	0	360,000
16RYMMN0199	Clinical Negligence	0	446,069
17RYMMN0006	Clinical Negligence	0	1,912,500
17RYMMN0030	Clinical Negligence	0	1,360,284
17RYMMN0040	Clinical Negligence	0	362,500
17RYMMN0047	Clinical Negligence	0	311,830
17RYMMN0090	Clinical Negligence	0	372,000
17RYMMN0102	Clinical Negligence	0	1,267,500
17RYMMN0114	Clinical Negligence	0	1,395,000
17RYMMN0176	Clinical Negligence	0	325,000
18RYMMN0048	Clinical Negligence	1	570,000
18RYMMN0061	Clinical Negligence	0	710,000
18RYMMN0076	Clinical Negligence	1	425,000
18RYMMN0092	Clinical Negligence	0	1,130,000
18RYMMN0095	Clinical Negligence	1	1,184,721
18RYMMN0107	Clinical Negligence	1	630,601
18RYMMN0122	Clinical Negligence	0	616,912
18RYMMN0156	Clinical Negligence	0	1,021,324
18RYMMN0158	Clinical Negligence	0	549,000
19RYMMN0003	Clinical Negligence	0	3,413,000
19RYMMN0019	Clinical Negligence	0	610,000
19RYMMN0048	Clinical Negligence	1	338,970
19RYMMN0063	Clinical Negligence	1	502,500
19RYMMN0065	Clinical Negligence	1	499,306
19RYMMN0067	Clinical Negligence	1	367,500
19RYMMN0077	Clinical Negligence	1	459,375
19RYMMN0080	Clinical Negligence	0	575,772
19RYMMN0243	Clinical Negligence	0	308,475
20RYMMN0002	Clinical Negligence	0	482,000
21RYMMN0094	Clinical Negligence	1	375,000
20RYMPI0036	Personal Injury	1	753,812
20RYMPI0037	Personal Injury	0	555,562
		No of cases	£
Sub-total		11	5,016,809
All other cases paid in year		291	4,838,557
Total cases paid in year		302	9,855,366
			£
			88,707,929
			27,446,341
			116,154,270

24. Right of Use leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2023-24

	LAND 31 March 2024 £000	BUILDINGS 31 March 2024 £000	OTHER 31 March 2024 £000	TOTAL 31 March 2024 £000
Minimum lease payments				
Within one year	0	3,322	1,186	4,508
Between one and five years	0	12,842	1,999	14,842
After five years	0	13,222	1,221	14,444
Less finance charges allocated to future periods	0	-3,038	-474	-3,512
Minimum lease payments	0	26,349	3,933	30,281
Included in:				
Current borrowings	0	2,736	1,080	3,817
Non-current borrowings	0	23,613	2,852	26,465
	0	26,349	3,932	30,282
Present value of minimum lease payments				
Within one year	0	2,736	1,080	3,817
Between one and five years	0	11,137	1,731	12,868
After five years	0	12,476	1,121	13,597
Present value of minimum lease payments	0	26,349	3,932	30,282
Included in:				
Current borrowings	0	2,736	1,080	3,817
Non-current borrowings	0	23,613	2,852	26,465
	0	26,349	3,932	30,282

2022-23

	LAND 31 March 2023 £000	BUILDINGS 31 March 2023 £000	OTHER 31 March 2023 £000	TOTAL 31 March 2023 £000
Minimum lease payments				
Within one year	0	1,550	911	2,461
Between one and five years	0	5,898	1,299	7,197
After five years	0	6,749	0	6,749
Less finance charges allocated to future periods	0	-724	-28	-752
Minimum lease payments	0	13,473	2,182	15,655
Included in:				
Current borrowings	0	1,430	894	2,324
Non-current borrowings	0	12,043	1,288	13,331
	0	13,473	2,182	15,655
Present value of minimum lease payments				
Within one year	0	1,430	894	2,324
Between one and five years	0	5,551	1,288	6,839
After five years	0	6,492	0	6,492
Present value of minimum lease payments	0	13,473	2,182	15,655
Included in:				
Current borrowings	0	1,430	894	2,324
Non-current borrowings	0	12,043	1,288	13,331
	0	13,473	2,182	15,655

24.2 Right of Use Assets lease receivables (as lessor)

The Local Health Board has no RoU leases receivable as a lessor.

Amounts receivable under right of use assets leases:	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
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 financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<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 off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2024 £000	31 March 2023 £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	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000 66,772
Contract start date:	12/05/2000
Contract end date:	31/05/2030

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2024 £000	On SoFP PFI IFRS 16 impact on PFI Finance Charge 31 March 2024 £000	On SoFP PFI Imputed interest 31 March 2024 £000	On SoFP PFI Service charges 31 March 2024 £000
Total payments due within one year	5,243	1,488	3,364	6,240
Total payments due between 1 and 5 years	37,811	4,187	9,120	18,406
Total payments due thereafter	16,450	486	846	3,856
Total future payments in relation to PFI contracts	<u>59,504</u>	<u>6,161</u>	<u>13,330</u>	<u>28,502</u>

	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI IFRS 16 impact on PFI Finance Charge 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	3,194	0	4,972	5,326
Total payments due between 1 and 5 years	17,681	0	22,076	17,672
Total payments due thereafter	10,041	0	17,078	6,450
Total future payments in relation to PFI contracts	<u>30,916</u>	<u>0</u>	<u>44,126</u>	<u>29,448</u>

Total present value of obligations for on-SoFP PFI contracts	31/03/2024 £000 107,497
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25.3 Charges to expenditure

	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	3,325	2,747
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	<u>3,325</u>	<u>2,747</u>

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	16,334	13,492
Total	<u>16,334</u>	<u>13,492</u>

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	On / Off- statement of financial position
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract	On/Off
Neath Port Talbot Hospital	On

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk

The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk

The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	(1,550)	(1,342)
(Increase)/decrease in trade and other receivables - non-current	(18,109)	(4,018)
(Increase)/decrease in trade and other receivables - current	(24,638)	(10,250)
Increase/(decrease) in trade and other payables - non-current	39,674	10,136
Increase/(decrease) in trade and other payables - current	(20,262)	(18,707)
Total	(24,885)	(24,181)
Adjustment for accrual movements in fixed assets - creditors	(19,046)	19,224
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	(14,628)	0
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	(6,161)	(11,761)
	(64,720)	(16,718)

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	36,536	30,497
Amortisation	1,608	1,847
(Gains)/Loss on Disposal	(10)	(116)
Impairments and reversals	12,902	(5,690)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(259)	(232)
Government Grant assets received credited to revenue but non-cash	0	(43)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	(969)
Non-cash movements in right of use assets	343	
Non-cash movements in provisions	53,940	26,324
Other movements	31,925	31,032
Total	136,985	82,650

Other movements are Notional funding received for the

- LHB notional 6.3% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 11th July 2024; following this, the financial statements were certified by the Auditor General for Wales on 12th July 2024.

Swansea Bay Health Board is not aware of any events after the reporting period which would require disclosure withing these financial statements.

Medical Pay Awards

NHS Wales bodies were notified on 28th June 2024 of the revised pay arrangements for employees covered by medical and dental terms and conditions of service in Wales, which will be funded by Welsh Government. The arrangements are confirmed in the following pay letters:

- Pay Letter M&D(W) 04/24 applying to junior doctors. This confirms an overall 12.4% pay award backdated to 1 April 2023 and includes the 5% pay award already implemented and recognised in the accounts for 2023-24.
- Pay Letter M&D(W) 02/24 confirms the reform of the consultant (amended Welsh contract) pay scale from 1 January 2024.
- Pay Letter M&D(W) 03/24 confirms the pay scales applicable from 1 January 2024 for medical and dental consultants employed on national terms and conditions on the 2021 Specialty and Specialist contracts and the closed 2008 Associate Specialist contract in Wales.

The additional 7.4% for junior doctors, and the increases for consultants and specialists have not been recognised in the 2023-24 financial statements because the obligating event was the publication of the pay circular issued on 28 June 2024. These costs will be accounted for in the 2024-25 Annual Accounts.

30. Related Party Transactions

A number of the HB's Board members have interests in related parties as follows:

Name	Details	Related Party Interest
Andrew Jarrett	Associate Member	Director of Social Services for Neath Port Talbot County Borough Council and Wife is Director of Fostering for Caretech Ltd
Anne Louise Ferguson	Special Advisor Independent Member	Spouse is Chairman of Cowbridge United Charities.
Ceirwen Jean Church	Independent Member	Daughter is Deputy Director of Primary Care Services
Darren Griffiths	Director of Finance and Acting Deputy CEO	He is Governor of Gower College Swansea (Role is on the Finance Committee and Board). Wife is Director for Wales for the Red Cross, the Red Cross has some services and contractual relationships with the Health Board
Emma Woollett	Chair	Trustee Bristol Zoological society and Chair/Trustee of Wales NHS Confederation
Hazel Lloyd May	Acting Director of Corporate Governance and Board Secretary	Spouse Director of Llanharan Pharmacy Ltd (Oct 20)
Jacquelin Davies	Independent Board member	Chair RCN Wales (No Financial Benefit), Chair South Wales Organ Donation Regional Network, Vice Chair of Royal College of Nursing Trade Union Committee (and Elected member for Wales), Board Member of People Speak Up (ATRS Health and Wellbeing) Charity.
Keith Reid	Executive Director of Public Health	Trustee / Director of Wallich
Keith Lloyd	Independent member	Chair Welsh Psychiatric society, Trustee + Chair Volcano Theatre Company, Trustee Heartbeat trust Charity, Board member MIND Cymru and Executive Dean and Pro Vice Chancellor at Swansea University
Nicola Matthews	Independent Member	Director of Wales National Pool, Trustee of Popham Kidney Support (Resigned this year), Local Councillor of Swansea Council and Local Community Councillor of Gorseinon Town Council. Her Father is Deputy Leader of Swansea Council.
Nuria Zolle	Independent Board member	Welsh Government National Advice Network (Appointed member 2020-21), Shelter Cymru Trustee, Trustee Ospreys in the Community, Practice Solutions – Consultancy and Sport Wales - NED/Public Appointment. Her Spouse/Partner -is Manager of National Studies at Audit Wales. Partner is not permitted to do any work in SBUHB.
Reena Owen	Independent Board Member	Trustee of Swansea Environment centre (Non financial)
Dr Richard Evans	Interim Chief Executive	Director - White Farm Estates (No Financial)
Stephen Spill	Independent Member, Vice Chair	Coastal Housing Group NED - Contractual arrangements with SBUHB, Trustee - Platform for change (Voluntary) which does provide some services to HBs in primary care, Karbon Homes Ltd, Owner and director of Timesfuture Limited, In2Matrix - Board Advisor, Gofal Enterprises Limited and App Cleaning Limited, Welsh Health Specialised Services Committee and Director of Ve2Vet Ltd (start-up affiliate of BSAVA)
Tom Crick	Independent Member	Non Executive Director - Llaw Cymru Welsh Water; Non Executive Director - Industry Wales; NED Ufcom Advisory Committee for Wales and Professor and Deputy Pro Vice Chancellor (Civic Mission) of Swansea University (Remunerated)

The total value of transactions with related parties in 2023/24 were as follows:

Related Party	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
City and County of Swansea	19,937	3,832	890	744
Neath Port Talbot County Borough Council	13,207	5,452	291	1,089
Royal College of Nursing	30	30	30	0
Ospreys in the community	136	0	0	0
Mind	59	0	40	0
Ve2Vet Ltd	0	0	0	0
Gofal Enterprises Ltd and App Cleaning Ltd	0	1	0	0
In2Matrix	0	0	0	0
Welsh Water	894	0	61	0
Swansea University	7,207	669	800	122
British Red Cross Society	90	0	1	0
Platform for Change	14	0	0	0
Coastal Housing	161	0	0	0
Gower College Swansea	13	2	3	0
Wales NHS Confederation	65	0	0	0
Timesfuture LTD	0	0	0	0
Karbon Homes LTD	0	0	0	0
Caretech LTD	0	0	0	0
Cowbridge United Charities	0	0	0	0
Bristol Zoological Society	0	0	0	0
Llanharan Pharmacy Ltd	0	0	0	0
Wales National Pool	0	0	0	0
Popham Kidney Support	0	0	0	0
South Wales Organ Donation Regional Network	0	0	0	0
People Speak Up Charity	0	0	0	0
Wallich	80	102	13	26
Volcano Theatre Company	0	0	0	0
Heartbeat Trust Charity	0	0	0	0
Gorseinon Town Council	0	0	0	0
Shelter Cymru	0	0	0	0
Scott Wales	0	0	0	0
Swansea Environment Centre	0	0	0	0
Practice Solutions	0	0	0	0
White Farms Estate	0	0	0	0
Ofcom	0	0	0	0
Welsh Psychiatric society	0	0	0	0
	41,894	10,087	2,129	1,981

The Swansea Bay University Health Board Charity is the linked charity to the Swansea Bay University Health Board. During the financial year the health board for operational reasons may make payments on behalf of the NHS Charity and the NHS Charity may make payments on behalf of the health board. These payments are cleared monthly via an intercompany transfer within the financial ledgers. In 2023/24 the health board made cash payments of £1,038,896 on behalf of the NHS Charity and the NHS Charity made payments of £128,748 on behalf of the health board. As at 31st March 2024 the amount owed to the health board by the NHS Charity amounted to £5,432 with the health board owing the NHS Charity £28,701. These balances will be cleared in April 2024.

The Welsh Government is regarded as a related party. During the year the LHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

Entity	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	234	1,284,805	59	1,376
Welsh Health Specialised Services Commission	134,543	143,546	2,473	5,087
Anauhin Bavan LHB	1,154	3,762	332	906
Betsi Cadwaladr LHB	534	257	134	39
Cardiff & Vale LHB	8,583	6,504	1,697	607
Cwm Taf Morgannwg Morgannwg LHB	27,450	41,338	398	2,081
Digital Health and Care Wales	6,484	971	38	357
Health Education & Improvement Wales	-	17,844	-	1,050
Hywel Dda LHB	5,448	44,176	416	1,602
Powys THB	1,510	10,991	64	589
Public Health Wales NHS Trust	5,111	3,988	565	1,085
Velindre NHS Trust	55,600	7,135	3,633	1,325
Welsh Ambulance Services NHS Trust	1,795	129	188	26
	248,446	1,565,536	9,997	16,130

31. Third Party assets

The LHB held £952,526 cash at bank and in hand at 31 March 2024 (31st March 2023, £1,009,643) which relates to monies held by the LHB on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

Cash held in Patient's Investment Accounts amounted to £0.00 at 31st March 2024 (31st March 2023, £0). Due to a change in money laundering regulations during 2022/23, the LHB is no longer permitted to hold client call accounts in the names of patients, which was how the Lloyds investment accounts were held. As a result the Lloyds Investment accounts were closed by Lloyds Bank in August 2022 and the balance was transferred into the Patients Monies Current Account.

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 2024 amounted to £1,384,708 (£969,855.75 as at 31st March 2023).

32. Pooled budgets

The Health Board (Swansea Locality) has participated in a formal pooled budget arrangement in 2023/24 which commenced in April 2012 and replaced previous agreements in place between 2008/09 and March 2012.. The pooled budget arrangement is accounted for in accordance with IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities.

Section 33 Partnership : Community Equipment

1. Statutory Partners

City & County of Swansea
Neath Port Talbot County Borough Council
Swansea Bay University Health Board

2. Aims of the Partnership

To provide an integrated community equipment service that meets the defining criteria and good practice within the guidance

To provide a flexible and responsive service for users and practitioners through a unified assessment and provisioning system which

To meet national and local standards and performance indicators, in particular to provide a high percentage of equipment and minor

To support intermediate care, palliative care and hospital discharge initiatives and to build on and consolidate existing joint

To develop more accessible services with consistent eligibility criteria, which will improve co-ordination between partner agencies

To provide an assessment, demonstration display and learning facility for service users and practitioners from health, education and

To meet the above in respect of beds, mattresses and cot sides and other equipment

3. Pooled Budget Memorandum Account

Gross Funding	2023/24	2022/23	2021/22
	£	£	£
City & County of Swansea	647,500	634,110	634,800
Neath Port Talbot County Borough Council	364,250	356,730	357,190
Swansea Bay University Health Board	1,488,250	1,309,160	1,308,010
Other	1,025,606	632,080	356,365
Total Funding	3,525,606	2,932,080	2,656,365
Expenditure	3,872,781	3,419,496	3,101,992
Net (under)/over spend	347,175	487,416	445,627

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

IFRS 8 requires bodies to report information about each of its operating segments.

Swansea Bay University Health Board has organised its operational services into 4 Service Groups. Two of these service groups are centred on the Health Board's main hospital sites of Morriston, Neath Port Talbot, and Singleton. The remaining two service groups cover Mental Health and Learning Disabilities Services and Primary Care Community and Therapy Services

The LHB has formed the view that the activities of its service groups 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 Groups have similar economic characteristics
3. The Service Groups are similar in respect of all of the following
 - > The nature of the service provided
 - > The Service Groups operate fundamentally similar processes
 - > The end customers (the patients) fall into broadly similar categories
 - > The Service Groups share a common regulatory environment

The LHB did operate as a home to 1 hosted body during 2023/24.

The only hosted body is the Emergency Medical Retrieval and Transfer Service (EMRTS). This service provides pre-hospital critical care for all age groups and undertakes time critical life or limb threatening adult and paediatric transfers from Emergency Departments, Medical Assessment Units, Intensive Care Units and Minor Injury Units for patients requiring specialist intervention at the receiving hospital. The service is mainly funded directly by Welsh Government

During 2023/24 these accounts contain income of £0.468m and expenditure of £9.129m in respect of EMRTS.

The LHB does not consider the amounts involved to be sufficiently material to be reported as a separate segment.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board/Trust/SHA data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2023-24 £000	2022-23 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Primary Healthcare Services	0	0
Expenditure on Hospital and Community Health Services	31,901	28,483
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024		
Net operating cost for the year	31,901	28,483
Notional Welsh Government Funding	31,901	28,483
Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	31,901	28,483
Other cash flow adjustments	0	28,483
2.1 Revenue Resource Performance		
Revenue Resource Allocation	31,901	28,483
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	0	0
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	79	60
Staff costs	31,822	28,423
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	31,901	28,483
Charged to capital	24	41
Charged to revenue	31,877	28,442
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	31,925	28,483

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)¹, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.