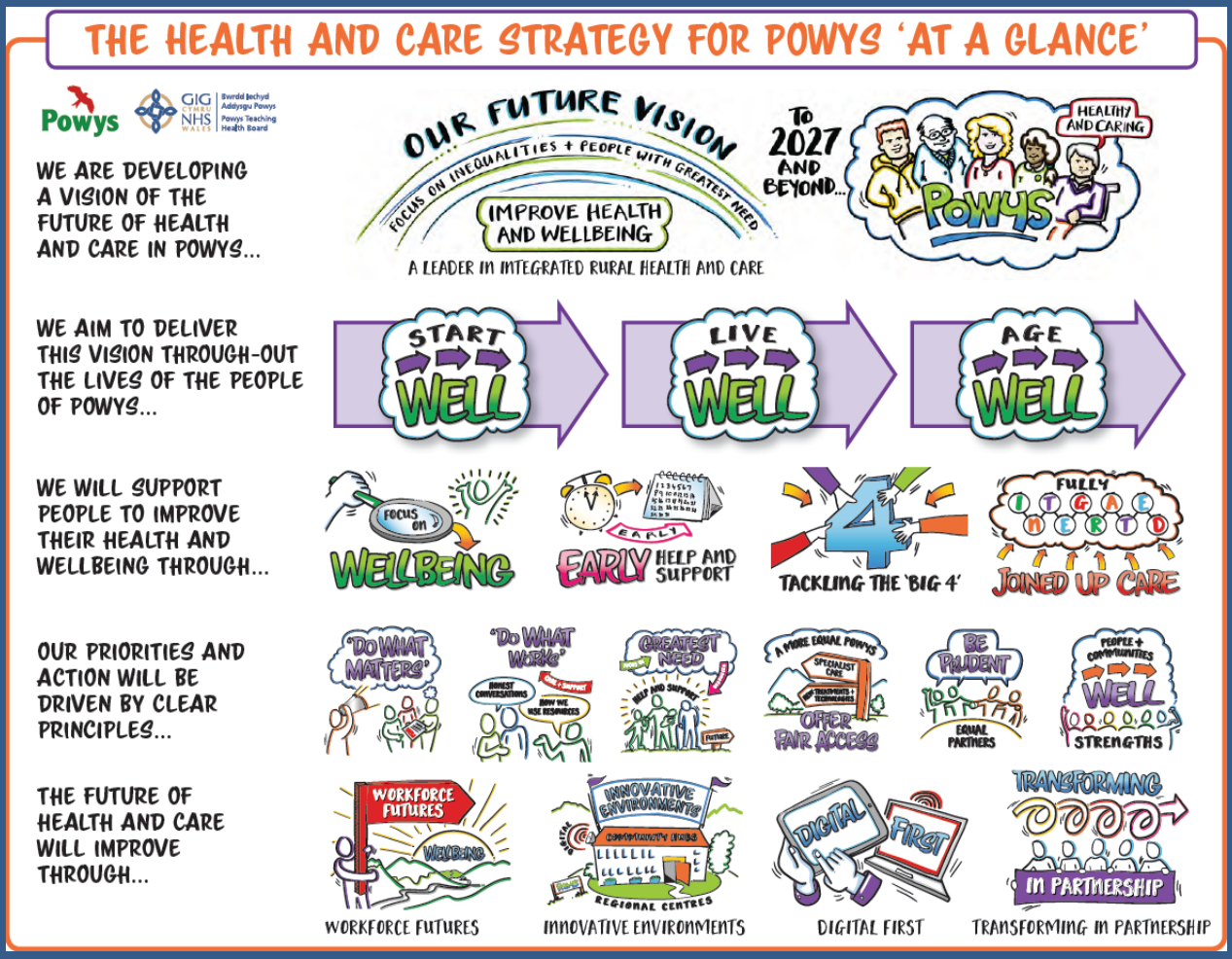
GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

# Annual Report

# 2018 - 2019



# INTRODUCTION FROM CHAIR AND CHIEF EXECUTIVE

We are pleased to introduce the Annual Report for the period 2018/19 to 2020/21. This report provides some helpful background to the organisation and its ambition for the population of Powys. It sets out how the health board performed over the past year, with highlights of the key achievements and a review of the challenges and risks.

2018 / 2019 was the first year of the jointly agreed long term Health and Care Strategy, 'A Healthy Caring Powys'. This set out four core well-being objectives and four enabling well-being objectives which framed both our work with the Regional Partnership Board and our organisational medium and short term priorities. Together with the Powys Well-being Plan, these well-being objectives deliver against the seven well-being goals for Wales and the sustainable development principle.

**Core Well-being Objectives**


**Focus on Well-being**


**Early Help and Support**


**Tackling the Big Four**


**Joined Up Care**

**Enabling Well-being Objectives**


**Workforce Futures**


**Innovative Environments**

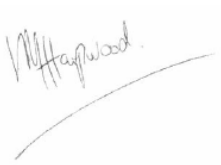

**Digital First**


**Transforming in Partnership**

The health board is ending the year 2018/2019 on a strong footing, with indicators for health in the county being generally positive, and the foundation year for the Health and Care Strategy completed. This has provided some valuable learning and areas to build upon as well as some real achievements across the organisation and in our strategic partnerships within the county and regionally. These are set out in more detail in the body of the report.

One of the major successes was in taking forward the model of care for Powys, gaining agreement and approval across the Regional Partnership Board for a blueprint, to be piloted in North Powys, which will enable health and care to be brought closer to home, with greater emphasis on prevention and enabling self-care, shifting to earlier and more joined up care.

We would like to take this opportunity to thank all those who continue to commit to working with us. This includes the strong Third Sector, Leagues of Friends, primary care contractors, the independent sector, WAST our local authority colleagues and other health boards and providers of secondary and more specialist care. Our plan sets out how we can move forward collectively in the interest of the people of Powys and we look forward to keeping you updated with progress through our regular, publicly available reports.



Prof. Viv Harpwood (Chair)

Carol Shillabeer (Chief Executive)

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# ABOUT THIS REPORT

This Annual Report covers the period April 2018 to March 2019. It provides information about how Powys Teaching Health Board (the health board) set its goals for 2018/2019 and how it performed against these and national measures. It also provides information about how the health board spent the budget allocated to it, to provide or buy healthcare services for the population of Powys.

All NHS bodies in Wales are required to produce this report and publish this information. Copies of this report and previous year's report are available at www.powysthb.wales.nhs.uk

The report is made up of three parts:

## Section 1 – The Performance Report

This section provides:

- an overview of Powys, its population and the health board
- an analysis of performance for 2018 - 2019
- a statement of how the health board has made progress in line with the Well-being and Future Generations Act including setting well-being objectives
- a report on sustainability and environmental management

## Section 2 – The Accountability Report

This section provides:

- Information on how the organisation is governed – its 'corporate governance'
- Information on remuneration and staffing
- The National Assembly for Wales Accountability and Audit Report.

## Section 3 – The Financial Statements

This section includes the Audited Annual Accounts.

*If you would like this report in another format please contact:*

The Board Secretary, Powys Teaching Health Board, Corporate Headquarters, Glasbury House, Bronllys Hospital, Bronllys, Powys, LD3 0LU.

Or visit our website at www.powysthb.wales.nhs.uk

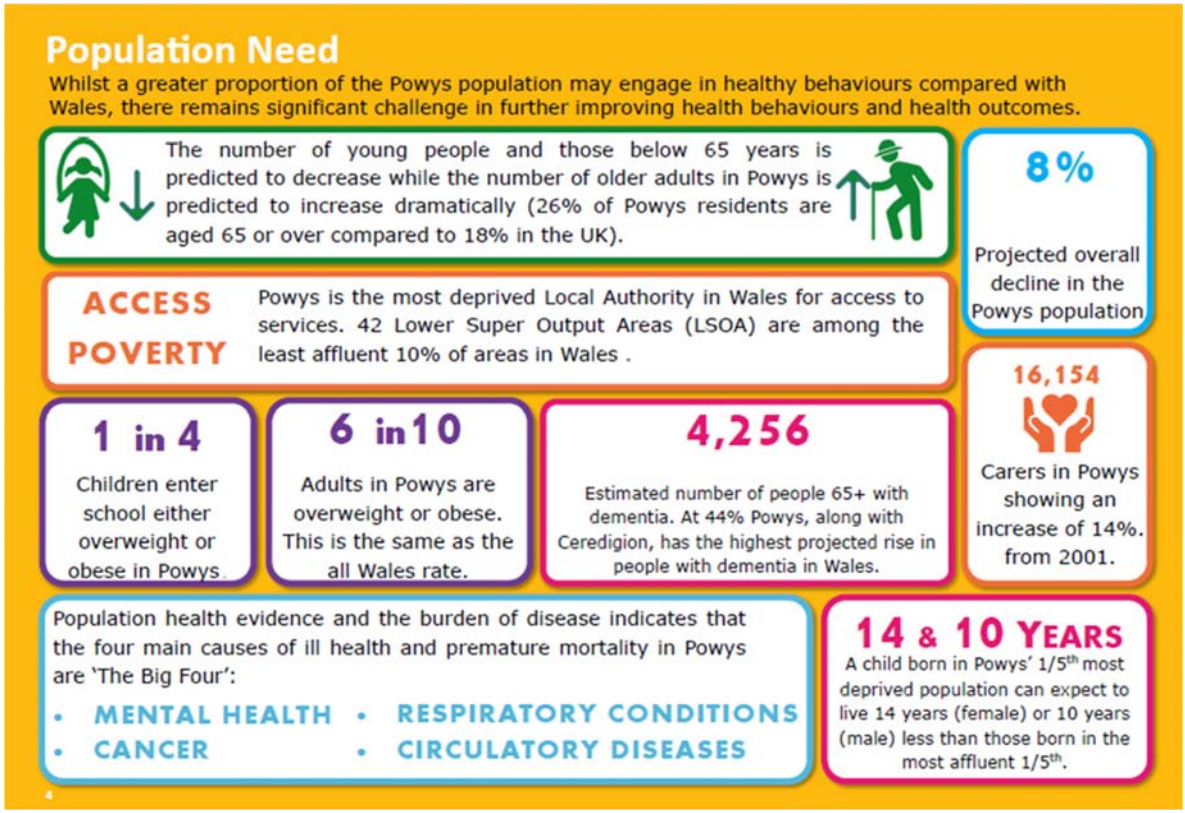
# SECTION ONE:
# THE PERFORMANCE REPORT

# OVERVIEW – POWYS AND IT'S POPULATION

Powys is one of the most rural counties in the UK. Whilst the county is approximately 25% of the landmass of Wales, it has only 5% of the population. The population in Powys is older compared to the rest of Wales and the proportion of older people is growing. The working age adult population is smaller compared to Wales and it is predicted that the number of young people and working age adults will decrease, whilst the number of older people will increase. It is predicted that there will be an 8% decline in the Powys population by 2039.

The county has a strong network of small towns and villages with a high level of community commitment and a strong voluntary sector. Unemployment is low, however Powys has a low income economy with low average earnings and house prices that are high when compared to other areas in Wales. Five areas (Lower Super Output Areas) are among the most deprived 30% in Wales, clustered around the main market towns with higher residential populations.

There are generally good health outcomes in the County and people live longer and spend more years in good health than the national average, eating a healthier diet and being more physically active. Fewer people feel lonely and there is a greater sense of community and satisfaction with life. 83% report that they feel they belong to their local area, compared to 75% in Wales as a whole. However, whilst general health is good, there are issues that have informed our long term strategy. 1 in 5 people still smoke, 1 in 4 children are overweight or obese on entering school and 6 in 10 adults are overweight or obese. Health inequalities amongst people living in the most deprived areas of Powys are significant; a child born in the most deprived area lives approximately 10 years (boys) to 14 years (girls) less than a child born in the least deprived area.




(See Powys Well-being Assessment for further detail and sources https://en.powys.gov.uk/article/5794/Full-Well-being-assessment-analysis).

# OVERVIEW – ABOUT THE HEALTH BOARD

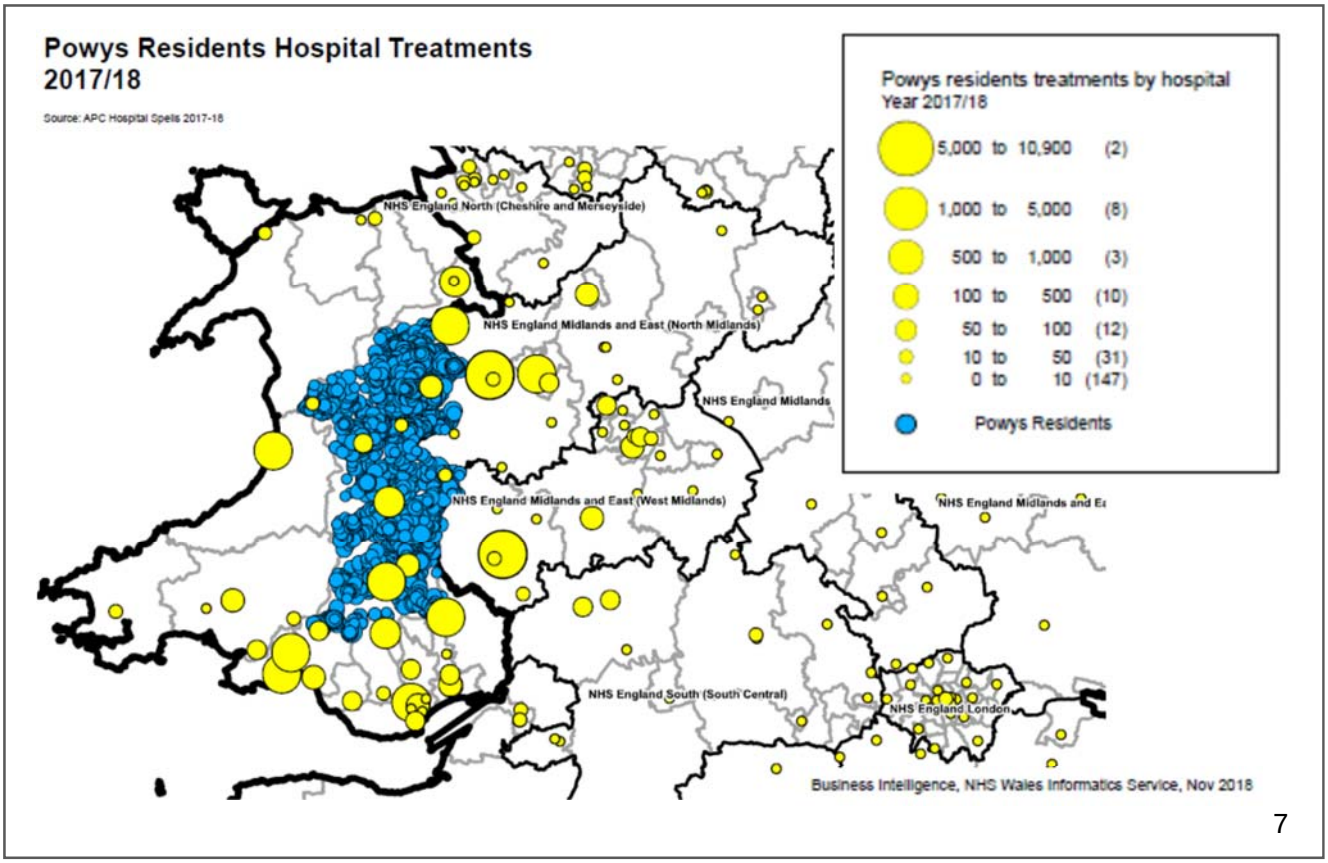
Powys Teaching Health Board is both a commissioner and a direct provider of healthcare and different to other health boards in Wales in relation to the proportion of services that are provided to the population by other health care providers.

The health board's budget is circa £300m. 50% is spent on secondary and specialist care, 20% is spent on primary care and 30% is spent on directly provided services.

The directly provided services are delivered through a network of community services and community hospitals which includes mental health, learning disabilities, maternity and children's services. Care is also provided in Powys through primary care contractors such as General Practices, Dental Practices, Pharmacists and Optometrists, as well as the Third Sector. There is also provision of an increasing range of consultant, nurse and therapy led outpatient sessions, day theatre and diagnostics in community facilities, bringing care closer into Powys itself and closer to people's own communities and homes.

In relation to commissioning, there are some unique characteristics that set the Powys context. Being an entirely rural County with no major urban conurbations and no acute general hospitals, people in Powys have to travel outside the county for many services, including secondary and specialist healthcare, higher education, employment and leisure.

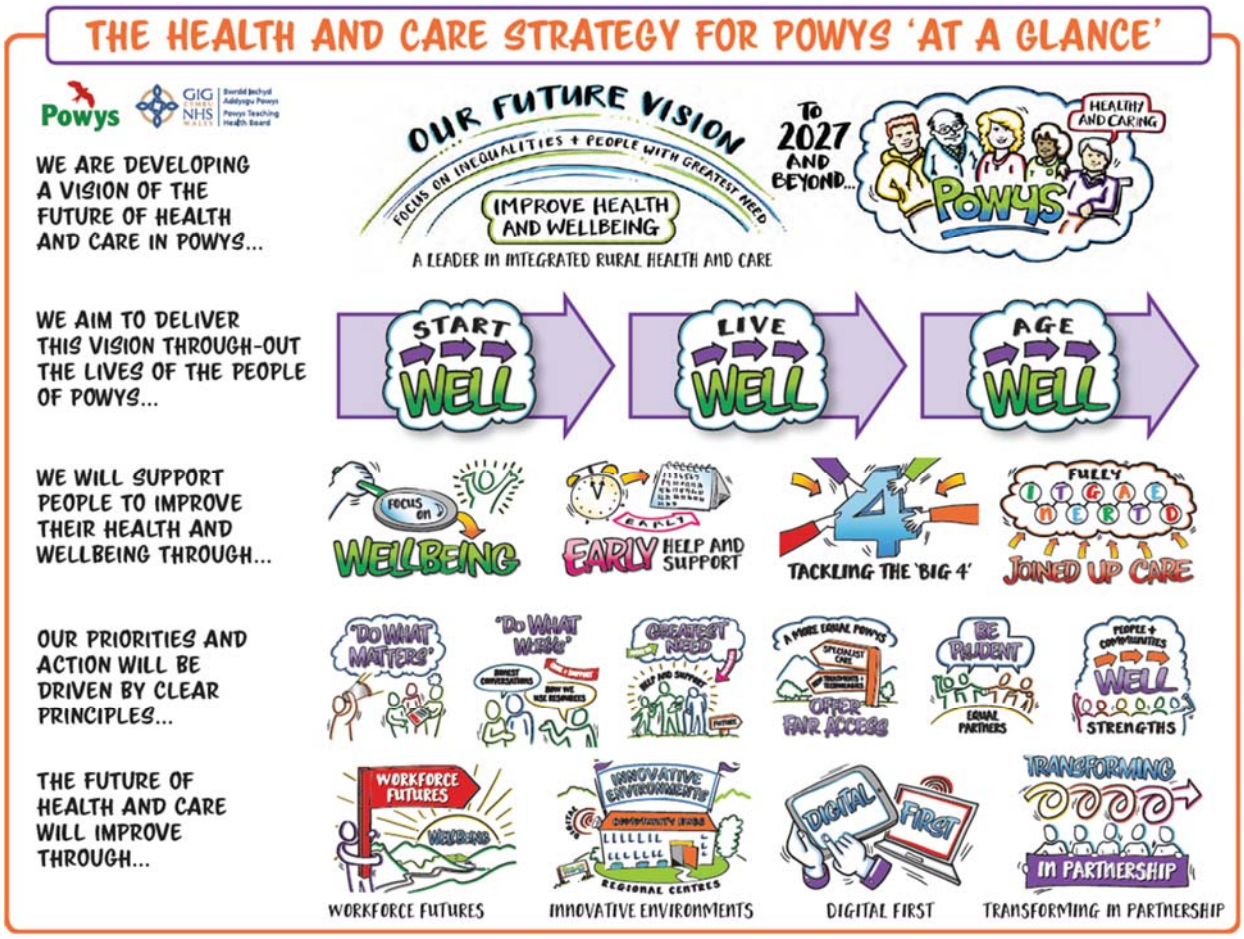
The health board buys services on behalf of the population from 15 main NHS provider organisations across England and Wales. Shrewsbury and Telford Hospitals NHS Trust makes up the largest proportion of our commissioned activity and Wye Valley NHS Trust is the second largest. In Wales, the health board buys services from Hywel Dda, Aneurin Bevan, Swansea Bay and Cwm Taf Morgannwg University Health Boards and others in smaller proportions. This covers all specialities, however PTHB is not the majority commissioner of any acute provider.



The health board and Powys County Council are uniquely positioned as the only co-terminous health board and local authority in Wales and increasingly, services are jointly provided or commissioned by the health board and the Council.

The joint Health and Care Strategy, 'A Healthy, Caring Powys', was developed jointly with Powys County Council and other partners in the Powys Regional Partnership Board (RPB). It was approved by the health board, the Council Cabinet and the RPB in March 2018 and the period 2018-2019 saw the first year of full implementation of the strategy into both the health board and the Council's plans.

The health board's Integrated Medium Term Plan for 2018/2019 was therefore shaped around the vision, principles and well-being objectives of this strategy:




This in turn is set in the context of the long term, intergenerational Powys Well-being Plan, 'Towards 2040', overseen by the Powys Public Service Board. Two of the twelve steps in this plan are specifically linked to the Health and Care Strategy and provide a 'golden thread' that runs throughout the strategic planning framework for Powys.

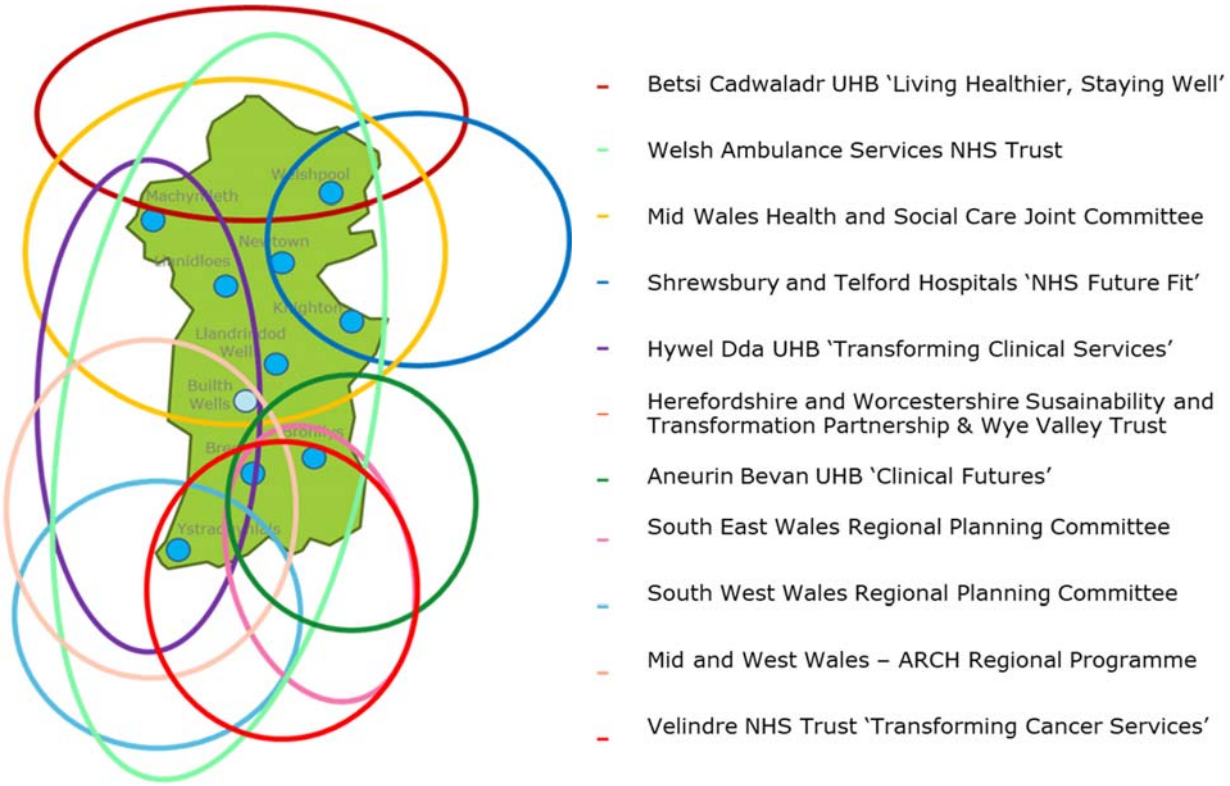
There is a strong connection between our vision for 'A Healthy, Caring Powys' and the ambition for 'A Healthier Wales' published by Welsh Government in 2018. We developed our Health and Care Strategy based on extensive local engagement as well as taking into account the Well-being of Future Generations Act and Social Services and Well-being Act.

# OVERVIEW – REGIONAL PARTNERSHIPS

The work carried out with the Regional Partnership Board in 2018/2019 has been fundamental to delivering in the first year of our shared Health and Care Strategy. We are increasingly working in collaborative arrangements, to best respond to the complexity of the arrangements in Powys for both health and social care.

There are a number of strategic change programmes underway in key NHS providers and partnerships around our borders. The health board has a statutory duty to ensure appropriate engagement and consultation with the Powys population on changes that impact on them and we took an active role during 2018/2019 in ensuring our population was informed and engaged on a number of formal consultation exercises. This included NHS Future Fit and Hywel Dda Transforming Clinical Services consultations in the summer of 2018.

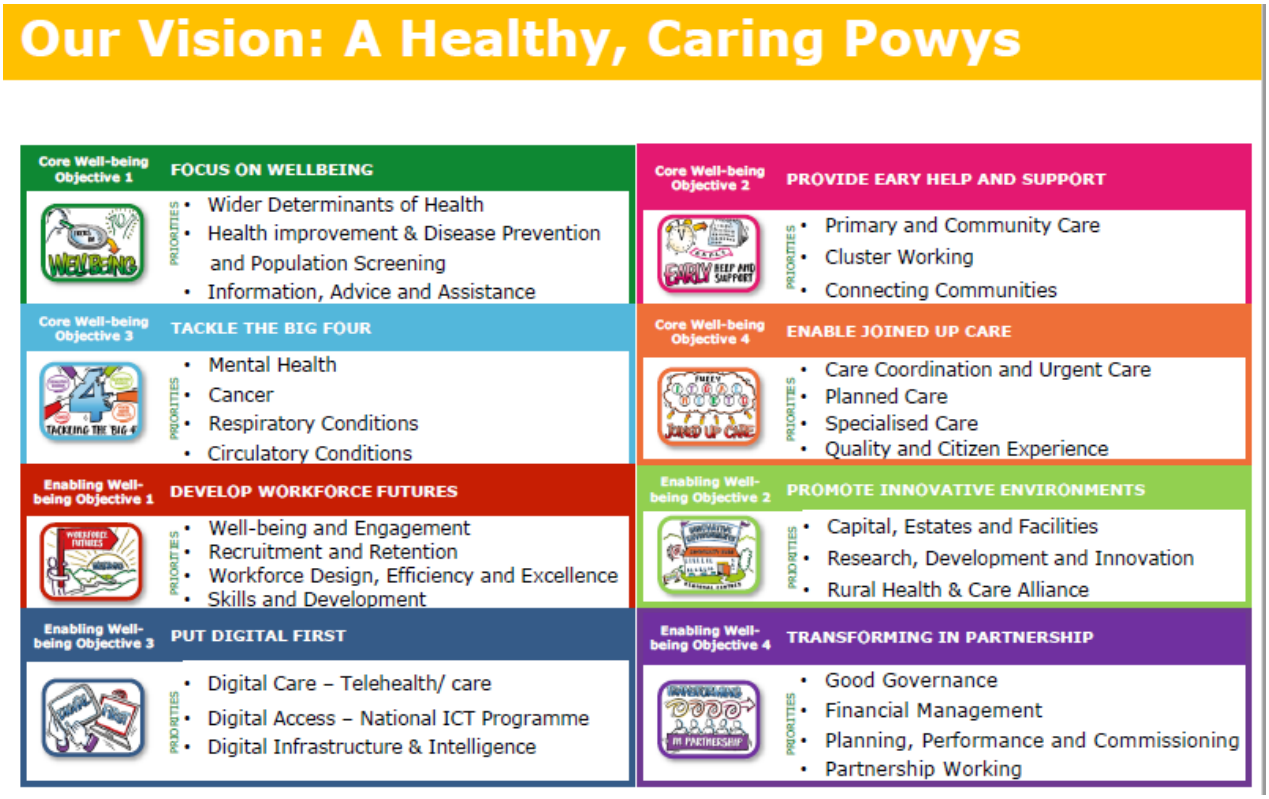
The current main programmes across all neighbouring areas are shown below:




PTHB has had a key role in the Mid Wales Joint Committee for Health and Social Care during 2018/2019 and this was formally recognised as a Regional Planning Area in 2018. There is a programme of work established to deliver against the shared 'Statement of Intent' for health and care in Mid Wales.

In addition, the health board has a role in both delivery and commissioning in relation to particular aspects of the NHS Wales Collaborative Programmes, National Delivery Plans, Shared Services, Welsh Health Specialised Services Committee (WHSSC), Emergency Ambulance Services Committee (EASC), Welsh Ambulance Services Trust (WAST) and NHS Wales Informatics Service (NWIS) workstreams. All of these have a potential to change pathways or services for people in Powys. During 2018/2019 we played a key role in ensuring the Powys population were informed and engaged on formal consultations on Adult Thoracic Surgery and Major Trauma proposals.

The priorities within the IMTP for 2019/20 – 2021/22 continue to be shaped around the jointly agreed Well-being objectives in the Health and Care Strategy, 'A Healthy Caring Powys'. We have refined these taking into account the learning from the first year of delivery and alignment with 'A Healthier Wales':




There is a greater emphasis this year on the delivery of transformational models for primary and community care, with clinical change programmes to tackle the 'Big Four' causes of ill health and disability in Powys. These are cancer (neoplasms), respiratory diseases, circulatory diseases and mental health disorders as these all feature prominently from the early years across the life course.

We are progressing the development of Primary Care clusters in North Powys, Mid Powys and South Powys, reflecting the natural geographies and community identities in these areas, to deliver against the National Primary Care Model.

The Powys Primary Care Transformation Programme will be delivered through Clusters which bring together primary and community care services, in line with the principles and components of the national Primary Care Model for Wales.

Individual Cluster Plans will be focused around the delivery of the following objectives:

- Improved access to urgent and unplanned care
- Improved proactive care for those with more complex needs
- Improved routine and preventative care
- Improved business efficiency and sustainability within Practices

Within Powys, securing equitable access to all primary and community care services can be a challenge. Although there is a good spread of services, they can still be at a considerable distance from people's place of residence.

The Primary Care Transformation Programme aims to enhance direct access to general, medical, dental and optometry. Work undertaken through engagement with patients forums, the Community Health Council, citizens and partners has identified priorities including ready access to appointments, urgent care both in and out of hours, continuity of assessments and care between services and settings, smooth transitions between health and social care, with support for self-care and joined up signposting and advice from all primary and community teams. There is also a need to ensure the communication needs of all patients and carers are understood and respected, including those with sensory impairments, physical or learning disabilities.

During 2019/2020 the frameworks supporting primary care practices will be strengthened including the sustainability toolkit and the commissioning assurance framework. Greater clinical leadership and engagement is also being taken forward, to support the development of roles and ways of working within and between practices and clusters.

The strengthening of the approach around the natural geographic clusters will also enable more localised assessment and response to population health needs and the development of tailored community models of care.

There is also a plan to build and further develop the virtual ward and move towards total triage, with opportunities linked to strategic transformation funding. This will ensure that people's needs are met by the most appropriate professional as quickly as possible. The further development of roles such as Urgent Care practitioners, Practice based and Community Pharmacists, Physician Assistants, Advanced Nurse Practitioners and Community Paramedics will increase the skills available and support the development of improved locally provided diagnostic and assessment services. The ambition is to develop a model that can be successful in the whole of Powys thus providing an equitable service for all residents.

The aim is to work closely with local authority colleagues and the third sector to ensure primary and community care services are delivered by the most appropriate organisation to ensure quality, efficiency, effectiveness and seamless care.

There is a greater emphasis on connecting communities to improve resilience and create opportunities for co-production. The recently approved Transformation Bid will allow us to accelerate our flagship programme of work on the North Powys Well-being Programme.

We have an ambition to grow an even stronger rural alliance for health and care, building on our ambition to be leaders in primary and community care and the strengthening partnership working in Mid Wales.

There has never been a better time to develop joint solutions between partners and across sectors in key areas including workforce, so that all our staff can clearly see their role in the shared vision.

2018/2019 was the first full year of implementation of the joint Health and Care Strategy which was approved in March 2018 by the health board, the local authority and has been overseen by the Regional Partnership Board in 2018-2019.

The vision and well-being objectives of this shared long term strategy were used to shape the health board's Integrated Medium Term Plan and the priorities and principles for delivery within it, as shown below:


In delivering these objectives and priorities, the health board is working to meet the needs of the Powys population and improve local services whilst delivering against the nationally set targets and measures. Our Integrated Medium Term Plan for 2018-19 can be accessed online at http://www.powysthb.wales.nhs.uk/strategies.

The Integrated Medium Term Plan covers a period of three years and therefore an Annual Plan is also developed, to ensure that the specific actions for the current year of delivery are clearly identified and can be tracked. Progress with delivery of the health board's Annual Plan is monitored through the health board's Performance Management Framework, reporting to the Finance, Planning and Performance Committee and the Board.

## THE NHS OUTCOMES AND DELIVERY FRAMEWORK

The shared long term strategy has enabled a refocusing of efforts into more preventative care and the strengthening of a community based model of care. This work is contributing to positive performance against the majority of NHS Outcomes Framework Indicators.

Welsh Government's NHS Outcomes and Delivery Framework was developed to ensure a focus on the improvement of population outcomes. The framework is based around seven domains that have been identified by the public, through extensive public and stakeholder engagement, as an important way for them to help understand how their NHS is delivering the services they require and the associated improvements in population health and well-being.

The table below provides Welsh Government's summary of the Health Board performance against this Framework. It highlights that the Health Board improved its performance against 22 of the NHS Wales Outcomes and Delivery measures and sustained its performance against a further 9 measures; these were:

- % of patients waiting less than 26 weeks for treatment (Referral to Treatment 'RTT')
- Number of patients waiting more than 36 weeks for treatment
- Number of patients waiting more than 8 weeks for specific diagnostics
- % of new patients spending no longer than 4 hours in A&E
- % of assessments by Local Primary Mental Health Support Services (LPMHSS) within 28 days from the date of referral

| Powys Teaching Health Board | Improved performance | Sustained performance | Decline in performance | Target Summary |
|---|---|---|---|---|
| **STAYING HEALTHY** - I am well informed & supported to manage my own physical & mental health | 3 measures | 0 measures | 0 measures | ↑ |
| **SAFE CARE -** I am protected from harm & protect myself from known harm | 4 measures | 2 measures | 5 measures | → |
| **DIGNIFIED CARE -** I am treated with dignity & respect & treat others the same | 2 measures | 0 measures | 1 measures | ↑ |
| **EFFECTIVE CARE** - I receive the right care & support as locally as possible & I contribute to making that care successful | 4 measures | 0 measures | 2 measures | ↑ |
| **TIMELY CARE** - I have timely access to services based on clinical need & am actively involved in decisions about my care | 3 measures | 4 measures | 6 measures | → |
| **INDIVIDUAL CARE** - I am treated as an individual, with my own needs & responsibilities | 2 measures | 1 measures | 2 measures | → |
| **OUR STAFF & RESOURCES** - I can find information about how the NHS is open & transparent on use of resources & I can make careful use of them | 4 measures | 2 measures | 3 measures | ↑ |
| **SUMMARY** | **22 measures** | **9 measures** | **19 measures** | ↑ |

## PERFORMANCE AGAINST WELL-BEING OBJECTIVES

### Well-being Objective 1: Focus on Well-being

During the development of the Health and Care Strategy, 'A Healthy Caring Powys' a clear theme emerged, to firmly establish a focus on well-being and the prevention of ill health. This became the first agreed objective for the long term strategy and therefore the first area of delivery within the health board's Integrated Medium Term Plan. This ensures that preventative activity is the foundation stone for all other work. The priorities within this area are those that help to keep people free from preventative disease, through population immunisation and healthy lifestyles.

Powys Teaching Health Board leads the way on many of these measures, not only performing well in comparison to other areas in Wales but also demonstrating innovative approaches that reach out to people who might be more at risk.

In 2018/2019 a successful pilot was taken forward with midwives providing flu immunisation to pregnant women, allowing them to access this preventative measure in a new and more joined up way with one key healthcare professional.

We also continue to have high levels of flu vaccination amongst our own staff. There was however a decline in the uptake of flu vaccination in some 'at risk' groups in our population this year, as there was nationally. To address this, the health board is exploring ways to extend the successful approach in midwifery, with other health professionals including therapists.

The health board also achieved an improvement in the number of children receiving the 2 doses of the Measles, Mumps and Rubella (MMR) vaccine by age 5. The reported figure in the table below shows as 90.9% of the population of that age group being immunised. This was a snapshot taken at the end of Quarter 3 (December 2018) and there has been improvement since this date towards year end, with 92.7% of that population being immunised by the end of March 2019. Similarly to other health boards, this did not reach the 95% target set nationally. The health board has engaged with national work to check that all reasonable steps are being taken to close this gap.

There was also improvement in the number of pregnant women giving up smoking during pregnancy, reflecting work to focus contacts with healthcare professionals on well-being as well as immediate health service need. Enhanced promotional activity during 2018 - 2019 also supported the national Help Me Quit (HMQ) campaign in Powys. Work was also progressed to support dental and optometric practices to encourage awareness and referrals to the national stop smoking service.

The healthy weights, physical activity and health visitor services are also continuing to prove successful and we saw continuing improvement in 2018-2019 in the take-up of the health visitor part of the Healthy Child Wales Programme in Powys.

| National Outcome Measures: STAYING HEALTHY | Target | End of Year | WG Trend |
|---|---|---|---|
| % of children who received 2 doses of the MMR vaccine by age 5 | 95% | *90.9% | ↑ |
| % 10 days old who accessed 10-14 day health visitor component of Healthy Child Wales Programme | Improvement | *94.3% | ↑ |
| % of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy) | Annual Improvement | **26.3% | ↑ |

* Period Q3 2018-19

** Period 2018

## Well-being Objective 2: Early Help and Support

This is the second objective of the shared Health and Care Strategy and the health board's Integrated Medium Term Plan. It captures the importance of getting help and support as early as possible, once a healthcare need has been identified. This is not only about addressing any health issues in the short term, but also in preventing conditions from getting worse where that is avoidable.

The health board has been strengthening the way that professionals provide information, advice and assistance during all contacts with health professionals. This enables a greater focus on anticipating, planning and managing conditions, especially where people want support to be able to manage their own longer term conditions or those of the people that they care for.

As part of this approach, 491 health board staff completed either Level 1 or 2 of the 'Making Every Contact Count' (MECC) training which enables professionals to have earlier and more holistic conversations with people using healthcare services.

Fifty people have also been trained as Advanced Care Planning Champions as part of the "My Life My Wishes" project, in partnership with the third sector organisation Credu. This provides tailored support to those people at the end of their life, their families and carers. A tool developed for advanced care planning has been tested and there has been a positive response from users.

An approach to encourage service users to discuss health behaviours was also trialled with professionals in the health board's Physiotherapy Team. This aims to support those people who are attending for a specific therapy to also be able to access advice and signposting at the same time. These wider conversations are encouraging a more meaningful dialogue about underlying support needs.

Timely and effective screening and diagnosis of conditions is also key to getting early help. We have made significant improvements during 2018/2019 in diagnostics and ended the year with no patients waiting more than 8 weeks.

There had been delays in the months prior to the year end in relation to clinical capacity within speciality services which had caused some delays. Actions were taken including recruitment to specialist nursing to increase diagnostic capacity.

| National Outcome Measures: TIMELY CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| Number of patients waiting more than 8 weeks for specific diagnostics | 0 | 0 | ↓ |

Please also refer to the section providing an update on 'Joined Up Care' on the following pages, for more detail about performance relating to planned care and transfers of care.

## Well-being Objective 3: Tackling the Big Four

The assessment of well-being in Powys carried out as part of the development of the shared long term strategy identified the 'Big Four' causes of ill health and disability in Powys. These are cancer (neoplasms), respiratory diseases, circulatory diseases and mental health disorders. These all feature prominently as causes of ill health from the early years across the life course.

### Mental Health

Since returning to direct delivery by the health board, access to mental health services has shown significant improvement, consistently achieving low levels of delayed transfers of care and meeting the key measures for assessments and contact with an independent advocate.

An improvement plan for therapeutic interventions has seen significant progress although further work is included in the forward plan for 2019/2020 to close the gap further, as this did not achieve the national target.

There is also a continued focus on reviewing and improving our referral to treatment times for psychological therapies to reduce waiting lists. The use of Psychology Assistant posts has been introduced to improve the matching of clinical capacity to demand and the development of a personality disorder pathway is included as key actions to deliver against a 26 week referral pathway in 2019/2020.

700 people have used the Silver Cloud online cognitive behavioural therapy service and this is being rolled out not only in Powys but in other areas across Wales.

Powys has agreed a new Dementia Plan, to ensure delivery against the national Dementia Plan as well as local needs of the population. Good progress is being made in the delivery of support for those with dementia and the home treatment model was successfully delivered in North Powys in 2018 – 2019. This will be built upon further in the coming year with a similar approach being extended into South Powys. Uptake of the dementia helpline has been low across Wales and similarly in Powys and further work is planned to raise awareness of the helpline and other support. Further work is also planned to improve access to assessment and diagnosis for those who may be experiencing symptoms of dementia.

| National Outcome Measures: INDIVIDUAL CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| % LHB residents (all ages) to have a valid CTP completed at the end of each month | 90% | 96.0% | ↑ |
| % LHB residents sent their outcome assessment report 10 working days after assessment | 100% | - | → |
| Rate of Welsh resident calls to the mental health C.A.L.L helpline per 100,000 of HB pop | 4 quarter improvement trend | 190.9 | ↓ |
| Rate of Welsh resident calls to the Wales Dementia helpline per 100,000 pop (aged 40+) | | 13.6 | ↑ |
| Rate of Welsh resident calls to the DAN 24/7 helpline per 100,000 HB pop | | 29.4 | ↓ |
| % of assessments by the LPMHSS undertaken within 28 days from the date of referral | 80% | 88% | ↑ |
| % of therapeutic interventions started within 28 days following assessment by LPMHSS | | 74.7% | ↑ |

## Cancer

As one of the 'big four' causes of ill health in Powys as it is nationally, the health board made a commitment to improve outcomes and experience for people affected by cancer. There are an estimated 4,763 people living with cancer in Powys, with 945 new cases diagnosed each year.

A population needs assessment for cancer is in place and this provides information which helps shape the delivery of healthcare. The incidence rate has increased over a ten year period but the one year survival rates are showing improvements and Powys residents reflect the national picture for one to five year survival rates (for further detail refer to the health board's Integrated Medium Term Plan).

Good progress has been made in 2018/19 towards the implementation of the Single Cancer Pathway Measure for 2019/20. There are very complex arrangements across Powys in relation to cancer care, with secondary providers in both England and Wales used by the population depending on where they live. In the South of Powys secondary care treatments are provided at the Velindre Cancer Centre and in the Mid and North of Powys people have access to Hereford Hospital, Shrewsbury and Telford Hospital and Bronglais Hospital in Aberystwyth. Some patients with more complex cases will access services in more specialist centres for example in the West Midlands. The whole pathway of care includes prevention, health and well-being support, timely detection including screening, early diagnosis, fast and effective care, and treatment and support.

The health board has also delivered a range of programmes for smoking cessation, substance and alcohol misuse, healthy weights, physical activity and immunisation, which all have a role in preventing the incidence of cancer.

There is compliance against most of the national cancer measure however there are some areas which have not been met and improvement plans are in place.

| Local Measure | Provider Location | Month | Number of Breaches |
|---|---|---|---|
| Number of Cancer Breaches against | Welsh Providers | Feb-19 | **< 5** |
| | English Providers | Feb-19 | **7** |

Welsh Cancer data source: Welsh Government

English Cancer data source: Individual providers

We are implementing the 'Improving Cancer Journey' programme in Powys jointly with Macmillan to make improvements and focus on the best possible outcomes for service users and their carers. The Macmillan Cancer Quality Toolkit has been launched and well received by GP practices across Powys.

This important work is part of the health board's clinical change approach and is led by the Medical Directorate team. Full implementation will be rolled out in 2019 with a programme team working alongside service users, carers, professionals and key clinicians in Powys such as the Primary Care GP lead for cancer who is fully engaged in the national work in both Wales and England.

## Respiratory Conditions

Around one in twelve people are estimated to have a respiratory illness across the UK and in Wales there is a high rate of asthma compared to other European areas. The health board is taking a whole system approach to improving clinical outcomes and the experience of people using services, including those who care for them.

Targeted work to promote smoking cessation and encourage the use of support services including 'help to quit' has helped to reduce the number of people smoking in 2018 – 2019. However there are still 18% of the population that do smoke and 2.7% of adolescents are smoking (for further detail refer to the health board's Integrated Medium Term Plan).

The health board has delivered a range of activities across all areas – from preventative work through to diagnosis and support. These services are delivered partly by the health board itself through its community and specialist nursing and therapy roles and also through working with primary care contractors.

Some people with respiratory conditions also use secondary care services for example visiting a hospital consultant or accessing urgent care. The evidence base is clear that as much care as possible should be provided at the earliest stages, as close to home as possible, to avoid conditions getting worse.

Looking forward, respiratory conditions will be a priority area for the "Breath Well" Clinical Transformation Programme in 2019/20. A workshop was held in March 2019 where Priorities for Year 1 were identified for example, work to implement the national model for sleep services; use of Oxygen; and to implement the national model of Asthma Management for children and young people.

## Circulatory Disease

Circulatory conditions include heart disease and stroke and diabetes is also a key factor in circulatory illness. It is one of the 'big four' causes of disease in Powys. Approximately 4432 people or 4% of the population in Powys are living with coronary heart disease and 3,174 adults are living having had a stroke. Around 8500 people are diagnosed with diabetes and about 650 have Type one diabetes

The health board made a commitment to prevent and reduce the incidence of circulatory disease in 2018 – 2019, with interventions and care being provided across community, primary and third sector services. As part of the Powys model of care there is a shift to bringing care as close to home as possible, partly to respond to a very complex set of pathways some of which rely on providers outside Powys.

There are several programmes led by neighbouring health boards and organisations in both Wales and England which have elements of services across the circulatory disease pathway. There was a formal consultation exercise over the summer of 2018 on 'NHS Future Fit' which proposes changes to Shrewsbury and Telford Hospitals, with the outcome recommending that the Emergency Centre is in Shrewsbury.

A formal consultation was also carried out by Hywel Dda over the summer of 2018 called 'Our Big NHS Change' which set out a transformation in the way Hywel Dda University Health Board delivers its services, with Bronglais hospital continuing to have an important role as a District General Hospital.

The health board took an active role in managing consultation activity in Powys to ensure that our population and partners were informed and engaged in the process.

The Herefordshire and Worcestershire 'Sustainability and Transformation Partnership' which brings together partners for health and social care in that area also has a Stroke Programme and formal engagement and consultation is anticipated in 2019 – 2020. The health board will have a role to ensure that the needs of the Powys population using these services is part of the consideration of any proposals and a statutory duty to engage the population on any changes.

Part of the health board's response to this complex picture is the implementation of a joint Health and Care Strategy, 'A Healthy, Caring Powys', which is bringing care closer to home and focusing on what can be delivered in Powys itself.

An example of a successful scheme in the County is the 'Moving on After Stroke' support, which has been rolled out and is now running in both South Powys and North Powys. Volunteers have also been recruited to support patients on wards through the Red Kite Scheme.

Other actions taken forward as part of the Powys Stroke and Neurological Disease Plan 2018 – 2019 included work in general practice and pharmacies to manage atrial fibrillation and the use of anti-coagulants, using a risk assessment tool; screening for irregular heart rates as part of immunisation programmes, and community rehabilitation support including innovative 'Neuro Cafes'.

The Powys Diabetes Plan 2018 – 2019 also saw more support being available closer to home, with teams working as part of the Invest in Your Health initiative to support self-management for patients. Moving forward, a plan is being developed with the National Diabetes lead, local patient groups and partners to meet the new standards for transition of diabetes Care.

Powys has also been at the leading edge of research on patient reported outcomes, working with the International Consortium for Health Outcome Measures (ICHOM).

## Well-being Objective 4: Joined Up Care

### Care Co-ordination and Urgent Care

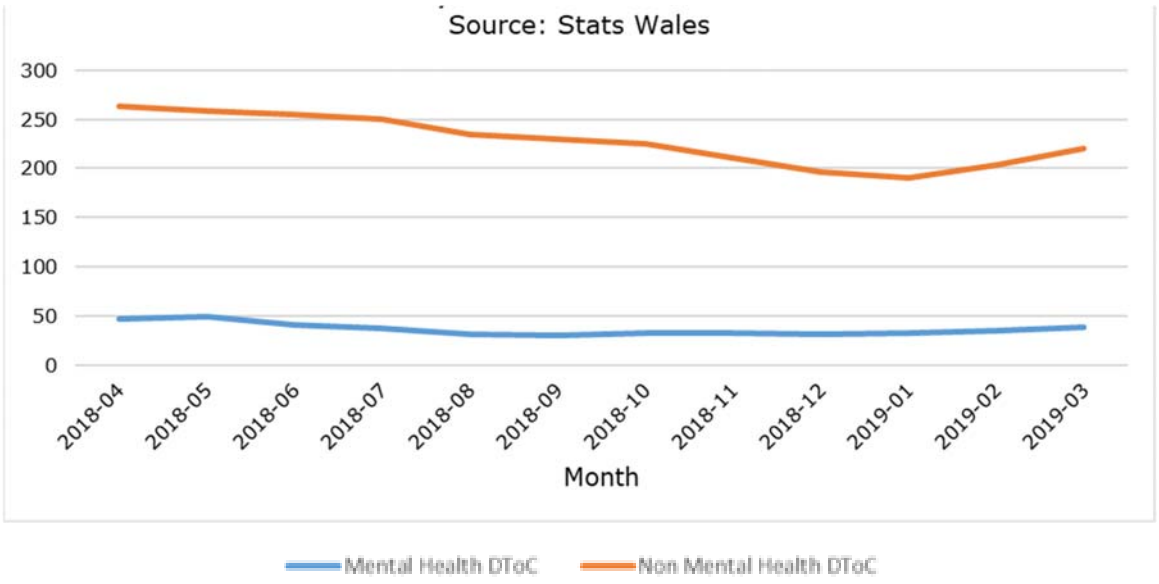
Our own provider performance in urgent care continues to be very good with minor injury units maintaining 100% compliance for admission to discharge within four hours and zero patients waiting over twelve hours.

As there is no District General Hospital in Powys itself, the residents of Powys access Accident & Emergency services at a neighbouring hospital – these include the Royal Shrewsbury Hospital, Hereford Hospital, Bronglais Hospital in Aberystwyth, Wrexham Maelor Hospital, Morriston Hospital in Swansea, Glangwili Hospital in Carmarthen, Nevill Hall Hospital in Abergavenny and Prince Charles Hospital in Merthyr Tydfil.

The challenge of meeting urgent care demand is not unique to Powys and is seen across all of these providers. Locally there has been a growing number of elderly frail people using these services which is similar to the national picture. We took a cross-system approach to the Winter Resilience planning in 2018 – 2019, agreeing actions as a provider and as a commissioner, in liaison with neighbouring providers and partners, to target the seasonal demands in key areas such as Accident and Emergency (A&E) activity in hospitals in both England and Wales.

Bringing people home from these hospitals after a spell for urgent care reasons is therefore complex. The number of delays in this area, known as 'delayed transfers of care' were in line with our performance trajectory in March 2019 however it is an area of pressure. The delays are mainly being seen as a result of difficulties accessing domiciliary care and residential care:

Rolling 12 Month Number of Health Board Reported Delayed Transfers of Care



We established a Patient Flow Co-ordination Unit in 2018 to achieve an efficient way of managing this critical part of the care journey. It is supporting a 'home first' and 'discharge to assess' way of working which has been evidenced nationally as good practice. The Recover to Assess pathway which was introduced at Welshpool Hospital has been extended to Newtown with a plan to continue to roll out across North Powys. The Powys Virtual ward has also now been established for several years and supports this way of working.

There have also been pressures in ambulance responses, specifically the response to 'red calls' within 8 minutes. In March 2019 the rate being achieved was 57.6% against the national target of 65%. This is being addressed with the Welsh Ambulance Service Trust to ensure that demand and capacity planning for Powys will meet need going forward.

## Planned Care

As a provider of services we have been able to consistently able to meet the targets for timely care access ensuring that people have a time from referral to treatment within 26 weeks. We ended the year exceeding 99% compliance against a target of 95% set nationally.

No patient has waited longer than 36 weeks for treatment in our own provided services. The rate of people who 'did not attend' for planned care in Powys remains low and is consistently better than the all Wales average.

| National Outcome Measures: TIMELY CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| % of patients waiting less than 26 weeks for treatment (RTT) | 95% | 99.7% | ↓ |
| Number of patients waiting more than 36 weeks for treatment | 0 | 0 | → |
| Number of patients waiting more than 14 weeks for a specified therapy | 0 | 4 | ↓ |
| Number of OP follow ups (booked/not booked) delayed past target date for specific planned care specs | Reduction | 359 | ↓ |
| % of new patients spending no longer than 4 hours in A&E | 95% | 100% | ↑ |
| % of ambulance red call responses within 8 minutes | 65% | 57.6% | ↓ |
| Number of patients spending 12 hours or more in A&E | 0 | 0 | → |

We have made significant improvements during 2018/2019 in diagnostics and ended the year with no patients waiting more than 8 weeks. There had been delays in the months prior to the year end in relation to clinical capacity within speciality services. Actions taken included recruitment to specialist nursing to increase diagnostic capacity.

As a commissioner of services that we buy from English health services we have also improved, making effective use of the Welsh Government funding specifically to help improve referral to treatment times for Welsh patients using English services.

***Aggregate Commissioned RTT Performance for Powys Residents (Mar 2019) Source - NWIS**

| Providers | Under 26 Weeks | | 26 to 35 Weeks | | 36 to 51 Weeks | | 52 Weeks and Over | | Total |
|---|---|---|---|---|---|---|---|---|---|
| Welsh | 88.1% | 3581 | 9.9% | 402 | 1.2% | 48 | 0.8% | 34 | **4065** |
| English | 90.3% | 5279 | 8.4% | 489 | 1.4% | 80 | 0.0% | 0 | **5848** |
| Powys residents waiting "All Providers" | **89.3%** | **8860** | **9.0%** | **891** | **1.4%** | **142** | **0.3%** | **34** | **9927** |

***Caveats - Resident waiters only excludes PTHB as provider - Excludes spinal pathway in RJAH and specialised service waiters***

At the end of March 2019 there were 80 patients from Powys waiting between 36 weeks to 52 weeks for services from English providers but no patients waiting longer than 52 weeks. Whilst there is still work to do, this is a significant improvement to the end of March in the year previously where there were 256 patients waiting longer than 36 weeks, showing the improvement measures have had an effect.

In relation to the Welsh providers used by Powys patients there were a similar number overall, with 48 patients waiting over 36 weeks at the end of March 2019 and 34 patients waiting over 52 weeks. This also showed an improvement to the same period of time the previous year.

Similarly to developments noted above in the urgent care section, planned care services are also being brought closer to home where possible. This has included a service for Wet-related Macular Degeneration (Wet AMD) which is now provided in the community hospital setting in Powys.

In addition, leg clubs have been developed across the geography seeing over 350 people each week. An investment agreed across partners in Powys has seen the Community Connectors scheme expand further, with 13 Connectors now in post and able to target support to the most vulnerable people, signposting to support across public, independent and third sectors, and helping to prevent loneliness and isolation.

### Primary Care

There have been challenges in relation to primary care sustainability which are not unique either in Wales or the wider UK geography in terms of workforce and capacity. The health board has implemented a sustainability toolkit with general practices to enable an assessment across a number of domains and assist with the short and longer term planning for primary care.

There has been significant progress in developing primary care roles and functions in dentistry, optometry and community pharmacy. The health board is continuing to develop an in house offering with an expanded Community Dental Service,

Using salaried practitioners along with the deployment of a mobile Dental Clinic to provide enhanced access. 49.6% of the health board's population were regularly accessing NHS primary dental treatment in 2018.

The Common Ailments Scheme in particular has been a home grown success that is sharing learning and promoting good practice on an All Wales basis.

We have also seen an extension of roles in community optometry, contributing to improved follow ups and supporting the management of Wet Age-related Macular Degeneration (Wet AMD).

Powys has also led on the development of Physician Associates in general practice.

Work continues with the Local Authority and primary care to ensure the Quality & Outcomes Framework is implemented to improve the health of individuals with a learning disability.

## Quality, Safety & Patient Experience

We have developed and implemented an integrated performance framework which enables us to regularly monitor quality, safety and patient experience and set this in the wider context across all health board delivery, checking and balancing that delivery is safe and quality is continuously improved. We have a patient story at each meeting of the Board, emphasising the patient centred approach at all levels.

Key priorities during 2018 – 2019 included the mitigation and response to service fragility or sustainability difficulties in neighbouring providers, as well as maintaining quality in our own directly provided services.

Work was carried out in liaison with Wye Valley NHS Trust to fully analyse the SHMI (Summary Hospital-level Mortality Indicator) performance for that provider and the latest position shows improvement.

We continue to have low rates of health care acquired infections on our own sites, with a reduction in C.difficile rates and no reported cases of S.aureus bacteraemia (MRSA and MSSA) in 2018/2019. This is a particular achievement in the context of the new stricter testing last year. There were very low numbers of healthcare acquired pressure ulcers and patient falls reported as serious incidents. There were no administration, dispensing & prescribing medication errors reported as Serious Incidents and there were no preventable hospital acquired thrombosis.

| National Outcome Measures: SAFE CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| Of the serious incidents due for assurance within the month, % which assured in agreed timescales | 90% | 22.2% | ↑ |
| Number of new Never Events | 0 | 0 | → |
| Number of grade 3, 4 & unstageable healthcare acquired pressure ulcers | 12 month reduction trend | 4 | ↓ |
| Number of administration, dispensing & prescribing medication errors reported as SIs | | 0 | ↓ |
| Number of patient falls reported as SIs | | 1 | ↓ |
| Fluoroquinolone, cephalosporin & co-amoxiclav as % of total items dispensed in the community | 4 quarter reduction trend | 8.2% | ↓ |
| NSAID average daily quantity per 1,000 STAR-Pus | | 1258 | ↑ |
| Total antibacterial items per 1,000 STAR-PUs | | 253.1 | ↑ |
| Number of preventable hospital acquired thrombosis | 0 | 0 | → |
| Rate of hospital admissions with any mention of self harm for children/young people per 1,000 pop | | 4.07 | ↑ |
| Number of patient safety solutions wales alerts & notices not assured within the agreed timescales | | 1 | ↓ |

We have had zero never events over a four year period in Powys. However we did not achieve compliance with the national measure or our own plan in relation to the timely processing of Serious Incident reports in the period 2018/2019. To resolve this, intensive work and additional resource has been assigned in this area, to address the historical open incidents and ensure both the capacity and the systems for recording incidents are improved. Significant progress has been made and the health board has set a trajectory for 2019/ 2020 that will achieve compliance with the national measure by September 2019.

| National Outcome Measures: SAFE CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| Of the serious incidents due for assurance within the month, % which assured in agreed timescales | 90% | 22.2% | ↑ |
| Number of new Never Events | 0 | 0 | → |
| Number of grade 3, 4 & unstageable healthcare acquired pressure ulcers | 12 month reduction trend | 4 | ↓ |
| Number of administration, dispensing & prescribing medication errors reported as SIs | | 0 | ↓ |
| Number of patient falls reported as SIs | | 1 | ↓ |
| Fluoroquinolone, cephalosporin & co-amoxiclav as % of total items dispensed in the community | 4 quarter reduction trend | 8.2% | ↓ |
| NSAID average daily quantity per 1,000 STAR-Pus | | 1258 | ↑ |
| Total antibacterial items per 1,000 STAR-PUs | | 253.1 | ↑ |
| Number of preventable hospital acquired thrombosis | 0 | 0 | → |
| Rate of hospital admissions with any mention of self harm for children/young people per 1,000 pop | | 4.07 | ↑ |
| Number of patient safety solutions wales alerts & notices not assured within the agreed timescales | | 1 | ↓ |

| National Outcome Measures: EFFECTIVE CARE | Target | End of Year | WG Trend |
|---|---|---|---|
| % episodes clinically coded within one month post episode end date | 90% | 100% | ↑ |
| % clinical coding accuracy attained in the NWIS national clinical coding accuracy audit programme | Annual Improvement | 93.8% | ↓ |
| Number of health board non mental health DToC | | 220 | ↑ |
| Number of health board mental health DToC | | 39 | ↑ |
| % Crude mortality less than 75 years (rolling 12 months) | | 1.79% | ↓ |
| All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals | 100% | 95.3% | ↑ |

Performance in responding to concerns within 30 working days varied in 2018/19. The end of year average compliance reported as 55.8% overall, against a national target of 75%. There are some known issues with data quality in this area and work is underway across all Welsh health boards to improve data capture and reporting. A 'Putting Things Right' senior manager position has also been recruited within PTHB.

| National Outcome Measures: DIGNIFIED CARE | | | |
|---|---|---|---|
| **Measure** | **Target** | **End of Year** | **WG Trend** |
| % of concerns had a final reply (reg 24)/interim reply (reg 26) <30 working days of concern received | | 55.8% | ↓ |
| Patients aged 75+ with an AEC of 3 or more for items on active repeat as % of all patients aged 75+ | TBC | 5.9% | ↑ |
| Number of procedures postponed either on the day or day before for specified non-clinical reasons | | 20 | ↑ |

## Well-being Objective 5: Workforce Futures

The health board had some of the most positive results in Wales across key areas of the NHS Wales Staff Survey in 2018 and continues to have low sickness absence levels, meeting the Welsh Government target at year end 2018/19.

Of the 2,123 staff who were sent the staff survey, 50% took the offer to complete it, an increase of over 300 staff from 2016; this is in the top 5 of the highest response rates of all health boards in Wales (All Wales 29%).

### We have improved significantly in some areas...

↑2% **60%** are aware of the long term goals (↑2% from 2016 / **54% Wales**)

NEW **81%** say that their job gives them a feeling of purpose (New since 2016/ **79% Wales**)

↑7% **90%** report having a PADR in the past year (↑7% from 2016 / **83% Wales**)

↑26% **51%** believe that they can meet all of the conflicting demands of their work (↑26% from 2016 / **49% Wales**)

### In some areas we have improved but there is more to do...

↑8% **50%** feel the organisation values their work (↑8% from 2013 / **42% Wales**)

↑6% **56%** say the organisation is committed to help staff balance work and home life (↑6% from 2016 / **48% Wales**)

↑2% **48%** are able to provide services in Welsh (↑2% from 2016 / **51% Wales**)

### Engagement

The overall engagement score in Powys is **78%** (↑9% from 2016 / **76% Wales**), including:

- **77%** are proud to tell people they work for PTHB (↑9% from 2013 / **72% Wales**)
- **73%** would recommend PTHB as a place to work (↑3% from 2016 / **66% Wales**)

### Priorities for Action

**Acting on the Results** - 27% say that the Executive Team will act on the results of the survey (↓7% from 2016 / 24% Wales).

**Effective communication between senior management and staff** - 36% say communication between senior management and staff is effective (↑5% from 2016 / 32% Wales).

**Managing Change** - 32% say change is well managed (↓2% from 2016 / 29% Wales).

**Stress** - 32% have been injured or unwell due to work related stress (↑7% 2016 / 21% Wales).

**Harassment & Bullying** - 17% have experienced harassment or bullying from colleagues or managers at work (↑3% 2016 / 18% Wales).

The health board continues to have low sickness absence levels, meeting the Welsh Government target at year end 2018/2019. Rolling sickness absence shows a reduction of 0.06% to 4.57% during 2018-19.

The measures for training and appraisals were narrowly missed and an improvement programme is in place to address this. Personal Appraisal and Development Review compliance was 81% in March 2019 against a target of 85%. In comparison to March 2018 compliance has improved by 13%.

The Workforce Directorate continues to raise awareness and provide support across the health board to improve compliance. Compliance continues to be significantly higher than the NHS Wales average of 68%, with Powys continuing to achieve the highest compliance of all NHS Wales organisations to date.

Changes to the information governance e-learning module have meant staff are required to undertake revised training to ensure compliance, this has been highlighted to all managers. Compliance against this measure was 77% as at March 2019 (85% target).

| National Outcome Measures: Staffing and Resources | Target | End of Year | WG Trend |
|---|---|---|---|
| % headcount who have had a PADR/medical appraisal in previous 12 months | 85% | 81.0% | ↑ |
| % compliance for each completed Level 1 competency within Core Skills & Training Framework | 85% | 81.0% | ↓ |
| Number of procedures that don't comply with NICE Do Not Do guidance (list agreed by Planned Care Board) | 0 | 0 | → |
| % staff sickness absence (rolling 12 months) | 12 month reduction trend | 4.57% | ↓ |
| % of staff who undertook a performance appraisal who agreed it helped them improve how they did their job | Improvement | 57% | → |
| Overall staff engagement score | | 3.92 | ↑ |
| % staff who would be happy with care by their organisation if friend/relative needed treatment | | 79% | ↑ |

There are significant challenges and opportunities relating to the workforce in Powys, including recruitment, retention, an ageing workforce and workforce fragility. We have an ambition to become an employer of choice and to grow more of our own workforce capability, flexibility and sustainability.

Our workforce profile shows that 26% of our workforce are aged 55 and above. Despite the age profile in Powys, sickness seems to remain at a steady state. The health and well-being of the workforce needs to be seen in the context of the working population we serve. We therefore consider the Population Health Assessment is crucial in understanding the workforce health and wellbeing needs. Our staffing compliment is made up of 76% of Powys residents and 24% of staff commuting into Powys County to work for the Health Board.

Recruitment of clinical staff has been a particular challenge in Powys as it has elsewhere in the UK. Medical, nursing, therapies, and allied health professionals workforce pressures in Powys reflect the national picture. This is mirrored in Social Care, Primary Care, the Third Sector, and the independent sector in Powys.

To address this challenge, we are collaborating with our partners on joint workforce planning including the workforce of our commissioned services. Through the Regional Partnership Board, we are taking a unique joint approach, employing the first joint Health & Social Care Workforce Planning Manager in Wales. This work includes a detailed analysis of workforce needs across boundaries including volunteers and carers, now and into the future, enabling us to better understand the workforce requirements of new models of delivery.

We already have an integrated workforce either as a direct provider or a commissioner, in key areas such as the Integrated Autism Service and substance misuse services and we have plans to strengthen this with the Local Authority and Regional Partnership Board, with integrated commissioning of care home services.

Powys does not have its own university in the county, however we have focused on building strong working relationships with HEIW and local educational providers including universities and further education providers. This is being taken forward through the Workforce Futures programme and we are exploring the development of a Health and Care Academy of Learning.

As noted in previous points we have made significant progress in key areas including the implementation of physician associates in general practice and the development of advanced or enhanced nursing roles, to improve diagnostic and triage capability.

The health board takes a strategic approach in its ambition not just to respond reactively but to implement the Powys Health and Care Strategy, with positive and productive partnership working. We have embarked on an Organisational Development Strategic Framework, 'Best Chance of Success' which is ensuring that our culture, people, structures and processes are aligned to deliver against our IMTP and 'A Healthy, Caring Powys'.

## Well-being Objective 6: Innovative Environments

The health board met its statutory duty of ensuring that its capital expenditure does not exceed its funding over a three year period. There was a £13K surplus in 2018/19 and a £34K surplus for the three year period 2016-2019.

There have been significant issues in relation to external contractor arrangements during 2018 – 2019 which have been mitigated in year with the schemes rescheduled as necessary to account for the remedial action.

This was the case in relation to the delivery of the major reconfiguration project at Llandrindod hospital where challenges have been worked through to mitigate the impact and deliver a successful outcome. Phases such as Reception, X-ray and Endoscopy have been completed and are in use.

Similarly challenges have been overcome as part of the planning of the major reconfiguration project at Bro Dyfi Community Hospital at Machynlleth and it is anticipated that the business case will be ready for resubmission to Welsh Government in summer 2019.

Integrated Care Funding has supported a significant refurbishment at the Fan Gorau unit in Newtown which will consolidate and improve services for mental health patients. Support from Leagues of Friends and charitable sources have also enabled a Centre extension at Ystradgynlais Community Hospital and the building of a palliative care suite at Llanidloes Community Hospital, which is awaiting final utilities work prior to opening.

Other schemes have been successfully delivered using discretionary capital funding to improve patient services in Endoscopy at Brecon hospital, to meet accreditation requirements and a Section 136 Suite has been developed at Bronllys Hospital for mental health services.

Discretionary Capital of over £0.5M was also targeted using a risk based approach in 2018 – 2019, into reducing statutory compliance risks. This saw significant improvements to medical gas systems at Welshpool, a replacement generator at Llanidloes and new fire alarm installations at Bronllys.

NHS Wales Shared Services Partnership audits have had positive outcomes for Capital Systems and Major Projects (Llandrindod) as well as Estates Compliance focussing on water safety, asbestos and fire.

Environment and Sustainability has seen significant progress towards ISO 14001 in year with a successful Stage 1 audit undertaken in March 2019 and the Stage 2 audit scheduled for June 2019.

Please refer to the Sustainability Report section of this document for further detail on environmental management, including commentaries and data in relation to waste, water usage and emissions.

A new Medical Director was appointed to the health board in 2018 and takes up the portfolio for research and development. This builds on work carried out in the year to develop the Bright Ideas Hub as a peer support network and best practice sharing mechanism. Health and Care Research procedures have been fully implemented in the organisation and supporting processes are being updated to reflect a new approach around research clusters. A plan is in place to implement local research delivery to staff to improve performance against the measure developing research skills and experience.

## Well-being Objective 7: Digital First

In the Integrated Medium Term Plan for 2018 – 2019 the health board set out a long term plan to make a conscious shift in our approach to digital technology, to improve services and access and achieve better outcomes for the population.

Powys is in a unique position having a joint arrangement with Powys County Council and a shared IT Department. This model enables resources to be shared and intelligence to be maximised and integrated.

As of April 2019 Welsh Community Care Information System (WCCIS) has been rolled out to 92 health teams with approximately 600 users accessing the basic functionality of the system.

Clinical coding completeness and accuracy remains high with national targets being exceeded.

The Welsh Patient Administration System (WPAS) User Group and Champion Group has been fully implemented and supported with the addition of site days to ensure that all users of WPAS have access to the applications team.

The rollout of the Welsh Clinical Portal (WCP/WGPR) is 100% complete. All 9 Powys Hospitals and the Glan Irfon centre now have access to WCP/GP Summary Record.

All 16 Powys GP Practices are now using the Welsh Clinical Communication Gateway and all 16 Practices have the GP Test Requesting (GPTR) system. There is work to increase the use for results viewing, currently being used at 6 practices.

Other developments to strengthen the use of digital technology in healthcare have included the use of skype by the Long Term Conditions Centre who offer programmes and consultations for pain and fatigue management by skype. This is a significant step forward in a very rural and sparsely populated county where travel to hospital sties is often difficult especially for those with mobility and other transport issues.

The implementation of the Silvercloud online cognitive behavioural therapy system has also been successful, with over 850 referrals into the service to date. It also went live with referrals directly from Welsh Ambulance Services NHS Trust in December 2018. As part of the All Wales roll-out. Aneurin Bevan University Health Board have now commissioned the Powys Teaching Health Board Online Silver Cloud service.

## Objective 8: Transforming in Partnership

### Good Governance

The leadership and management of the health board was positively noted in a Structured Assessment in 2018 by external auditors. This recognised that the organisation was generally well led and well governed, taking forward work in a number of areas to strengthen governance arrangements. This includes the review and revision of the health board Committee Structure which is now in place for 2019/2020.

There were areas identified during 2018 – 2019 to be improved and these included risk management processes. A new Head of Risk Assurance is now in post in the organisation and processed have been reviewed and established. This includes the introduction of a Board Assurance Framework.

Similarly to other health boards there is a gap identified between the Welsh Language standards set nationally and the capacity and readiness of the organisation to meet these.  A Welsh Language Improvement Manager has also been appointed to assess the current position and lead actions to improve.

### Planning, Commissioning and Performance

The health board positively adapted to the new planning process for the development of the Integrated Medium Term Plan which was introduced in summer 2018, in particular welcoming the regular engagement sessions with Welsh Government which strengthened the alignment of national and local goals.

The Integrated Medium Term Plan 2019/20 – 2021/22 was approved by the Board and submitted to Welsh Government at the end of January 2019 and received formal approval from Welsh Government at the end of March 2019.

The Commissioning Assurance Framework has been applied across 15 main NHS organisations and continues to provide a robust mechanism to track and identify emerging patterns of poor performance and specific areas of risk specific to use of services by Powys residents. It encompasses the domains of patient experience, quality, safety, access, activity, finance, governance and strategic change.

There have been areas of commissioned providers' performance in 2018 2019 which have not achieved target measures or where there are a range of service fragility and sustainability issues, including Shrewsbury and Telford Hospitals NHS Trust and Wye Valley NHS Trust

Shrewsbury and Telford Hospitals NHS Trust was given an overall 'inadequate' rating following a Care Quality Commission Inspection (Report published 29th November 2018 available at www.cqc.org.uk). A further inspection has been carried out in spring 2019 and the findings are awaited. An urgent notice decision was taken by CQC on the 18th April 2019 under Section 31 of the Health and Social Care Act 2008 in relation to the Emergency Department. In addition to the monthly meetings with the Trust, the health board receives copies of weekly reports against the regulator's recommendations and the Quality Improvement Plan.

Wye Valley NHS Trust is rated as 'requires improvement' by the Care Quality Commission and their latest report was published in October 2018, also available at the CQC website. A letter of undertakings was also issued by the regulator on the 13th December 2018 and the health board receives updates on progress being made in areas including waiting times and mortality rates.

The health board maintains a Fragile Services Log, which ensures an up to date picture across our 15 main providers by speciality and geography and provides critical intelligence to feed into our commissioning processes.

In addition we also maintain a Stocktake of Strategic Change programmes across our neighbouring areas and carry out targeted impact assessments and engagement planning on those live programmes with a material impact on the Powys population.

We are currently extending the Commissioning Assurance Framework with Primary Care and plan to extend further with speciality specific services and residential care, in liaison with the local authority.

## Financial Management

The health board has delivered against the statutory duty to ensure that revenue expenditure does not exceed the aggregate funding allotted over a three year period. There was a £65K surplus in 2018/19 and a £246K surplus for the period 2016 – 19.

The Health Board also met its statutory duty of ensuring that its capital expenditure does not exceed its funding over a three year period. There was a £13K surplus in 2018/19 and a £34K surplus for the three year period 2016-2019. We also met the Public Sector Payment policy to pay 95% of non NHS invoices within 30 days.

There are continuing economic pressures that challenge public finances and it has been a significant achievement that the health board has remained in a balanced financial position whilst maintaining good quality health services that meet growing and more complex needs.

Looking forward, public services in Powys will be reliant upon creating efficiency through the establishment of strong, strategic and operational relationships with a range of partners including other health boards, the Primary Care Sector, the Third and Independent Sectors.

The savings programme established over the life of the financial plan assumes significant avoidance of future growth from our externally commissioned services through implementation of best practice supported by business intelligence.

The Efficiency Framework is a key source of information to target opportunities which will be critical in addressing the impact of the current and predicted growth in secondary care service demands and shifting care towards more preventative, early help and support. Independent reviews have identified that there is scope for greater service and financial sustainability through the redesign of services.

Strengthening arrangements with providers of services as well as via regional and All Wales collaborative mechanisms will be fundamental to delivering the transformation envisaged in our own strategy and A Healthier Wales.

The implementation of the Clinical Health Knowledge System in PTHB has provided invaluable commissioning intelligence and this will continue to be developed to support the delivery of our financial plan.

Please refer to the Financial Strategy / Financial Statements for more information.

## Regional Working

Regional collaboration is key to delivering in a complex landscape in Powys, as it is for the whole of Wales. There are multiple programmes of work being taken forward in neighbouring areas which all have a potential benefit and impact.

In addition to its key role as a member of the Regional Partnership Board and Public Service Board which is noted earlier, the health board has taken a key role in the Mid Wales Joint Committee for Health and Social Care over the past year. This has now been formally recognised as a Regional Planning Area in 2018. There is a programme of work to deliver against the shared ‘Statement of Intent’ for health and care in Mid Wales.

In addition, health and care in Powys is a component part of wider regional and national work including the NHS Wales Collaborative Programmes, National Delivery Plans, Shared Services, Welsh Health Specialised Services Committee (WHSSC), Emergency Ambulance Services Committee (EASC), Welsh Ambulance Services Trust (WAST) and NHS Wales Informatics Service (NWIS).

The health board has a unique position with boundaries onto all but one other health board in Wales as well as cross border relationships within England. In each of these areas there are a number of change programmes underway. The health board ensured a robust response with extensive engagement on a number of major consultation exercises arising from these neighbouring programmes during 2018.

This included a major formal consultation over the summer of 2018 for NHS Future Fit, which set out proposals to reconfigure hospital services at Shrewsbury and Telford. The health board managed an extensive exercise within Powys to ensure that people were informed and engaged to respond to this consultation.

Similarly, the health board managed an extensive exercise in liaison with Hywel Dda University Health Board on their major formal consultation 'Our Big NHS Change' which also ran over the summer of 2018.

Formal consultation on Adult Thoracic Surgery was also carried out and the health board ensured there were targeted opportunities for those who may be affected by the proposals to respond.

A successful launch programme was also delivered for NHS 111 in Powys using a multi-channel approach to reinforce the continuity of the existing Shropdoc offer.

# WELL-BEING OF FUTURE GENERATIONS (WBFGA) STATEMENT

There is a requirement as part of the Well-being of Future Generations Act (WBFGA) duties for the health board to demonstrate the progress being made each year against its well-being objectives. The Performance Analysis on the preceding pages provides this detailed analysis. The information below also provides supporting context and focuses on how the health board is implementing the Five Ways of Working.

A Healthy Caring Powys set out our long term vision and was formally approved by the health board, the council and the Regional Partnership Board in March 2018, enabling each organisation to embed the vision, principles and well-being objectives into their core business.

For the health board, the well-being objectives were fully assimilated into the Integrated Medium Term Plan (IMTP) for 2018/2019 – 2020/2021. This meets the requirement for all NHS bodies in Wales to ensure:

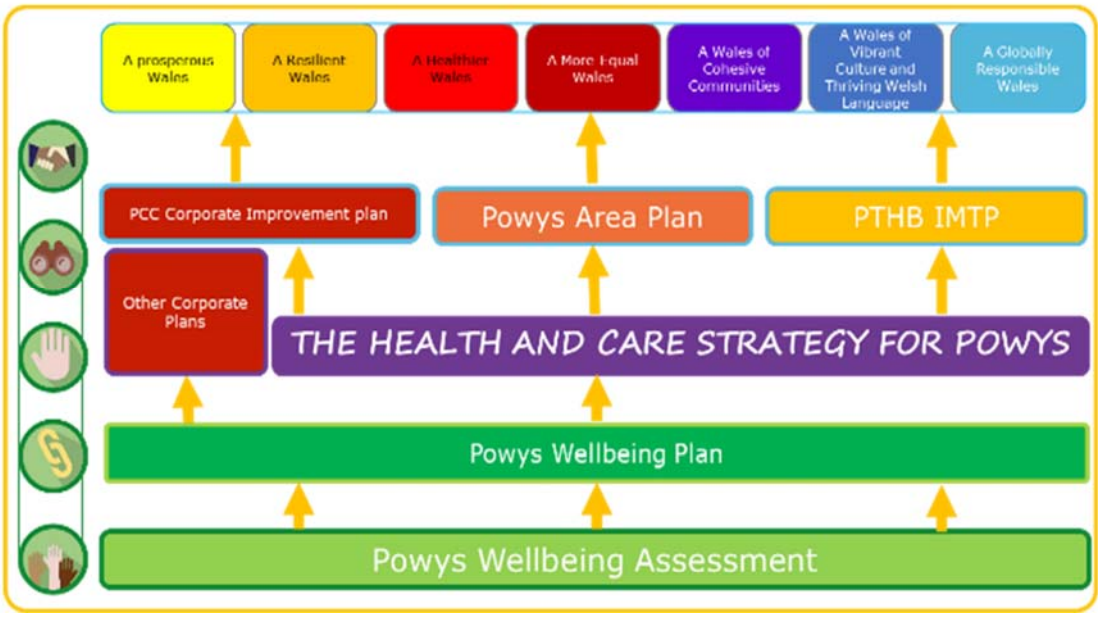
- Well-being objectives are contributing to the achievement of well-being goals
- They are taking all reasonable steps to meet their well-being objectives and
- Well-being objectives are consistent with the sustainable development principle

The health board completed the 'Progress Towards Well-being Objectives – Self Reflection Tool' in December 2018 and this provided evidence of progress against well-being objectives and the five ways of working. More detail is included below.

## Five Ways of Working: Long Term

The Health and Care Strategy was developed alongside the Powys Well-being Plan, Towards 2040. This set the long term, intergenerational ambition for a Powys in which there is a stable and thriving economy, a sustainable and productive environment; a population which is healthy, socially motivated and responsible, and people are connected to resilient communities and a vibrant culture. The Powys well-being assessment identified the long term impact if the current state remained the same and set out a clear case for change. The diagram below shows the alignment between local strategy and the national well-being goals.

**The Planning Context in Powys**



### Five Ways of Working: Prevention

The creation of core wellbeing objectives, developed in liaison with the Office for Future Generations Commissioner, has proved to be a valuable step forward. The eight well-being objectives in the shared Health and Care Strategy include 'Focus on Well-being' and 'Early Help and Support'. Actions within these include empowering staff to have the confidence and competence to discuss healthy lifestyles with service users. There was also a clear focus in the strategy on early years and ensuring children are protected from adverse experiences from a young age, ensuring every child enters school ready to learn.

### Five Ways of Working: Integration

Powys County Council and PTHB are key partners in the Regional Partnership Board and the delivery of the Area Plan and 'A Healthy Caring Powys'. The translation of the shared long term strategy into organisational plans in 2018/2019 ensured a joint approach within organisations as well as across the wider Regional Partnership Board and Public Services Board.

One of the ambitions for the health board in 2018/2019 was the triple integration approach of health and social care, mental and physical health and primary and community care. This was reflected in the IMTP and further detail can be found in the Performance section of this report.

### Five Ways of Working: Collaboration

When first launched in draft 2017 'A Healthy Caring Powys' was the first joint strategy between health and social care in Wales. It was the product of many years of collaboration between partners, stakeholders and the public.

This collaboration was strengthened during 2018/2019 with the health board role within the Regional Partnership Board and Public Services Board, as well as other regional planning mechanisms, becoming increasingly important. The Health and Care Strategy enabled the agreement of a flagship transformational programme in North Powys, to take forward a new model of health and social care. Work carried out by all partners during 2018/2019 has tested and confirmed the concept for a North Powys Well-being Programme which includes the development of a campus style Rural Regional Centre. This is being designed to include not only health and social care but also a focal point for housing, third sector and education, linked to the 21st Century Schools Programme.

### Five Ways of Working: Involvement

The well-being objectives were developed from what the people of Powys said about their health and care – in service user surveys, complaints, compliments, events, service user forums, conferences and specific health and care events.

Powys Teaching Health Board (PTHB) recognises the value of sustainability as a central organising principle within the Welsh Government (WG) and public sector bodies in Wales as well as the Powys Health and Care Strategy and the health board's Intermediate Term Plan (IMTP). The IMTP also supports the health board's endeavours to embed the principles of the Wellbeing of Future generations act and the *five ways of working*.

It also recognises that there is an immediate need to tackle climate change by reducing its Co2 emissions whilst at the same time ensuring measures are implemented to adapt to the changing environment.

This report documents sustainability performance for the year 2018-19 and presents an overview of the sustainability performance for the reported year.

*"In accordance with HM Treasury Public Sector annual reporting the health board is required to publish data in relation to key sustainability metrics including but not limited to: utilities consumption, waste production and Environmental Management. The following submission is in accordance with the HMT guidance issued in January 2019."*

The health board has a total of nine hospital sites:

| | |
|---|---|
| Aggregated sites including Clinics: | 9 |
| Hospital sites: | 9 |
| Total Estate Site Footprint | 40,108 m² |
| Total Estate Site Land Area | 7525 Hectare |
| Total Number of Staff Employed | 1738 |

The health board's Environment and Sustainability Group (E&S) is accountable to the Capital and Estates Improvement Group and provides strategic direction to implement a structured approach to sustainability.

By ensuring continual improvement of the health board's Environmental Management System (EMS), Powys Teaching Health Board is delivering the principles of Sustainable Development.

The E&S group now presides over all areas where the health board has a major impact on the environment including:

- Energy and Water
- Waste
- Transport and Parking
- Building and Biodiversity
- Procurement

The E&S Group promotes consistency and transparency in management of environmental issues across the health board. The group is also working to reduce the health board's impact on the environment and comply with all relevant acts and associated legislation by implementing the health board's Environment Policy and relevant Health Technical Memorandums.

The main legislative drivers for change within the health board in respect of the environment are *The Environment (Wales) Act 2016* and Well-being of Future Generations (Wales) Act 2015.

Under the Environment Act two major targets have been set for the public sector:

1) Zero Waste to Landfill (target to achieve: 2050)
2) Decarbonisation of the public sector (target to achieve: 2030)

Annual objectives are developed to support these nationally set targets and to embed the Well-being Act into the organisation's management system.

## Performance on environmental management 2018 - 2019

PTHB continues to support sustainability as a central organising principle demonstrated through the Intermediate Term Plan (IMTP)[1]. The IMTP also supports the health boards endeavours to embed the principals of the Wellbeing of Future generations act and the *five ways of working*.

During 2018-19 targeted efforts have been made to finalise a comprehensive suite of documents to complete the EMS whilst also complying with ISO14001 (2015) environmental management system standard. The EMS has now been assessed by independent auditors and has been found to comply with ISO14001 completing the stage 1 audit ready for a stage 2 audit by June 2019.

During this reporting year the following delivery plans have been produced to work towards achieving national and international targets:

- Decarbonisation Plan
- Waste Plan
- Buildings and biodiversity Plan
- Communications Plan

Other significant achievements during 2018-19

- Final publication of a comprehensive NHS Wales carbon foot printing exercise
- Development and agreement with Welsh Government to implement integrated care plans at Machynlleth hospital to BREEAM *very good standards*
- Appointment of a fulltime environment and sustainability officer
- Purchase of REGOS certified renewable electricity reducing net Co2e from electricity to zero.
- Development and publication of an internal Environment web pages
- Commissioning of building management system (BMS) enhancement works
- Commissioning of liquid pollution compliance works
- Development and implementation environmental delivery plans
- Development and delivery of training and audit plans
- Further development to capital project procurement, design and management to reduce impacts in the environment.
- Development and implementation of internal furniture reallocation scheme
- Enhanced reporting and accountability within systems
- Enhanced capital systems incorporating sustainability

[1] http://www.powysthb.wales.nhs.uk/document/324113

## Future strategy to improve performance

The Environment and Sustainability Group continues to support initiatives to reduce Co2e emissions from scope 1, 2 and 3, including, an increased diversion of waste from landfill and an improvement in the estate's biodiversity and the development of procurement procedures.

This will help meet national targets whilst ensuring compliance with legal obligations, improving staff and patient experience and helping to drive through efficiency changes.

The health board has identified the following aims to achieve these reductions:

1. Zero waste to landfill by 2050
2. Decarbonisation by 2030
3. Maintain and enhance biodiversity and the resilience of ecosystems
4. Develop and deliver sustainable transport

In partnership with other public services, led by the Welsh Government, PTHB is working towards a shared Carbon Positive Powys strategy. Once delivered the health boards will review and amend its delivery plans to fully align with the collective vision.

## Commentary on greenhouse gas emissions

All gas, electric and water figures are taken from actual records and validated through internal systems. Any account not covering a full year at the time of reporting has been prorated to give as full an account of the year as possible.

Greenhouse Gas (GHG) emissions are one of the sustainability performance indicators that are most requested by stakeholders. The Greenhouse Gas Protocol set the benchmark for reporting GHG and established three categories of emissions (Scope 1, Scope 2 & Scope 3)

**Scope 1 Direct GHG**, defined as 'emissions from sources that are owned or controlled by the organisation', such as onsite combustion of fossil fuels and mobile combustion through transport

**Scope 2 Energy Indirect GHG**, defined as 'emissions from the consumption of purchased electricity, steam, or other sources of energy'

**Scope 3 are also referred to as Other Indirect GHG**, and are defined as 'emissions that are a consequence of the operations of an organisation, but are not directly owned or controlled by the organisation' including employee commuting, business travel, third-party distribution and logistics, production of purchased goods and emissions from the use of sold products

Decarburisation of the national electrical grid has significantly reduced the Coe2 associated with electricity. Further to this purchasing of REGOS certified renewable electricity has reduce Co2e from electricity to 0.

| Greenhouse Gas Emissions | | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Non-Financial Indicators (1,000 tCO2e) | **Total Gross Emissions** | **4.032** | **4.981** | **3.620** |
| | Gross Emissions Scope 1 (direct) - Gas | 2.685 | 2.712 | 2.539 |
| | Gross Emissions Scope 1 (direct) - Fuel Oil | | 0.206[2] | 0.182 |
| | Gross Emissions Scope 1 (direct) - Fleet Vehicles | | 1.010[3] | 0.899 |
| | Gross Emissions Scope 2 (Indirect) - Purchased Electric | 1.347 | 1.239 | 0.000[4] |
| | Gross Emissions Scope 3 (Indirect) - Business Travel | | 0.006 | 0.004 |
| Related Energy Consumption (million KWh) | Electricity: Non-renewable | 3.264 | 3.551 | 3.616 |
| | Electricity: Renewable | 0.200 | 0.200 | 0.200 |
| | Gas | 12.689 | 14.725 | 13.803 |
| | LPG | N/A | N/A | N/A |
| | Other - Fuel oil | 0.071 | 0.812 | 0.669 |
| Financial Indicators (£million) | Expenditure on Energy | Electric 0.393<br>Gas 0.391<br>Fuel oil 0.034<br>Total 0.818 | Electric 0.501<br>Gas 0.424<br>Fuel oil 0.066<br>Total 0.991 | Electric: 0.546<br>Gas:0.452<br>Fuel oil: 0.040<br>Total: 1.0138 |
| | CRC License Expenditure (2010 onwards)**[5] | N/A | N/A | N/A |
| | Expenditure on accredited offsets (e.g. GCOF)** | N/A | N/A | N/A |
| | Expenditure on official business travel | 1.181 | 1.523 | 1.061 |

[2] Amended following re-evaluation
[3] Re calculated to account for an average vehicle rather than a specific engine size
[4] REGOS backed renewable energy supply as of 1 April 2018
[5] Powys Teaching Health Board fall under the annual limit for governments Carbon Reduction Commitments

## Commentary on waste

During 2018-19 steps have been taken to further develop recording, monitoring and validating systems to improve reported figures. Negotiations are ongoing with the present waste contractor to improve the billing systems as previously reconciling and bill validation has not been possible.

There has been a further shift towards recycling including an initiative in Brecon to introduce card and plastic recycling. In addition to the figures below the health boards has received £40,717 from the sale of old and broken equipment.

Food waste provision was improved during the later stages of the year. Weights are calculated by converting the average volume of a bin so until a time when additional food bins are needed improvements will not show in the annual figures. The general move away from landfill waste to recycling is now starting to be reflected in the annual figures.

| Waste | | Year 2016-17 | Year 2017-18 | Year 2018-19 |
|---|---|---|---|---|
| Non-financial indicators (tonnes) | **Total Waste** | **363.48** | **412.80** | **371.611** |
| | Landfill - General waste | 177.37 | 175.94 | 165.55[6] |
| | Landfill - Clinical waste | 54.85 | 68.95 | 64.69 |
| | Reused/Recycled - General | 36.50 | 68.78 | 96.33 |
| | Reused/Recycled - Clinical | 66.41 | 42.78 | 25.40 |
| | Composted | 21.68 | 10.79[7] | 10.79 |
| | Incinerated with energy recovery - General | 0.00 | 0.00 | 0.00 |
| | Incinerated with energy recovery - Clinical | 6.67 | 10.95 | 8.85 |
| | Incineration without energy recovery | 0 | 0 | 0 |
| Financial indicators (£million) | **Total Disposal Cost** | **0.149** | **0.150** | **0.132** |
| | Landfill - General | 0.070 | 0.075 | 0.065 |
| | Landfill - Clinical | 0.026 | 0.022 | 0.021 |
| | Reused/recycled - General | 0.000 | 0.012 | 0.014 |
| | Reused/recycled - Clinical | 0.000 | 0.013 | 0.014 |
| | Composted | 0.002 | 0.003 | 0.003 |
| | Incinerated with energy recovery - Clinical | 0.024 | 0.025 | 0.015 |
| | Incinerated without energy recovery | 0 | 0 | 0 |

[6] For 2018-19 this includes estates waste which has previously been unreported
[7] Re calculated to correct conversion factor

## Commentary on water usage

Water conservation is balanced against water safety for the health board. Repatriation of services to the Health Board has seen higher water use over 2017-18 to 2018-19.

Total supplied water and sewerage volumes are based on metered and rateable sites. As a result these figures are not a true reflection of water used for the organisation during this period.

Abstraction per full time equivalent (FTE) is based on total water supplied so is not a full representation of the water used per FTE.

| Finite Resource | | | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| Non-Financial indicators (000m3) | Water Consumption (Office Estate) | Supplied | 47.862 | 42.898 | 43.410[8] |
| | | Sewerage | 36.828 | 31.502 | 30.900 |
| | | Abstracted | N/A | N/A | N/A |
| | | Per FTE | 0.035 | 0.024 | 0.025 |
| | Water Consumption (Non-Office Estate) | Supplied | Not available | Not available | 0.000 |
| | | Abstracted | Not available | Not available | 0.000 |
| Financial indicators (£million) | Water Supply Costs (Office Estate) | | 0.121 | 0.071 | 0.071 |
| | Sewerage Costs (Office Estate) | | Not available | 0.061 | 0.064 |
| | Water supply costs (Non-Office estate) | | N/A | N/A | N/A |

[8] Total water supplied includes rateable accounts for which an assumption has been made as to the volumes used

## LIVING WITHIN OUR MEANS – OVERVIEW

The financial strategy for Powys Teaching Health Board is to support the drive to ensure that its residents have ongoing access to good quality health services that meet their needs whilst containing costs to within the resources available. Regardless of setting or boundary, the 'triple aims' of improving health, enhancing quality and access, and sound financial governance go hand in hand.

Most Public Sector organisations were faced with a challenging financial year. The health board has worked with Welsh Government to manage the health board's historic underlying financial pressures and the Integrated Medium Term Plan (IMTP) for 2018-2021 identified that the health board planned to live within its means over the three year period.

The financial performance of Powys Teaching Health Board met the requirements of Welsh Government in that revenue and capital expenditure were contained to within the resources available for the 2018/19 financial year.

This performance has been achieved for five successive years, as shown by the table below, and consequently the auditors have issued an unqualified opinion and confirmed that Powys Teaching Health Board has met the three year financial duty expected of Welsh NHS health boards.

### Revenue Financial Performance 2014 – 2019

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Healthcare from other providers | 147,056 | 143,721 | 148,526 | 145,054 | 148,167 |
| Hospital and Community Health Services | 74,085 | 78,210 | 87,675 | 93,698 | 97,347 |
| Primary Healthcare Services | 59,777 | 63,513 | 63,905 | 67,098 | 67,927 |
| General Opthalmic Services expenditure and other non-cash limited expenditure | 811 | 855 | 1,006 | 1,734 | 1,682 |
| Income | - 13,862 | - 13,093 | - 14,046 | - 13,950 | - 14,257 |
| **Total operating expenses** | **267,867** | **273,206** | **287,066** | **293,634** | **300,866** |
| RRL | 267,906 | 273,246 | 287,151 | 293,730 | 300,931 |
| **Under / (Over) spend against Allocation** | **39** | **40** | **85** | **96** | **65** |
| | | | | | |

Within the three year Integrated Medium Term Plan submitted to Welsh Government in March 2018, the health board had to manage service delivery and contain its expenditure commitments to the resources available over the three year period. In addition, as part of the financial plan, an estimated £3.4M of planned cost reductions were realised in the year in addition with other cost containment and financial measures to ensure that expenditure remained within the resources available.

### Achievement of Statutory Duties

A new statutory duty for NHS Health Boards in Wales came into effect from 1st April 2014 as set out in the National Health Service Finance (Wales) Act 2015. From the 1st April 2014, Section 175 of the National Health Services (Wales) Act places the following 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 issues 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 healthcare to such people, and for that plan to be submitted and approved by Welsh Ministers.

2018/19 is the third assessment of performance against the three year statutory duty under section (1), 2016-17 being the first three year period of assessment. Powys Teaching Health Board achieved the two new duties in 2018-19 for a third successive year.

The financial statutory duties that were met in year were:

- Contain revenue costs within permitted limits (following in-year funding by Welsh Government)
- Contain capital costs within permitted limits
- Contain cash within permitted limits

There was a further administrative target of payment of 95% of the number of non-NHS creditors within 30 days again this year which the health board achieved with performance of 95.8%.

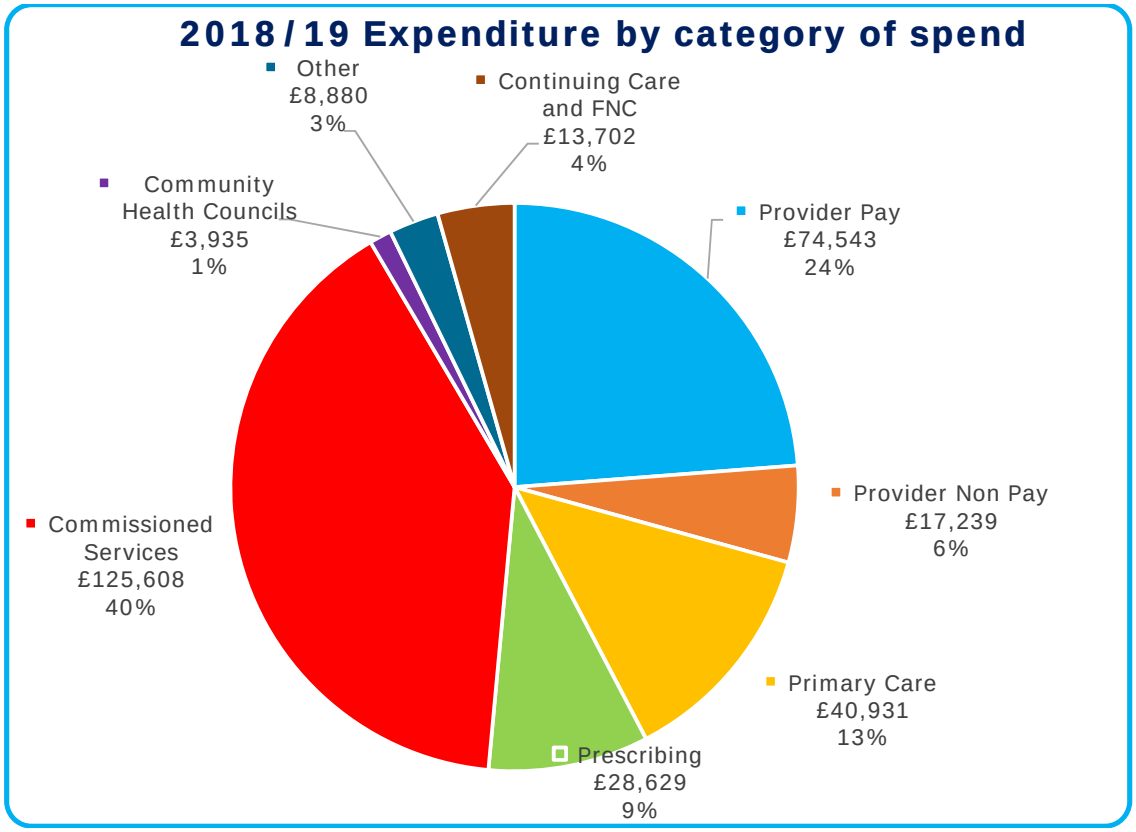
**How We Spend Our Money**

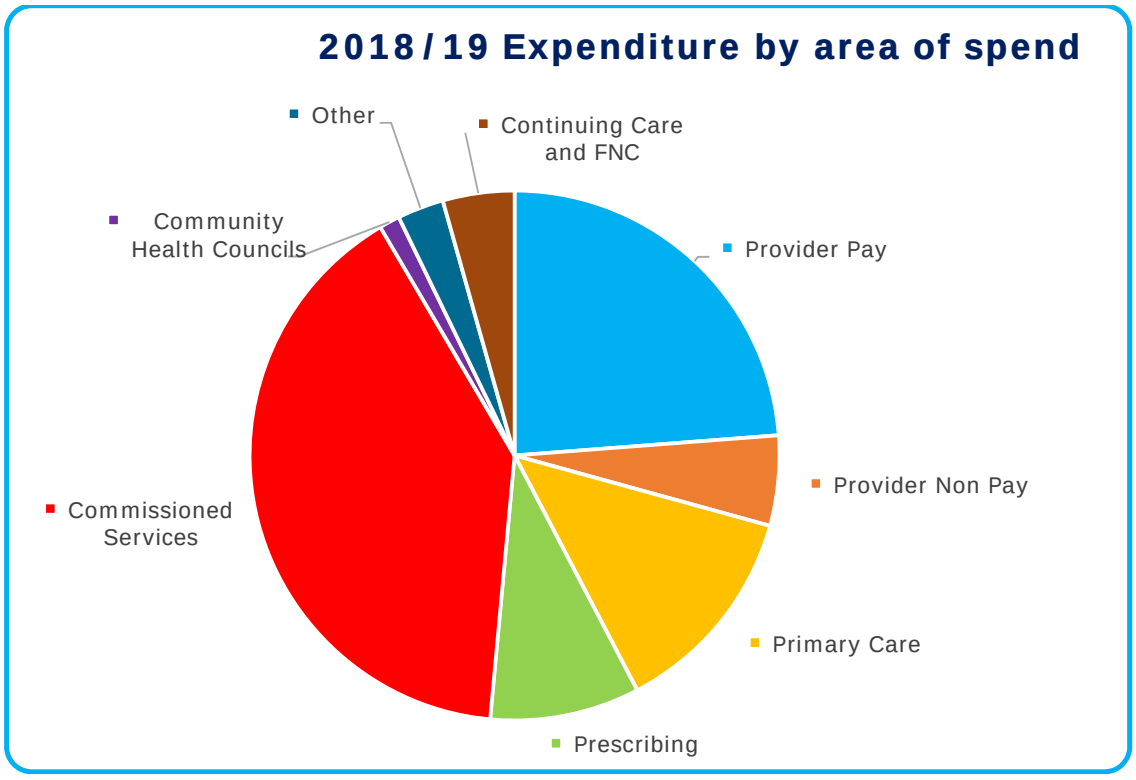
The health board uses the resources made available across a range of services to provide healthcare to the population of Powys. Total gross expenditure in 2018-2019 was £313 million, utilised for:

- primary care services i.e. general practitioners, dentists, pharmacies and opticians,
- Powys THB directly provided services
- a range of in-county services provided by other statutory and independent sector organisations
- healthcare services commissioned from a range of NHS organisations, including other Welsh Health Boards and Trusts, and English NHS Trusts.

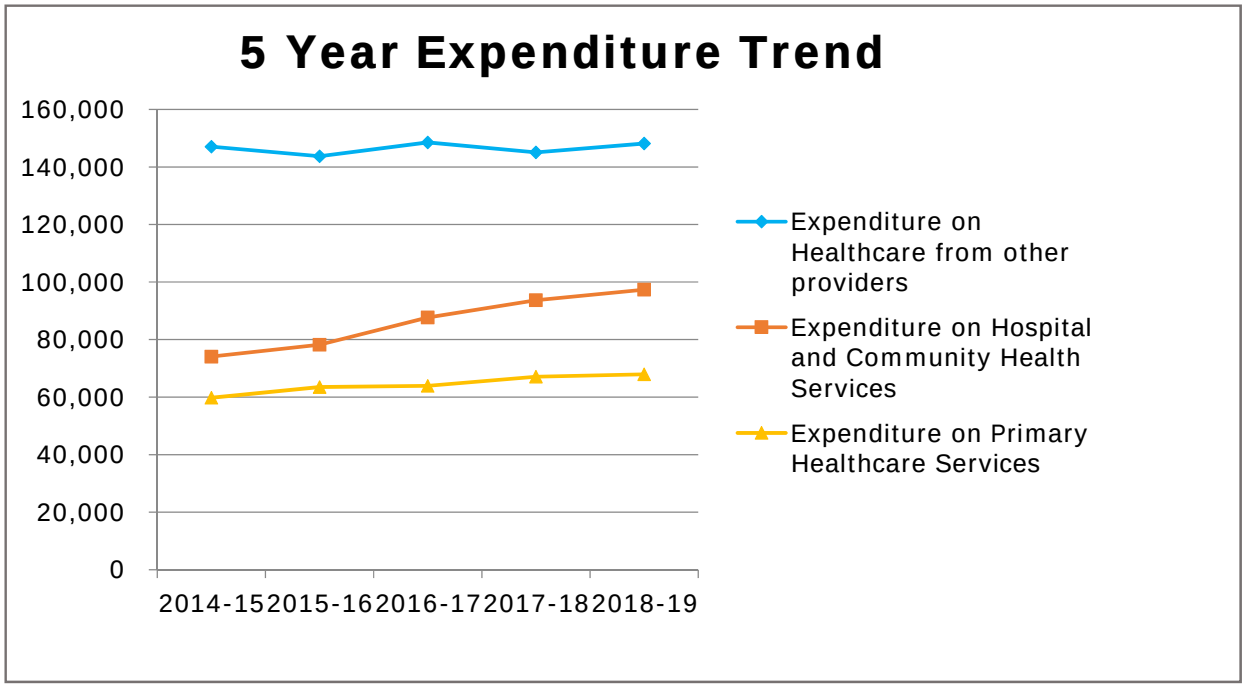
The Health Board also hosts certain functions on behalf of the rest of NHS Wales i.e. the Board of Community Health Councils, seven Community Health Councils, Health and Care Research Wales and the All Wales Retrospective Continuing Health Care Reviews Project. The charts below describe how expenditure was split between these categories in 2018/19

## Expenditure 2018/19



A five year expenditure trend is shown below:




The 2018/19 Financial Statements for the year are contained within the Accountability Report in the following section.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

# Accountability Report: 2018-19

**SIGNED BY:**
**CAROL SHILLABEER**
**[CHIEF EXECUTIVE]**

**DATE: 29 MAY 2019**

## Contents

# INTRODUCTION TO THE ACCOUNTABILITY REPORT

Powys Teaching Health Board is required, as are all Welsh NHS bodies, to publish an Annual Report and Accounts. Copies of previous year's reports can be accessed from the health board website.

A key part of the Annual Report is the Accountability Report. The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410. As not all requirements of the Company's Act apply to NHS bodies, the structure adopted is as described in the Treasury's Government Financial Reporting Manual (FReM) and set out in the 2018-19 Manual for Accounts for NHS Wales, issued by the Welsh Government.

The Accountability Report is required to have three sections:

- A Corporate Governance Report
- A Remuneration and Staff Report
- A National Assembly for Wales Accountability and Audit Report

An overview of the content of each of these three sections is provided below.

# THE CORPORATE GOVERNANCE REPORT

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2018-19. It also explains how these governance arrangements supported the achievement of the health board's core and enabling well-being objectives.

The Board Secretary has compiled the report, the main document being the Annual Governance Statement. This section of the report has been informed by a review of the work taken forward by the Board and its Committees over the last 12 months and has had input from the Chief Executive, as Accountable Officer, Board Members and the Audit and Assurance Committee.

In line with requirements set out in the Companies Act 2006, the Corporate Governance report includes:

- The Directors Report
- A Statement of Accountable Officers Responsibilities

- A Statement of Directors' Responsibilities in Respect of the Accounts
- The Annual Governance Statement

## REMUNERATION AND STAFF REPORT

This report contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc. and has been compiled by the Directorate of Finance and the Workforce and Organisational Development Directorate.

## NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

# PART A: CORPORATE GOVERNANCE REPORT

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2018-19. It includes:

- A Director's Report
- A Statement of Accountable Officer Responsibilities
- A Statement of Directors' Responsibilities in Respect of the Accounts
- The Annual Governance Statement

# THE DIRECTORS' REPORT FOR 2018-19

The Directors' report brings together information about the Board of Powys Teaching Health Board (PTHB), including the Independent Members and Executive Directors, the composition of the Board and other elements of its governance and risk management structure.

## THE COMPOSITION OF THE BOARD AND MEMBERSHIP

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members. In line with these Regulations the Board of Powys Teaching Health Board comprises:

- a chair;
- a vice-chair;
- officer members; and
- non-officer members.

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

In addition, Welsh Ministers may appoint up to three associate members. Associate members have no voting rights.

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

The Regulations can be accessed via the legislation website.

## VOTING MEMBERS OF THE BOARD DURING 2018-19

During 2018-19, the following individuals were voting members of the Board of Powys Teaching Health Board:

| Name | Role | Dates |
|---|---|---|
| **Independent Members** | | |
| **Vivienne Harpwood** | Chair | Full year |
| **Melanie Davies** | Vice Chair | Full Year |
| **Anthony Thomas** | Independent Member (Finance) | Full Year |
| **Matthew Dorrance** | Independent Member (Local Authority) | Full Year |

| | | |
|---|---|---|
| **Owen James** | Independent Member (Community) | Full Year |
| **Trish Buchan** | Independent Member (Third Sector) | Full Year |
| **Duncan Forbes** | Independent Member (Legal) | Full Year |
| **Frances Gerrard** | Independent Member (University) | Full Year |
| **Sara Williams** | Independent Member (Capital and Estates) | To 30 September 2018 |
| **Mark Baird** | Independent Member (ICT) | To 30/06/18<br>End of eight year term reached |
| **Ian Phillips** | Independent Member (ICT) | From 1 September 2018 |
| **Susan Newport** | Independent Member (Trade Union Side) | From 1 September 2018 |
| **Executive Directors** | | |
| **Carol Shillabeer** | Chief Executive | Full Year |
| **Julie Rowles** | Director of Workforce and OD | Full Year |
| **Eifion Williams** | Director of Finance and IT | Full Year |
| **Hayley Thomas** | Director of Planning and Performance | Full Year |
| **Catherine Woodward** | Medical Director | From 05 March 2018 to 09 September 2018 |
| | Director of Public Health | Until 04 March 2018 and<br>From 01 September 2018 to 31 January 2019 |
| **Wyn Parry** | Medical Director | From 10 September 2018 |
| **Stuart Bourne** | Interim Director of Public Health | From 5 March 2018 to 31 August 2018 |
| | Director of Public Health | From 1 February 2019 |
| **Rhiannon Jones** | Director of Community Care and Mental Health | From 23 January 2018 to 13 October 2018 |
| | Director of Nursing | To 22 January 2018 and<br>From 14 October 2019 |
| | Interim Director of Therapies & Health Science | From 25 October 2018 |
| **Rhiannon Beaumont Wood** | Director of Nursing | To 16 November 2018 |

| | | |
|---|---|---|
| **Patsy Roseblade** | Interim Director of Primary, Community Care and Mental Health | From 15 October 2018 to 31 March 2019 |
| **David Murphy** | Director of Therapies and Health Science | To 11 July 2018 |

During 2018/19, vacancies in the Board consisted of:

| Independent Member | Executive Director |
|---|---|
| • Independent Member (ICT) from 01/07/18 to 31/08/18<br>• Independent Member (Trade Union) from 01/04/18 to 31/08/18<br>• Independent Member (Capital) from 01/10/18 onwards | • Executive Director of Therapies and Health Sciences from 11/07/18 to 25/10/18 |

Whilst roles on the Board were vacant, responsibilities were covered by other Board members to ensure continuity of business and effective governance arrangements. Independent Members attended Board Committee meetings where necessary to ensure meetings remained quorate and the Board's duties could be discharged. The Board's clinical directors (Medical Director, Director of Nursing and Director of Public Health) provided collective leadership and support to the Therapies and Health Sciences Directorate whilst the Director post was vacant. From October 2018, the Director of Nursing provided interim leadership to the Therapies and Health Sciences Directorate in the absence of a substantive Director.

## NON-VOTING MEMBERS OF THE BOARD DURING 2018-19

During 2018/19, the following Associate Members, appointed by the Cabinet Secretary for Health and Social Services, attended Board meetings on an ex-officio basis:

- **Alison Bulman,** Corporate Director (Children's and Adult's), Powys County Council (from July 2018).

The following Associate Member positions were vacant on the Board during 2018/19:

- Chair of the Stakeholder Reference Group (Advisory Group of the Board)
  The first meeting of the Stakeholder Reference Group was held in September 2018 and a Chair has not yet been appointed.
- Chair of the Healthcare Professionals' Forum (Advisory Group of the Board)
  The Healthcare Professionals' Forum is not yet in place and will be

established in 2019/20.

The Board may appoint an additional Associate Member to assist in carrying out its functions, subject to the agreement of the Minister for Health and Social Services. During 2018-19, the following individuals were Associate Members of the Board:

**Veronica Jarman,** Older Peoples' Champion (up to September 2018)
Whilst Associate Members take part in public Board meetings they do not hold any voting rights.

Further details in relation to role and composition of the Board can be found at pages 17 to 18 of the Annual Governance Statement. In addition, short biographies of all our Board members can be found on the health board website.

The Annual Governance Statement also contains further information in respect of Board and Committee Activity.

## DECLARATION OF INTERESTS

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A Register of Interests is available on the health board website, or a hard copy can be obtained from the Board Secretary on request.

## PERSONAL DATA RELATED INCIDENTS

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on page 52 of the Annual Governance Statement.

## ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

The Board is aware of the potential impact that the operation of the health board has on the environment and it is committed to wherever possible:

- ensuring compliance with all relevant legislation and Welsh Government Directives;
- working in a manner that protects the environment for future generations by ensuring that long term and short term environmental issues are considered; and
- preventing pollution and reducing potential environmental impact.

The Board's Sustainability Report that forms a key part of the Performance Report section of the Annual Report provides greater detail in relation to the environmental, social and community issues facing the health board.

## STATEMENT OF PUBLIC SECTOR INFORMATION HOLDERS

As the Accountable Officer of Powys Teaching Health Board, and in line with the disclosure requirements set out by the Welsh Government and HM Treasury, I confirm that the health board has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the year.

**SIGNED BY:** **DATE: 29 MAY 2019**

**CAROL SHILLABEER [CHIEF EXECUTIVE]**

# STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2018-19

# STATEMENT OF MY CHIEF EXECUTIVE RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF POWYS TEACHING HEALTH BOARD

The Welsh Ministers have directed that I, as the Chief Executive, should be the Accountable Officer of Powys Teaching Health Board.

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

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

I also confirm that:

- as far as I am aware, there is no relevant audit information of which Powys Teaching Health Boards auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Powys Teaching Health Board's auditors are aware of that information.

- Powys Teaching Health Board's annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

**SIGNED BY:** **DATE: 29 MAY 2019**

**CAROL SHILLABEER**
**[CHIEF EXECUTIVE]**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2018-19

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

On behalf of the directors of Powys Teaching Health Board we confirm:

- that we have complied with the above requirements in preparing the 2018-19 accounts; and
- that we are clear of our responsibilities in relation to keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

**By Order of the Board**

**SIGNED BY:** **DATE: 29 MAY 2019**
**VIV HARPWOOD**
**[CHAIR]**

**SIGNED BY:** **DATE: 29 MAY 2019**
**CAROL SHILLABEER**
**[CHIEF EXECUTIVE]**

**SIGNED BY:** **DATE: 29 MAY 2019**
**EIFION WILLIAMS**
**[DIRECTOR OF FINANCE AND ICT]**

# ANNUAL GOVERNANCE STATEMENT

This Annual Governance Statement details the arrangements that were in place to manage and control resources during the financial year 2018-19. It also sets out the governance arrangements in place to ensure probity, mitigate risks and maintain appropriate controls to govern corporate and clinical situations.

## SCOPE OF RESPONSIBILITY

Powys Teaching Health Board (PTHB, the health board) was established in 2003. The health board is predominantly a commissioning organisation, buying services on behalf of the population from a wide range of providers, including from primary care contractors, independent sector care homes, ambulance services, district general hospitals and other specialist hospitals. There are a range of directly provided services across Powys, including a network of community hospitals, a health and social care centre, community services such as district nursing, midwifery and health visiting, therapies, mental health and services for people with a learning disability. Increasingly, services are jointly provided by the health board and Powys County Council, working together and pooling resources.

Detailed information about the services we provide and our facilities can be found on our website in the section labelled 'Services' on the health board website. Our Integrated Medium Term Plan for 2017-2020 and Annual Report also provide helpful overviews of our services.

The Board of PTHB is accountable for good governance, risk management and internal control. As the Chief Executive and Accountable Officer of PTHB I have clearly defined responsibilities as set out in the Accountable Officer Memorandum and my letter of appointment. These responsibilities relate to maintaining appropriate governance structures and procedures, as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am personally responsible. These duties are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

I am held to account for my performance by the Chair of the health board and the Chief Executive and Accounting Officer for the NHS in Wales. I have formal performance meetings with both the Chair and the Chief Executive of NHS Wales. Further, the Executive Team of the health board meet with the senior leaders of the Department of Health and Social Services on a regular basis.

## FUNCTIONS HOSTED BY PTHB

In compliance with requests made by the Welsh Ministers, PTHB hosts the following functions:

- **The seven Community Health Councils that operate across Wales and the Board of Community Health Councils in Wales:**

More information about these functions can be found on the Community Health Council website.

- **Health and Care Research Wales**:
  More information about this function can be found on the Health and Care Research Wales website.

The Board of PTHB is not responsible for the delivery of the objectives of these functions, or their day to day management. It is however responsible for ensuring that the functions are staffed using appropriate recruitment mechanisms, and that PTHB's Standing Financial Instructions and Workforce and OD policies are complied with.

A lead director is in place for each hosted function and key officers from the finance and workforce teams identified to provide support to the functions, as appropriate. The Board has reflected on the assurance mechanisms in place at Board level and has agreed to strengthen these during 2019/20.

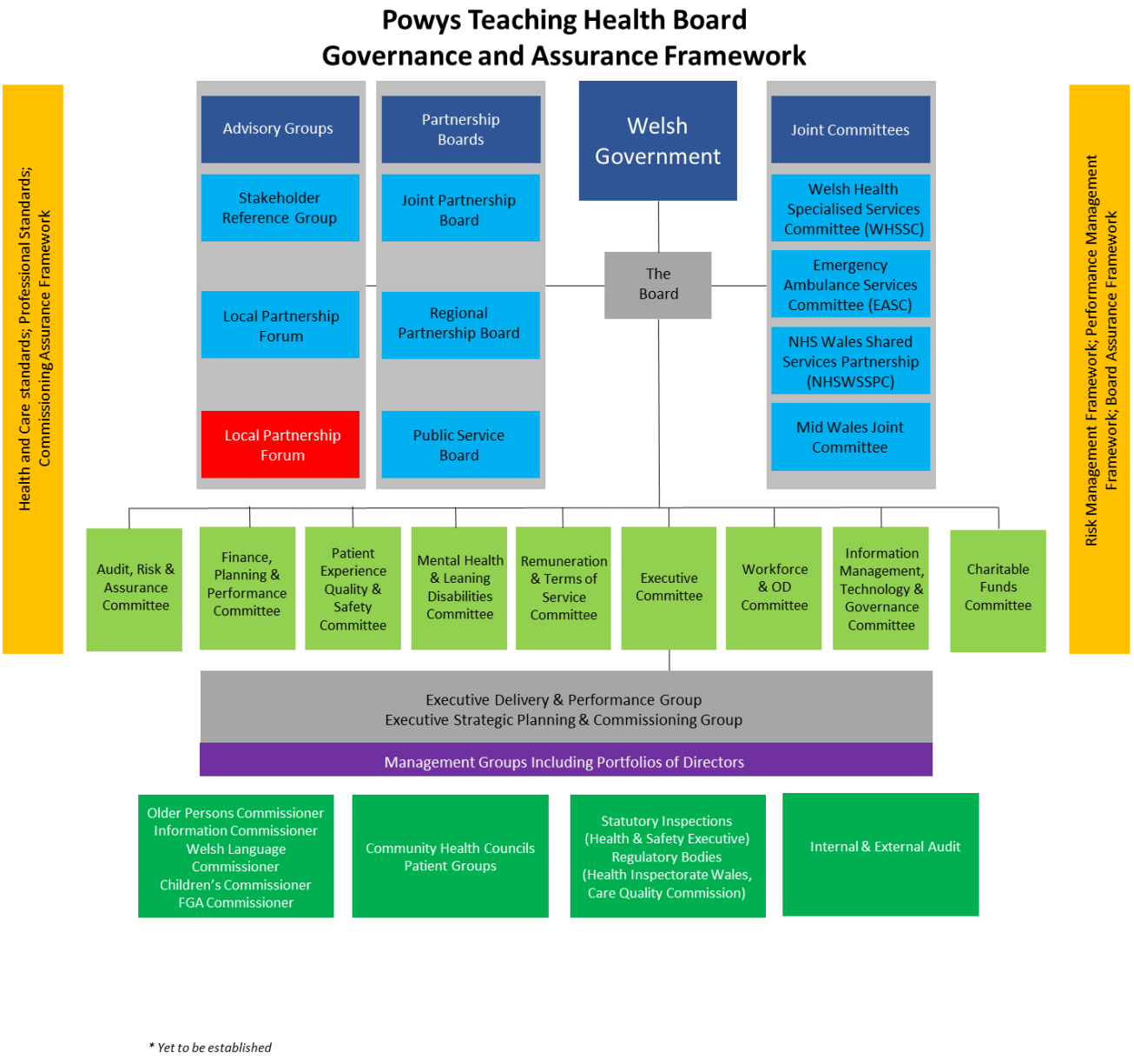
During 2018-19 we continued to work with Welsh Government to strengthen the governance and accountability arrangements for the functions that we host. The Audit and Assurance Committee held discussion in January 2019 regarding the need to have robust governance systems in place to ensure accountability of hosted bodies to the Board on appropriate matters. In 2019/20 this responsibility will be discharged by a sub-committee of the Audit, Risk and Assurance Committee. In addition, the development of robust accountability frameworks, in conjunction with Welsh Government and hosted bodies, will be necessary to allow each function to discharge its responsibilities.

## OUR GOVERNANCE AND ASSURANCE FRAMEWORKS

PTHB has a clear purpose from which its strategic aims and objectives have been developed. Our vision is to enable a 'Healthy Caring Powys'. The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its three year Integrated Medium Term Plan and related Annual Plan. A copy of our Integrated Medium Term Plan for 2018-19 to 2020-21 can be found on the health board website.

***Figure 1*** on the page that follows provides an overview of the governance framework that was in operation during 2018-19:

## *Figure 1: Powys Teaching Health Board's Governance and Assurance Framework*




** Yet to be established*

## THE BOARD

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board. Details of

those who sit on the Board are published on the health board website. Further information is also provided in the Directors Report at page 4.

The Board sits at the top of the organisation's governance and assurance systems. Its principal role is to exercise effective leadership, provide strategic direction and control. The Board is accountable for governance and internal control in the organisation, and I, as the Chief Executive and Accountable Officer, am responsible for maintaining appropriate governance structures and procedures. In summary, the Board:

- Sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales;
- Establishes and maintains high standards of corporate governance;
- Ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility;
- Monitors progress against the delivery of strategic and annual objectives; and
- Ensures effective financial stewardship by effective administration and economic use of resources.

## STANDARDS OF BEHAVIOUR

The Welsh Government's *Citizen-Centred Governance Principles* apply to all public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales. The health board is committed to operating to the highest standards and will ensure that everyone working for the organisation will practice the highest standards of personal conduct and behaviour consistent with these principles.
The Board has in place a Standards of Behaviour Framework, which sets out the Board's expectations and provides guidance so that individuals are supported in delivering that requirement.
The aim of the Framework is to ensure that arrangements are in place to support everyone working for or with the health board acts in a manner that upholds the Standards of Behaviour Framework as well as setting out specific arrangements for: (i) Declarations of Interest and (ii) the offer, acceptance/refusal and recording of offers of Gifts, Hospitality or Sponsorship.
The policy also aims to capture public acceptability of behaviours of those working in the public sector so that the health board can be seen to have exemplary practice in this regard.

During 2019/20 further work will be taken forward to raise awareness of the Framework with staff, particularly with regard to conflicts of interest and

gifts and hospitality and to strengthen the recording and monitoring of such disclosures.
Details of the Board's Standards of Behaviour Framework and Disclosures is available on the PTHB website.

## STANDING ORDERS AND SCHEME OF RESERVATION AND DELEGATION

The health board's governance and assurance arrangements have been aligned to the requirements set out in the Welsh Government's Governance e-manual and the Citizen Centred Governance Principles. Care has been taken to ensure that governance arrangements also reflect the requirements set out in HM Treasury's 'Corporate Governance in Central Government Departments: Code of Good Practice 2011'.

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the health board and define "its ways of working". The Standing Orders in place during 2018-19 were adopted by the Board on 30 May 2018, they are available on the 'Key Documents' section of the health board website.

Standing Orders and the Scheme of Reservation and Delegation are supported by a suite of corporate policies, and together with the Standards of Behaviour Framework, Risk Management Framework and Performance Management Framework make up the health board's Governance Framework.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the health board may be carried out effectively, and in a manner that secures the achievement of the organisation's aims and objectives. To fulfil this requirement, in alignment with the review of Standing Orders and Committee terms of reference, a detailed review of the Board's Scheme of Reservation and Delegation of Powers has also been completed. The document, which was approved by the Board on 30 May 2018 can be found on the health board's website.

## COMMITTEES OF THE BOARD

Section 2 of Powys Teaching Health Board's Standing Orders provides that "*The Board may and, where directed by the Welsh Government must, appoint Committees of the health board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions."* In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the health board, while taking account of any regulatory or Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board and is constituted to comply with The Welsh Government Good Practice Guide – Effective Board Committees. All Committees annually review their Terms of Reference and Work Plans to support the Board's business. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the health board from meeting our mission's aims and objectives.

During 2018-19, a full and considered review of the Board's committee structure and each of the terms of reference was undertaken. This review highlighted the need for a refreshed approach to ensure: an appropriate balance between strategy and performance; and reduced duplication and increased integration between committees. Work has been taken forward to develop revised committee arrangements, and these were formally approved by the Board in March 2019, for implementation in 2019-20. A paper outlining the changes made and agreed by the Board can be found on the Board section of the health board website.

The Committees that were in place during 2018-19 were:

- Audit & Assurance Committee
- Charitable Funds Committee
- Executive Committee
- Finance, Planning and Performance Committee
- Information Management, Technology and Governance Committee
- Mental Health and Learning Disabilities Committee
- Patient Experience, Quality and Safety Committee
- Remuneration and Terms of Service Committee
- Workforce and Organisational Development Committee

The detailed Terms of Reference and Operating Arrangements, agendas and papers for each of these Committees can be found on the health board website.

The Chair of each Committee reports to the Board on the committees' activities. This contributes to the Board's assessment of risk, levels of

assurance and scrutiny against the delivery of objectives. Further, in line with Standing Orders, each committee has produced an annual report, for 2018-19, setting out a helpful summary of its work. These annual reports were considered in a public session of the Board and can be accessed on the health board website.

## Figure 2: Roles and Responsibilities of Committees of the Board

The Board and its Committees meet in public and throughout the year, and attendance is formally recorded within the minutes, detailing where apologies have been received and deputies have been nominated.

***Figure 3: Board and Committee meetings held during 2018-19***

| Board/ Committee | Dates | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| **Board** | | 30 | 27 | 18 | | 26 | | 28 | | 30 | | 27 |
| **Audit and Assurance** | | 4 & 29 | | 12 | | 13 | | 15 | | 17 | | 14 |
| **Charitable Funds** | | | | 12 | | 13 | | 15 | | | 14 | |
| **Finance, Planning and Performance** | | 15 | 25 | | 20 | | | 12 | 18 | 17 | | 5 |
| **Information Technology, Management and Governance** | | 3 | | 25 | | | 2 | | | 10 | | |
| **Mental Health and Learning Disabilities** | 20 | | 4 | | | 3 | | | 3 | | | 4 |
| **Patient Experience, Quality and Safety** | 10 | | 12 | | | 25 | 16 | | 11 | | 12 | |
| **Remuneration and Terms of service** | | | | 3 | | | 25 | 6 | | 8 | | |
| **Workforce and OD** | | 10 | | | | 17 | | 1 | | | | 14 |

Details of Board Members and their attendance at the Board can be found at **Appendix 1**.

## ITEMS CONSIDERED BY THE BOARD IN 2018-19

During the 2018-19 the Board held:

- Six meetings in public;
- One extra-ordinary meeting held in public to consider a Consultation on the Provision of Adult Thoracic Surgery Services in South Wales;

- One Annual General Meeting; and
- Six development sessions.

All meetings of the Board held in 2018-19 were appropriately constituted with the required quorum.

## Governance, Risk Management and Assurance

In May 2018, the Board approved: revised Standing Orders; a revised Scheme of Reservation and Delegation of Powers; and recommended amendments to the Terms of References of the Committees of the Board.

The Board received regular updates on, and participated in, the further development and strengthening of risk management and assurance arrangements across the organisation.

In March 2019, the Board approved its Board Assurance Framework, acknowledging that this required further development and embedding into ways of working. The Board Assurance Framework is available on the health board website.

## Integrated Medium Term Plan (IMTP) 2019/20 -2021/22

The Health and Care Strategy for Powys 'A Healthy Caring Powys' continues to provide a robust strategic context for the IMTP for 2019/2020 – 2021/2022. This provides the long-term strategy that has been agreed jointly between the health board, the local authority and the Regional Partnership Board, as the Local Area Plan for Powys. The IMTP for 2019/2020 – 2021/2022 represents Year Two of the delivery of this long term strategy. Further to Board approval, the IMTP 2019/2020 – 2021/2022 received approval from Welsh Government in March 2019.

## Strategic Planning

During 2018-19 the Board has considered and approved a number of capital business cases for submission to Welsh Government:

- Bro Ddyfi Community Hospital – the Board approved (for submission to Welsh Government) a Full Business Case (FBC) for the upgrade of the front block of Bro Ddyfi Community Hospital (BDCH) and the clinical reconfiguration of the same.
- Business Justification Case: Dialysis Unit Expansion, Llandrindod Wells Memorial Hospital - the Board approved (for submission to Welsh Government) a single stage Business Justification Case in support of the extension of renal dialysis services at Llandrindod Wells War Memorial Hospital.

## Service Change

### Response to the Hywel Dda University Health Board Consultation 'Our Big NHS Change'

The Board considered and agreed its response to Hywel Dda University Health Board's (HDUHB) Consultation 'Our Big NHS Change'. This consultation proposed a new model of care for services that are 'safe, sustainable, accessible and kind'. The Board responded to the consultation as a commissioner of services provided by HDUHB, and as a neighbouring health board and collaborating partner in the Mid Wales and South West Wales NHS regional planning landscape.

### Response to the 'Future Fit' consultation on hospital services provided at Royal Shrewsbury Hospital and Princess Royal Hospital, Telford

The Board considered and approved its response to the 'Future Fit' consultation on hospital services provided at Royal Shrewsbury Hospital and Princess Royal Hospital, Telford. The Future Fit Programme is led by NHS Shropshire Clinical Commissioning Group (CCG) and NHS Telford & Wrekin CCG, and relates to hospital services provided by Shrewsbury & Telford NHS Hospitals at both of its sites namely the Royal Shrewsbury Hospital (RSH) and Princess Royal Hospital Telford (PRH). The Board responded to the consultation as a commissioner of health services on behalf of people in Powys and as a sponsor organisation on the NHS Future Fit Programme.

### Thoracic Surgery Review

The Board considered the outcome of Public Consultation and Recommendations from the Welsh Health Specialised Services Committee on the Future Service Model for adult thoracic surgery in South Wales.

The Board received regular updates and assurances in relation to other external change programmes, including: Abertawe Bro Morgannwg University Health Board – 'Your NHS Help US Change for the Better'; and Hereford and Worcestershire STP – Stroke Programme.

### Nurse Staffing Levels (Wales) Act

The Nurse Staffing Levels (Wales) Act 2016 came into force on 21 March 2016, and has had a phased commencement with full implementation required from 6 April 2018. In May 2018, the Board received a position report from the Director of Nursing regarding local implementation of the Act, with assurance that all necessary steps had been taken to ensure

compliance for provided services. In terms of services commissioned from other providers, safe staffing is included as a requirement within the Long Term Agreement and staffing levels are monitored through the Board's Commissioning Assurance Framework.

In addition to the above, the Board:

- Approved the Annual Accounts for 2017-18;
- Approved the Resource Plans for 2018-19;
- Received feedback from service users and patients through experience stories;
- Received annual reports on Therapies and Health Sciences and Nursing and Midwifery;
- Approved and monitored the Discretionary Capital Programme;
- Received, considered and discussed financial performance and the related risks being managed by the health board;
- Received regular reports on quality governance, including annual reports for patient experience; Putting Things Right; safeguarding; infection prevention and control;
- Approved a Health and Safety Position Report which provided an overview of the key health and safety improvements delivered throughout the health board during the period 2016-2018;
- Routinely considered the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improve performance where appropriate.
- Routinely received assurance reports from the Committees and Advisory Groups of the Board.

## ITEMS CONSIDERED BY COMMITTEES OF THE BOARD

During 2018-19, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the committees included a range of internal audit reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and Powys Community Health Council.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas. Board Members are also involved in a range of other activities on behalf of the Board, such as Board

development sessions (at least six a year), attending partnership meetings, shadowing and a range of other internal and external meetings.

An overview of the key areas of focus for each of the Board committees is set out in ***Figure 4*** that follows.

***Figure 4: Key Areas of Focus of Committees of the Board***

| | |
|---|---|
| **Audit and Assurance Committee** | ▪ Approved the Internal Audit Plan for 2018-19<br>▪ Oversaw the delivery of a programme of internal and external audit reports<br>▪ Sought assurance in relation to Post Payment Verification Checks<br>▪ Kept an overview of the adequacy of Local Counter Fraud Services<br>▪ Monitored the implementation of audit recommendations<br>▪ Kept under review the health board's arrangements for risk management and assurance<br>▪ Reviewed and sought assurance on the accuracy of Annual accounts<br>▪ Oversaw the Governance Improvement Programme |
| **Executive Committee** | ▪ Took forward actions arising from the Integrated Performance Report and performance managing the delivery of those action plans.<br>▪ Kept the operational effectiveness of policies and procedures under review.<br>▪ Scrutinised key reports and strategies prior to their submission to other Committees of the Board and/or the Board to ensure their accuracy and quality.<br>▪ Provided a strategic view of issues of concern ensuring co-ordination between directorates.<br>▪ Provided advice to the Committees of the Board and/or the Board on matters related to quality, safety, planning, commissioning, service level agreements and change management initiatives.<br>▪ Ensured staff are kept up to date on health board wide issues.<br>▪ Acted as the forum in which Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues. |
| **Charitable Fund Committee** | ▪ Scrutinised applications for charitable funds<br>▪ Kept and overview of charitable funds income and expenditure |
| **Finance, Planning and** | ▪ Oversaw the delivery of the health board's performance against the National Outcomes Framework, the |

| | |
|---|---|
| **Performance Committee** | Integrated Medium Term Plan and related Annual Plan, and key local outcomes.<br>▪ Ensured there is an effective business planning process in place.<br>▪ Kept budgets and savings plans under review<br>▪ Reviewed delivery plans<br>▪ Oversaw the delivery of the health board's discretionary capital programme<br>▪ Sought assurance in relation to the health board's financial performance<br>▪ Sought assurance in relation to commissioning arrangements |
| **Information Management, Technology and Governance Committee** | ▪ Kept key Information Governance performance indicators unreview<br>▪ Kept an overview of the General Data Protection Regulation Preparedness<br>▪ Received regular data breach reports for :<br>✓ Serious reportable data breaches to the Information Commissioner and the Welsh Government<br>✓ Sensitive information<br>▪ Received regular reports to monitor data quality.<br>▪ Received regular reports to monitor information governance risk assessments.<br>▪ Received and considered audits and assessments against the Caldicott Standards and the relevant Health and Care Standards.<br>▪ Received regular reports on FOI requests |
| **Mental Health and Learning Disabilities Committee** | ▪ Kept under review the health board's Dementia Plan<br>▪ Sought assurances in relation to:<br>○ Veterans' Mental Health Services<br>○ Integrated Services for Autism<br>○ Learning Disability Services<br>○ Older and Adult Mental Health Services<br>○ Mental Health Estates Matters<br>○ Child and Adolescent Mental Health Services<br>▪ Kept under review progress in delivery of the Hearts and Minds Mental Health Partnership Delivery Plan<br>▪ Reviewed the performance of mental health and learning disability services against national targets |
| **Patient Experience, Quality and Safety Committee** | ▪ Reviewed performance against key patient experience, quality and safety indicators<br>▪ Kept under review the health board's performance in relation to falls, pressure damage and mortality |

| | |
|---|---|
| | ▪ Sought assurance in relation to the quality of services provided by PTHB and the bodies from which it commissions services<br>▪ Monitored the health board's approach to complaints and concerns<br>▪ Sought assurance in relation to specific issues, for example, services provided by the Shrewsbury and Telford NHS Trust<br>▪ Oversaw the development of the Annual Quality Statement<br>▪ Received reports on matters such as infection prevention and control and safeguarding |
| **Workforce and Organisational Development Committee** | ▪ Reviewed performance against key workforce indicators<br>▪ Sought assurances and kept the following under review:<br>○ Recruitment and the Recruitment Strategy<br>○ Personal Appraisal and Development<br>○ Mandatory and Statutory Training<br>○ Talent Management Strategy<br>○ Wellbeing at Work<br>○ Welsh Language requirements<br>○ Equality and Diversity<br>▪ Received regular updates on the Chat to Change programme<br>▪ Monitored the steps taken to engage staff in the 2018 Staff Survey<br>▪ Received regular updates on the Staff Excellence Awards |

## BOARD DEVELOPMENT

During the year, the Board took part in a number of development sessions which covered topics that included risk management, assurance arrangements, strategic planning, consultations, key issues and hot topics and presentations from partner organisations, such as the Public Health Wales NHS Trust and NHS Wales Shared Services Partnership.

## THE CORPORATE GOVERNANCE CODE AND THE BOARD'S SELF ASSESSMENT OF ITS EFFECTIVENESS

The Corporate Governance Code currently relevant to NHS bodies is 'The Corporate governance code for central government departments'. This can be found on the Welsh Government website.

The health board like other NHS Wales organisations is not required to comply with all elements of the Code, however the main principles of the Code stand as they are relevant to all public sector bodies.

The Corporate Governance Code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place which are designed to monitor our compliance with the code, these include:

- Self-assessment;
- Internal and external audit; and
- Independent reviews.

The Board is clear that it is complying with the main principles of the Code, and is conducting its business openly and in line with the Code, and that there were no departures from the Code as it applies to NHS bodies in Wales.

During the latter part of the year the Board and its Committees undertook self-assessments of their effectiveness and development needs. These are referenced in Committee annual reports on the health board website.

In October 2018, the Board held a development session to discuss its approach to develop an Organisational Development Strategic Framework. The Board will consider the Strategic Framework for approval in May 2019.

In January 2019, the Board took the opportunity to reflect on the effectiveness of the Board, completing individually a self-assessment, based on NHS Improvement's (NHS England) Well-led Framework for Leadership and Governance Developmental Reviews. The Well-led Framework supports boards to maintain and develop the effectiveness of their leadership and governance arrangements. The tool asked Board members 8 questions (key lines of enquiry) for consideration.

The table provided at ***Figure 5*** presents the overall position (as a majority response) of the Board's assessment, against the eight questions asked.

***Figure 5: Outcome of Self-Assessment***

| Key Question | The Board's Assessment |
|---|---|
| Is there the leadership capacity and capability to deliver high quality, sustainable care? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Is there a clear vision and credible strategy to deliver high quality, sustainable care to people, and robust plans to deliver? | Meets or exceeds expectations |
| Is there a culture of high quality, sustainable care? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Are there clear responsibilities, roles and systems of accountability to support good governance and management? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Are there clear and effective processes for managing risks, issues and performance? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Is appropriate and accurate information being effectively processed, challenged and acted on? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Are there people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services? | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe |
| Are there robust systems and processes for learning, continuous improvement and innovation? | Partially meets expectations, but with some concerns on capacity to deliver within a reasonable timeframe |

| Rating | Definition | Evidence |
|---|---|---|
| **Green** | Meets or exceeds expectations | Many elements of good practice and there are no major omissions |
| **Amber-green** | Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe | Some elements of good practice, no major omissions and robust action plans to address perceived gaps with proven track record of delivery |
| **Amber-red** | Partially meets expectations, but with some concerns on capacity to deliver within a reasonable timeframe | Some elements of good practice, some minor omissions. Actions plans to address perceived gaps are in early stage of development with limited evidence of track record of delivery |
| **Red** | Does not meet expectations | Major omission in quality governance identified. Significant volume of actions plans required and concerns about management's capacity to deliver |

The outcome of this was reviewed by the Board at a Board Development Session in May 2019. Areas for improvement will be taken forward through the Board Development Programme for 2019/20 and the Annual Governance Programme 2019/20. Areas for inclusion will include development of: Board member skills, ability to analyse and interpret data and information; balancing strategic and operational matters; and the introduction of systematic health board learning.

Each Committee of the Board has also completed a self-assessment of its effectiveness. The outcomes of these assessment are being used to inform the future development of a Board Development Programme for 2019-20.

## ADVISORY GROUPS

PTHB's Standing Orders require it to have three advisory groups in place. These allow the Board to seek advice from and consult with staff and key stakeholders. They are the:

- Stakeholder Reference Group
- Local Partnership Forum
- Healthcare Professionals' Forum

Information in relation to the role and terms of reference of each Advisory Group can be found in the health board's Standing Orders, these can be found on the health board website.

The Local Partnership Forum is now well established. Work will be undertaken in 2019-20 to strengthen the Forum's operating arrangements and maximise its role in providing advice to the Board.

The first meeting of the Stakeholder Reference Group was held in September 2018. During 2019-20, work will be undertaken to review the

Group's membership, to ensure clarity on its role and purpose and ensure alignment with the Board's programme of business.

At the time of writing, the Board does not have in place its Healthcare Professionals' Forum. In the absence of this Group, the Board engages clinical professionals through its clinical directors (Medical Director, Director of Nursing, Director of Therapies and Health Sciences and Director of Public Health) and existing management groups such as the Heads of Nursing and Midwifery Group and the Heads of Therapies. The Board also engages with GPs through its cluster arrangements.

The Board agreed its Annual Governance Programme 2019-20, at its meeting in March 2019. The Annual Governance Programme confirms that the Board will fully establish its advisory infrastructure in 2019-20. The Annual Governance Programme can be viewed on the health board website.

## JOINT COMMITTEES

### *Welsh Health Specialised Services Committee (WHSSC) & Emergency Ambulance Services Committee (EASC)*

The Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee are joint committees of Welsh Health, established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

### *NHS Wales Shared Services Partnership Committee*

A NHS Wales Shared Services Partnership Committee (NWSSPC) has been established under Velindre NHS Trust which is responsible for exercising shared services functions including the management and provision of Shared Services to the NHS in Wales.

More information on the governance and hosting arrangements of these committees can be found in the health board's Standing Orders on the health board website.

# PARTNERSHIP AND COLLECTIVE WORKING

## POWYS COUNTY COUNCIL

PTHB and Powys County Council have overarching Section 33 agreements through which the organisations manage joint arrangements for Information Communication Technology (ICT) services, reablement services, Glan Irfon Integrated Health and Social Care project, joint equipment and substance misuse services, and autism services. Mental health services, services for people with learning disabilities, older people, carers and children's services are also key joint areas for integrated working.

## JOINT PARTNERSHIP BOARD

Powys has been made a region in its own right under Part 9 of the Social Services Wellbeing (Wales) Act 2014. In light of this and combined with the requirements of the Well-being of Future Generations Act (Wales) 2015 and the Social Services Wellbeing (Wales) Act 2014, and the collective drive towards increased integration between the health board and PCC, in February 2016, PTHB and PCC established a Joint Partnership Board. This brings together nominated strategic leaders from PCC and the health board to ensure effective partnership working across organisations within the county for the benefit of the people of Powys.

The Joint Partnership Board is responsible for oversight of the integration agenda. Formal Terms of Reference are in place and a collaborative agreement between the health board and PCC has been signed.

## POWYS PUBLIC SERVICE BOARD

The Public Service Board (PSB) is the statutory body established by the Well-being of Future Generations (Wales) Act which brings together the public bodies in Powys to meet the needs of Powys citizens present and future. The aim of the group is to improve the economic, social, environmental and cultural well-being of Powys. Working in accordance with the five ways of working, the Board has published its Well-being Assessment and Well-being Plan. The Well-being Plan which has been developed through extensive engagement sets out four local objectives for the Powys we want by 2040.

The health board contributes to achieving these objectives through the delivery of the health and care strategy and the Integrated Medium Term Plan (IMTP). The PSB has set out in its Well-being Plan 15 well-being steps that we will concentrate on during 2018-21 to contribute to achieving the

objectives. These steps are those where the biggest difference can be made by developing solutions together.

## POWYS REGIONAL PARTNERSHIP BOARD

The Powys Regional Partnership Board (RPB) is the statutory legal body established in April 2016 by the Social Services and Well-being (SSWB) (Wales) Act. Its key role is to identify key areas of improvement for care and support services in Powys. The RPB has also been legally tasked with identifying integration opportunities between social care and health. This has been achieved through building on the years of joint working and through the development of the health and care strategy which has identified key priorities. The key opportunities for integrated working identified and the actions to be taken in support of them are outlined in the Area Plan, which is available on the Powys County Council website, and focuses on 'Delivering the Vision'.

## MID WALES JOINT COMMITTEE FOR HEALTH AND SOCIAL CARE (MWHC)

Following the Welsh Government's formal recognition of mid Wales as a designated planning area, the Mid Wales Healthcare Collaborative transitioned to the Mid Wales Joint Committee for Health and Social Care in March 2018. The Welsh Government's long-term plan for the future of health and social care in Wales, 'A Healthier Wales: Our Plan for Health and Social Care', sets out the long term future vision of a 'whole system approach to health and social care' which focuses on health, wellbeing and prevention of illness.

The Mid Wales Joint Committee supports this direction of travel and its Strategic Intent sets out what we will do to ensure there is a joined up approach to the planning and delivery of health and care services across Mid Wales over the next three years.

## SOUTH EAST WALES REGIONAL PLANNING – DELIVERY FORUM

In 2017-18, the Cabinet Secretary for Health and Social Services, following discussions with Health Board Chairs, wrote asking that they establish Regional Planning arrangements that address at pace some of the clinical service redesign options where solutions sit outside individual Health Board boundaries.

The Regional Planning and Delivery Forum was therefore established, which includes the Chief Executive NHS Wales and Chair and Chief Executive representation from Cwm Taf University Health Board, Cardiff & Vale

University Health Board, Aneurin Bevan University Health Board, Abertawe Bro Morgannwg University Health Board, Powys Teaching Health Board, Velindre NHS Trust and Welsh Ambulance Services Trust.

Regular reports on the work of our Joint Committees and partnership Boards are provided by the Chief Executive to the Board at each meeting and can be viewed on the health board website.

## THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROLS

As I have reported in previous Annual Governance Statements, the system of internal control operating across Powys Teaching Health Board is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the health board, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

I can confirm the system of internal control has been in place at the health board for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

### CAPACITY TO HANDLE RISK AND KEY ASPECTS OF THE CONTROL FRAMEWORK

As Accountable Officer, I have overall responsibility for risk management and report to the Board on the effectiveness of risk management across the health board. My advice to the Board has been informed by executive officers, feedback received from Board Committees; in particular the Audit and Assurance Committee and Patient Experience, Quality and Safety Committee.

Executive Committee (Committee of the Board, as per page 17) meetings present an opportunity for executive directors to consider, evaluate and address risk and actively engage with and report to the Board and its committees on the organisation's risk profile.

The health board's lead for risk is the Board Secretary, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the organisation. Depending on the nature of risk, other Directors will take the lead, for example, patient safety risks fall within the responsibility of the Medical Director, Director of Nursing, and Director of Therapies and Health Science.

## THE RISK MANAGEMENT FRAMEWORK

Robust risk management is seen by the Board as being integral to good management and the aim is to ensure it is integral to the health board's culture. It is an increasingly important element of the health board's planning, budget setting and performance processes.

The Board's Risk Management Framework sets out the health board's processes and mechanisms for the identification, assessment and escalation of risks. It has been developed to create a robust risk management culture across the health board by setting out the approach and mechanisms by which the health board will:

- make sure that the principles, processes and procedures for best practice risk management are consistent across the health board and fit for purpose;
- ensure risks are identified and managed through a robust organisational Assurance Framework and accompanying Corporate and Directorate Risk Registers;
- embed risk management and established local risk reporting procedures to ensure an effective integrated management process across the health board's activities;
- ensure strategic and operational decisions are informed by an understanding of risks and their likely impact;
- ensure risks to the delivery of the health board's strategic objectives are eliminated, transferred or proactively managed;
- manage the clinical and non-clinical risks facing the health board in a co-ordinated way; and
- keep the Board and its Committees suitably informed of significant risks facing the health board and associated plans to treat the risk.

The Risk Management Framework sets out a multi-layered reporting process, which comprises the Assurance Framework and Corporate Risk Register, Directorate Risk Registers, Local Risk Registers and Project Risk Registers. It has been developed to help build and sustain an organisational culture that encourages appropriate risk taking, effective performance management and organisational learning in order to continuously improve the quality of the services provided and commissioned.

The Risk Management Framework sets out the ways in which risks will be identified and assessed. It is underpinned by a number of policies which relate to risk assessment including incident reporting, information governance, training, health and safety, violence and aggression, complaints, infection control, whistle blowing, human resources, consent, manual handling and security.

The Risk Management Framework is available on the health board website.

## EMBEDDING EFFECTIVE RISK MANAGEMENT

Embedding effective risk management remains a key priority for the Board as it is integral to enabling the delivery of our objectives, both strategic and operational, and most importantly to the delivery of safe, high quality services.

During 2018-19, both Wales Audit Office and Internal Audit identified that further improvements were required in respect of risk management arrangements. At the end of 2017-18, an Internal Audit review which focused on the operational management of risk, including the organisation's approach to training, risk identification and assessment, was rated as providing **limited assurance**. In response to this, a Risk Management Improvement and Deployment Plan was approved by the Executive Committee in May 2018 and discussed by the Audit and Assurance Committee in July 2018.

In March 2019, Internal Audit undertook a follow-up review of progress made against recommendations made in the initial review in 2017-18. The review concluded that the level of assurance the Board could take in respect of the effectiveness of the system of internal control in place to manage the risks associated with Risk Management was **limited assurance**.

I recognise that Internal Audit were unable to provide assurance that the Board's responsibilities for risk management were effectively discharged over a two year period. Whilst weaknesses in the operational oversight of risk and the format and content of risk registers were highlighted, the Board did continue to receive and review its corporate risk register to ensure that strategic risks were managed.

Internal Audit advised that progress had been made in Quarter 4 of 2018-19, with an increase of oversight capacity and support with the formation of a multi-directorate/discipline Risk and Assurance Group, which is constituted by Assistant Directors and senior managers and held its inaugural meeting in January 2019. The Risk and Assurance Group is responsible for leading the implementation of the risk, control and assurance processes established within the organisation. The Group reviews them and reports on any weaknesses identified to ensure that the Board has in place effective systems for the reporting of risk, and the management of risk registers and the Board's Assurance Framework.

The Annual Governance Programme, approved by the Board in March 2019, includes a focus on embedding a risk and assurance culture. The health board has appointed into two key senior posts: Head of Risk and Assurance and the Head of Corporate Governance. The impact of these is expected to materialise by strengthening the current risk management arrangements during 2019-20.

During 2019-20, the Board's Committees will develop further their annual work programmes, focussing on areas of risk and assurance need, informed by the Assurance Framework and Corporate Risk Register.

## RISK APPETITE

HM Treasury (2006) define risk appetite as:

*The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time'.*

The Board's Risk Appetite Statement sets out the Board's strategic approach to risk-taking by defining its risk appetite thresholds. It is a 'live' document that will be regularly reviewed and modified, so that any changes to the organisation's strategies, objectives or its capacity to manage risk are properly reflected.

In developing the Risk Appetite Statement careful consideration was given to the health board's capacity and capability to manage risk.
The following risk appetite levels, developed by the Good Governance Institute, informed the Statement:

### *Figure 6: Description of Risk Appetite*

| Appetite Level | Described as: |
|---|---|
| **None.** | Avoid the avoidance of risk and uncertainty is a key organisational objective. |
| **Low.** | Minimal the preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential. |
| **Moderate.** | Cautious the preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward. |
| **High** | Open and being willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM). |
| **Significant.** | Seek and to be eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk. Or also described as Mature being confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust. |

The Risk Appetite Statement makes it clear that the Board has **no appetite** for accepting or pursuing risks that may have an adverse impact on the quality or safety of the services it provides or commissions. The Risk Appetite Statement is included within the Risk Management Framework, which is available on the health board website.

## THE HEALTH BOARD'S RISK PROFILE

As can be seen from the Heat Map at ***Figure 7,*** at the end of March 2019 a number of key risks to the delivery of the health board's strategic objectives had been identified. Full details of the controls in place and actions taken to address these risks can be found in the Corporate Risk Register.

## *Figure 7:* Risk Heat Map: 31 March 2019

| Impact | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Catastrophic | 5 | | | | | |
| | Major | 4 | | | ▪ the health board breaches IG Standards and legislative requirements, such as the General Data Protection Regulations<br>▪ fragmented and unsustainable service models as a result of changing need and service reconfiguration of neighbouring bodies<br>▪ there is a Service Failure of Out of Hours GMS Care<br>▪ effective governance arrangements are not embedded across all parts of the health board<br>▪ the health board does not meet its statutory duty to achieve a breakeven position | ▪ sustainable safe services that meet national targets are not commissioned<br>▪ ICT systems are not robust or stable enough to support safe, effective and up to date care<br>▪ the care provided is compromised due to the health board's estate being non-compliant and not fit for purpose<br>▪ the health board is unable to attract, recruit and retain staff<br>▪ resources (financial and other) are not fully aligned to the health board's priorities<br>▪ a "no deal" Brexit scenario adversely impacts PTHB systems and services | |
| | Moderate | 3 | | | | ▪ the health board does not comply to the Welsh Language standards, as outlined in the compliance notice | |
| | Minor | 2 | | | | | |
| | Negligible | 1 | | | | | |
| | | | 1 | 2 | 3 | 4 | 5 |
| Likelihood | | | Rare | Unlikely | Possible | Likely | Almost Certain |

An overview of the key risks (i.e. those in the red section of the Heat Map) and actions taken is provided in ***Figure 8*** over page.

## *Figure 8:* Key Risks and Controls

| RISK DESCRIPTION | CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS |
|---|---|
| Sustainable safe services that meet national targets are not commissioned | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ Executive Committee Strategic Planning & Commissioning Group (including consideration of fragile services)<br>▪ Regular review at Delivery and Performance Meetings<br>▪ Scrutiny by Finance, Planning and Performance Committee<br>▪ Scrutiny by Patient Experience, Quality and Safety Committee<br>▪ Contract Quality and Performance Review Meetings for the 15 NHS Providers<br>▪ Individual Patient Funding Request Panel and Policy<br>▪ WHSCC Joint Committee and Management Group<br>▪ WHSSC ICP agreed within PTHB IMTP<br>▪ Emergency Ambulances Services Committee<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Embed whole system commissioning through the implementation of the Strategic Commissioning Framework<br>▪ Embed and ensure implementation of the Commissioning Assurance Framework<br>▪ Implement commissioning intentions for 2019-20<br>▪ Robustly manage the performance of all providers of planned care services for the people of Powys through the Commissioning Assurance Framework<br>▪ Strengthening of Business Intelligence and Information across the organisation |
| Lack of a robust and stable ICT system | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ Development of a Joint ICT Strategy with Powys County Council<br>▪ Establishment of an ICT Programme Board and relevant Project Boards<br>▪ Engagement and input in to the National Implementation Board<br>▪ Disaster Recovery arrangements in place<br>▪ Regular Scrutiny by Information Management, Technology and Governance Committee<br>▪ System Performance Measures in place<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Specific Well-being Objective – Digital First with 'Digital Infrastructure' set as an Organisational Priority in the health board's Annual Plan for 2019-20.<br>▪ Increase flexibility for accessing information and systems (anytime/anywhere/any device) including through improved connectivity e.g. mobile coverage, broadband, wi-fi and modern, agile ready systems with integration by design.<br>▪ Improve information storage, server hosting, security and disaster recovery, back up and archiving capabilities**.** |

| RISK DESCRIPTION | CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS |
|---|---|
| Breach of statutory duty to break even | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ Financial Plan in place<br>▪ Monthly meetings to monitor delivery of financial plan<br>▪ Budgetary Control Framework<br>▪ Contracting Framework<br>▪ Delivery and Performance Group (sub Group of Executive Committee) in place<br>▪ Regular scrutiny by Finance, Planning and Performance Committee<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Financial management set as an Organisational Priority in 2019-20 Annual Plan.<br>▪ Strengthening of the capability and sustainability of the Finance Team |
| The health board is unable to attract, recruit and retain staff | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ Embed a centralised temporary staffing unit for all staffing groups.<br>▪ Implementation of a Recruitment and Retention delivery plan<br>▪ Weekly reports on temporary staffing produced and shared with ICTM's and reviewed mid-week to ensure optimum cover options are explored.<br>▪ Quarterly recruitment events<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Development of a proposal to pilot Health Care Support Worker development in order to support unqualified to qualified approach (NVQ level 2 training)<br>▪ Work with the All Wales team on the implementation of the benefits portal page and ensure that this provides the opportunity to capture any local initiatives that are in place<br>▪ Ensure that recruitment timescales are minimised and that issues of delay are appropriately and proactively managed to ensure recruitment performance indicators are consistent with national targets<br>▪ Develop potential alternative staffing models where appropriate |
| A "No Deal" Brexit scenario adversely impacts PTHB systems and services | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ PTHB membership of/engagement in NHS national planning arrangements, through its current governance architecture (including WOD).<br>▪ Reviewing and updating PTHB business continuity plan (BCP) and arrangements in line with national directive.<br>▪ Continued engagement with Welsh Government, the Welsh NHS Confederation and other NHS partners and the Dyfed Powys Local Resilience Forum).<br>▪ Local risk assessment of "No Deal" Brexit, as part of BCP.<br>▪ Series of communications to lead officers.<br>▪ Participating in local planning, testing and reporting arrangements through the Dyfed Powys Local Resilience Forum.<br>▪ EU settled status pilot scheme promoted to PTHB workforce via regular Powys announcements.<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Ensure arrangements are in place to continue to review and test local plan(s) as further clarity and information emerges regarding "No Deal"<br>▪ Issue further information and actions to PTHB staff, as these emerge |
| The care provided is compromised due to the | **CONTROLS IN PLACE/ACTION TAKEN:**<br>▪ Specialist sub-groups for each compliance discipline<br>▪ Risk based improvement plans introduced<br>▪ Specialist leads identified |

| RISK DESCRIPTION | CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS |
|---|---|
| health board's estate being non-compliant and not fit for purpose | ▪ Estates Compliance Group and Capital Control Group established<br>▪ Medical Gases Committee; Fire Safety Group; Water Safety Group; Health & Safety Committee in place<br>▪ Capital Programme developed and approved<br>**IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2019-20:**<br>▪ Capital and Estates set as a specific Organisational Priority in the health board's Annual Plan for 2019-20 with related Organisational Delivery Objectives<br>▪ Address (on an ongoing basis) maintenance and compliance issues<br>▪ Develop and implement actions to deliver improved environmental sustainability across the organisation including implementing ISO 14001, as well as old-age, dementia friendly and sensory stimulating environmental standards and best practice<br>▪ Address maintenance and compliance improvements to ensure patient environment is safe, appropriate and in line with standards.<br>▪ Implement the Capital Programme and develop the long term capital programme<br>▪ Develop capacity and efficiency of the Estates and Capital function |

As referenced in the table above, in developing our Integrated Medium Term Plan for 2019-22 we gave careful consideration to the actions that we will take to mitigate such risks.

The Integrated Medium Term Plan also set out an initial risk assessment, which outlined an indication of the scale of risk contained within the financial framework. The risks included a range of delivery issues, partner compliance issues, delivery of savings targets, receipt of additional income and risks arising from the fact that assumptions had to be made based on current knowledge of the future pressures on the NHS. These risks have been monitored during 2018/19 by the Finance, Planning & Performance Committee and the Board.

During 2018/19, the Board agreed to reduce the likelihood of occurrence for a number of risks included in the Corporate Risk Register, due to the impact of mitigating actions being implemented or a change in circumstance. These included:

- A risk that there could be a service failure of Out of Hours GMS Care – reduced from High to Moderate in July 2018, in light of service provision by Shropdoc being sustained and successful implementation of the 111 Service
- A risk that the health board could breach IG standards and legislative requirements, such as the General Data Protection Regulation – reduced from High to Moderate in January 2019 in light of reasonable assurance on GDPR provided by Internal Audit.

The Audit and Assurance Committee has a key role in monitoring the effectiveness of internal control and the process for risk management. Work will be taken forward in 2019/20 to strengthen the reporting of risks to the Board's Committees.

Case studies and patient stories are presented to the Board and Concerns/Claims scrutiny panels, in order that lessons can be disseminated and shared.

General Practitioners (GPs), Pharmacists, Dental Practitioners, Optometrists, Nursing Care Homes, Voluntary organisations and those where we have partnership relationships for service delivery, e.g. Local Authorities and other health boards, are responsible for identifying and managing their own risks through the contractual processes in place.

## KEY ASPECTS OF THE CONTROL FRAMEWORK

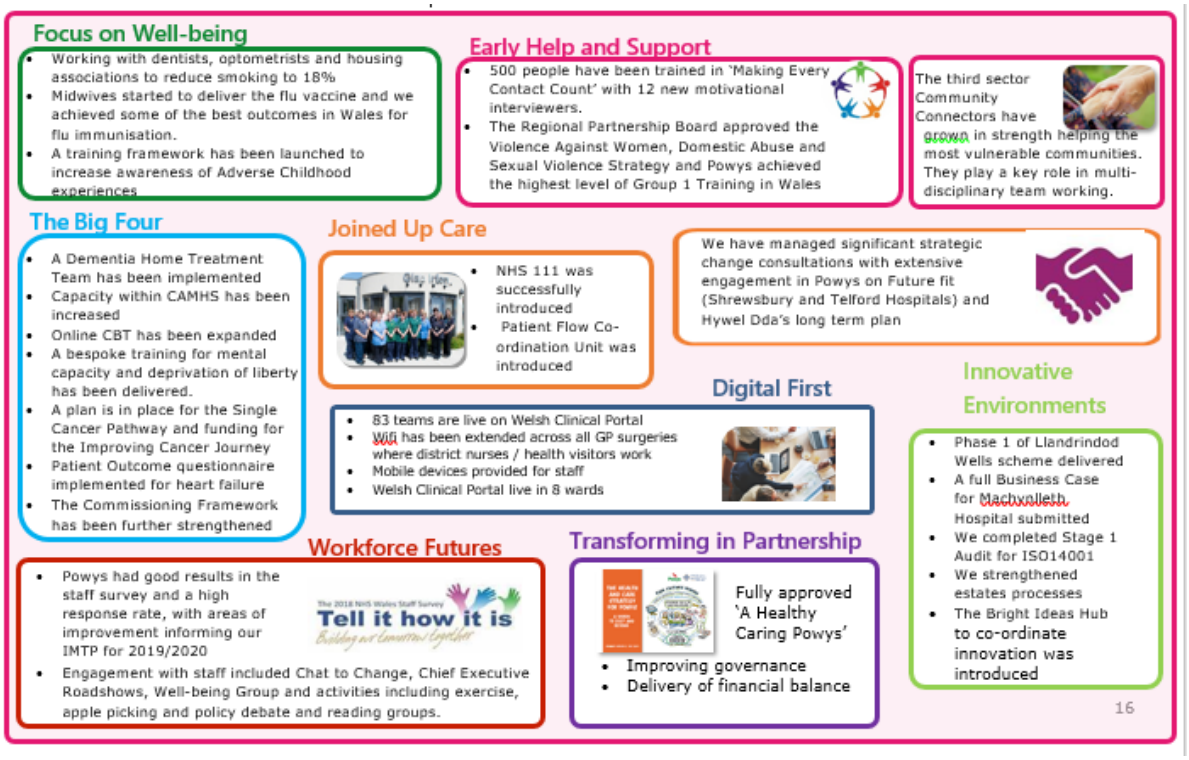
In addition to the Board and Committee arrangements described earlier in this document, I have over the last 12 months worked to further strengthen the health board's control framework. Key elements of this include:

### THE HEALTH BOARD'S INTEGRATED MEDIUM TERM PLAN

The National Health Service Finance (Wales) Act of 2014, established a statutory duty on health boards to develop and publish a Board approved Integrated Medium Term Plan (IMTP) on an annual basis. Amendments to the National Health Service (Wales) Act 2006 also set out the statutory duty for health boards to have their IMTPs approved by Welsh Ministers.

In accordance with these legislative duties, the health board developed and published an approved IMTP for 2018-21, which was approved by the Cabinet Secretary for Health and Social Care. A copy of the plan is available on the health board website.

A detailed analysis of the health board's performance for 2018/19 can be found in the PTHB Annual Report, which will be published in July 2019.
The health board continues to perform well against most of the directly influenced key targets set by Welsh Government. We are also performing well against the well-being objectives set jointly as part of the Health and Care Strategy, A Healthy Caring Powys.
The health board delivered the financial target of breakeven in 2018/19 and remained within the Capital Resource Limit (CRL).
The following provides an overview of achievements for the period 2018 – 2019:




The health board's IMTP for 2019-20 to 2021-22 was approved by the board on 30 January 2019 and submitted to Welsh Government. The Minister for Health and Social Services confirmed that he had approved the health board's IMTP on 27 March 2019. A copy of the plan is available on the health board website. The IMTP also functions as the health board's Well-being Statement, demonstrating how through the actions to deliver our well-being objectives we are contributing to the seven well-being goals for Wales and in accordance with the sustainable development principle.

The IMTP has been developed within the context of the Health and Care Strategy, published in July 2017. It sets out the vision to enable a 'Healthy Caring Powys', delivered through focusing on four core well-being objectives and four enabling well-being objectives underpinned by six delivery principles; Do What Matters, Do What Works, Focus on Greatest Need, Offer Fair Access, Be Prudent and Work with People and Communities.

**Core Well-being Objectives**


**Focus on Well-being**


**Provide Early Help and Support**


**Tackle the Big Four**


**Enable joined Up Care**

**Enabling Well-being Objectives**


**Develop Workforce Futures**


**Promote Innovative Environments**


**Digital First**


**Transform in Partnership**

The health board's planning approach continues to strengthen and mature. The approach is multi-faceted and takes into account the multiple planning streams across local, organisational and regional levels. The key principles of planning processes in the health board are to ensure:

- Patients are at the centre of service design and delivery.
- There is a clinically led planning environment with multi professional input.
- There is whole system planning, ensuring alignment with neighbouring provider plans.
- There is a transformation of commissioning and provider functions.
- Promotion of integration at a strategic and service level.
- There are internal relationships including staff side/trade unions.
- There are external relationships with key stakeholders.
- There are strong Community Health Council planning links.

In its Structured Assessment for 2018, the Wales Audit Office confirmed *"the Health Board's strategic planning is increasingly systematic with improving mechanisms for monitoring implementation and it is rolling out a new approach to translating its IMTP into action"*.

## INTEGRATED PERFORMANCE MANAGEMENT AND REPORTING

Delivery against the IMTP is managed through the Framework for Improving Performance with delivery and performance reported to the Board on a quarterly basis in the form of an Integrated Performance Report.

The objective of the framework is to ensure that information is available which enables the Board and other key personnel to understand, monitor and assess the organisation's performance against delivery of the IMTP,

enabling appropriate action to be taken when performance against set targets deteriorates, and support and promote continuous improvement in service delivery.

The Framework for Improving Performance is a contributor to the Board Assurance Framework which ensures that there is sufficient, continuous and reliable assurance on the management of the major risks to the delivery of strategic objectives and most importantly to the delivery of quality, patient centred services.

## QUALITY GOVERNANCE STRUCTURE

The Board has a collective responsibility for quality. During 2018-19, there was a clear quality governance structure with the Patient Experience, Quality and Safety Committee and Mental Health & Learning Disabilities Committee holding executives to account and receiving reports on assurance and risks linked to patient experience, quality and safety.

This year as in previous years, the health board will publish its Annual Quality Statement, which brings together a summary of how the organisation has been working over the past year to improve the quality of all the services it plans and provides. The report can be found on the health board website.

At each meeting of the Board a patient story is presented at the start. The use of first hand patient stories, that act of hearing and having an opportunity to connect with people using services, has enabled not just a more emotional connection with the impact of decisions made in the organisation but has also helped drive specific improvements in services. During 2018-19, the Board received presentations from service users, patients and families telling us of their experiences, including staff experience of using mental health services in Powys and the impact of a Discharge to Assess Model.

## HEALTH AND CARE STANDARDS

Since inception of the Health and Care Standards (HCS) in April 2015, the health board has continued to make progress in embedding the standards across all areas. There is a well-established HCS Intranet page which holds materials and supporting documents, including Welsh Government guidance, which is accessible by all services. These documents are helpful in supporting services to undertake self-assessments, enabling them to monitor compliance against each of the standards. Organisational compliance against the standards is provided to the Quality and Safety Manager, using a virtual approach. There is clearly some excellent work

being undertaken to embed the standards, continuously identifying where improvements are required and action taken to make these improvements. During 2018, HCS Steering Group members agreed that the implementation phase had been completed and the Standards had therefore become business as usual. We will continue to review progress through a self-assessment of our quality framework.

## BOARD MEMBER VISIBILITY

During 2018/19 a number of shadowing experiences have been undertaken to include facilities, palliative care, food tasting exercises, endoscopy, community hospitals to name a few. During 2018 the programme of '15 Steps' for Executive and Independent Members was discontinued following a formal evaluation of impact and presentation through a Board Development session. It was agreed that a process of 'shadowing' and 'back to the floor' would be more beneficial for Board members and more meaningful for staff members. During the annual self-assessment of the Patient Experience, Quality & Safety Committee 2018/19, it was agreed that a formal approach to shadowing needed to be introduced and this will be progressed by the Board Secretary and Director of Nursing for 2019/20.

## HEALTH AND SAFETY

The role of Powys Teaching Health Board in relation to Health & Safety, is to provide a safe and healthy environment for patients, visitors, staff and contractors and other members of the public who have contact with the organisation. The Health Board continues to improve its governance and practice in respect of its health and safety responsibilities, through a specialist support function and through the practice of all staff. A requirement is placed on all employers which establishes the need for health and safety management arrangements to achieve the duty of care. The objective being to reduce the Health & Safety risk to all staff, patients, visitors and contractors. Best practice guidance published by the Health and Safety Executive assists employers to design a successful Health and Safety Management System, which the Health Board utilises.

During 2018/19, Internal Audit undertook a review of Health and Safety arrangements (excluding fire) and concluded that the Board could take 'limited assurance' as to the effectiveness of the system of internal control in place to manage the risks associated with Health and Safety. A number of management actions were agreed in response to the Internal Audit review and these will continue to be implemented in 2019/20.

In January 2019, the Health and Safety Executive undertook an inspection, as part of a national campaign. The inspection looked at two key areas; Manual Handling operations and Violence and Aggression. Inspections were carried out at Welshpool Memorial Hospital, Llandrindod Wells Hospital, Brecon War Memorial Hospital, Bronllys Hospital and Ystradgynlais Community Hospital.

A number of contraventions were noted by the Health and Safety Executive (HSE) for immediate action. A management action plan has been prepared in response the Executive's findings. This will be presented to the Board's Experience, Quality and Safety Committee in June 2019 with ongoing monitoring of progress. The HSE will review progress against the management action plan during 2019/20.

## COMMISSIONING DEVELOPMENT AND ASSURANCE FRAMEWORKS

Powys is unlike other Health Boards in Wales in that around 75% of the funding entrusted to it by Welsh Government is spent on securing healthcare from providers it does not directly manage. Our commissioning work spans the continuum through health promotion, primary care, secondary care, Specialised services, individual patient commissioning, continuing healthcare, partnership commissioning and joint commissioning with the local authority. As a highly rural area with no District General Hospital, 90% of admitted patient care and 80% of secondary care outpatients is delivered beyond its borders. It is a significant challenge to ensure that the quality and safety of the services its residents receive across five health economies, spanning England and Wales, in up to 30 different specialties is appropriate.

In 2018-19, under the Strategic Commissioning Framework, work has been undertaken to help strengthen the way in which the health board commissions services. In addition to a dedicated resource in the Quality and Safety department, work has been initiated to strengthen our intelligence about services through use of the Clinical Health Knowledge System and by strengthening the in-put of the Public Health Department.

As part of our commissioning approach we have in place a Commissioning Assurance Framework to help ensure we have a safer more holistic and robust understanding of the services currently commissioned - with a rules based approach to escalation. Work has been successfully undertaken with Wye Valley NHS to reduce key areas of concern including mortality indicators. Escalation processes have also been used in relation to services in special measures including Shrewsbury and Telford NHS Trust.

The dedicated lead for the quality and safety of commissioned services has populated a dashboard of key indictors covering key issues such as serious

incidents, mortality, pressure sores, hospital acquired infections and patient experience.

Assurances in relation to specialist services are reported to the Board through reports from the Welsh Health Specialised Services Committee strategic quality framework, and assurance on Emergency Ambulance Services through the Emergency Ambulance Services Committee. A major aspect of joint commissioning with the local authority is now subject to an approved Section 33 Agreement for care home functions, which will provide regular reports to the Regional Partnership Board. Updated policies and procedures for Individual Patient Funding Requests and European Economic Area cases have helped strengthened systems and processes in highly complex individual cases.

## CLINICAL AUDIT

The Clinical Audit Strategy for 2017-2020 was approved in March 2017 and encompasses both the national clinical audit programme and locally-determined clinical audits. Key elements of the strategy include:

- To improve the management of the clinical audit programme
- To improve the determination and prioritisation of individual clinical audit projects, linked to clinical and organisational priorities and the resources available; and
- To improve the quality of clinical audit per se, including through action taken in response to the findings of clinical audit

Whilst progress had been made in the determination, management and reporting of clinical audit activity in the health board, the Wales Audit Office in its Structured Assessment 2017 recognised that the clinical audit strategy had not been fully implemented and that there should be "…more robust coordination of the Health Board's clinical audit programme…" In addition, the health board received a limited assurance review of the clinical audit programme from Internal Audit in February 2018.

In light of this, the Patient Experience, Quality & Safety Committee received an Improvement Plan for Clinical Audit in September 2018. The purpose of which to: fully underpin implementation of the PTHB Clinical Audit Strategy 2017-2020; and address the issues identified by Wales Audit Office and Internal Audit. Implementation of the improvement plan continues into 2019/20.

During 2018-19, Clinical Audits undertaken included:

- Primary Care - audits on managing patients with learning disabilities, children's immunisations and anticoagulation monitoring.
- National Audit of Care at the End of Life

- Falls Audit
- General Dental Services Quality Assurance self-assessment

Further detail in Clinical Audit can be found in the Annual Quality Statement 2018-19.

## COMPLAINTS AND CONCERNS FRAMEWORK

In 2018/19 we received 208 formal concerns. We have acknowledged and responded to:

- 77% of concerns within 2 working days. We know this is less than the 89% reported last year and that we need to improve. We achieved an average of 93.5% the latter 4 months of the year (range 86%-100%).
- 59% of formal concerns raised within 30 working days. This was less than last year which was 65%. Steps are being taken to ensure improved performance in 2019/20.
- 37% of formal concerns managed and responded to within 30 working days and 6 months, the same as the previous year.
- 4% of formal concerns managed and responded to within 6 months to 12 months.

Examples of concerns raised included access to services, continuing healthcare decisions, care and treatment provided and staff attitude.

Further detail on complaints and concerns can be found in the Annual Quality Statement 2018-19 and Putting Things Right Annual Report for 2018-19.

The health board has taken action to learn from formal and informal concerns. Examples such as:

- Improving the availability of dental services in Builth Wells.
- A new pathway for patients requiring surgery for carpal tunnel syndrome.
- Action taken to rationalise the provision of podiatry appointments, taking a risk-based and clinical prioritisation approach with a forward looking plan to recruit more podiatry staff and ensure timely care and treatment to patients.
- Improving communication to patients regarding rescheduled dental appointments.
- Explanations to patients that colonoscopy procedures may be uncomfortable.
- Staff attending training to raise awareness of the impact and effects of dementia on people.
- Staff reminded of the importance of treating enquiries and concerns equally and with respect.

- Recruitment of an ear care specialist nurse.
- System review of the community paediatric service.
- Working in partnership to develop alternatives to residential care and to improve outcomes for all adults with residential care needs.
- A review being undertaken into the telephone numbers for patients accessing Non-Emergency Patient Transport, with the aim of improving the overall patient experience.

More information on Putting Things Right can be found on the health board website.

## MORTALITY REVIEWS

We have developed a robust process for undertaking mortality reviews that span deaths that occur in our community hospitals. This work continues to evolve and features prominently on the agenda of the Patient Experience, Quality and Safety Committee. The health board have also participated in the 'Once for Wales Mortality Review' Programme which is aimed at providing consistency in the use of software and datasets used to record/report mortality across all relevant NHS Wales organisations.

## ANNUAL QUALITY STATEMENT

Each year we are required to publish an Annual Quality Statement. It provides an opportunity for the health board to let the people of Powys know, in an open and honest way, how we are doing to ensure all it services are meeting local need and reaching high standards. Each year it brings together a summary highlighting how the organisation is striving to continuously improve the quality of all the services it provides and commissions in order to drive both improvements in population health and the quality and safety of healthcare services.

The Annual Quality Statement provides the opportunity for the Board to routinely:

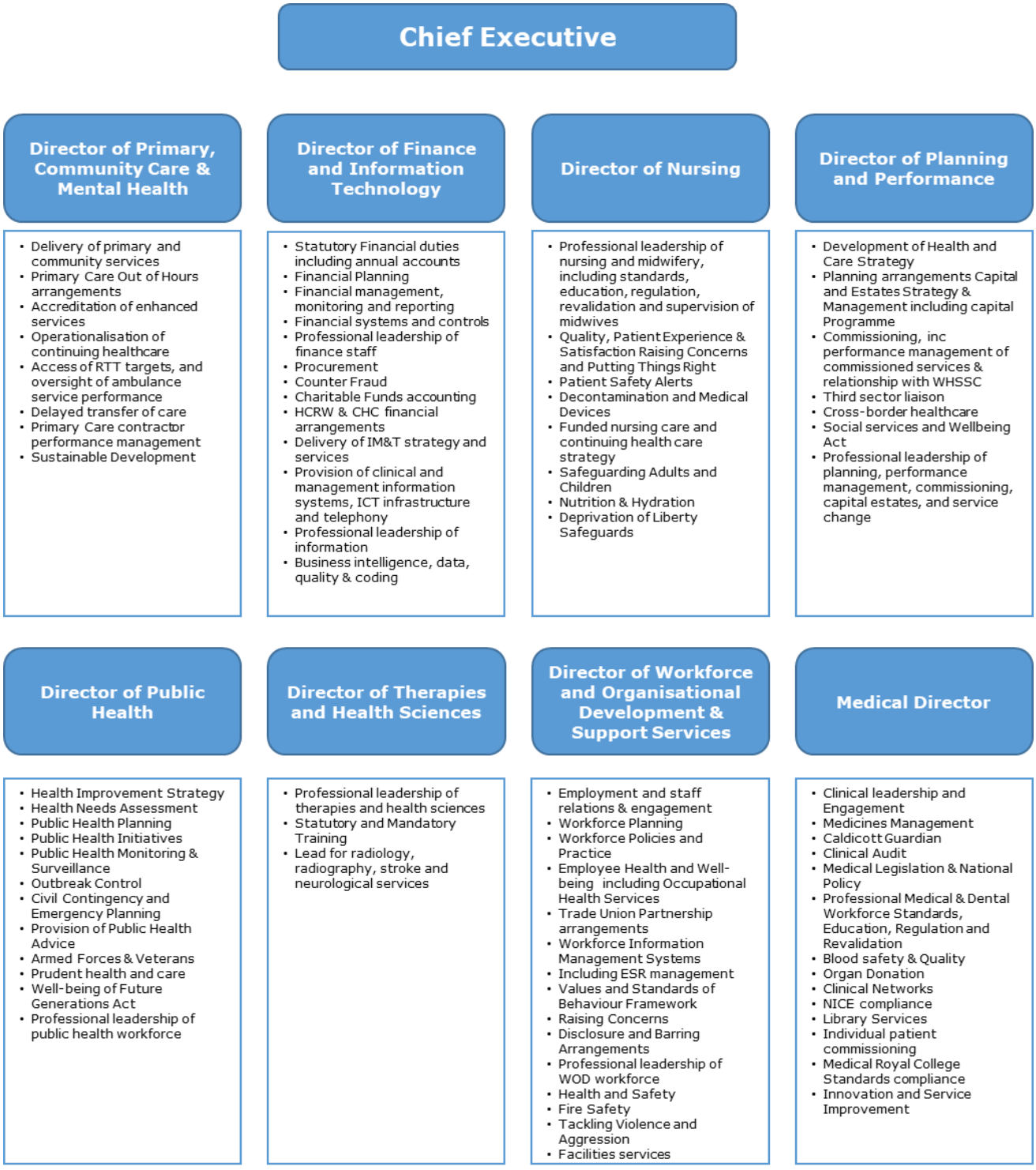
- assess how well they are doing across all services, including community, primary care and those where other sectors are engaged in providing services, including the third sector;
- identify good practice to share and spread more widely;
- identify areas that need improvement;
- track progress, year on year; and
- account to the public and other stakeholders on the quality of its services and improvements made.

The Annual Quality Statement will be published on 31 May 2019 and will be available on the health board website.

## EXECUTIVE PORTFOLIOS

In May 2018, the Board approved an updated Scheme of Delegation and Reservation of Powers. This document set out the delegation of responsibility to Executive Directors. The allocation of responsibilities is based on ensuring an appropriate alignment of accountabilities and authority within each Directorate and Director portfolio, and to also ensure that directorates focus on their core responsibility. The Scheme of Delegation also supports the strengthening of clinical leadership. An overview of Executive Director portfolios is set out in ***Figure 9.***

## *Figure 9: Executive Portfolios – May 2018*



## STAFF AND STAFF ENGAGEMENT

We engage with our staff in a number of ways which are part of the checks and balances we undertake to enable good governance.

The Board has in place a Local Partnership Forum as a formal advisory group. The purpose of the Local Partnership Forum provides a formal mechanism where the health board as employer, and trade unions/professional bodies representing the health board's employee's work together to improve health services for the citizens of Powys, achieved through a regular and timely process of consultation, negotiation and communication. The Local Partnership Forum's allows engagement on local priorities on workforce and health service issues.

In addition to these formal mechanisms, we have a consultation process open to all staff for all new and revised organisational policies and staff engagement events. These mechanisms are used in parallel with Facebook, Twitter, Powys Announcements, a weekly Newsletter and other virtual ways for staff to share their work and opinions.

During 2018-19, the NHS Wales Staff Survey was undertaken. Our response rate was 50% (up from 35% in 2016) and was the highest response rate for a health board. The all-Wales response rate was 29%.

For overall job satisfaction and engagement, the engagement index score for Powys THB was 3.92, an improved score since the last survey in 2016 where the score was 3.82. The engagement index score for Powys was higher than the overall NHS Wales score of 3.82.

The results of the Survey also saw an improvement in all three themes for Powys since the 2016 outcome, with the position being above the overall NHS Wales scores for most questions. There were, however, areas which had shown less positive movements in scores: Stress at Work; Harassment, Bullying and Abuse; Welsh Language; and Change in the Organisation. These areas are being explored in further detail and an action plan for improvement will be delivered in 2019-20.

## COMUNICATION AND ENGAGEMENT

During 2018-19 we have continued to strengthen our systems and processes for engagement and communication. This has included the planning and delivery of a number of formal consultation programmes including the Dyfi Valley Health (PTHB-led) and the Powys contribution to Thoracic Surgery Services in South Wales (WHSSC-led) and NHS Future Fit, as well as supporting the Hywel Dda University Health Board "Our Big NHS

Change" consultation. Positive feedback has been received from the Powys Community Health Council for the work of the health board's Engagement and Communication on key service change programmes. During the year we have also strengthened our stakeholder engagement and delivered a range of campaigns, publications and events with increasing levels of co-production with stakeholders. Examples include NHS 111 implementation in Powys, as well as the ongoing work as part of the Welsh Government-led Local Care and Support programme to promote alternatives to GP Primary Care. At the start of the year, the health board's work on the previous year's flu campaign also received national recognition as winners of the Beat Flu Awards, and this has provided a foundation to roll-out an innovative approach to use the health board's vehicle fleet as "mobile billboards" to share public health messages on smoking, immunisation, flu and wider well-being issues.

This work will inform a review of the Health Board's Stakeholder Engagement Strategy during 2019/20.

Shortly before year end, work commenced on the transition of the health board's website from the Cascade Content Management System to a new platform being implemented by NWIS. Website migration will continue during 2019/20 before rolling out the new platform to the health board's intranet.

Positive staff engagement and communication programmes have enabled us to maintain high levels of uptake of flu immunisation as well as high response rates to the NHS Wales Staff Survey, and to continue our programmes to embed our values to ensure a kind and compassionate culture across the organisation.

## INFORMATION GOVERNANCE

The Board recognises that accurate, timely and relevant information is vital to support day to day clinical and business operations and the effective management of the Board's services and resources to deliver high quality health care and to operate effectively as an organisation.

In readiness for the implementation of the new Data Protection Act 2018 (DPA) and General Data Protection Regulation (GDPR), the health board's assessment against the Information Commissioner's Office '12 Steps' guidance enabled it to make good progress towards compliance in advance of the 25 May 2018 implementation date. A review of the arrangements in place was completed in line with the 2018/19 Internal Audit Plan.

The GDPR introduced a duty for the health board to appoint a data protection officer (DPO). Their remit includes; monitoring internal compliance, informing and advising on data protection obligations, providing advice regarding Data Protection Impact Assessments (DPIAs) and acting as a contact point for data subjects and the supervisory authority. This role has been assigned to the Information Governance Manager. The Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. The Senior Information Risk Owner (SIRO) provides an essential role in ensuring that identified information security risks are addressed and incidents properly managed. This role sits with the Medical Director.

As with all information governance issues, risks relating to information are managed and controlled in accordance with the health board's policies through the Information Management, Technology and Governance Committee, which is chaired by an independent member. The health board is represented at the national IG Management Advisory Group to ensure a consistent approach to information governance is maintained across NHS Wales.

In 2018-19, the health board continued to strengthen information governance (IG) arrangements through the remit of the Information Governance Champions' Group by:

- monitoring compliance with Statutory and Mandatory IG training (89% of staff were compliant with the original module, 77% of staff are compliant with the GDPR version of the training which was mandated in December 2018),
- undertaking awareness and training sessions tailored to the responsibilities and needs of individuals,
- ensuring requirements introduced by the GDPR were implemented e.g. developing an Information Asset Register, Privacy Notices, Data Protection Impact Assessments and including GDPR clauses and data processing terms within contracts, and;
- the development and implementation of a programme of spot checks and other audits.

An operational health Records Management Group has been established as a sub-group of the IG Champions' Group to help progress the records management agenda locally. Participation in the national Health Records Management Advisory Group also provides a valuable opportunity to discuss and agree consistent measures to comply with legislation and best practice across the NHS in Wales. Issues of significance includes the impact on records stores as a result of the national inquiries into historic child sexual abuse and infected blood and also the future digitalisation of records.

The Wales Accord on the Sharing of Personal Information (WASPI) framework was updated in June 2018 and the health board has continued to

review Information Sharing Protocols (ISPs) with its partners in health, social care, fire and police services as part of the Mid & West Wales regional WASPI quality assurance group.

Five personal data protection breaches were reported by the health board to the Information Commissioner's Office (ICO) within the statutory 72 hours and to the Welsh Government where appropriate. These involved inappropriate access to records, lost records and records sent to the wrong recipients. Following investigation, the ICO was satisfied by the information provided and decided that no enforcement action would be taken.

397 requests for access to personal information were received from data subjects or their personal representatives and third parties including solicitors, legal services and the police. All were responded to within the statutory timescales with the exception of one request. No complaints were received via the ICO.

The requirement to undertake an annual assessment against a number of standards as part of the Caldicott: Principles into Practice self-assessment was undertaken. The Out-turn Report and Improvement Plan is reported on the health board website.

### FREEDOM OF INFORMATION REQUESTS

The Freedom of Information Act (FOIA) 2000 gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. During the 2018 calendar year, Powys Teaching Health Board received a total of 415 requests for information, 198 of these were answered within the 20 day target. One request for an internal review was received, and no complaints were received from the Information Commissioner's Office.

An audit of the Publication Scheme was undertaken which reviewed the 7 classes of information required to be published on the health board's website. The organisation is compliant with 49 of the 60 standards and work continues to progress the areas of non-compliance.

## ADDITIONAL MANDATORY DISCLOSURES

### PENSIONS SCHEME

I can confirm that as an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employers' contributions and

payments into the Scheme are in accordance with Scheme rules and that the member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Note 12 to the Annual Accounts provides details of the scheme, how it operates and the entitlement of employees.

## WELSH LANGUAGE

In March 2019, a Welsh language update report was presented to the Board which provided a summary of the Health Board's current levels of Welsh language service provision. After concluding that current provision is deemed to be inadequate, the report stressed the Health Board's commitment to renew its focus upon reviewing our Welsh Language Scheme and to build upon existing initiatives and protocols to make continuing improvements to bilingual services.

In November 2018, the Welsh Language Commissioner issued Powys THB with draft compliance notices for a new set of Welsh Language Standards with which the Health Board must comply. The Health Board recognises the significant challenges that these Welsh Language Standards pose to the organisation but also recognises the benefits of implementing the Standards for our Welsh speaking service users. An initial baseline assessment of current compliance with the Standards has been completed by each of the Service Leads for Welsh language which has highlighted areas of non-compliance across the Health Board. As a result of this initial assessment, the Health Board has decided to make a formal request for an extension to the proposed dates for compliance in order for the Health Board to undertake further assessment and analysis of the measures needed to make meaningful changes to Welsh language service provision over a period of time.

As part of the improvement plan, a designated Welsh Language Services Improvement Manager has been newly appointed who will support and guide staff across the Health Board to implement the Welsh Language Standards. Their role will include:

- Reviewing the existing Welsh Language Scheme and developing new a Welsh language policy and procedures in line with the Standards and Welsh Government's 'More Than Just Words Framework';
- Working with staff in targeted priority areas to improve bilingual services for vulnerable groups such as older person's mental health, CAMHS and speech and language therapy;
- Supporting senior managers to develop and implement action plans within their teams to increase compliance with the Standards;
- Monitoring progress across the Health Board and advising the Executive Team on Welsh language developments; and

- Liaising with Welsh Language Services Managers and other relevant key persons across Wales to ensure a consistent approach to the implementation process.

The Director of Therapies will act as the Executive Lead for Welsh Language for the Health Board over the coming months and update reports will be provided to the Board and Experience, Quality and Safety Committee.

## EQUALITY AND DIVERSITY

Measures are in place to ensure that the organisation complies with the requirements of equality, diversity and human rights legislation. However, as highlighted in last year's Annual Governance Statement further work is being taken forward to ensure that such legislation is properly embedded.

The health board's Equality, Diversity & Human Rights Policy and Impact Assessment for Equality Policy is accessible to staff and the public.

Arrangements are in place to ensure that all obligations under equality, diversity and human rights legislations are complied with. Equality issues will be monitored by the Experience, Quality and Safety Committee.

## EMERGENCY PREPARDNESS AND CIVIL CONTINGENCIES

PTHB is described as a Category 1 responder under the Civil Contingencies Act 2004 (CCA) and is therefore required to comply with all the legislative duties set out within the Act.

The CCA places 5 statutory duties upon Category 1 responders, these being to:

- assess the risks of emergencies
- have in place emergency plans
- establish business continuity management arrangements
- have in place arrangements to warn, inform and advise members of the public
- share information, cooperate and liaise with other local responders

During 2018, PTHB participated in a number of multi-agency planning, training and exercises to increase the health board's ability to respond to a wide-range of emergencies. The health board's Annual Report on Civil Contingencies for 2018 provides an account of the key resilience activities undertaken in 2018 and provides and overview of the health board's Civil Contingencies priorities for 2019-20.

## MINISTERIAL DIRECTIONS

The Welsh Government has previously issued Non-Statutory Instruments and reintroduced Welsh Health Circulars in 2014/15. Details of these and a record of any ministerial directions given is available on the Welsh Government website.

We can confirm that all of the Directions previously issued have been fully considered and where appropriate implemented. There were no ministerial directions issued in 2018-19.

## WELSH HEALTH CIRCULARS

A range of Welsh Health Circulars (WHCs) were published by Welsh Government during 2018-19 and can be viewed on the Welsh Government website.

On receipt these are centrally logged with a lead Executive Director being assigned to oversee implementation of any required action.
Where appropriate, the Board or one of its Committees is also sighted on the content of the WHC.

## POST PAYMENT VERIFICATION

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the health board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA) and in accordance with NHS Wales agreed protocols.

## REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS ON THE USE OF RESOURCES

The National Health Service Finance (Wales) Act 2014 amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. The 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 three financial years; and

- 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 health board achieved both financial duties in 2018-19.

### SUSTAINABILITY AND CARBON REDUCTION DELIVERY PLANS

Risk assessments are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the Adaptation Reporting requirements are complied with. To meet Welsh Government's 'decarbonisation by 2030' target, Powys Teaching Health Board has developed and is implementing an Environmental Management System in line with ISO14001:2015, which includes a decarbonisation delivery plan. This, along with a recent carbon footprint exercise carried out by the Carbon Trust, sets the agenda to develop a 'Carbon Neutral Strategy' through the Public Service Board and will support the health board working collaboratively and effectively with partner organisations to meet the 2030 targets.

## REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their annual audit letter and other reports. In addition, the independent and impartial views expressed by a range of bodies external to the health board has been of key importance, including Welsh Government; Powys Community Health Council; and Healthcare Inspectorate Wales.

As Accountable Officer I have overall responsibility for risk management and report to the Board regarding the effectiveness of risk management across the Health Board. My advice to the Board is informed by reports on internal controls received from all its committees and in particular the Audit and Assurance Committee and the Patient Experience, Quality and Safety Committee. The Patient Experience, Quality and Safety Committee also provides assurance relating to issues of clinical governance and patient safety. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

Each of the Health Board's Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit reports and external audit reports and reports on professional standards and from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and new policy areas. Each Committee undertakes an annual review and develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Board.

Whilst progress has been made in 2018/19 to strengthen the system of internal control, I recognise that further improvements are essential in respect of risk management and embedding the Board's Assurance Framework.

## INTERNAL AUDIT

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

We will ensure that the work of all regulators, inspectors and assurance bodies is mapped and evidenced in our assurance framework so that the Board is fully aware of this activity and the level of assurance it provides. We will also prioritise work to support the recording and monitoring of recommendations arising from the work of regulators, inspectors and other key assurance reviews.

### HEAD OF INTERNAL AUDIT'S OPINION FOR 2018-19

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

The Head of Internal Audit's opinion is arrived at having considered whether or not the arrangements in place to secure governance, risk management and internal control are suitably designed and applied effectively in the following assurance domains:

- Corporate Governance, Risk Management and Regulatory Compliance
- Strategic Planning, Performance Management and Reporting
- Financial Governance and Management
- Clinical Governance, Quality and Safety
- Information Governance and Security
- Operational Service and Functional Management
- Workforce Management
- Capital and Estates Management

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

The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control for 2018-19 is set out below:

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

The Head of Internal Audit has confirmed that in reaching their opinion both professional judgement and the Audit & Assurance "*Supporting criteria for the overall opinion*" guidance produced by the Director of Audit & Assurance for NHS Wales has been used.

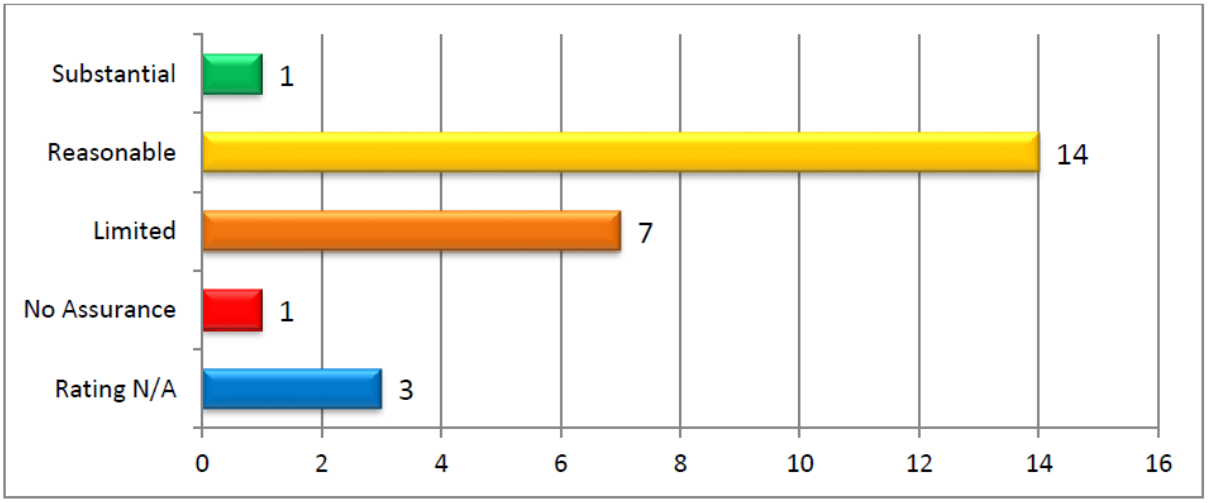
The Head of Internal Audit has also concluded that Reasonable Assurance could be reported for five of the eight assurance domains, around which the plan is structured. The same three were assessed as 'limited' assurance this year as in the prior year 'corporate governance, risk management and regulatory compliance', 'clinical governance quality & safety' and 'operational service and functional management'.

Of the 26 reviews included in the 2018/19 Internal Audit Plan, 14 were rated as providing 'reasonable' assurance and one 'substantial'. Seven reviews were rated as 'limited' assurance with a further one providing 'no' assurance. Ratings were not applicable to three reviews.

Audits of 'health and safety (excluding fire safety)', 'Section 33 governance arrangements', Dental Services (monitoring of the GDS contract) and 'Catering Department' - all received limited assurance.

In addition, the plan included follow up work on four 2017/18 'limited' assurance reports – 'risk management', 'medicines management (patient group directions)' and 'engagement with primary care providers' which were rated as providing 'limited' assurance for the second time. The Head of Internal noted *"It is disappointing therefore, that we were unable to report sufficient progress on a number of follow up reviews and returned a second limited assurance rating."*

A 'no assurance' rating was applied to a review of the 'Podiatry Service' where significant issues were highlighted. The overarching theme of the findings was the efficiency and effectiveness of operational and professional leadership and management of the Podiatry Service. Seven high priority recommendations were made.
A summary of audit ratings provided in 2018-19, is outlined in the table below:




The findings to all limited and no assurance rated internal audit reviews undertaken in 2018/19 were accepted in full by management and action

plans included in final reports. All Internal Audit reports were reported to the Audit and Assurance Committee for oversight and monitoring.

The Audit and Assurance Committee has responsibility for tracking all recommendations made by Internal Audit and to ensure that they are addressed in a way that is appropriate and timely.

During quarter 4 of 2018/19, significant work was taken forward to implement robust systems for recording and monitoring audit recommendations arising from Internal and External Audit Reviews.

The Wales Audit Office Structured Assessment 2018 concluded that the Audit and Assurance Committee had not seen a full audit recommendations tracker for two years. The Wales Audit Office noted that it would be important for the new tracker included recommendations from Wales Audit Office as no reporting against external audit recommendations had been provided for a significant time.

The Health Board has now implemented a revised tracking tool and positive feedback has been received on its accessibility and use. This tracker has been updated to include all audit recommendations made by internal and external audit in 2017/18 and 2018/19. The Wales Audit Office has confirmed that all expected recommendations have been captured for monitoring.

I will monitor the implementation of audit action plans/recommendation implementation through regular meetings of the Executive Delivery and Performance Group.

The full Head of Internal Audit Opinion and Internal Audit Reports can be accessed on the health board website.

## COUNTER FRAUD

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) the Local Counter Fraud Specialist (LCFS) and Director of Finance agreed, at the beginning of the financial year, a work plan for 2018-19. This was approved by the Audit and Assurance Committee in May 2018.

The work plan for 2018-19 was completed and covered all the requirements under Welsh Government directions. The Counter Fraud Service provides regular reports and updates to members of the Executive Team and directly to the Audit and Assurance Committee. The Audit and Assurance Committee

will receive the Counter Fraud and Corruption Annual Report for 2018-19 on 28 May 2019.

The NHS Counter Fraud Authority (formerly NHS Protect) provides national leadership for all NHS anti-fraud, bribery and corruption work and is responsible for strategic and operational matters relating to it. A key part of this function is to quality assure the delivery of anti-fraud, bribery and corruption work with stakeholders to ensure that the highest standards are consistently applied.

## EXTERNAL AUDIT: STRUCTURED ASSESSMENT FINDINGS

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. The Wales Audit Office (WAO) undertakes the external auditor role for Powys Teaching Health Board on behalf of the Auditor General.

The 2018 Structured Assessment work reviewed aspects of the health board's corporate governance and financial management arrangements and, in particular, the progress made in addressing the previous year's recommendations. The scope was broadened to include commentary on arrangements relating to procurement, asset management and improving efficiency and productivity.

Overall the WAO concluded that the Structured Assessment work had demonstrated that:

- Governance – the Health Board is generally well led and well governed and is taking forward work in a number of areas to continue to strengthen its governance arrangements
- Strategic planning – the Health Board's strategic planning is increasingly systematic with improving mechanisms for monitoring implementation and it is rolling out a new approach to translating its IMTP into action
- Wider arrangements that support the efficient, effective and economical use of resources – the Health Board is working hard to tackle workforce challenges, is maintaining financial performance overall but faces challenges in relation to the condition of the estate and managing medical equipment.

The WAO made a number of recommendations within its report. Recommendations in respect of governance related to: strengthening of the register of gifts, hospitality and sponsorship; establishment of a Healthcare Professionals' Forum; audit recommendations tracking; and the publication of policies on the website.

While pleased that the Wales Audit Office considers good progress to be made I am fully aware of the need to further strengthen and enhance the health board's governance arrangements. I can confirm that actions to address each of the recommendations are underway.

The WAO Structured Assessment 2018 can be viewed on the health board website.

## CONCLUSION

As Accountable Officer for Powys Teaching Health Board, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the Board and its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place during the year a system of providing assurance aligned to corporate objectives to assist with identification and management of risk. I am pleased to note that as a result of our internal control arrangements, Powys Teaching Health Board continues to be on 'routine' monitoring as part of NHS Wales Escalation and Intervention arrangements.

During 2018-19, we proactively identified areas requiring improvement and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. Further work will be undertaken in 2019/20 to ensure implementation of recommendations arising from audit reviews, particular where a limited or no assurance rating is applied.

In the latter part of the year we have taken substantial steps to embed risk management and the assurance framework throughout the organisation; this work will continue in 2019-20.

Implementation of the Board's Annual Governance Programme will see a further strengthening of the Board's effectiveness and system of internal control in 2019/20.

This Annual Governance Statement confirms that Powys Teaching Health Board has continued to mature as an organisation and, whilst there are areas for strengthening, no significant internal control or governance issues have been identified. The Board and the Executive Team has had in place a sound and effective system of internal control which provides regular assurance aligned to the organisation's strategic objectives and strategic risks. Together with the Board, I will continue to drive improvements and will seek to provide assurance for our citizens and stakeholders that the

services we provide are efficient, effective and appropriate and designed to meet patient needs and expectations.

**SIGNED BY:** **DATE: 29 MAY 2019**
**CAROL SHILLABEER [CHIEF EXECUTIVE]**

**Appendix 1**

## *Board and Board Committee Membership and Attendance at Board*

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Vivienne Harpwood | Chair | ▪ Chair of the Board | 7/7 | ▪ Organ Donation |
| | | ▪ Chair of the Remuneration and Terms of Service Committee | 4/4 | |
| Melanie Davies | Vice Chair [Primary Care, Community and Mental Health Services] | ▪ Vice Chair of the Board | 7/7 | ▪ Armed Forces and Veterans Health<br>▪ Lead Independent Board Member for Children and Young People's Services<br>▪ Lead Independent Board Member for Child Protection and Safeguarding Procedures<br>▪ Safeguarding Champion<br>▪ Lead Independent Board Member for Mental Health |
| | | ▪ Chair of the Mental Health and Learning Disabilities Committee | 4/4 | |
| | | ▪ Member of the Patient Experience, Quality and Safety Committee | 6/6 | |
| | | ▪ Vice Chair of the Remuneration and Terms of Service Committee | 3/4 | |
| | | ▪ Member of the Workforce and Organisational Development Committee | | |
| Mark Baird (until June 2018) | Independent Member [Information Technology] | ▪ Member of the Board | 0/2 | ▪ Information Governance<br>▪ Ambulance Services |
| | | ▪ Member of the Audit and Assurance Committee | 2/2 | |
| | | ▪ Member of Finance, Planning and Performance Committee | 1/2 | |
| | | ▪ Chair of Information Management, Technology and Governance Committee | 1/1 | |
| | | ▪ Member of the Mental Health and Learning Disabilities Committee | 2/2 | |
| | | ▪ Member of the Workforce and Organisational Development Committee | 1/1 | |
| Ian Phillips | Independent Member [Information Technology] | ▪ Member of the Board | 4/4 | ▪ Information Governance<br>▪ Ambulance Services |
| | | ▪ Chair of Information Management, Technology and Governance Committee | 2/2 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| (from Sept 2018) | | ▪ Member of the Workforce and Organisational Development Committee | 2/2 | |
| Trish Buchan | Independent Member [Third Sector] | ▪ Member of the Board | 7/7 | ▪ Cleanliness, hygiene and infection management<br>▪ Dementia<br>▪ Nutrition<br>▪ Board Independent Member Lead for Putting Public and Patient Involvement in to Practice |
| | | ▪ Member of the Information Management, Technology and Governance Committee | 4/4 | |
| | | ▪ Chair of the Patient Experience, Quality and Safety Committee | 6/6 | |
| | | ▪ Vice Chair of the Workforce and Organisational Development Committee | 4/4 | |
| Matthew Dorrance | Independent Member [Local Authority] | ▪ Member of the Board | 7/7 | ▪ Equality and Human Rights Champion<br>▪ Prudent Health and Care Champion |
| | | ▪ Chair of the Finance, Planning and Performance Committee | 5/6 | |
| | | ▪ Member of the Information Management, Technology and Governance Committee | 0/4 | |
| | | ▪ Member of the Mental Health and Learning Disabilities Committee | 2/5 | |
| Owen James | Independent Member [Community] | ▪ Member of the Board | 6/7 | ▪ Design Champion (Capital) |
| | | ▪ Chair of the Charitable Funds Committee | 4/4 | |
| | | ▪ Member of the Finance, Planning and Performance Committee | 6/6 | |
| | | ▪ Vice Chair of the Information Management Technology and Governance Committee | 4/4 | |
| | | ▪ Member of the Remuneration and Terms of Service Committee | 4/4 | |
| Tony Thomas | Independent Member [Finance] | ▪ Member of the Board | 5/7 | |
| | | ▪ Chair of the Audit and Assurance Committee | 7/7 | |
| | | ▪ Vice Chair of the Charitable Funds Committee | 4/4 | |
| | | ▪ Vice Chair of the Finance, Planning and Performance Committee | 5/6 | |
| | | ▪ Member of the Patient Experience, Quality and Safety Committee | 6/6 | |
| | | ▪ Member of the Remuneration and Terms of Service Committee | 4/4 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Sara Williams (to Sept 2018) | Independent Member [Capital and Estates] | ▪ Member of the Board | 1/4 | ▪ Welsh Language<br>▪ National Institute of Clinical Excellence |
| | | ▪ Member of the Audit and Assurance Committee | 2/4 | |
| | | ▪ Member of the Charitable Funds Committee | 1/2 | |
| | | ▪ Member of the Finance, Planning and Performance Committee | 3/3 | |
| | | ▪ Chair of the Workforce and Organisational Development Committee | 2/2 | |
| Susan Newport (From Sept 2018) | Independent Member [Trade Union Side] | ▪ Member of the Board | 4/4 | |
| | | ▪ Member of the Audit and Assurance Committee | 4/4 | |
| | | ▪ Member of the Workforce and Organisational Development Committee | 3/3 | |
| | | ▪ Member of the Finance, Planning and Performance Committee | 3/3 | |
| Duncan Forbes | Independent Member [Legal] | ▪ Member of the Board | 6/7 | |
| | | ▪ Vice Chair of the Audit and Assurance Committee | 5/7 | |
| | | ▪ Member of the Mental Health and Learning Disabilities Committee | 3/5 | |
| Dr Frances Gerrard | Independent Member [University] | ▪ Member of the Board | 4/7 | |
| | | ▪ Member of the Patient Experience Quality and Safety Committee | 4/6 | |
| Carol Shillabeer | Chief Executive | ▪ Member of the Board<br>▪ Member of the Emergency Ambulance Services Committee<br>▪ Member of the Joint Partnership Board<br>▪ Member of the Welsh Health Specialist Services Committee<br><u>Required attendee at:</u><br>▪ Remuneration and Terms of Service Committee<br><u>Regular attendee at all Board Committees</u> | Board Attendance 7/7 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Patsy Roseblade (from 15 Oct 2018 to 31 Mar 2019) | Director of Primary and Community Care, and Mental Health | ▪ Member of the Board<br>▪ Member of the Emergency Ambulance Services Committee (in Chief Executives absence)<br>▪ Member of the Welsh Health Specialist Services Committee (in Chief Executives absence)<br>Required Attendee:<br>▪ Mental Health and Learning Disabilities Committee (Executive Lead)<br>▪ Patient Experience Quality and Safety Committee<br>Attendee as requested at all Board Committees | Board Attendance 2/3 | |
| Wyn Parry (from 10 Sept 2018) | Medical Director | ▪ Member of the Board<br>Required attendee at:<br>▪ Information Management, Technology and Governance Committee<br>▪ Mental Health and Learning Disabilities Committee<br>▪ Patient Experience, Quality and Safety Committee<br>Attendee as requested at all other Board Committees | Board Attendance 4/4 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Rhiannon Jones | Director of Community Care & Mental Health [to 13 Oct 2018]<br><br>Director of Nursing [from 14 Oct 2018]<br><br>Interim Director of Therapies [from 25 Oct 2018] | ▪ Member of the Board<br>▪ Member of the Emergency Ambulance Services Committee (in Chief Executives absence)<br>▪ Member of the Welsh Health Specialist Services Committee (in Chief Executives absence)<br>▪ Charitable Funds (Trustee)<br>Executive lead and Required Attendee:<br>▪ Mental Health and Learning Disabilities Committee (Executive lead up to October 2018)<br>▪ Patient Experience Quality and Safety Committee (Executive lead from October 2018)<br>Attendee as requested at all Board Committees | Board Attendance 6/7 | |
| David Murphy (to 11 Jul 2018) | Director of Therapies and Health Science | ▪ Member of the Board<br>Required attendee at:<br>▪ Patient Experience, Quality and Safety Committee<br><br>▪ Workforce and Organisational Development Committee<br><br>Attendee as requested at all other Board Committees | Board Attendance 0/2 | |
| Julie Rowles | Director of Workforce and Organisational Development | ▪ Member of the Board<br>Required attendee at:<br>▪ Remuneration and Terms of Service Committee<br><br>▪ Workforce and Organisational Development Committee (Executive Lead)<br><br>Attendee as requested at all other Board Committees | Board Attendance 7/7 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Hayley Thomas | Director of Planning and Performance | ▪ Member of the Board<br>Required attendee at:<br>▪ Finance, Planning and Performance Committee (Joint Executive Lead)<br>▪ Information Management, Technology and Governance Committee<br>Attendee as requested at all other Board Committees | Board Attendance 6/7 | |
| Eifion Williams | Director of Finance and Information Technology | ▪ Member of the Board<br>Required attendee at:<br>▪ Audit and Assurance Committee<br>▪ Charitable Funds (Trustee and Executive Lead)<br>▪ Finance, Planning and Performance Committee (Joint Executive Lead)<br>▪ Information Management, Technology and Governance Committee (Joint Executive Lead)<br>Attendee as requested at all other Board Committees | Board Attendance 7/7 | |
| Catherine Woodward | Director of Public Health [from 10 Sept 2018 to 31 Jan 2019]<br>Medical Director [from 5 Mar 2018 to 9 Sept 2018] | ▪ Member of the Board<br>Required attendee at:<br>▪ Information Management, Technology and Governance Committee<br>▪ Mental Health and Learning Disabilities Committee<br>▪ Patient Experience, Quality and Safety Committee<br>Attendee as requested at all other Board Committees | Board Attendance 6/6 | |
| Stuart Bourne | Interim Director of Public Health [from 5 Mar 2018 to 31 Aug 2018]<br><br>Director of Public Health [from 1 Feb 2019] | ▪ Member of the Board<br>Required attendee at:<br>▪ Patient Experience, Quality and Safety Committee<br>Attendee as requested at all other Board Committees | Board Attendance 3/3 | |

| Name | Position and Area of Expertise | Board and Board Committee Membership | Attendance 2018-19 | Board Champion Roles |
|---|---|---|---|---|
| Rhiannon Beaumont-Wood | Interim Director of Nursing [to 16 Nov 2018] | ▪ Member of the Board<br>Required attendee at:<br>▪ Charitable Funds Committee (Trustee)<br>▪ Mental Health and Learning Disabilities Committee<br>▪ Patient Experience, Quality and Safety Committee (Executive Lead)<br>▪ Workforce and Organisational Development Committee<br>Attendee as requested at all other Board Committees | Board Attendance 3/4 | |

# PART B: REMUNERATION AND STAFF REPORT

This report contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc. and has been compiled by the Directorate of Finance and the Workforce and Organisational Development Directorate.

# PART B:
# THE REMUNERATION AND STAFF REPORT

## BACKGROUND

The Treasury's Government Financial Reporting Manual (FReM) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410, made to the extent that they are relevant. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Manager" is:

*"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."*

This section of the Accountability Report meets these requirements.

## THE REMUNERATION TERMS OF SERVICE COMMITTEE

Remuneration and terms of service for Executive Directors and the Chief Executive are agreed, and kept under review by the Remuneration and Terms of Service Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Directors (the latter with the advice of the Chief Executive).

In 2018-19, the Remuneration and Terms of Services Committee was chaired by the health board's Chair, and the membership included the following Members with an extension to all other Independent Members:

- Melanie Davies, Vice Chair of the Board;
- Tony Thomas, Chair of Audit and Assurance Committee.

Meetings are minuted and decisions fully recorded.

## INDEPENDENT MEMBERS' REMUNERATION

Remuneration for Independent Members is decided by the Welsh Government, which also determines their tenure of appointment.

## DIRECTORS' AND INDEPENDENT MEMBERS' REMUNERATION

Details of Directors' and Independent Members' remuneration for the 2018-19 financial year, together with comparators are given in Table 2 opposite.

The norm is for Executive Directors and Senior Managers salaries to be uplifted in accordance with the Welsh Government identified normal pay inflation percentage. In 2018-19, Executive Directors received a pay inflation uplift, in-line with Welsh Government's Framework.

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

The Committee also reviews objectives set for Executive Directors and assesses performance against those objectives when considering recommendations in respect of annual pay uplifts.

It should be noted that Executive Directors are not on any form of performance related pay. All contracts are permanent with a three month notice period. Conditions were set by Welsh Government as part of the NHS Reform Programme of 2009. However, for part of the year there were interim Directors in post; an Interim Director of Nursing, and Interim Director of Primary, Community Care and Mental Health, and Interim Director of Public Health and an Interim Medical Director.

## SALARY AND PENSION DISCLOSURE TABLE

## SALARIES AND ALLOWANCES

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| **Executive directors** | | | | | | | | | | | | |
| Carol Shillabeer - Chief Executive | 160 - 165 | 0 | 0 | 0 | 2.5 – 5.0 | 165 - 170 | 160 - 165 | 0 | 0 | 0 | 100.0 – 102.5 | 260 - 265 |
| Catherine Woodward - Director of Public Health (Until 4 March 2018 and from 1st September 2018 to 31st January 2019) and Interim Medical Director (From 5th March 2018 to 31st August 2018) | 110 - 115 | 0 | 0 | 0 | 90.0 – 92.5 | 200 - 205 | 120 - 125 | 0 | 0 | 0 | (287.5) - (290.0) | (165) – (170) |
| Julie Rowles - Director of Workforce and Organisational Development* | 105 - 110 | 47 | 0 | 0 | (42.5) – (45.0) | 65 - 70 | 110 - 115 | 37 | 0 | 0 | 135.0 – 137.5 | 245 - 250 |

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| Alan Lawrie - Director of Primary and Community Care ** (To 22nd January 2018) | 0 | 0 | 0 | 0 | 0 | 0 | 80 - 85 | 0 | 0 | 0 | 40.0 – 42.5 | 120 - 125 |
| Rhiannon Jones - Director of Nursing (to 22 January 2018 and from 14th October 2019) and Director of Community Care and Mental Health (from 23rd January 2018 to 13th October 2018) | 105 - 110 | 58 | 0 | 0 | 22.5 - 25.0 | 135 - 140 | 100 - 105 | 40 | 0 | 0 | 22.5 – 25.0 | 125 - 130 |
| Patsy Roseblade – Interim Director of Primary, Community Care and Mental Health (From 15th October 2018) | 50 - 55 | 0 | 0 | 0 | 27.5 – 30.0 | 75- 80 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hayley Thomas - Director of Planning and Performance | 105 - 110 | 55 | 0 | 0 | 42.5 – 45.0 | 155 - 160 | 100 - 105 | 30 | 0 | 0 | 25.0 – 27.5 | 125 - 130 |
| Wyn Parry – Medical Director (From 10th September 2018) | 70 - 75 | 0 | 0 | 0 | 67.5 – 70.0 | 140 - 145 | 0 | 0 | 0 | 0 | 0 | 0 |

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| Eifion Williams - Interim Director of Finance | 130 - 135 | 0 | 0 | 0 | 10.0 - 12.5 | 140 - 145 | 120 - 125 | 0 | 0 | 0 | 25.0 - 27.5 | 145 - 150 |
| David Murphy - Director of Therapies and Health Sciences (To 11th July 2018) | 30 - 35 | 0 | 0 | 0 | 5.0 - 7.5 | 35 - 40 | 90 - 95 | 0 | 0 | 0 | 50.0 - 52.5 | 140 - 145 |
| Karen Gully - Medical Director (To 20th February 2018) | 0 | 0 | 0 | 0 | 0 | 0 | 115 - 120 | 0 | 0 | 0 | 22.5 - 25 | 140 - 145 |
| Mandy Collins - Board Secretary (to 31st January 2019) | 75 - 80 | 0 | 0 | 0 | 17.5 - 20.0 | 95 - 100 | 90 - 95 | 0 | 0 | 0 | 27.5 – 30.0 | 120 - 125 |
| Rhiannon Beaumont-Wood - Interim Director of Nursing (From 5th February 2018 to 16th November 2018) | 75 - 80 | 0 | 0 | 0 | 2. 5 - 5.0 | 80 - 85 | 15 - 20 | 0 | 0 | 0 | 2.5 – 5.0 | 20 - 25 |

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| Stuart Bourne - Interim Director of Public Health (From 5th March 2018 to 31st August 2019) and Director of Public Health (From 1st February 2019) | 75 - 80 | 0 | 0 | 0 | 7.5 – 10.0 | 85 - 90 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| **Non-Officer Members** | | | | | | | | | | | | |
| Professor Vivienne Harpwood - Chair ** | 40 - 45 | 0 | 0 | 0 | 0 | 40 - 45 | 40 - 45 | 0 | 0 | 0 | 0 | 40 - 45 |
| Melanie Davies - Vice Chair | 30 - 35 | 0 | 0 | 0 | 0 | 30 - 35 | 30 - 35 | 0 | 0 | 0 | 0 | 30 - 35 |
| Matthew Dorrance - Independent Member (Local Authority ) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| Patricia Buchan - Independent Member (Third Sector ) | 10 - 15 | 0 | 0 | 0 | 0 | 10-15 | 5 - 10 | 0 | 0 | 0 | 0 | 10-15 |
| Ian Phillips – Independent Member (ICT – From 1st September 2018) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 0 | 0 | 0 | 0 | 0 | 0 |

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| Roger Eagle - Independent Member (Legal – To 31st August 2017) | 0 | 0 | 0 | 0 | 0 | 0 | 0 - 5 | 0 | 0 | 0 | 0 | 0 - 5 |
| Mark Baird - Independent Member (ICT – To 30th June 2018) | 0 - 5 | 0 | 0 | 0 | 0 | 0-5 | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| Sara Williams - Independent Member (Capital and Estates – To 30th September 2018) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| Owen James - Independent Member (Voluntary Sector/Community) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| Anthony Thomas - Independent Member (Finance) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| Duncan Forbes- Independent Member (legal from 4 August 2017) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |

| Name and title | 2018-19 | | | | | | 2017-18 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Benefits in Kind (taxable) to nearest £100 £00 | Performance Pay and Bonuses (bands of £5,000) £000 | Long Term Performance Pay and Bonuses (bands of £5,000) £000 | All Pension Related Benefits (bands of £2,500) £000 | Single Total Remuneration (bands of £5,000) £000 |
| Frances Gerrard – Independent Member (University from 1 August 2017) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| Susan Newport – Independent Member (Trade Union – From 1st September 2018) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* Please note that Mrs .Julie Rowles salary remuneration for 2017/8 includes arrears of pay relating to 2016/17
** Please note that Professor Vivienne Harpwood is also Chair of the Welsh Health Specialist Services Committee and the costs of this role are paid by PTHB and recharged to Cwm Taf University Health Board. These costs are excluded from the above calculations.

The Remuneration Report now contains a Single Total Figure of Remuneration, this is a different way of presenting the remuneration for each individual for the year. The table used is similar to that used previously, and the salary and benefits in kind elements are unchanged. The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes, and is based on information received from NHS BSA Pensions Agency.

The value of pension benefits is calculated as follows: (real increase in pension* x20) + (real increase in any lump sum) – (contributions made by member)
*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights

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

## Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in PTHB in the financial year 2018-19 was £160,000 - £165,000 (2017-18, £160,000 - £165,000). This was 5.8 times (2017-18, 6.2) the median remuneration of the workforce, which was £27,791 (2017-18, £26,173).

In 2018-19, 2 (2017-18, 0) employees received remuneration in excess of the highest paid director. Remuneration for staff ranged from £359 to £171,635 (2017-18 £888 to £162,500)

| | 2018-19 | 2017-18 |
|---|---|---|
| Band of Highest paid Directors' Total Renumeration £000 | 160 - 165 | 160 - 165 |
| Median Total Renumeration £000 | 28 | 26 |
| Ratio | 5.8 | 6.2 |

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Overtime payments are included for the calculation of both elements of the relationship.

| Name and title | Real increase in pension at age 60 (bands of £2,500) £000 | Real increase in pension lump sum at aged 60 (bands of £2,500) £000 | Total accrued pension at age 60 at 31 Mar 2019 (bands of £5,000) £000 | Lump sum at aged 60 related to accrued pension at 31st March 2019 (bands of £5,000) £000 | Cash Equivalent transfer value at 31 Mar 2019 £000 | Cash Equivalent transfer value at 31 Mar 2018 £000 | Real increase in Cash equivalent transfer value £000 | Employer's contribution to stakeholder pension £000 |
|---|---|---|---|---|---|---|---|---|
| Carol Shillabeer - Chief Executive | 0.0 - 2.5 | 0.0 – (2.5) | 50 - 55 | 140 - 145 | 981 | 829 | 103 | 0 |
| Catherine Woodward - Director of Public Health (Until 4th March 2018 and from 1st September 2018 to 31st January 2019) and Interim Medical Director (From 5th March 2018 to 31st August 2018) | 0.0 – (2.5) | 135 – 137.5 | 50 - 55 | 300 - 305 | 0 | 1,141 | 0 | 0 |
| Wyn Parry – Medical Director (From 10th September 2018) | 2.5 – 5.0 | 10.0 – 12.5 | 40 - 45 | 120 - 125 | 997 | 760 | 115 | 0 |
| Julie Rowles - Director of Workforce and Organisational Development | 0.0 – (2.5) | (7.5) – (10.0) | 50 - 55 | 130 - 135 | 1,018 | 920 | 55 | 0 |
| Alan Lawrie - Director of Primary and Community Care (To 22nd January 2018) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhiannon Jones - Director of Nursing (to 22nd January 2018 and from 14th October 2019) and Director of Community Care and Mental Health (From 23rd January 2018 to 13th October 2018) | 0.0 – 2.5 | 20.0 – 22.5 | 40 - 45 | 130 - 135 | 891 | 713 | 143 | 0 |

| Name and title | Real increase in pension at age 60 (bands of £2,500) £000 | Real increase in pension lump sum at aged 60 (bands of £2,500) £000 | Total accrued pension at age 60 at 31 Mar 2019 (bands of £5,000) £000 | Lump sum at aged 60 related to accrued pension at 31st March 2019 (bands of £5,000) £000 | Cash Equivalent transfer value at 31 Mar 2019 £000 | Cash Equivalent transfer value at 31 Mar 2018 £000 | Real increase in Cash equivalent transfer value £000 | Employer's contribution to stakeholder pension £000 |
|---|---|---|---|---|---|---|---|---|
| Patsy Roseblade – Interim Director of Primary, Community Care and Mental Health (From 15th October 2018) | 0.0 – 2.5 | 2.5 – 5.0 | 25 - 30 | 85 - 90 | 643 | 506 | 53 | 0 |
| Hayley Thomas - Director of Planning and Performance | 2.5 – 5.0 | 0 – 2.5 | 25 - 30 | 60 - 65 | 469 | 364 | 77 | 0 |
| Eifion Williams - Interim Director of Finance (From 1st November 2016) | 0.0 - 2.5 | 2.5 - 5.0 | 70 - 75 | 210 - 215 | 1,742 | 1,525 | 150 | 0 |
| David Murphy - Director of Therapies and Health Sciences (To 11th July 2018) | 0.0 – 2.5 | 0.0 – (2.5) | 35 - 40 | 90 - 95 | 747 | 634 | 90 | 0 |
| Karen Gully - Medical Director (To 20th Feb 2018) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mandy Collins – Board Secretary (To 31st January 2019) | 0.0 - 2.5 | 0 | 0 - 5 | 0 | 56 | 27 | 13 | 0 |
| Rhiannon Beaumont Wood – Interim Director of Nursing (From 5th February 2018 to 16th November 2018) | 0.0 - 2.5 | 0.0 – 2.5 | 25 - 30 | 75 - 80 | 562 | 472 | 38 | 0 |
| Stuart Bourne – Interim Director of Public Health (From 5th March 2018 to 31st August 2018) and Director of Public Health (From 1st February 2019) | 0.0 – 2.5 | 0.0 – (2.5) | 30 - 35 | 70 - 75 | 545 | 449 | 37 | 0 |

The above calculations are provided by the NHS Pensions Agency and are based on the standard pensionable age of 60.
For Directors marked * figures relate to pensionable age of 65
** Please note that no comparator figures for Mr Stuart Bourne are available from the NHS Pensions Agency due to this being his first director level role in NHS Wales to enable increases to be calculated.

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

## CASH EQUIVALENT TRANSFER VALUES

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

## REAL INCREASE IN CETV

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

# STAFFING DETAILS

## STAFF PROFILE

As of 31 March 2019, the total number of staff employed by the Health Board stood at 1707.45 Whole Time Equivalents (WTE). The table below provides a breakdown of the staff groups we employ excluding hosted services, such as the Board of Community Health Councils, Health and Care Research Wales and All Wales CHC.

| Staff Group | Average Weekly WTE 18/19 |
|---|---|
| **Add Prof Scientific and Technic** | 53.96 |
| **Additional Clinical Services** | 306.20 |
| **Administrative and Clerical** | 510.61 |
| **Allied Health Professionals** | 118.44 |
| **Estates and Ancillary** | 151.11 |
| **Healthcare Scientists** | 2.58 |
| **Medical and Dental** | 32.61 |
| **Nursing and Midwifery Registered** | 531.94 |
| **Grand Total** | **1707.45** |

## STAFF COMPOSITION

As at 31 March 2018 the composition of the staff of Powys Teaching Health Board was as follows:

| | Female | Male |
|---|---|---|
| **Directors** | 5 | 3 |
| **Employees** | 1,851 | 324 |

## SICKNESS ABSENCE

2018-19 information on sickness absence is provided in the table below:

| | 2018/2019 | 2017/2018 |
|---|---|---|
| Days Lost Long Term | 21071.66 | 18948.55 |
| Days Lost Short Term | 7037.26 | 6702.71 |
| **Total Days Lost** | **28108.92** | **25651.26** |
| **Total Staff Years** | **77.01** | **70.28** |
| Average Working Days Lost | 15.85 | 16.45 |
| Total Staff Employed in Period (Headcount) | 2182 | 2129 |
| Total Staff Employed in Period with no absence (Headcount) | 978 | 1007 |
| **Percentage of Staff with no Sick Leave** | **44.82%** | **47.30%** |

## STAFF POLICIES

Powys Teaching Health Board as a range of staff policies in place. The policies applied during the financial year:

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

Were the *Employing Disabled people Policy* and the *Policy on Impact Assessment for Equality*. These were utilised alongside a range of other policies such as the *Sickness Absence Policy* and *Recruitment and Selection Policy* to ensure fair consideration was given to applications for employment made by a disabled person and for supporting their continued employment.

## TAX ASSURANCE FOR OFF-PAYROLL APPOINTEES

The following table shows all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months:

| | |
|---|---|
| ▪ The total number of existing engagements as of 31 March 2018; | 0 |
| ▪ The number that have existed for less than one year at time of reporting; | 0 |
| ▪ The number that have existed for between one and two years at time of reporting; | 0 |
| ▪ The number that have existed for between two and three years at time of reporting; | 0 |
| ▪ The number that have existed for between three and four years at time of reporting; and | 0 |
| ▪ The number that have existed for four or more years at time of reporting. | 0 |

There have been no new engagements, or those that reached six months in duration during 2018-19.

There have been no off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2018 and 31 March 2019.

## EXIT PACKAGES AND SEVERANCE PAYMENTS

This disclosure reports the number and value of exit packages taken by staff leaving in the year. This disclosure is required to strengthen accountability in the light of public and Parliamentary concern about the incidence and cost of these payments.

| Exit packages cost band (including any special payment element) | Number of compulsory redundancies | Cost of compulsory redundancies | Number of other departures | Cost of other departures | Total number of exit packages | Total cost of exit packages | Number of departures where special payments have been made | Cost of special element included in exit packages |
|---|---|---|---|---|---|---|---|---|
| | Whole numbers only | £'s | Whole numbers only | £'s | Whole numbers only | £'s | Whole numbers only | £'s |
| **Exit package cost band** | | | | | | | | |
| less than £10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £100,000 to £150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Redundancy and other departure costs if paid would have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Exit costs in this note are accounted for in full in the year of departure on a cash basis in this note as specified in EPN 380 Annex 13C. Should the health board have agreed early retirements, the additional costs would have been met by PTHB and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension's scheme and are not included in the table.

# PART C: NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report

# THE NATIONAL ASEMBLY FOR WALES ACCOUNTABILITY REPORT

## Regularity of Expenditure

Regularity is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority and the rules of Government Accounting.

Powys Teaching Health Board ensures that the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

The Health Board's Chief Executive is the Accountable Officer and ensures that the financial statements are prepared in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, the Chief Executive is required to:

- observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
- prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation.

## Fees and Charges

Where the Health Board undertakes activities that are not funded directly by the Welsh Government the Health Board receives income to cover its costs which will offset expenditure reported under programme areas. Miscellaneous Income can be seen in Note 4 (page 24) of the Annual Accounts.

When charging for this activity the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

## Remote Contingent Liabilities

Remote contingent liabilities are made for three categories, comprising indemnities, letters of comfort and guarantees.
The value of remote contingent liabilities for 2018-19 is £0.00m and is disclosed in note 21.2 (page 49) of the Health Board's Annual Accounts.

# THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE NATIONAL ASSEMBLY FOR WALES

## Report on the audit of the financial statements Opinion

I certify that I have audited the financial statements of Powys Teaching Health Board for the year ended 31 March 2019 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs). In my opinion the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Health Board as at 31 March 2019 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

## Basis for opinion

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

## Conclusions relating to going concern

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the board's ability to continue to adopt the going concern basis of

accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Report on other requirements

## Opinion on other matters

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

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

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

## Matters on which I report by exception

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

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

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

## Report

I have no observations to make on these financial statements.

## Responsibilities

## Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 11 and 13, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

## Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions. I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton
Auditor General for Wales
11 June 2019

24 Cathedral Road
Cardiff
CF11 9LJ

# PART D: FINANCIAL STATEMENTS

# POWYS TEACHING LOCAL HEALTH BOARD

## FOREWORD

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

**Statutory background**

Powys Teaching Local Health Board under the Local Health Boards (Establishment) (Wales) Order 2003 (S.I. 2003/148 (W.18))

As a statutory body governed by Acts of Parliament the THB is responsible for :

- agreeing the action which is necessary to improve the health and health care of the population of Powys;

- supporting and financing General Practitioner-led purchasing of the services needed to meet agreed priorities, including charter standards and guarantees;

- supporting and funding the contractor professions;

- the commissioning of health promotion, emergency planning and other regulatory tasks;

- the stewardship of resources including the financial management and monitoring of performance in critical areas;

- eliciting and responding to the views of local people and organisations and changing and developing services at a pace and in ways that they will accept;

- providing Hospital and Community Healthcare Services to the residents of Powys.

Powys THB hosts the Community Health Councils in Wales. In addition, it is also responsible for hosting specific functions in respect of the accounts of the former Health Authorities mostly significantly in respect of clinical negligence. The THB also hosts the functions of Health and Care Research Wales (HCRW) and All Wales Retrospective Continuing Health Care Reviews Project.

**Performance Management and Financial Results**

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

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

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

Powys Teaching Health Board (PTHB) is the operational name of Powys Teaching Local Health Board

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

| | Note | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|---|
| Expenditure on Primary Healthcare Services | 3.1 | **67,927** | 67,098 |
| Expenditure on healthcare from other providers | 3.2 | **148,167** | 145,054 |
| Expenditure on Hospital and Community Health Services | 3.3 | **97,347** | 93,698 |
| | | **313,441** | 305,850 |
| Less: Miscellaneous Income | 4 | **(14,264)** | (13,908) |
| **LHB net operating costs before interest and other gains and losses** | | **299,177** | 291,942 |
| Investment Revenue | 5 | **0** | 0 |
| Other (Gains) / Losses | 6 | **0** | (60) |
| Finance costs | 7 | **7** | 18 |
| **Net operating costs for the financial year** | | **299,184** | 291,900 |

See note 2 on page 22 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 65 form part of these accounts

## Other Comprehensive Net Expenditure

| | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| Net (gain) / loss on revaluation of property, plant and equipment | **(721)** | (4,721) |
| Net (gain) / (loss) on revaluation of intangibles | **0** | 0 |
| Net (gain) / loss on revaluation of available for sale financial assets | **0** | 0 |
| (Gain) / loss on other reserves | **0** | 0 |
| Impairment and reversals | **0** | 0 |
| Release of Reserves to Statement of Comprehensive Net Expenditure | **0** | 0 |
| Other comprehensive net expenditure for the year | **(721)** | (4,721) |
| **Total comprehensive net expenditure for the year** | **298,463** | 287,179 |

## Statement of Financial Position as at 31 March 2019

| | Notes | 31 March 2019 £'000 | 31 March 2018 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | **78,465** | 75,612 |
| Intangible assets | 12 | **0** | 0 |
| Trade and other receivables | 15 | **23,322** | 26,105 |
| Other financial assets | 16 | **0** | 0 |
| **Total non-current assets** | | **101,787** | 101,717 |
| **Current assets** | | | |
| Inventories | 14 | **150** | 130 |
| Trade and other receivables | 15 | **9,615** | 19,722 |
| Other financial assets | 16 | **0** | 0 |
| Cash and cash equivalents | 17 | **2,317** | 1,185 |
| | | **12,082** | 21,037 |
| Non-current assets classified as "Held for Sale" | 11 | **0** | 0 |
| **Total current assets** | | **12,082** | 21,037 |
| **Total assets** | | **113,869** | 122,754 |
| **Current liabilities** | | | |
| Trade and other payables | 18 | **(40,435)** | (36,363) |
| Other financial liabilities | 19 | **0** | 0 |
| Provisions | 20 | **(2,446)** | (13,537) |
| **Total current liabilities** | | **(42,881)** | (49,900) |
| **Net current assets/ (liabilities)** | | **(30,799)** | (28,863) |
| **Non-current liabilities** | | | |
| Trade and other payables | 18 | **0** | 0 |
| Other financial liabilities | 19 | **0** | 0 |
| Provisions | 20 | **(29,145)** | (32,500) |
| **Total non-current liabilities** | | **(29,145)** | (32,500) |
| **Total assets employed** | | **41,843** | 40,354 |
| | | | |
| **Financed by :** | | | |
| **Taxpayers' equity** | | | |
| General Fund | | **2,415** | 1,630 |
| Revaluation reserve | | **39,428** | 38,724 |
| **Total taxpayers' equity** | | **41,843** | 40,354 |

The financial statements on pages 2 to 7 were approved by the Board on 29th May 2019 and signed on its behalf by:

On Behalf of the Chief Executive and Accountable Officer  Carol Shillabeer  Date 29th May 2019

The notes on pages 8 to 65 form part of these accounts

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

| | General Fund £000s | Revaluation Reserve £000s | Total Reserves £000s |
|---|---|---|---|
| **Changes in taxpayers' equity for 2018-19** | | | |
| Balance as at 31 March 2018 | 1,630 | 38,724 | **40,354** |
| Adjustment for Implementation of IFRS 9 | -20 | 0 | **-20** |
| Balance at 1 April 2018 | 1,610 | 38,724 | 40,334 |
| Net operating cost for the year | (299,184) | | **(299,184)** |
| Net gain/(loss) on revaluation of property, plant and equipment | 0 | 721 | **721** |
| 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** |
| Movements in other reserves | 0 | 0 | **0** |
| Transfers between reserves | 17 | (17) | **0** |
| Release of reserves to SoCNE | 0 | 0 | **0** |
| Transfers to/from (please specify) | 0 | 0 | **0** |
| **Total recognised income and expense for 2018-19** | (299,167) | 704 | **(298,463)** |
| Net Welsh Government funding | 299,972 | | **299,972** |
| **Balance at 31 March 2019** | 2,415 | 39,428 | **41,843** |

The notes on pages 8 to 65 form part of these accounts

## Statement of Changes in Taxpayers' Equity
## For the year ended 31 March 2018

| | General Fund £000s | Revaluation Reserve £000s | Total Reserves £000s |
|---|---|---|---|
| **Changes in taxpayers' equity for 2017-18** | | | |
| **Balance at 31 March 2017** | (2,003) | 34,218 | **32,215** |
| Net operating cost for the year | (291,900) | | **(291,900)** |
| Net gain/(loss) on revaluation of property, plant and equipment | 0 | 4,721 | **4,721** |
| 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** |
| Movements in other reserves | 0 | 0 | **0** |
| Transfers between reserves | 215 | (215) | **0** |
| **Release of reserves to SoCNE** | 0 | 0 | **0** |
| Transfers to/from (please specify) | 0 | 0 | **0** |
| **Total recognised income and expense for 2017-18** | (291,685) | 4,506 | **(287,179)** |
| Net Welsh Government funding | 295,318 | | **295,318** |
| **Balance at 31 March 2018** | 1,630 | 38,724 | **40,354** |

The notes on pages 8 to 65 form part of these accounts

## Statement of Cash Flows for year ended 31 March 2019

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| | | £'000 | £'000 |
| **Cash Flows from operating activities** | notes | | |
| Net operating cost for the financial year | | **(299,184)** | (291,900) |
| Movements in Working Capital | 27 | **17,141** | (14,992) |
| Other cash flow adjustments | 28 | **(3,978)** | 27,398 |
| Provisions utilised | 20 | **(7,504)** | (10,252) |
| **Net cash outflow from operating activities** | | **(293,525)** | (289,746) |
| | | | |
| **Cash Flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(5,295)** | (5,371) |
| Proceeds from disposal of property, plant and equipment | | **0** | 310 |
| Purchase of intangible assets | | **0** | 0 |
| 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** | | **(5,295)** | (5,061) |
| **Net cash inflow/(outflow) before financing** | | **(298,820)** | (294,807) |
| | | | |
| **Cash Flows from financing activities** | | | |
| Welsh Government funding (including capital) | | **299,972** | 295,318 |
| Capital receipts surrendered | | **0** | 0 |
| Capital grants received | | **0** | 0 |
| Capital element of payments in respect of finance leases and on-SoFP | | **0** | 0 |
| Cash transferred (to)/ from other NHS bodies | | **0** | 0 |
| **Net financing** | | **299,972** | 295,318 |
| **Net increase/(decrease) in cash and cash equivalents** | | **1,152** | 511 |
| **Cash and cash equivalents (and bank overdrafts) at 1 April 2018** | | **1,185** | 674 |
| **Cash and cash equivalents (and bank overdrafts) at 31 March 2019** | | **2,337** | 1,185 |

The notes on pages 8 to 65 form part of these accounts

## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2018-19 Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting convention

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

### 1.2 Acquisitions and discontinued operations

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

### 1.3 Income and funding

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

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

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

From 2018-19, IFRS 15 Revenue from Contracts with Customers is applied, as interpreted and adapted for the public sector, in the Financial Reporting Manual (FReM). It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. Upon transition the accounting policy to retrospectively restate in accordance with IAS 8 has been withdrawn. All entities applying the FReM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayer's equity.
A review consistent with the portfolio approach was undertaken by the NHS Technical Accounting Group members, which

- identified that the only material income that would potentially require adjustment under IFRS 15 was that for patient care provided under Long term Agreements (LTAs) for episodes of care which had started but not concluded as at the end of the financial period;
- demonstrated that the potential amendments to NHS Wales NHS Trust and Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

Under the Conceptual IFRS Framework due consideration must be given to the users of the accounts and the cost restraint of compliance and reporting and production of financial reporting. Given the income for LTA activity is recognised in accordance with established NHS Terms and Conditions affecting multiple parties across NHS Wales it was considered reasonable to continue recognising in accordance with those established terms on the basis that this provides information that is relevant to the user and to do so does not result in a material misstatement of the figures reported.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From 2015-16, the LHB must comply with IFRS 13 Fair Value Measurement in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

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

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

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

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

**1.7 Intangible assets**

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- 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 LHB expects to obtain economic benefits or service potential from the asset. This is specific to the LHB and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

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

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

**1.9 Research and Development**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**1.14.1 Clinical negligence and personal injury costs**
The Welsh Risk Pool (WRP) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was not implemented in 2018-19. The WRP is hosted by Velindre NHS Trust.

**1.15 Financial Instruments**

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

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

**1.16 Financial assets**
Financial assets are recognised on the Statement of Financial Position when the LHB becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.
The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease

receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.
NHS Wales Technical Accounting Group members reviewed the IFRS 9 requirements and determined a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS9 to construct a provision matrix.

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

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

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

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

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

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

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

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

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the asset

is reduced directly, or through a provision of impairment of receivables.

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

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

**1.17.1 Financial liabilities are initially recognised at fair value**
Financial liabilities are classified as either financial liabilities at fair value through the Statement of Comprehensive Net Expenditure or other financial liabilities.

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

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

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

**1.19 Foreign currencies**
Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Net Expenditure. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

**1.20 Third party assets**
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the LHB has no beneficial interest in them. Details of third party assets are given in Note 29 to the accounts.

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

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

The LHB accounts for all losses and special payments gross (including assistance from the WRP). The LHB accrues or provides for the best estimate of future payouts for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

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

**1.22 Pooled budget**
The LHB has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in Note 32.

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

**1.23 Critical Accounting Judgements and key sources of estimation uncertainty**
In the application of the LHB's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

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

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

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

**Probable & Certain Cases – Accounting Treatment**

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

| | | |
|---|---|---|
| **Remote** | Probability of Settlement | 0 – 5% |
| | Accounting Treatment | Contingent Liability. |
| **Possible** | Probability of Settlement | 6% - 49% |
| | Accounting Treatment | Defence Fee - Provision<br>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 |

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

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

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

**1.25 Private Finance Initiative (PFI) transactions**

The LHB does not have any Private Finance Initiative Transactions

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

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

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

**Services received**

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

**PFI asset**

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

**PFI liability**

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

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

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

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

**Lifecycle replacement**

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

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

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

**Assets contributed by the LHB to the operator for use in the scheme**
Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHBs Statement of Financial Position.

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

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

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

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

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

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

**1.27 Carbon Reduction Commitment Scheme**

The THB is not a member fo the Carbon Reduction Commitment Scheme

Carbon Reduction Commitment Scheme allowances are accounted for as government grant funded intangible assets if they are not realised within twelve months and otherwise as current assets. The asset should be measured initially at cost. Scheme assets in respect of allowances shall be valued at fair value where there is evidence of an active market.

**1.28 Absorption accounting**
Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.
Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

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

IFRS14 Regulatory Deferral Accounts (The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.), IFRS 16 Leases, HMT have confirmed that IFRS 16 Leases, as interpreted and adapted by the FReM is to be effective from 1st April 2020.
IFRS 17 Insurance Contracts,
IFRIC 23 Uncertainty over Income Tax Treatment.

**1.30 Accounting standards issued that have been adopted early**
During 2018-19 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

**1.31 Charities**
Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the LHB has established that as the LHB is the corporate trustee of the linked NHS Charity 'Powys Teaching Local Health Board Charitable Fund and other Related Charities', it is considered for accounting standards compliance to have control of the Charity as a subsidiary and therefore is required to consolidate the results of 'Powys Teaching Local Health Bard Charitable Fund and other Related Charities' Charity within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Charity or its independence in its management of charitable funds.

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

## 2. Financial Duties Performance

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

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

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

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

### 2.1 Revenue Resource Performance

| | Annual financial performance | | | |
|---|---|---|---|---|
| | 2016-17 | 2017-18 | 2018-19 | **Total** |
| | £'000 | £'000 | £'000 | **£'000** |
| **Net operating costs for the year** | 286,060 | 291,900 | **299,184** | **877,144** |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | 1,006 | 1,734 | **1,682** | **4,422** |
| Less revenue consequences of bringing PFI schemes onto SoFP | 0 | 0 | **0** | **0** |
| Total operating expenses | 287,066 | 293,634 | **300,866** | **881,566** |
| Revenue Resource Allocation | 287,151 | 293,730 | **300,931** | **881,812** |
| **Under /(over) spend against Allocation** | 85 | 96 | **65** | **246** |

Powys THB has met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2016-17 to 2018-19.

### 2.2 Capital Resource Performance

| | 2016-17 | 2017-18 | 2018-19 | **Total** |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | **£'000** |
| **Gross capital expenditure** | 6,870 | 5,482 | **5,372** | **17,724** |
| Add: Losses on disposal of donated assets | 0 | 0 | **0** | **0** |
| Less: NBV of property, plant and equipment and intangible assets disposed | 0 | (250) | **0** | **(250)** |
| Less: capital grants received | 0 | 0 | **0** | **0** |
| Less: donations received | (40) | (304) | **(276)** | **(620)** |
| Charge against Capital Resource Allocation | 6,830 | 4,928 | **5,096** | **16,854** |
| Capital Resource Allocation | 6,847 | 4,933 | **5,108** | **16,888** |
| **(Over) / Underspend against Capital Resource Allocation** | 17 | 5 | **12** | **34** |

Powys THB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2016-17 to 2018-19.

**2.3 Duty to prepare a 3 year plan**

The NHS Wales Planning Framework for the period 2018-19 to 2020-21 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The THB submitted an Integrated Medium Term Plan for the period 2018-19 to 2020-21 in accordance with NHS Wales Planning Framework.

| | **2018-19 to 2020-21** |
|---|---|
| The Minister for Health and Social Services approval status | **Approved 13th June 2018** |

The THB **has** therefore met its statutory duty to have an approved financial plan for the period 2018-19 to 2020-21.

The THB Integrated Medium Term Plan **was** approved in 2017-18.

The THB Integrated Medium Term Plan **was** approved in 2016-17

The THB has received approval of its Integrated Medium Term Plan for 2019-20 to 2021-22 on 27th March 2019 in advance of commencement of the 2019-20 financial year.

## 3. Analysis of gross operating costs

### 3.1 Expenditure on Primary Healthcare Services

| | Cash limited | Non-cash limited | 2018-19 Total | 2017-18 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| General Medical Services | 36,020 | | **36,020** | 34,665 |
| Pharmaceutical Services | 4,478 | (2,704) | **1,774** | 1,723 |
| General Dental Services | 8,157 | | **8,157** | 7,845 |
| General Ophthalmic Services | 0 | 1,022 | **1,022** | 974 |
| Other Primary Health Care expenditure | 2,626 | | **2,626** | 3,028 |
| Prescribed drugs and appliances | 18,328 | | **18,328** | 18,863 |
| **Total** | **69,609** | **-1,682** | **67,927** | 67,098 |

The negative non cash limited balance on Pharmaceutical services relate to prescriptions for Powys residents being dispensed in non Powys Pharmacies. The effect of this is a net outflow for Powys THB.
The increase in General Medical Services is mainly attributable to an increase in costs relating to the THB Out of Hours Service and uplift in Global Sum Contracts payable to Primary Care Contractors.

### 3.2 Expenditure on healthcare from other providers

| | 2018-19 | 2017-18 |
|---|---|---|
| | £'000 | £'000 |
| Goods and services from other NHS Wales Health Boards | **36,701** | 36,103 |
| Goods and services from other NHS Wales Trusts | **2,465** | 2,156 |
| Goods and services from Health Education and Improvement Wales (HEIW) | **0** | 0 |
| Goods and services from other non Welsh NHS bodies | **58,721** | 56,256 |
| Goods and services from WHSSC / EASC | **34,256** | 32,533 |
| Local Authorities | **1,593** | 1,384 |
| Voluntary organisations | **1,823** | 2,002 |
| NHS Funded Nursing Care | **2,208** | 2,859 |
| Continuing Care | **11,508** | 12,495 |
| Private providers | **635** | 1,164 |
| Specific projects funded by the Welsh Government | **0** | 0 |
| Other | **-1,743** | -1,898 |
| **Total** | **148,167** | 145,054 |

The 7 Health Boards in Wales have established the Welsh Health Specialist Services Commission (WHSSC) which, through the operational management of Cwm Taf Health Board, secures the provision of highly specialised healthcare for the whole of Wales. These arrangements include funding of services operated through a risk sharing arrangement. The THB payment for the WHSSC commissioning arrangements for the year ended 31st March 2019 is £34.506M.

The increase in Goods and services from other non Welsh NHS bodies results from increased activity and increases in tariffs within English NHS providers. The most significant increases are Robert Jones and Agnes Hunt NHS Trust £0.869M Wye Valley NHS Trust £0.872M and Gloucestershire Hospitals NHS Foundation Trust £0.415M in comparison to 2017/18 expenditure.

The decrease in Continuing Health Care expenditure during 2018/19 has resulted from both decline in the number of cases and enhanced case review arrangements now in operation.

The decrease in Private Providers expenditure during 2018/19 has resulted from a decline in the number of patients placed within Private Providers with more patients being placed within NHS Provider bodies.

The negative balance within the Other line relates to the write back of Liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years

### 3.3 Expenditure on Hospital and Community Health Services

| | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| Directors' costs | 1,419 | 1,393 |
| Staff costs | 76,331 | 72,609 |
| Supplies and services - clinical | 4,585 | 4,404 |
| Supplies and services - general | 1,343 | 1,347 |
| Consultancy Services | 561 | 705 |
| Establishment | 2,639 | 2,614 |
| Transport | 1,288 | 1,125 |
| Premises | 4,940 | 4,888 |
| External Contractors | 0 | 0 |
| Depreciation | 3,327 | 3,075 |
| Amortisation | 0 | 0 |
| Fixed asset impairments and reversals (Property, plant & equipment) | (87) | 188 |
| 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 | 263 | 264 |
| Other auditors' remuneration | 0 | 0 |
| Losses, special payments and irrecoverable debts | 92 | 152 |
| Research and Development | 0 | 0 |
| Other operating expenses | 646 | 934 |
| **Total** | **97,347** | 93,698 |

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

| **Increase/(decrease) in provision for future payments:** | **2018-19 £'000** | 2017-18 £'000 |
|---|---|---|
| Clinical negligence | (7,584) | 22,297 |
| Personal injury | 452 | 1,027 |
| All other losses and special payments | 3 | 5 |
| Defence legal fees and other administrative costs | 70 | 143 |
| Gross increase/(decrease) in provision for future payments | **(7,059)** | **23,472** |
| Contribution to Welsh Risk Pool | 0 | 0 |
| Premium for other insurance arrangements | 0 | 0 |
| Irrecoverable debts | 43 | 55 |
| **Less:** income received/due from Welsh Risk Pool | 7,108 | (23,375) |
| **Total** | **92** | **152** |

Personal injury includes £0.003M (2017-18 £0.122M) in respect of permanent injury benefits.

Clinical Redress expenditure during the year was £0.115M in respect of 20 cases (2017-18 £0.003M in respect of 3 cases). This is due to the requirement for the creation of a new provision for claims currently in progress. These are expected to be fully reimbursed by the Welsh Risk Pool should payments be made in respect of the claims. This provision is included within Note 20 of the accounts.

The main increases in staff costs relates to the NHS Pay Award being agreed and implemented during 2018/19 and the full year effect of the Mental Health Staff Transfer back into Powys THB services in comparison to 10 months being charged in 2017/18 as the transfer took place on 1st June 2017.

There has been a significant decrease in the provision required for Residual Clinical Negligence due to the finalisation of cases during 2018/19 at a lesser amount than previously forecast.
In comparison 2017/18 saw a significant increase in provision due to a change in probability from possible to certain in one case increasing the provision by £8M and also an in year payment relating to a settlement of a case of £8.4M due to a change in discount rates.
Each of these movements are offset by a corresponding Welsh Risk Pool Debtor so the financial impact to the THB is minimal.

## 4. Miscellaneous Income

| | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| Local Health Boards | 3,195 | 3,535 |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | 0 | 0 |
| NHS trusts | 26 | 0 |
| Health Education and Improvement Wales (HEIW) | 325 | 0 |
| Other NHS England bodies | 415 | 532 |
| Foundation Trusts | 0 | 0 |
| Local authorities | 0 | 0 |
| Welsh Government | 4,904 | 4,956 |
| Non NHS: | | |
| Prescription charge income | 0 | 0 |
| Dental fee income | 1,826 | 1,709 |
| Private patient income | 0 | 0 |
| Overseas patients (non-reciprocal) | 0 | 0 |
| Injury Costs Recovery (ICR) Scheme | 92 | 49 |
| Other income from activities | 1,316 | 1,223 |
| Patient transport services | 32 | 32 |
| Education, training and research | 448 | 120 |
| Charitable and other contributions to expenditure | 0 | 0 |
| Receipt of donated assets | 276 | 304 |
| Receipt of Government granted assets | 0 | 0 |
| Non-patient care income generation schemes | 0 | 0 |
| NHS Wales Shared Services Partnership (NWSSP) | 0 | 0 |
| Deferred income released to revenue | 0 | 0 |
| Contingent rental income from finance leases | 0 | 0 |
| Rental income from operating leases | 73 | 87 |
| Other income: | | |
| Provision of laundry, pathology, payroll services | 0 | 0 |
| Accommodation and catering charges | 107 | 107 |
| Mortuary fees | 25 | 20 |
| Staff payments for use of cars | 0 | 0 |
| Business Unit | 0 | 0 |
| Other | 1,204 | 1,234 |
| **Total** | **14,264** | 13,908 |

Welsh Government miscellaneous income includes funding received on behalf of the hosted function of Health and Care Research Wales within the THB. This has increased to £4.548M from an amount of £4.304M received in 17/18.

The Receipt of donated assets is due to three significant patient related building schemes being funded by League of Friends and the THB Charity. These include the creation of Palliative Care Suites in Llanidloes and Welshpool hospitals and an extension to the Day Hospital at Ystradgynlais Hospital. Smaller items of Medical equipment have also been purchased by League of Friends and the THB Charity for the use of Service areas within the THB.

The increase in Education Training and Research income relates to funding being received by the hosted function Health Care Research Wales from a national cancer Charity of £0.334M during 2018/19.

## 5. Investment Revenue

| | 2018-19 | 2017-18 |
|---|---|---|
| | **£000** | £000 |
| **Rental revenue :** | | |
| PFI Finance lease income | | |
| planned | **0** | 0 |
| contingent | **0** | 0 |
| Other finance lease revenue | **0** | 0 |
| **Interest revenue :** | | |
| Bank accounts | **0** | 0 |
| Other loans and receivables | **0** | 0 |
| Impaired financial assets | **0** | 0 |
| Other financial assets | **0** | 0 |
| **Total** | **0** | 0 |

## 6. Other gains and losses

| | 2018-19 | 2017-18 |
|---|---|---|
| | **£000** | £000 |
| Gain/(loss) on disposal of property, plant and equipment | **0** | 0 |
| Gain/(loss) on disposal of intangible assets | **0** | 0 |
| Gain/(loss) on disposal of assets held for sale | **0** | 60 |
| 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** | **0** | 60 |

## 7. Finance costs

| | 2018-19 | 2017-18 |
|---|---|---|
| | **£000** | £000 |
| Interest on loans and overdrafts | **0** | 0 |
| Interest on obligations under finance leases | **0** | 0 |
| Interest on obligations under PFI contracts | | |
| main finance cost | **0** | 0 |
| contingent finance cost | **0** | 0 |
| Interest on late payment of commercial debt | **0** | 0 |
| Other interest expense | **0** | 0 |
| **Total interest expense** | **0** | 0 |
| Provisions unwinding of discount | **7** | 18 |
| Other finance costs | **0** | 0 |
| **Total** | **7** | 18 |

## 8. Operating leases

**LHB as lessee**

As at 31st March 2019 the LHB had 59 operating leases agreements in place for the leases of premises, 19 arrangements in respect of equipment and 93 in respect of vehicles, with 0 premises, 0 equipment and 35 vehicle leases having expired in year. The periods in which the remaining 171 agreements expire are shown below:

| **Payments recognised as an expense** | **2018-19** | 2017-18 |
|---|---|---|
| | **£000** | £000 |
| Minimum lease payments | **924** | 914 |
| Contingent rents | **0** | 0 |
| Sub-lease payments | **0** | 0 |
| **Total** | **924** | 914 |

| **Total future minimum lease payments** | |
|---|---|
| **Payable** | **£000** | £000 |
| Not later than one year | **807** | 784 |
| Between one and five years | **957** | 1,161 |
| After 5 years | **251** | 344 |
| **Total** | **2,015** | 2,289 |

| **Number of operating leases expiring** | **Land & Buildings** | **Vehicles** | **Equipment** | **Total** |
|---|---|---|---|---|
| Not later than one year | 44 | 40 | 10 | **94** |
| Between one and five years | 10 | 53 | 9 | **72** |
| After 5 years | 5 | 0 | 0 | **5** |
| Total | 59 | 93 | 19 | **171** |

**Charged to the income statement (£000)**

There are no future sublease payments expected to be received

**LHB as lessor**

| **Rental revenue** | **£000** | £000 |
|---|---|---|
| Rent | **424** | 425 |
| Contingent rents | **0** | 0 |
| **Total revenue rental** | **424** | 425 |

| **Total future minimum lease payments** | |
|---|---|
| **Receivable** | **£000** | £000 |
| Not later than one year | **424** | 425 |
| Between one and five years | **181** | 188 |
| After 5 years | **163** | 165 |
| **Total** | **768** | 778 |

## 9. Employee benefits and staff numbers

### 9.1 Employee costs

| | Permanent Staff | Staff on Inward Secondment | Agency Staff | Other Staff | Total 2018-19 | 2017-18 |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Salaries and wages | 59,271 | 649 | 5,177 | 0 | **65,097** | 62,090 |
| Social security costs | 5,115 | 0 | 0 | 0 | **5,115** | 4,761 |
| Employer contributions to NHS Pension Scheme | 7,538 | 0 | 0 | 0 | **7,538** | 7,151 |
| Other pension costs | 0 | 0 | 0 | 0 | **0** | 0 |
| Other employment benefits | 0 | 0 | 0 | 0 | **0** | 0 |
| Termination benefits | 0 | 0 | 0 | 0 | **0** | 0 |
| **Total** | 71,924 | 649 | 5,177 | 0 | **77,750** | 74,002 |
| | | | | | | |
| Charged to capital | | | | | **188** | 206 |
| Charged to revenue | | | | | **77,562** | 73,796 |
| | | | | | **77,750** | 74,002 |
| Net movement in accrued employee benefits (untaken staff leave accrual included above) | | | | | 0 | 0 |

### 9.2 Average number of employees

| | Permanent Staff | Staff on Inward Secondment | Agency Staff | Other Staff | Total 2018-19 | 2017-18 |
|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number |
| Administrative, clerical and board members | 523 | 3 | 3 | 0 | **529** | 519 |
| Medical and dental | 34 | 0 | 6 | 0 | **40** | 38 |
| Nursing, midwifery registered | 544 | 3 | 24 | 0 | **571** | 557 |
| Professional, Scientific, and technical staff | 55 | 0 | 6 | 0 | **61** | 60 |
| Additional Clinical Services | 313 | 0 | 7 | 0 | **320** | 302 |
| Allied Health Professions | 122 | 0 | 5 | 0 | **127** | 124 |
| Healthcare Scientists | 3 | 0 | 0 | 0 | **3** | 2 |
| Estates and Ancilliary | 154 | 0 | 3 | 0 | **157** | 163 |
| Students | 2 | 0 | 0 | 0 | **2** | 4 |
| **Total** | **1,750** | **6** | **54** | **0** | **1,810** | 1,769 |

### 9.3. Retirements due to ill-health

During 2018-19 there were 5 early retirements from the LHB agreed on the grounds of ill-health (3 in 2017-18 - £16,800.86). The estimated additional pension costs of these ill-health retirements (calculated on an average basis and borne by the NHS Pension Scheme) will be £341,765.93.

### 9.4 Employee benefits

The THB does not have an employee benefit shceme.

**9.5 Reporting of other compensation schemes - exit packages**

| Exit packages cost band (including any special payment element) | 2018-19 Number of compulsory redundancies | 2018-19 Number of other departures | 2018-19 Total number of exit packages | 2018-19 Number of departures where special payments have been made | 2017-18 Total number of exit packages |
|---|---|---|---|---|---|
| | Whole numbers only | Whole numbers only | Whole numbers only | Whole numbers only | Whole numbers only |
| less than £10,000 | 0 | 0 | 0 | 0 | 0 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 0 | 0 | 0 | 0 |
| £100,000 to £150,000 | 0 | 0 | 0 | 0 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | **0** | **0** | **0** | **0** | **0** |

| Exit packages cost band (including any special payment element) | 2018-19 Cost of compulsory redundancies | 2018-19 Cost of other departures | 2018-19 Total cost of exit packages | 2018-19 Cost of special element included in exit packages | 2017-18 Total cost of exit packages |
|---|---|---|---|---|---|
| | £'s | £'s | £'s | £'s | £'s |
| less than £10,000 | 0 | 0 | 0 | 0 | 0 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 0 | 0 | 0 | 0 |
| £100,000 to £150,000 | 0 | 0 | 0 | 0 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | **0** | **0** | **0** | **0** | **0** |

There have been no exit packages paid during 2018/19 or 2017/18

### 9.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the LHB in the financial year 2018-19 was £160,000 to £165,000 (2017-18, £160,000-£165,000). This was 5.8 times (2017-18, 6.2) the median remuneration of the workforce, which was £27,791 (2017-18, £26,173).

In 2018-19, 2 (2017-18, 0) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £359 to £171,635 (2017-18 £888 to £162,500).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

### 9.7 Pension costs

## PENSION COSTS

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

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

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

## c) National Employment Savings Trust (NEST)

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

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

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

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 5% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 2% of this. The legal minimum level of contribution level is due to increase to 8% in April 2019.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,032 and £46,350 for the 2018-19 tax year (2017-18 £5,876 and £45,000 ).

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

## 10. Public Sector Payment Policy - Measure of Compliance

### 10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

| | **2018-19** | **2018-19** | 2017-18 | 2017-18 |
|---|---|---|---|---|
| **NHS** | **Number** | **£000** | Number | £000 |
| Total bills paid | **2,448** | **134,693** | 2,544 | 132,071 |
| Total bills paid within target | **1,553** | **124,183** | 1,902 | 124,172 |
| Percentage of bills paid within target | **63.4%** | **92.2%** | 74.8% | 94.0% |
| | | | | |
| **Non-NHS** | | | | |
| Total bills paid | **42,654** | **68,922** | 39,493 | 69,515 |
| Total bills paid within target | **40,843** | **63,368** | 37,320 | 60,580 |
| Percentage of bills paid within target | **95.8%** | **91.9%** | 94.5% | 87.1% |
| | | | | |
| **Total** | | | | |
| Total bills paid | **45,102** | **203,615** | 42,037 | 201,586 |
| Total bills paid within target | **42,396** | **187,551** | 39,222 | 184,752 |
| Percentage of bills paid within target | **94.0%** | **92.1%** | 93.3% | 91.6% |

The THB performance at 95.8% has met the administrative target of payment of 95% of the number of non-nhs creditors paid within 30 days.

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

| | **2018-19** | 2017-18 |
|---|---|---|
| | **£** | £ |
| Amounts included within finance costs (note 7) from claims made under this legislation | **0** | 0 |
| Compensation paid to cover debt recovery costs under this legislation | **0** | 0 |
| **Total** | **0** | 0 |

## 11.1 Property, plant and equipment

| | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction & payments on account £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2018** | 14,146 | 53,514 | 650 | 5,151 | 5,846 | 577 | 3,827 | 0 | **83,711** |
| Indexation | 282 | 449 | 7 | 0 | 0 | 0 | 0 | 0 | **738** |
| Additions | | | | | | | | | |
| - purchased | 0 | 418 | 0 | 2,831 | 838 | 183 | 826 | 0 | **5,096** |
| - donated | 0 | 147 | 0 | 9 | 120 | 0 | 0 | 0 | **276** |
| - government granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Transfer from/into other NHS bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Reclassifications | 0 | 400 | 0 | (400) | 0 | 0 | 0 | 0 | **0** |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Reversal of impairments | 1 | 86 | 0 | 0 | 0 | 0 | 0 | 0 | **87** |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals | 0 | 0 | 0 | 0 | (169) | (215) | 0 | 0 | **(384)** |
| **At 31 March 2019** | 14,429 | 55,014 | 657 | 7,591 | 6,635 | 545 | 4,653 | 0 | **89,524** |
| | | | | | | | | | |
| **Depreciation at 1 April 2018** | 0 | 1,726 | 13 | 0 | 3,702 | 373 | 2,285 | 0 | **8,099** |
| Indexation | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | **17** |
| 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 | 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** |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals | 0 | 0 | 0 | 0 | (169) | (215) | 0 | 0 | **(384)** |
| Provided during the year | 0 | 2,191 | 27 | 0 | 611 | 48 | 450 | 0 | **3,327** |
| **At 31 March 2019** | 0 | 3,934 | 40 | 0 | 4,144 | 206 | 2,735 | 0 | **11,059** |
| | | | | | | | | | |
| **Net book value at 1 April 2018** | 14,146 | 51,788 | 637 | 5,151 | 2,144 | 204 | 1,542 | 0 | **75,612** |
| | | | | | | | | | |
| **Net book value at 31 March 2019** | 14,429 | 51,080 | 617 | 7,591 | 2,491 | 339 | 1,918 | 0 | **78,465** |
| | | | | | | | | | |
| **Net book value at 31 March 2019 comprises :** | | | | | | | | | |
| Purchased | 14,429 | 48,188 | 617 | 7,582 | 2,241 | 339 | 1,918 | 0 | **75,314** |
| Donated | 0 | 2,892 | 0 | 9 | 250 | 0 | 0 | 0 | **3,151** |
| Government Granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **At 31 March 2019** | 14,429 | 51,080 | 617 | 7,591 | 2,491 | 339 | 1,918 | 0 | **78,465** |
| **Asset financing :** | | | | | | | | | |
| Owned | 14,429 | 51,080 | 617 | 7,591 | 2,491 | 339 | 1,918 | 0 | **78,465** |
| Held on finance lease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| On-SoFP PFI contracts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| PFI residual interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **At 31 March 2019** | 14,429 | 51,080 | 617 | 7,591 | 2,491 | 339 | 1,918 | 0 | **78,465** |

**The net book value of land, buildings and dwellings at 31 March 2019 comprises :**

| | £000 |
|---|---|
| Freehold | **66,126** |
| Long Leasehold | **0** |
| Short Leasehold | **0** |
| | **66,126** |

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHB's are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which as 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.

## 11.1 Property, plant and equipment

| | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction & payments on account £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2017** | 14,199 | 56,110 | 623 | 3,786 | 6,510 | 467 | 3,331 | 0 | **85,026** |
| Indexation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Additions | | | | | | | | | |
| - purchased | 514 | 855 | 0 | 2,478 | 632 | 176 | 523 | 0 | **5,178** |
| - donated | 0 | 22 | 0 | 233 | 49 | 0 | 0 | 0 | **304** |
| - government granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Transfer from/into other NHS bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Reclassifications | 0 | 1,345 | 0 | (1,345) | 0 | 0 | 0 | 0 | **0** |
| Revaluations | (563) | (4,635) | 27 | 0 | 0 | 0 | 0 | 0 | **(5,171)** |
| Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Impairments | (4) | (183) | 0 | (1) | 0 | 0 | 0 | 0 | **(188)** |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals | 0 | 0 | 0 | 0 | (1,345) | (66) | (27) | 0 | **(1,438)** |
| **At 31 March 2018** | 14,146 | 53,514 | 650 | 5,151 | 5,846 | 577 | 3,827 | 0 | **83,711** |
| | | | | | | | | | |
| **Depreciation at 1 April 2017** | 0 | 9,406 | 98 | 0 | 4,484 | 427 | 1,939 | 0 | **16,354** |
| Indexation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 | (9,781) | (111) | 0 | 0 | 0 | 0 | 0 | **(9,892)** |
| Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals | 0 | 0 | 0 | 0 | (1,345) | (66) | (27) | 0 | **(1,438)** |
| Provided during the year | 0 | 2,101 | 26 | 0 | 563 | 12 | 373 | 0 | **3,075** |
| **At 31 March 2018** | 0 | 1,726 | 13 | 0 | 3,702 | 373 | 2,285 | 0 | **8,099** |
| | | | | | | | | | |
| **Net book value at 1 April 2017** | 14,199 | 46,704 | 525 | 3,786 | 2,026 | 40 | 1,392 | 0 | **68,672** |
| | | | | | | | | | |
| **Net book value at 31 March 2018** | 14,146 | 51,788 | 637 | 5,151 | 2,144 | 204 | 1,542 | 0 | **75,612** |
| | | | | | | | | | |
| **Net book value at 31 March 2018 comprises :** | | | | | | | | | |
| Purchased | 14,146 | 49,219 | 637 | 5,151 | 1,919 | 204 | 1,542 | 0 | **72,818** |
| Donated | 0 | 2,569 | 0 | 0 | 225 | 0 | 0 | 0 | **2,794** |
| Government Granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **At 31 March 2018** | 14,146 | 51,788 | 637 | 5,151 | 2,144 | 204 | 1,542 | 0 | **75,612** |
| **Asset financing :** | | | | | | | | | |
| Owned | 14,146 | 51,788 | 637 | 5,151 | 2,144 | 204 | 1,542 | 0 | **75,612** |
| Held on finance lease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| On-SoFP PFI contracts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| PFI residual interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **At 31 March 2018** | 14,146 | 51,788 | 637 | 5,151 | 2,144 | 204 | 1,542 | 0 | **75,612** |

**The net book value of land, buildings and dwellings at 31 March 2018 comprises :**

| | £000 |
|---|---|
| Freehold | **66,571** |
| Long Leasehold | **0** |
| Short Leasehold | **0** |
| | **66,571** |

## 11. Property, plant and equipment (continued)

i) Assets donated in the year were purchased from funds donated by the public and charitable organisations and from funds provided by associations linked to specific hospitals.

ii) Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. Land and buildings are restated to current value using professional valuations carried out by the District Valuers of the Inland Revenue at 5 yearly intervals and in the intervening years by the use of indices provided from the District Valuer via the Welsh Government. The valuations are carried out primarily on the basis of Modern Equivalent Asset cost for specialised operational property and existing use value for non-specialised operational property. For non-operational properties the valuations are carried out at open market value. A formal valuation exercise of Land and Buildings was undertaken during the 2017/18 financial year

iii) Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Equipment is depreciated on current cost evenly over the estimated useful life of the asset.

iv) There is considered to be no material difference between the open market value of properties and the existing use value at which they are held.

v) There has been no property purchases during the year.

vi) During 2017/18 the THB implemented a change on the basis its revaluation reserves are held. This has been changed from revaluations reserves held on a site basis to revaluation reserves held on a buildings basis.

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## 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 2018** | 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 2019** | 0 | 0 | 0 | 0 | 0 | **0** |
| | | | | | | |
| **Balance brought forward 1 April 2017** | 100 | 150 | 0 | 0 | 0 | **250** |
| 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 | (100) | (150) | 0 | 0 | 0 | **(250)** |
| 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 2018** | 0 | 0 | 0 | 0 | 0 | **0** |

**Assets sold in the period**

There have been no assets sold during the year

**Assets classified as held for sale during the year**

There have been no assets classified as held for sale during the year

## 12. Intangible non-current assets

| | Software (purchased) | Software (internally generated) | Licences and trademarks | Patents | Development expenditure- internally generated | Carbon Reduction Commitments | Total |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Cost or valuation at 1 April 2018** | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Additions- internally generated | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Additions- donated | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Additions- government granted | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Reclassified as held for sale | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Transfers | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Disposals | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Gross cost at 31 March 2019** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Amortisation at 1 April 2018** | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 | **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** |
| **Amortisation at 31 March 2019** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Net book value at 1 April 2018** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Net book value at 31 March 2019** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **At 31 March 2019** | | | | | | | |
| Purchased | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 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 2019** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

## 12. Intangible non-current assets

| | Software (purchased) | Software (internally generated) | Licences and trademarks | Patents | Development expenditure- internally generated | Carbon Reduction Commitments | Total |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Cost or valuation at 1 April 2017** | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 2018** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Amortisation at 1 April 2017** | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 | 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** |
| **Amortisation at 31 March 2018** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Net book value at 1 April 2017** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Net book value at 31 March 2018** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **At 31 March 2018** | | | | | | | |
| Purchased | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| 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 2018** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

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## 13 . Impairments

| | 2018-19 Property, plant & equipment £000 | 2018-19 Intangible assets £000 | 2017-18 Property, plant & equipment £000 | 2017-18 Intangible assets £000 |
|---|---|---|---|---|
| Impairments arising from : | | | | |
| Loss or damage from normal operations | **0** | 0 | **0** | 0 |
| Abandonment in the course of construction | **0** | 0 | **0** | 0 |
| Over specification of assets (Gold Plating) | **0** | 0 | **0** | 0 |
| Loss as a result of a catastrophe | **0** | 0 | **0** | 0 |
| Unforeseen obsolescence | **0** | 0 | **0** | 0 |
| Changes in market price | **0** | 0 | **0** | 0 |
| Others (specify) | **(87)** | 0 | **188** | 0 |
| Reversal of impairments | **0** | 0 | **0** | 0 |
| **Total of all impairments** | **(87)** | 0 | **188** | 0 |
| **Analysis of impairments charged to reserves in year :** | | | | |
| Charged to the Statement of Comprehensive Net Expenditure | **(87)** | 0 | **188** | 0 |
| Charged to Revaluation Reserve | **0** | 0 | **0** | 0 |
| | **(87)** | 0 | **188** | 0 |

The impairment occurred as a result of an increase arising on revaluations due to indexation that reversed an impairment for the same assets previously recognised as impairments in expenditure. In this case it is credited to expenditure to the extent of the decrease previously charged there. This amounted to a reversal of impairment of £-0.087M.

## 14.1 Inventories

| | **31 March 2019** | 31 March 2018 |
|---|---|---|
| | **£000** | £000 |
| Drugs | **88** | 80 |
| Consumables | **30** | 36 |
| Energy | **7** | 4 |
| Work in progress | **0** | 0 |
| Other | **25** | 10 |
| **Total** | **150** | 130 |
| Of which held at realisable value | **0** | 0 |

## 14.2 Inventories recognised in expenses

| | **31 March 2019** | 31 March 2018 |
|---|---|---|
| | **£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** |

## 15. Trade and other Receivables

| **Current** | **31 March 2019 £000** | 31 March 2018 £000 |
|---|---|---|
| Welsh Government | **1,910** | **2,221** |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | **49** | **318** |
| Welsh Health Boards | **1,888** | **1,112** |
| Welsh NHS Trusts | **282** | **252** |
| Health Education and Improvement Wales (HEIW) | **157** | **0** |
| Non - Welsh Trusts | **251** | **121** |
| Other NHS | **0** | **0** |
| Welsh Risk Pool | **1,493** | **12,326** |
| Local Authorities | **551** | **426** |
| Capital debtors | **364** | **247** |
| Other debtors | **2,424** | **2,471** |
| Provision for irrecoverable debts | **(320)** | **(258)** |
| Pension Prepayments | **0** | **0** |
| Other prepayments | **566** | **486** |
| Other accrued income | **0** | **0** |
| **Sub total** | **9,615** | 19,722 |
| **Non-current** | | |
| Welsh Government | **0** | 0 |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | **0** | 0 |
| Welsh Health Boards | **0** | 0 |
| Welsh NHS Trusts | **0** | 0 |
| Health Education and Improvement Wales (HEIW) | **0** | 0 |
| Non - Welsh Trusts | **0** | 0 |
| Other NHS | **0** | 0 |
| Welsh Risk Pool | **23,322** | 26,105 |
| Local Authorities | **0** | 0 |
| Capital debtors | **0** | 0 |
| Other debtors | **0** | 0 |
| Provision for irrecoverable debts | **0** | 0 |
| Pension Prepayments | **0** | 0 |
| Other prepayments | **0** | 0 |
| Other accrued income | **0** | 0 |
| **Sub total** | **23,322** | 26,105 |
| **Total** | **32,937** | 45,827 |
| **Receivables past their due date but not impaired** | | |
| By up to three months | **86** | 856 |
| By three to six months | **472** | 41 |
| By more than six months | **366** | 148 |
| | **924** | 1,045 |

| **Expected Credit Losses (ECL) / Provision for impairment of receivables** | | |
|---|---|---|
| Balance at 31 March 2018 | (258) | |
| Adjustment for Implementation of IFRS 9 | **(20)** | |
| Balance at 1 April 2018 | (278) | **(203)** |
| Transfer to other NHS Wales body | **0** | **0** |
| Amount written off during the year | **0** | **0** |
| Amount recovered during the year | **61** | **16** |
| (Increase) / decrease in receivables impaired | **(103)** | **(71)** |
| Bad debts recovered during year | **0** | **0** |
| Balance at 31 March | **(320)** | (258) |

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

| **Receivables VAT** | | |
|---|---|---|
| Trade receivables | **0** | 0 |
| Other | **0** | 0 |
| Total | **0** | 0 |

## 16. Other Financial Assets

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2019** | 31 March 2018 | **31 March 2019** | 31 March 2018 |
| | **£000** | £000 | **£000** | £000 |
| **Financial assets** | | | | |
| Shares and equity type investments | | | | |
| Held to maturity investments at amortised costs | **0** | 0 | **0** | 0 |
| At fair value through SOCNE | **0** | 0 | **0** | 0 |
| Available for sale at FV | **0** | 0 | **0** | 0 |
| Deposits | **0** | 0 | **0** | 0 |
| Loans | **0** | 0 | **0** | 0 |
| Derivatives | **0** | 0 | **0** | 0 |
| Other (Specify) | | | | |
| Held to maturity investments at amortised costs | **0** | 0 | **0** | 0 |
| At fair value through SOCNE | **0** | 0 | **0** | 0 |
| Available for sale at FV | **0** | 0 | **0** | 0 |
| **Total** | **0** | **0** | **0** | **0** |

## 17. Cash and cash equivalents

| | **2018-19** | 2017-18 |
|---|---|---|
| | **£000** | £000 |
| Balance at 1 April | **1,185** | 674 |
| Net change in cash and cash equivalent balances | **1,132** | 511 |
| Balance at 31 March | **2,317** | 1,185 |
| | | |
| Made up of: | | |
| Cash held at GBS | **2,251** | 1,105 |
| Commercial banks | **62** | 80 |
| Cash in hand | **4** | 0 |
| Current Investments | **0** | 0 |
| **Cash and cash equivalents as in Statement of Financial Position** | **2,317** | 1,185 |
| Bank overdraft - GBS | **0** | 0 |
| Bank overdraft - Commercial banks | **0** | 0 |
| **Cash and cash equivalents as in Statement of Cash Flows** | **2,317** | 1,185 |

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

Lease Liabilities £0k
PFI liabilities £0k

The movement relates to cash, no comparative information is required by IAS 7 in 2018-19.

## 18. Trade and other payables

| **Current** | **31 March 2019 £000** | 31 March 2018 £000 |
|---|---|---|
| Welsh Government | **0** | **16** |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | **289** | **153** |
| Welsh Health Boards | **2,608** | **2,027** |
| Welsh NHS Trusts | **406** | **250** |
| Health Education and Improvement Wales (HEIW) | **0** | **0** |
| Other NHS | **6,179** | **4,224** |
| Taxation and social security payable / refunds | **548** | **506** |
| 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 | **778** | **771** |
| Non-NHS creditors | **5,408** | **5,156** |
| Local Authorities | **4,342** | **1,379** |
| Capital Creditors | **1,627** | **1,709** |
| Overdraft | **0** | **0** |
| Rentals due under operating leases | **0** | **0** |
| Obligations under finance leases, HP contracts | **0** | **0** |
| Imputed finance lease element of on SoFP PFI contracts | **0** | **0** |
| Pensions: staff | **1,087** | **1,077** |
| Accruals | **17,163** | **19,095** |
| 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 |
| **Total** | **40,435** | 36,363 |

| **Non-current** | | |
|---|---|---|
| Welsh Government | **0** | 0 |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | **0** | 0 |
| Welsh Health Boards | **0** | 0 |
| Welsh NHS Trusts | **0** | 0 |
| Health Education and Improvement Wales (HEIW) | **0** | 0 |
| Other NHS | **0** | 0 |
| Taxation and social security payable / refunds | **0** | 0 |
| Refunds of taxation by HMRC | **0** | 0 |
| VAT payable to HMRC | **0** | 0 |
| Other taxes payable to HMRC | **0** | 0 |
| NI contributions payable to HMRC | **0** | 0 |
| Non-NHS creditors | **0** | 0 |
| Local Authorities | **0** | 0 |
| Capital Creditors | **0** | 0 |
| Overdraft | **0** | 0 |
| Rentals due under operating leases | **0** | 0 |
| Obligations under finance leases, HP contracts | **0** | 0 |
| Imputed finance lease element of on SoFP PFI contracts | **0** | 0 |
| Pensions: staff | **0** | 0 |
| Accruals | **0** | 0 |
| Deferred Income : | | |
| Deferred Income brought forward | **0** | 0 |
| Deferred Income Additions | **0** | 0 |
| Transfer to / from current/non current deferred income | **0** | 0 |
| Released to SoCNE | **0** | 0 |
| Other creditors | **0** | 0 |
| PFI assets –deferred credits | **0** | 0 |
| Payments on account | **0** | 0 |
| **Total** | **0** | 0 |

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

| **Amounts falling due more than one year are expected to be settled as follows:** | **31-Mar-19 £000** | **31-Mar-18 £000** |
|---|---|---|
| Between one and two years | 0 | 0 |
| Between two and five years | 0 | 0 |
| In five years or more | 0 | 0 |
| Sub-total | 0 | 0 |

There has been a decrease in Accruals and increase in Local Authority Creditors in comparison to 2017/18 mainly relating to the funding for schemes delivered by the Local Authority in respect of the Integrated Care Fund.

In 2017/18 these schemes were invoiced by the Local Authority after the end of the financial year so were classed as Accruals. In 2018/19 invoices have been received prior to end of the financial year and have been classed as Local Authority Trade Payables.

## 19. Other financial liabilities

| | Current | | Non-current | |
|---|---|---|---|---|
| **Financial liabilities** | **31 March 2019** | 31 March 2018 | **31 March 2019** | 31 March 2018 |
| | **£000** | £000 | **£000** | £000 |
| Financial Guarantees: | | | | |
| At amortised cost | **0** | 0 | **0** | 0 |
| At fair value through SoCNE | **0** | 0 | **0** | 0 |
| Derivatives at fair value through SoCNE | **0** | 0 | **0** | 0 |
| Other: | | | | |
| At amortised cost | **0** | 0 | **0** | 0 |
| At fair value through SoCNE | **0** | 0 | **0** | 0 |
| **Total** | **0** | 0 | **0** | 0 |

## 20. Provisions

| | At 1 April 2018 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the year | Utilised during the year | Reversed unused | Unwinding of discount | At 31 March 2019 |
|---|---|---|---|---|---|---|---|---|---|
| **Current** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Clinical negligence | **11,236** | 0 | 0 | 8,186 | 190 | (5,903) | (12,995) | 0 | **714** |
| Personal injury | **1,070** | 0 | 0 | 66 | 431 | (487) | (279) | 1 | **802** |
| All other losses and special payments | **0** | 0 | 0 | 0 | 3 | (3) | 0 | 0 | **0** |
| Defence legal fees and other administration | **106** | 0 | 0 | 30 | 58 | (138) | (9) | | **47** |
| Pensions relating to former directors | **0** | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | **702** | | | 628 | 2 | (657) | (24) | 6 | **657** |
| Restructuring | **0** | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Other | **423** | | 0 | 0 | 122 | (183) | (136) | | **226** |
| **Total** | **13,537** | **0** | **0** | 8,910 | 806 | (7,371) | (13,443) | **7** | **2,446** |
| **Non Current** | | | | | | | | | |
| Clinical negligence | **25,899** | 0 | 0 | (8,186) | 5,221 | (110) | 0 | 0 | **22,824** |
| Personal injury | **1,112** | 0 | 0 | (66) | 300 | 0 | 0 | 0 | **1,346** |
| All other losses and special payments | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Defence legal fees and other administration | **214** | 0 | 0 | (30) | 21 | (23) | 0 | | **182** |
| Pensions relating to former directors | **0** | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | **5,275** | | | (628) | 477 | 0 | (331) | 0 | **4,793** |
| Restructuring | **0** | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Other | **0** | | 0 | 0 | 0 | 0 | 0 | | **0** |
| **Total** | **32,500** | **0** | **0** | **(8,910)** | **6,019** | **(133)** | **(331)** | **0** | **29,145** |
| **TOTAL** | | | | | | | | | |
| Clinical negligence | **37,135** | **0** | **0** | **0** | **5,411** | **(6,013)** | **(12,995)** | **0** | **23,538** |
| Personal injury | **2,182** | **0** | **0** | **0** | **731** | **(487)** | **(279)** | **1** | **2,148** |
| All other losses and special payments | **0** | **0** | **0** | **0** | **3** | **(3)** | **0** | **0** | **0** |
| Defence legal fees and other administration | **320** | **0** | **0** | **0** | **79** | **(161)** | **(9)** | | **229** |
| Pensions relating to former directors | **0** | | | **0** | **0** | **0** | **0** | **0** | **0** |
| Pensions relating to other staff | **5,977** | | | **0** | **479** | **(657)** | **(355)** | **6** | **5,450** |
| Restructuring | **0** | | | **0** | **0** | **0** | **0** | **0** | **0** |
| Other | **423** | | **0** | **0** | **122** | **(183)** | **(136)** | | **226** |
| **Total** | **46,037** | **0** | **0** | **0** | **6,825** | **(7,504)** | **(13,774)** | **7** | **31,591** |

**Expected timing of cash flows:**

| | In year to 31 March 2020 | Between 1 April 2020 31 March 2024 | Thereafter | Total £000 |
|---|---|---|---|---|
| Clinical negligence | 714 | 22,824 | 0 | **23,538** |
| Personal injury | 802 | 586 | 760 | **2,148** |
| All other losses and special payments | 0 | 0 | 0 | **0** |
| Defence legal fees and other administration | 47 | 182 | 0 | **229** |
| Pensions relating to former directors | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | 657 | 2,379 | 2,414 | **5,450** |
| Restructuring | 0 | 0 | 0 | **0** |
| Other | 226 | 0 | 0 | **226** |
| **Total** | **2,446** | **25,971** | **3,174** | **31,591** |

The THB estimates that in 2019/20 it will receive £1.493M and in 2019-20 and beyond £23.322M from the Welsh Risk Pool in respect of Losses and Special Payments

£24.308M of the provision total relates to the probable liabilities of former Health Authorities in respect of Medical Negligence and Personal Injury Claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust)

Contingent Liabilities are directly linked to these claims in Note 21.

Also included within 'other' at 31st March 2019 is £0.226M relating to retrospective continuing health care claims (2017/18 £0.423M)

During the year a new provision has been created within the Clinical Negligence line to provide for expected payments in respect of redress arrangments under National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. The amount of Provision that has been created in relation to this in 2018/19 is £0.103M and is expected to be fully reimbursed from the Welsh Risk Pool.

## 20. Provisions (continued)

| | At 1 April 2017 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the year | Utilised during the year | Reversed unused | Unwinding of discount | At 31 March 2018 |
|---|---|---|---|---|---|---|---|---|---|
| **Current** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Clinical negligence | 6,611 | 0 | 0 | 540 | 12,551 | (8,444) | (22) | 0 | **11,236** |
| Personal injury | 287 | 0 | 0 | 37 | 1,038 | (215) | (79) | 2 | **1,070** |
| All other losses and special payments | 0 | 0 | 0 | 0 | 5 | (5) | 0 | 0 | **0** |
| Defence legal fees and other administration | 114 | 0 | 0 | 12 | 48 | (20) | (48) | | **106** |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | 685 | | | 679 | 0 | (677) | 0 | 15 | **702** |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Other | 0 | | 0 | 0 | 646 | (223) | 0 | | **423** |
| **Total** | **7,697** | **0** | **0** | **1,268** | **14,288** | **(9,584)** | **(149)** | **17** | **13,537** |
| **Non Current** | | | | | | | | | |
| Clinical negligence | 17,289 | 0 | 0 | (540) | 9,848 | (618) | (80) | 0 | **25,899** |
| Personal injury | 1,081 | 0 | 0 | (37) | 68 | 0 | 0 | 0 | **1,112** |
| All other losses and special payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Defence legal fees and other administration | 133 | 0 | 0 | (12) | 152 | (50) | (9) | | **214** |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | 5,590 | | | (679) | 514 | 0 | (150) | 0 | **5,275** |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Other | 0 | | 0 | 0 | 0 | 0 | 0 | | **0** |
| **Total** | **24,093** | **0** | **0** | **(1,268)** | **10,582** | **(668)** | **(239)** | **0** | **32,500** |
| **TOTAL** | | | | | | | | | |
| Clinical negligence | 23,900 | 0 | 0 | 0 | 22,399 | (9,062) | (102) | 0 | **37,135** |
| Personal injury | 1,368 | 0 | 0 | 0 | 1,106 | (215) | (79) | 2 | **2,182** |
| All other losses and special payments | 0 | 0 | 0 | 0 | 5 | (5) | 0 | 0 | **0** |
| Defence legal fees and other administration | 247 | 0 | 0 | 0 | 200 | (70) | (57) | | **320** |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Pensions relating to other staff | 6,275 | | | 0 | 514 | (677) | (150) | 15 | **5,977** |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | **0** |
| Other | 0 | | 0 | 0 | 646 | (223) | 0 | | **423** |
| **Total** | **31,790** | **0** | **0** | **0** | **24,870** | **(10,252)** | **(388)** | **17** | **46,037** |

## 21. Contingencies

### 21.1 Contingent liabilities

| Provisions have not been made in these accounts for the following amounts : | **2018-19 £'000** | 2017-18 £'000 |
|---|---|---|
| Legal claims for alleged medical or employer negligence | **900** | 11,298 |
| Doubtful debts | **0** | 0 |
| Equal Pay costs | **0** | 0 |
| Defence costs | **0** | 0 |
| Continuing Health Care costs | **0** | 0 |
| Other | **0** | 0 |
| Total value of disputed claims | **900** | 11,298 |
| Amounts (recovered) in the event of claims being successful | **(630)** | (10,990) |
| **Net contingent liability** | **270** | **308** |

**Legal Claims for alleged medical or employer negligence**: £0.615M of the £0.900M relates solely to the former Health Authorities in respect of Medical Negligence and Personal Injury Claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust). Legal advice has established that these claims are not likely to result in payments. In the unlikely event that amounts are payable, all payments will be reimbursed to Powys THB by the Welsh Risk Pool

## 21.2 Remote Contingent liabilities

| | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| Please disclose the values of the following categories of remote contingent liabilities : | | |
| Guarantees | 0 | 0 |
| Indemnities | 0 | 0 |
| Letters of Comfort | 0 | 0 |
| **Total** | **0** | **0** |

There are no remote Contingent Liabilities for 2018/19

## 21.3 Contingent assets

| | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| | 0 | 0 |
| | 0 | 0 |
| | 0 | 0 |
| **Total** | **0** | 0 |

## 22. Capital commitments

| **Contracted capital commitments at 31 March** | 2018-19 £'000 | 2017-18 £'000 |
|---|---|---|
| Property, plant and equipment | 877 | 1,731 |
| Intangible assets | 0 | 0 |
| **Total** | **877** | 1,731 |

## 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

**Gross loss to the Exchequer**

Number of cases and associated amounts paid out or written-off during the financial year

| | Amounts paid out during period to 31 March 2019 | | Approved to write-off to 31 March 2019 | |
|---|---|---|---|---|
| | Number | £ | Number | £ |
| Clinical negligence | 37 | 6,118,478 | 0 | 0 |
| Personal injury | 3 | 471,584 | 0 | 0 |
| All other losses and special payments | 2 | 3,042 | 0 | 0 |
| **Total** | 42 | 6,593,104 | 0 | 0 |

Analysis of cases which exceed £300,000 and all other cases

| **Cases exceeding £300,000** | Case type | **Amounts paid out in year** £ | **Cumulative amount** £ | **Approved to write-off in year** £ |
|---|---|---|---|---|
| MN/030/0071/RG | CN | 11,000 | 14,701,900 | 0 |
| MN/030/0152/AW | CN | 563,231 | 570,328 | 0 |
| MN/030/0186/ALF | CN | 3,016,599 | 4,139,485 | 0 |
| MN/030/0614/ECM | CN | 2,344,503 | 3,026,481 | 0 |
| **Sub-total** | | **5,935,333** | **22,438,194** | **0** |
| **All other cases** | | 657,771 | 1,186,245 | 0 |
| **Total cases** | | **6,593,104** | **23,624,439** | **0** |

## 24. Finance leases

### 24.1 Finance leases obligations (as lessee)

The THB has no finance leases in operation

**Amounts payable under finance leases:**

| **Land** | **31 March 2019 £000** | 31 March 2018 £000 |
|---|---|---|
| **Minimum lease payments** | | |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Less finance charges allocated to future periods | **0** | 0 |
| Minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |
| **Present value of minimum lease payments** | | |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Present value of minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |

**24.1 Finance leases obligations (as lessee) continue**

**Amounts payable under finance leases:**

| **Buildings** | **31 March 2019** | 31 March 2018 |
|---|---|---|
| **Minimum lease payments** | **£000** | £000 |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Less finance charges allocated to future periods | **0** | 0 |
| Minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |
| **Present value of minimum lease payments** | | |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Present value of minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |

| **Other** | **31 March 2019** | 31 March 2018 |
|---|---|---|
| **Minimum lease payments** | **£000** | £000 |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Less finance charges allocated to future periods | **0** | 0 |
| Minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |
| **Present value of minimum lease payments** | | |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Present value of minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |

**24.2 Finance leases obligations (as lessor) continued**

The THB has no finance leases receivable as a lessor.

**Amounts receivable under finance leases:**

| | **31 March 2019** | 31 March 2018 |
|---|---|---|
| **Gross Investment in leases** | **£000** | £000 |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Less finance charges allocated to future periods | **0** | 0 |
| Minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |
| **Present value of minimum lease payments** | | |
| Within one year | **0** | 0 |
| Between one and five years | **0** | 0 |
| After five years | **0** | 0 |
| Present value of minimum lease payments | **0** | 0 |
| Included in: | | |
| Current borrowings | **0** | 0 |
| Non-current borrowings | **0** | 0 |
| | **0** | 0 |

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

The THB has no Private Finance Initiative Contracts in operation

| Commitments under off-SoFP PFI contracts | **Off-SoFP PFI contracts** | Off-SoFP PFI contracts |
|---|---|---|
| | **31 March 2019** | 31 March 2018 |
| | **£000** | £000 |
| Total payments due within one year | **0** | 0 |
| Total payments due between 1 and 5 years | **0** | 0 |
| Total payments due thereafter | **0** | 0 |
| Total future payments in relation to PFI contracts | **0** | 0 |
| Total estimated capital value of off-SoFP PFI contracts | **0** | 0 |

### 25.2 PFI schemes on-Statement of Financial Position

The THB has no Private Finance Initiative Contracts in operation

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

| | **On SoFP PFI Capital element** | **On SoFP PFI Imputed interest** | **On SoFP PFI Service charges** |
|---|---|---|---|
| | **31 March 2019** | **31 March 2019** | **31 March 2019** |
| | **£000** | **£000** | **£000** |
| Total payments due within one year | **0** | **0** | **0** |
| Total payments due between 1 and 5 years | **0** | **0** | **0** |
| Total payments due thereafter | **0** | **0** | **0** |
| Total future payments in relation to PFI contracts | **0** | **0** | **0** |

| | On SoFP PFI Capital element | On SoFP PFI Imputed interest | On SoFP PFI Service charges |
|---|---|---|---|
| | 31 March 2018 | 31 March 2018 | 31 March 2018 |
| | £000 | £000 | £000 |
| Total payments due within one year | 0 | 0 | 0 |
| Total payments due between 1 and 5 years | 0 | 0 | 0 |
| Total payments due thereafter | 0 | 0 | 0 |
| Total future payments in relation to PFI contracts | 0 | 0 | 0 |

Total present value of obligations for on-SoFP PFI contracts

| 25.3 Charges to expenditure | 2018-19 | 2017-18 |
|---|---|---|
| | £000 | £000 |
| Service charges for On Statement of Financial Position PFI contracts (excl interest costs) | 0 | 0 |
| 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 | 0 | 0 |

The LHB is committed to the following annual charges

| PFI scheme expiry date: | 31 March 2019 £000 | 31 March 2018 £000 |
|---|---|---|
| Not later than one year | 0 | 0 |
| Later than one year, not later than five years | 0 | 0 |
| Later than five years | 0 | 0 |
| **Total** | **0** | 0 |

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 | 0 | 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 | | |
|---|---|---|
| | 0 | 0 |

The THB has no Private Finance Initiative Contracts in operation

**26. Financial risk management**

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

**Currency risk**

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

**Interest rate risk**

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

**Credit risk**

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

**Liquidity risk**

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

## 27. Movements in working capital

| | 2018-19 £000 | 2017-18 £000 |
|---|---|---|
| (Increase)/decrease in inventories | **(20)** | 3 |
| (Increase)/decrease in trade and other receivables - non-current | **2,783** | (8,684) |
| (Increase)/decrease in trade and other receivables - current | **10,107** | (5,607) |
| Increase/(decrease) in trade and other payables - non-current | **0** | 0 |
| Increase/(decrease) in trade and other payables - current | **4,072** | (897) |
| **Total** | **16,942** | (15,185) |
| Adjustment for accrual movements in fixed assets - creditors | **82** | (41) |
| Adjustment for accrual movements in fixed assets - debtors | **117** | 234 |
| Other adjustments | **0** | 0 |
| | **17,141** | (14,992) |

## 28. Other cash flow adjustments

| | 2018-19 £000 | 2017-18 £000 |
|---|---|---|
| Depreciation | **3,327** | 3,075 |
| Amortisation | **0** | 0 |
| (Gains)/Loss on Disposal | **0** | (60) |
| Impairments and reversals | **(87)** | 188 |
| Release of PFI deferred credits | **0** | 0 |
| Donated assets received credited to revenue but non-cash | **(276)** | (304) |
| Government Grant assets received credited to revenue but non-cash | **0** | 0 |
| Non-cash movements in provisions | **(6,942)** | 24,499 |
| **Total** | **(3,978)** | 27,398 |

## 29. Third Party assets

The LHB held £2,530.20 cash at bank and in hand at 31 March 2019 (31 March 2018, £460.00) which relates to monies held by the LHB on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the Accounts. None of this Cash was held in Patients' Investment Accounts in either 2018-19 or 2017-18.

## 30. Events after the Reporting Period

The LHB **has not** experienced any events having a material effect on the accounts, between the date of the statement of financial position and the date on which these accounts were approved by its Board.

## 31. Related Party Transactions

The Welsh Government is regarded as a related party. During the accounting period the Powys Teaching Local Health Board has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body:

| | Debtor @ 31 -Mar 19 | Creditor @ 31-Mar-19 | Income @ 31-Mar-19 | Expenditure @ 31-Mar-19 |
|---|---|---|---|---|
| | £'000s | £'000s | £'000s | £'000s |
| Welsh Government | 1,910 | 0 | 306,216 | 28 |
| Abertawe Bro Morgannwg University Health Board | 448 | 297 | 1,673 | 9,218 |
| Aneurin Bevan Health Board | 289 | 962 | 719 | 15,148 |
| Betsi Cadwaladr Health Board | 314 | 179 | 736 | 3,150 |
| Cardiff & Vale University Health Board | 296 | 440 | 373 | 2,032 |
| Cwm Taf University Health Board | 202 | 267 | 197 | 2,268 |
| Hywel Dda Local Health Board | 339 | 463 | 580 | 8,299 |
| Powys Local Health Board | 0 | 0 | 0 | 0 |
| Public Health Wales NHS Trust | 78 | 33 | 327 | 397 |
| Velindre University NHS Trust | 161 | 188 | 451 | 2,853 |
| Welsh Ambulance Services Trust | 43 | 185 | 53 | 1,150 |
| Welsh Health Specialised Services Committee | 49 | 289 | 43 | 34,256 |
| Health Education and Improvement Wales (HEIW) | 157 | 0 | 325 | 0 |
| Total £'000s | 4,286 | 3,303 | 311,693 | 78,799 |

Powys THB has hosted the following functions on behalf of NHS Wales on which it receives income from the Welsh Government and other LHB's:
- Residual Clinical Negligence
- Community Health Councils
- Continuing Care Case Administration
- Health and Care Research Wales (HCRW)

Powys THB also has material transactions with English NHS Trusts with whom it commissions healthcare including:
- Shrewsbury and Telford NHS Trust
- Wye Valley NHS Trust
- The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

Powys THB has also received items donated from the Powys THB Charitable Fund, for which the Board is the Corporate Trustee.

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

| Name | Details | Interests |
|---|---|---|
| Councillor Matthew Dorrance | Independent Member | Councillor, Powys County Council |
| Patricia Buchan | Independent Member | Ex Officio Trustee - Powys Association of Voluntary Oragnisations |
| Amanda Lewis | Associate Member | Strategic Director of People, Powys County Council |
| Eifion Williams | Interim Finance Director | Employee of Abertawe Bro Morgannwg University Health Board<br>Member of Finance Committee at Swansea University |
| Rhiannon Beaumont-Wood | Director of Nursing | Employee of Public Health Wales |
| Stuart Bourne | Director of Public Health | Employee of Public Health Wales |

## 31. Related Party Transactions (Continued)

The material transactions involving the related parties were as follows unless shown in the table re NHS Bodies above:

| | Payments to related party £'000 | Receipts from related party £'000 | Amounts owed to related party £'000 | Amounts due from related party £'000 |
|---|---|---|---|---|
| Powys County Council | 10,431 | 1,850 | 4,342 | 449 |
| PAVO - Powys Association of Voluntary Organisations | 743 | 0 | 171 | 0 |
| Total £'000s | 11,174 | 1,850 | 4,513 | 449 |

## 32. Pooled budgets

### A Funded Nursing Care

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 31 of the Health Act 1999. The health related function which is subject to these arrangements is the provision of care by a registered nurse in care homes, which is a service provided by the NHS Body under section 2 of the National Health Service Act 1977. In accordance with the Social Care Act 2001 Section 49 care from a registered nurse is funded by the NHS regardless of the setting in which it is delivered. ( Circular 12/2003)
The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations. The partnership agreement operates in accordance with the Welsh Government Guidance NHS Funded Nursing Care 2004.

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | ***1,064,557*** | | ***1,064,557*** |
| Powys Teaching Health Board | ***1,075,493*** | | ***1,075,493*** |
| **Total Funding** | ***2,140,050*** | | ***2,140,050*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | ***2,143,201*** | ***2,143,201*** |
| **Total Expenditure** | | ***2,143,201*** | ***2,143,201*** |
| **Net under/(over) spend** | | | ***(3,151)*** |

The above memorandum account is subject to the financial statements of Powys County Council (the Host).

### B Provision of Community Equipment

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of community equipment in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. The purpose of the agreement is to facilitate the provision of a community equipment service and the development of this service in Powys. The service is provided from a pooled fund and is within the THB's and the Council's powers.

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | ***521,000*** | | ***521,000*** |
| Powys Teaching Health Board | ***521,000*** | | ***521,000*** |
| **Total Funding** | ***1,042,000*** | | ***1,042,000*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | ***1,060,083*** | ***1,060,083*** |
| **Total Expenditure** | | | ***1,060,083*** |
| **Net under/(over) spend** | | | ***(18,083)*** |
| ***Share of overspend*** | | | ***(9,042)*** |

The above memorandum account is subject to the financial statements of Powys County Council (the Host).

### C Provision of Section 33 Joint Agreement for the provision of IT Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.
The agreement will not affect the liability of the parites for the exercise of their respective statutory functions and obligations.
Powys County Council is the lead commissioner and the host partner for the purposes of the regulations.
The purpose of the agreement is to facilitate the provision of ICT services within Powys.

| | Funding | Expenditure | Total |
|---|---|---|---|
| **Gross Funding** | £ | £ | £ |
| Powys County Council | ***2,972,865*** | | ***2,972,865*** |
| Powys Teaching Health Board | ***1,016,035*** | | ***1,016,035*** |
| Other Income | ***536,837*** | | ***536,837*** |
| **Total Funding** | ***4,525,737*** | | ***4,525,737*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | ***4,346,547*** | ***4,346,547*** |
| **Total Expenditure** | | | ***4,346,547*** |
| **Net under/(over) spend** | | | ***179,190*** |

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

## 32. Pooled budgets (Continued)

### D Provision of Section 33 Joint Agreement for the provision of a Reablement Service

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of an effective and sustainable joint reablement service which meets the needs of the Powys communities in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. This service is provided from a pooled fund and is within the THB's and the Council's powers.

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | ***413,380*** | | ***413,380*** |
| Powys Teaching Health Board | ***828,000*** | | ***828,000*** |
| **Total Funding** | ***1,241,380*** | | ***1,241,380*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | ***1,206,274*** | **1,206,274** |
| **Total Expenditure** | | ***1,206,274*** | ***1,206,274*** |
| **Net under/(over) spend** | | | ***35,106*** |

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

### E Provision of Section 33 Joint Agreement for the provision of Tier 2/3 Psycho-social Treatment Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.
The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.
The purpose of the agreement is to provide a Tier 2 and 3 service provision for drug and alcohol users and their concerned others.

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | *669,912* | | ***669,912*** |
| Powys Teaching Health Board | *121,864* | | ***121,864*** |
| **Total Funding** | ***791,776*** | | ***791,776*** |
| **Expenditure** | | | |
| Monies spent in accordance with Joint Arrangement | | 791,776 | **791,776** |
| **Total Expenditure** | | ***791,776*** | ***791,776*** |
| **Net under/(over) spend** | | | ***0*** |

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

### F Provision of Section 33 Joint Agreement for the provision of Personal Care at Glan Irfon Integrated Health and Social Care Unit, Builth Wells

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement to enable the use of resources relating to the Inpatient Services at the Glan Irfon Health and Social Centre, Builth Wells.
This agreement is in line with Section 33 of the National Health Service Wales Act 2006 and provides a coordinated approach to the commissioning, management and monitoring of these Inpatient Services.

The Service Provider, BUPA Health Care under the pooled budget will provide person centred care at the new unit, for up to 12 residents within the short stay shared care unit (max 6 weeks stay) with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | *177,249* | | ***177,249*** |
| Powys Teaching Health Board | *176,764* | | ***176,764*** |
| **Total Funding** | ***354,013*** | | ***354,013*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | 353,529 | **353,529** |
| **Total Expenditure** | | ***353,529*** | ***353,529*** |
| **Net under/(over) spend** | | | ***484*** |

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

## 32. Pooled budgets (Continued)

### G Provision of Section 33 for the provision of Services to Carers

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement to ensure the integrated provision high quality, cost effective services to Carers which meet local health and social care needs, through the establishment of a Pooled fund / non pooled but delegated to funds nder Section 33 of the National Health Service Wales Act 2016

| | Funding | Expenditure | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Gross Funding** | | | |
| Powys County Council | 236,650 | | ***236,650*** |
| Powys Teaching Health Board | 16,580 | | ***16,580*** |
| **Total Funding** | ***253,230*** | | ***253,230*** |
| **Expenditure** | | | |
| Monies spent in accordance with Pooled budget arrangement | | 253,230 | ***253,230*** |
| **Total Expenditure** | | ***253,230*** | ***253,230*** |
| **Net under/(over) spend** | | | ***0*** |

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

## 33. Operating segments

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

| | | Total Total Powys "Health" £'000 | Total Residual Clinical Negligence £'000 | Total Community Health Councils £'000 | Total Continuing Care Case Administration £'000 | Total Health and Care Research Wales (HCRW) £'000 | Consolidation Adjustments £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| | **Note** | | | | | | | |
| Expenditure on Primary Healthcare Services | 3.1 | 67,927 | 0 | 0 | 0 | 0 | 0 | 67,927 |
| Expenditure on healthcare from other providers | 3.2 | 148,167 | 0 | 0 | 0 | 0 | 0 | 148,167 |
| Expenditure on Hospital and Community Health Services | 3.3 | 87,292 | 25 | 3,935 | 1,289 | 4,882 | (76) | 97,347 |
| | | **303,386** | **25** | **3,935** | **1,289** | **4,882** | **(76)** | **313,441** |
| Less: Miscellaneous Income | 4 | 8,169 | 0 | 0 | 1,289 | 4,882 | (76) | 14,264 |
| **THB net operating costs before interest and other gains and losses** | | **295,217** | **25** | **3,935** | **0** | **0** | **0** | **299,177** |
| Investment Income | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other (Gains) / Losses | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance costs | 10 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| **THB Net Operating Costs** | | **295,224** | **25** | **3,935** | **0** | **0** | **0** | **299,184** |
| Add Non Discretionary Expenditure | 3.1 | 1,682 | 0 | 0 | 0 | 0 | 0 | 1,682 |
| Revenue Resource Limit | 2.1 | 296,971 | 25 | 3,935 | 0 | 0 | 0 | 300,931 |
| **Under / (over) spend against Revenue Resource Limit** | | **65** | **0** | **0** | **0** | **0** | **0** | **65** |

## 34. Other Information

### IFRS15

Work was undertaken by the TAG IFRS sub group, consistent with the 'portfolio' approach allowed by the standard. Each income line in the notes from a previous year's annual accounts (either 2016/17 or 2017/18) was considered to determine how it would be affected by the implementation of IFRS 15. It was determined that the following types of consideration received from customers for goods and services (hereon referred to as income) fell outside the scope of the standard, as the body providing the income does not contract with the body to receive any direct goods or services in return for the income flow.

- Charitable Income and other contributions to Expenditure.
- Receipt of Donated Assets.
- WG Funding without direct performance obligation (e.g. SIFT/SIFT®/Junior Doctors & PDGME Funding).

Income that fell wholly or partially within the scope of the standard included:

- Welsh LHB & WHSCC LTA Income;
- Non Welsh Commissioner Income;
- NHS Trust Income;
- Foundation Trust Income;
- Other WG Income;
- Local Authority Income;
- ICR Income ;
- Training & Education income ;
- Accommodation & Catering income

It was identified that the only material income flows likely to require adjustment for compliance with IFRS15 was that for patient care provided under Long Term Agreements (LTA's). The adjustment being, for episodes of patient care which had started but not concluded (FCE's), as at period end, e.g. 31 March.

When calculating the income generated from these episodes, it was determined that it was appropriate to use length of stay as the best proxy for the attributable Work In Progress (WIP) value. In theory, as soon as an episode is opened, income is due. Under the terms and conditions of the contract this will only ever be realised on episode closure so the average length of stay would be the accepted normal proxy for the work in progress value.

For Powys Teaching Health Board, the following methodology was applied to assess the value of the unaccounted WIP.

1. For 2017/18, income for inpatient activity recorded on an FCE basis was £0.586m (total income from LTA's, including WHSSC, Welsh Health Boards and Non Welsh Commissioners, was £2.200m).

## 34. Other Information (continued)

1. This related to circa 506 FCEs, with an estimated average unit cost of £1,160.
2. Most contracts still work on 25% marginal rates, however there are some cost per case contract (e.g. Orthopaedics or Thoracic Surgery). Therefore to ensure a prudent assessment of exposure, a 35% marginal rate has been determined for this calculation.
3. As such, £405 per FCE is the derived estimate for a WIP calculation.
4. Using available Business Intelligence/ Costing Information, the total open episodes at year-end and the average length of stay (ALoS) were identified.
5. This provided assumptions of a 779 day ALoS (with 54% completed) and circa 10 FCEs attributable to contracts at year-end, which lead to an adjustment calculation to align revenue recognised to the requirements of the standard:

£405 / 779 days x 442 days x 10 FCEs = £2K

**IFRS 9**

For consistency across Wales, the practical expedient provision matrix was used to estimate expected credit losses (ECLs) based on the 'age' of receivables as follows:

- Receivables were segregated into appropriate groups

- Each group, was analysed:

a) age-bands

1-30 days (including current)
31-60 days
61-90 days
91-180 days
181- 365 days
> 1 year

b) at historical back-testing dates (data points)

- For each age-band, at each back-testing date the following were determined:

a) the gross receivables
b) the amounts ultimately collected/written-off. If material, adjustments should be made to exclude the effect of non-collections for reasons other than credit loss (e.g. credit notes issued for returns, short-deliveries or as a commercial price concession)

## 34. Other Information (continued)

- The average historical loss rate by age-band was calculated, and adjusted where necessary e.g. to take account of changes in:
  a) economic conditions
  b) types of customer
  c) credit management practices

- Consideration was given as to whether ECLs should be estimated individually for any period-end receivables, e.g. because information was available specific debtors.

- Loss rate estimates were applied to each age-band for the other receivables.

- The percentages calculated have been applied to those invoices outstanding as at 31st March 2018 (which don't already have a specific provision against them) to recalculate the value of the HB/Trust non-specific provision under IFRS9.

A summary of the Impact of restating its opening balances after adopting IFRS 9 for Powys Teaching Health Board is shown below:

| | |
|---|---|
| Bad Debt Provision per 2017/18 Accounts | £0.258m |
| Bad Debt Provision restated under IFRS 9 | £0.278m |
| Overall Increase in Provisions held under IFRS 9 | £0.020m |

**BREXIT**

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

**PROPERTY PLANT AND EQUIPMENT VALUATION**

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts.

## 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