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WALES

Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

Annual Report 2019 - 2020

THE HEALTH AND CARE STRATEGY FOR POWYS 'AT A GLANCE'



WE ARE DEVELOPING
A VISION OF THE
FUTURE OF HEALTH
AND CARE IN POWYS...



To
2027
AND
BEYOND...



WE AIM TO DELIVER
THIS VISION THROUGH-OUT
THE LIVES OF THE PEOPLE
OF POWYS...



WE WILL SUPPORT
PEOPLE TO IMPROVE
THEIR HEALTH AND
WELLBEING THROUGH...



OUR PRIORITIES AND
ACTION WILL BE
DRIVEN BY CLEAR
PRINCIPLES...



THE FUTURE OF
HEALTH AND CARE
WILL IMPROVE
THROUGH...



Introduction from Chair and Chief Executive

We are pleased to introduce the Annual Report for the period 01 April 2019 to 31 March 2020. This report provides some helpful background to the organisation and its ambition for the population of Powys. It sets out how the health board has performed over the past year, with highlights of the key achievements and a review of the challenges and risks. This is shaped by the shared long-term Health and Care Strategy, A Healthy, Caring Powys.

During the period January 2020 to March 2020 the health board, along with its partners, government and communities, responded to the COVID-19 pandemic. This required a different approach to governance, planning and performance, with Welsh Government suspending official performance arrangements at the end of Quarter 3. Performance data available for the first three quarters of 2019/2020 is included in this report and local information is provided for the remaining quarter, based on the response to COVID-19.

This report gives the opportunity to publicly thank a number of stakeholders for their partnership and support during the first significant peak of the pandemic. Firstly, the role of the public in Powys has been tremendous and their efforts during the lockdown has meant that health and care services, although under pressure, have not been overwhelmed.

The role of partners such as the Third Sector and Powys County Council has been critical. Working closely in establishing the immediate response; and monitoring and acting during the first wave of the virus has been highly successful. The achievements have been considerable in light of the highly pressured environment and reflections and modifications to the approaches are taking place to embed learning and prepare for the next stage of the pandemic.

Working closely with Primary Care has been key. Colleagues across the health board and with partners in other sectors (including the independent sector – Care Homes and Domiciliary Care) have worked very hard to ensure the best possible care is provided to patients/clients, despite having to change the way the service operates at short notice.

Finally, working closely with other health boards and Trusts has brought a significant value to the preparations and actions to mitigate risk. Strong input into the Command arrangements in England as well as All-Wales working approaches, have enabled a more connected and agile approach to the emergency.



A handwritten signature in black ink that reads "Viv Harpwood".

Professor Viv Harpwood (Chair)



A handwritten signature in black ink that reads "Carol Shillabeer".

Carol Shillabeer (Chief Executive)

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About this Report

This Annual Report covers the period April 2019 to March 2020. 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 sections:

Section 1 – The Performance Report

Section 1 – The Performance Report

This section provides:

- An overview of the Powys population and the Health Board
- An analysis of performance for 2019 - 2020 including progress against the Well-being and Future Generations Act. Due to the response to the Covid-19 pandemic in Quarter Four of this period, this is in two parts:
 - Performance against the Health Board's Integrated Medium-Term Plan, Well-being Objectives and key delivery targets and outcomes up to the end of Quarter 3 (at which point the performance framework was suspended by Welsh Government due to the response to the pandemic)
 - A report on the arrangements for responding to Covid-19 which took place in Quarter Four of 2019 - 2020
- 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



Section 1

Overview

This Annual Report covers the period from the 1st of April 2019 to the end of March 2020. The first nine months of this report, up to the end of December 2019, are set out in the standard format and provide a report against the health board's work against its Integrated Medium-Term Plan for that period. This is shaped by the shared long-term Health and Care Strategy, A Healthy, Caring Powys. This sets out the well-being objectives, shared by the health board, Powys County Council and other partners in the Powys Regional Partnership Board.

During the period from January 2020 to March 2020 the health board, along with its partners, government and communities, had to respond to the COVID-19 pandemic. This required a different approach to governance, planning and performance and Welsh Government suspended the official performance arrangements at the end of Quarter 3.

Performance data available for the first three quarters of 2019/2020 is included in this report and local information is provided for the remaining quarter, based on the response to COVID-19.

Background – About Powys and its 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>.

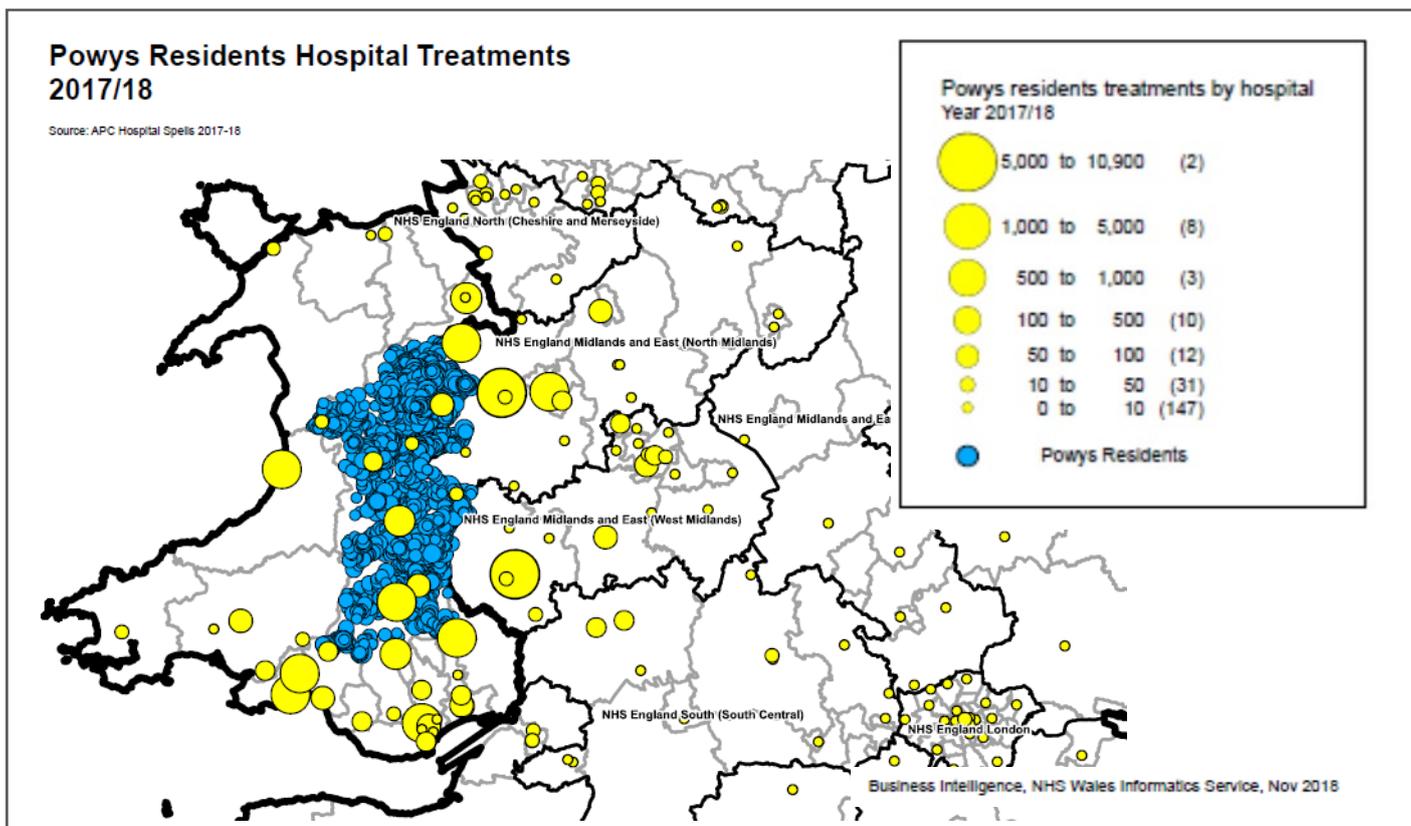
Powys Teaching Health Board is both a commissioner and a direct provider of healthcare and different to other health boards in Wales in relation to the proportion of services that are provided to the population by other health care providers.

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 and employment.

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.



Rural Powys: Population and Wellbeing Assessment

The health board is responsible for improving the health and well-being of approximately 133,000 people living in Powys.

Powys covers a quarter of the landmass of Wales, but with only 5% of the country's population – it is a very sparsely populated and rural county.

Geography and rurality make access a challenge, with residents of the county accessing acute hospital care from 15 providers around its borders across Wales and England.



A Commissioner of Services

The health board budget is around £300 million a year; with 50% spent on services that we commission; 30% on directly provided services and 20% on primary care. The largest patient flows from Powys are into the North Midlands and the West Midlands for secondary care.

Long Term Agreement Values 2018/19:

Shrewsbury and Telford NHS Trust (SaTH): £25.280M

Wye Valley NHS Trust (WVT): £14M

Aneurin Bevan (ABUHB): £11.869M

Robert Jones Agnes Hunt Hospital (RJAH): £9.155M

Swansea Bay (SBUHB): £7.954M

Hywel Dda (HDUHB): £6.973M

Betsi Cadwaladr (BCUHB): £2.107M

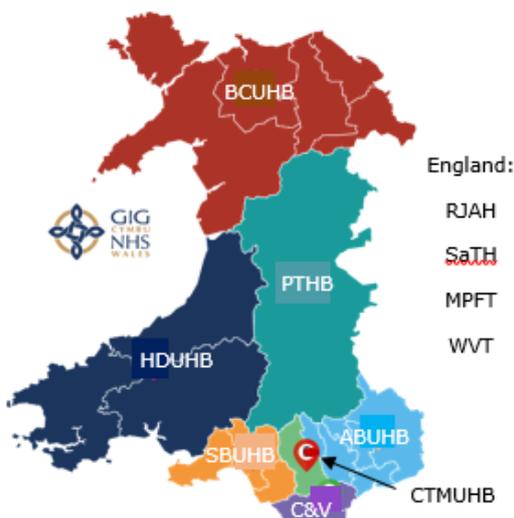
Cardiff & Vale (C&V) UHB: £1.314M

Cwm Taf Morgannwg (CTMUHB): £1.140M

Midlands Partnership Foundation Trust (MPFT): £1.101M

Velindre Cancer Trust: £1.051M

Other English: £2.698M



Primary and Community Care

Care is provided through our primary care contractors including 16 General Practices, 22 Dental Practices and 5 Community Dental Services, 23 Pharmacies and 17 Optometrists, and also through the Third Sector.

PTHB directly provides healthcare services through its network of community services and community hospitals. 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 to home.



General Practice

16 practices providing general and extended services and managing inpatient beds



Community Hospitals

Providing a wide range of outpatient, inpatient, mental health inpatient, diagnostic and theatre services



Community Services

Including therapies, mental health, district nursing midwifery, children's and learning disabilities services



Community Pharmacy

Dispensing and supporting medicines management in care home, home, GP and community hospital settings



Eye Care

Primary care optometry and accredited optometrists providing out of hospital services



Community Dentists

General dental services and more immediate and specialist procedures and services

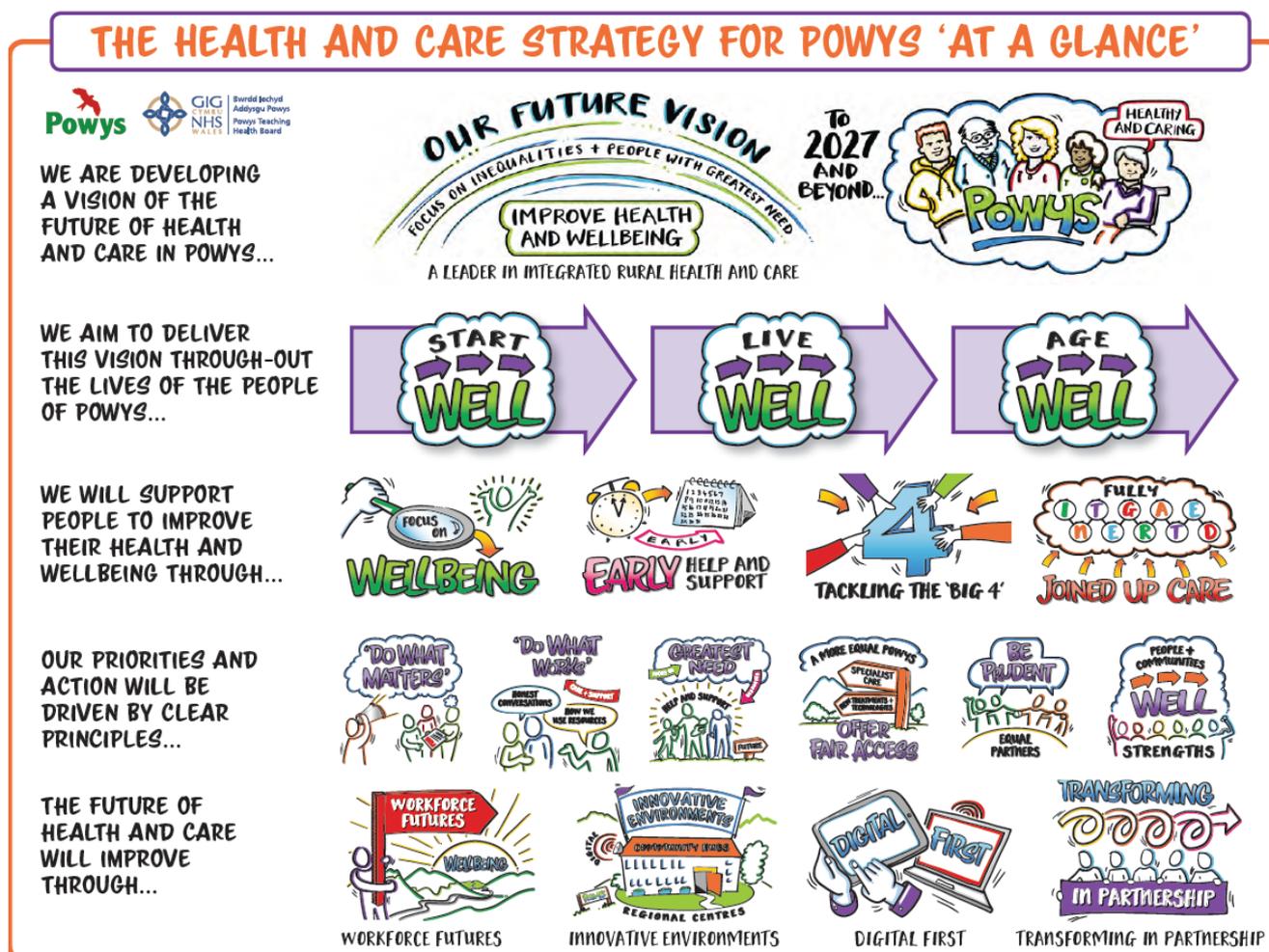
A Healthy, Caring Powys

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 set in the context of both the Social Services and Well-being (Wales) Act 2014, which set out the establishment of the Regional Partnership Board (RPB) and the Well-being of Future Generations (Wales) Act 2015, overseen by Public Service Boards (PSBs).

It was approved by the health board, the Council Cabinet and the RPB in 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, with the period 2019/2020 building on that work and strengthening key areas as noted throughout this report.

The health board's Integrated Medium Term Plan for 2019/2020 is shaped around this shared vision, principles and ambitious well-being objectives 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.

Powys Outcomes

Co-produced outcomes were developed as part of the Health and Care Strategy, informed by stakeholder feedback, national outcomes frameworks and the Powys Well-being Assessment:

Focus on Well-being

- I am responsible for my own health and well-being
- I am able to lead a fulfilled life
- I am able and supported to make healthy lifestyle choices about my mental and physical health, and well-being, for myself and my family
- I have life opportunities wherever I am and wherever I live in Powys
- My environment/community supports me to be connected and maintain health and well-being
- As a carer I am able to live a fulfilled life and feel supported

Provide Early Help and Support

- I can easily access information, advice & assistance to remain active & independent
- As a child and young person I have the opportunity to experience the best start in life
- I have easy access, advice and support to help me live well with my chronic condition

Tackle the Big Four

- I have easy access to support, information and early diagnosis
- I have early intervention and appropriate treatment
- My treatment and support is high quality, evidence based and timely as locally as possible

Ensure Joined up Care

- I have timely access to equitable services as locally as possible
- I am treated as an individual with dignity and respect
- My care and support are focused around what matters most to me
- I receive continuity of care which is safe and meets my needs
- I am safe and supported to live a fulfilled life
- I receive end of life care that respects what is important to me

Develop Workforce Futures

- Those who I need to support me are able to make decisions and respond because they are well informed and qualified. If they can't help me directly they know who can
- As a carer, I and those who I care for are part of 'the team'
- I can access education, training and development opportunities in Powys that allow me to secure and develop my skills and opportunities
- I am enabled to provide services digitally where appropriate
- I am engaged and satisfied with my work

Promote Innovative Environments

- I am part of a thriving community which has a range of opportunities for health and social care, social events and access to advice and guidance services to support my well-being
- I have access to a Rural Regional Centre providing one stop health and care shops – diagnostic, advice and guidance, day treatments, etc. which reduces unnecessary out of county travel
- I am encouraged and supported to use the great outdoors to support my well-being and care
- I am able to have my home adapted to help me to live independently and make me feel safe
- I have care in a fit for purpose environment that enhances my experience

Digital First

- I am able to find and do what I need online, such as make or change appointments, pay my bills, self-assess or reach a doctor or consultant without having to travel
- I am helped to use technology and gain access to resources to allow me to be digitally independent

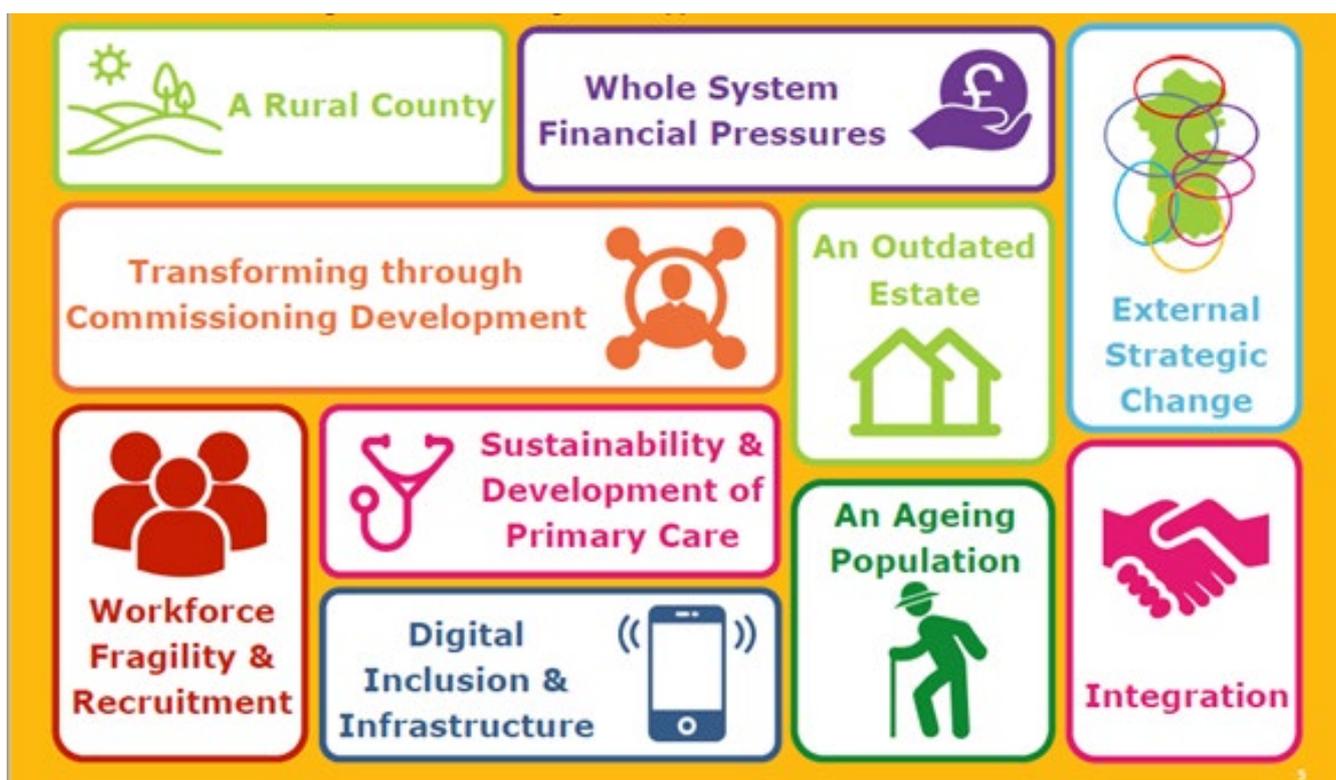
Transforming in Partnership

- As a Powys resident I 'tell my story' once and I am confident that those looking after me are working together in my best interest
- The services I receive are coordinated and seamless
- I am able to access buildings and resources shared for multiple purposes, by multiple organisations
- My community is able to do more to support health and well-being

Challenges and Opportunities

The health board had a number of challenges and opportunities in 2019 / 2020 that shaped its strategy, planning and delivery. These were identified prior to the onset of the pandemic and are reported as originally identified below.

The key challenges in Powys are set out in more detail in the health board's Integrated Medium-Term plan and the Powys Well-being Assessment, but in summary they include the rurality of the county, the historic nature of the estates, workforce pressures, the complexity of partnerships and commissioning and the need for financial balance and sustainability. These also shape the strategic opportunities for the health board and the partnerships in the rural heartland of Wales:



Quality and Standards

Many of the above factors have a common driver, which is to maintain and improve the standard of care for Powys residents. 'A Healthy Caring Powys' is our response to these challenges and reflects the drive to improve quality and sustainability of care.

Powys residents are part of multiple, complex healthcare systems and their care pathways from primary through to specialist care involve journeys across many boundaries, with multiple points of handover and care co-ordination across both Wales and England.

Powys is a county with strongly defined local areas, reflected in the three Primary Care Cluster footprints, broadly around North, Mid and South Powys. This brings an opportunity to harness energy at both a place-based level and regionally, working as part of the Powys Regional Partnership Board and Public Service Board, as well as with the wider partnerships across Mid Wales.

The work of the health board is set in a complex environment of change around our borders and across commissioned services and planned service developments which impact on Powys pathways were systematically tracked, with ongoing engagement with the Powys Community Health Council and other stakeholders.

Prior to the Covid-19 pandemic, up to the end of Quarter 3, these included NHS Future Fit programme in Shropshire, Telford and Wrekin, Clinical Futures Programme in South West Wales, the Sustainability and Transformation Partnership in Herefordshire and Worcestershire, Transforming Clinical Services Programme in Mid and West Wales and developments in Specialist provision.

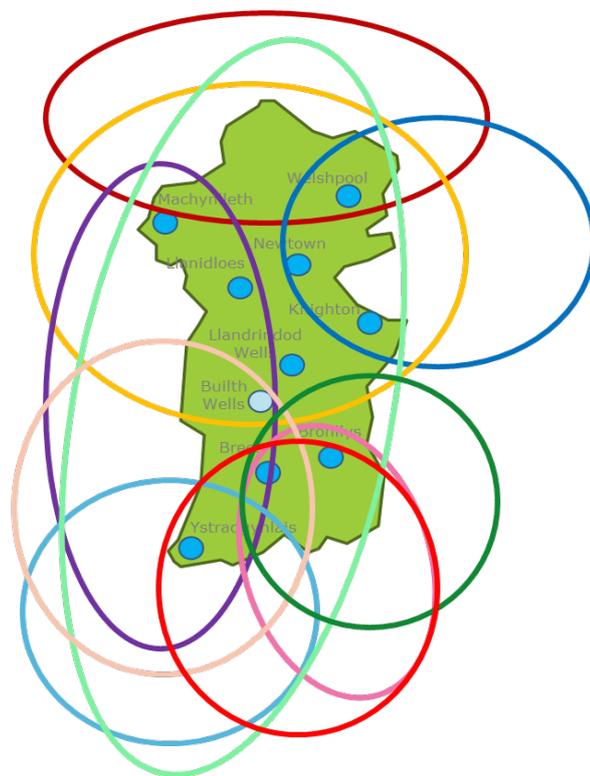
In addition are the NHS Wales Collaborative Programmes, National Delivery Plans, Shared Services, Welsh Health Specialised Services Committee (WHSSC), Emergency Ambulance Services Committee (EASC), Welsh Ambulance Services Trust (WAST) and NHS Wales Informatics Service (NWIS) work streams.

NHS England published the NHS Long Term Plan (England) in 2019 and neighbouring health bodies in England were also developing responses to this plan in the period up to the end of the Quarter 3 period in 2019.

In this context, Powys Teaching Health Board is a commissioner as much as a direct provider of services. The majority of the funding that is allocated from Welsh Government for the population of Powys, via the health board, is spent with external providers and contractors, across England and Wales. There are financial and sustainability challenges across the whole system in Wales and England, which were present prior to the Covid-19 pandemic. There remains the additional complexities which also arise from the exit from the European Union.

Key transformational schemes were planned prior to the Covid-19 pandemic, up to the end of Quarter 3 of the period of this report, including those being carried forward with the Powys Regional Partnership Board (the North Powys Well-being Programme, Workforce Futures and Digital First) and the health board's own clinical transformation work on the 'Big Four' and Primary and Community Care.

The following pages provide highlights and detailed further analysis of performance against each of the health board's well-being objectives and priorities in its Annual Plan 2019 – 2020.



Strategic Programmes around Powys
2019/2020

HIGHLIGHTS: ACHIEVEMENTS 2019-2020

Focus on Well-being

- Full implementation of maternity led flu vaccination in the 2019/2020 season and 2 separate improvement trials into flu vaccination
- Improvements in recorded MMR vaccine uptake
- Using transfer of client facing stop smoking services to improve coordination of support to smokers
- Healthy Weight: Healthy Wales – developing the local obesity pathway as part of wider work

The Big Four

- Respiratory Clinical Change Programme 'Breathe Well'
- Successful Improving Cancer Journey Implementation
- Cancer champions in all practices
- Baseline assessment of national disease plans completed
- Diabetes Plan 2019 – 2020 in place
- Stroke and Neurological Conditions Plan 2019-2020 in place
- Dementia Home Treatment Service fully operational in Powys
- New personality disorder pathway introduced
- Psychology Single Point of Access (operational April 2020)
- District nurses visiting Farmers Markets across Powys to offer a full 'health MOT' (including emotional health support) to farmers
- Suicide and Self-Harm Prevention Co-ordinator in place
- Drop in sessions and groups at Mind for farming sector
- Online CBT (Silvercloud) with self-referral functionality

Innovative Environments

- Completion of significant phase of development for Outpatients and Renal at Llandrindod Wells; programme business case in development for Phase 2
- North Powys Well-being programme will include business case for significant capital development to deliver ambition in 2020
- ISO14001 achieved with plans to improve environmental management further including progress towards carbon neutral in 2030
- Continuous improvement with audit and estates improvements and delivery

Early Help and Support

- Third sector links including Community Connectors part of the community resource team
- Healthy Schools and Pre-Schools schemes on track to achieve 2019/20 targets through 'Bach a Iach'
- Funding received from Health Education and Improvement Wales to support Health Care Support Workers
- Powys RPB joined First 1000 Days Collaborative; shared understanding importance of first 1,000 days and impact of Adverse Childhood Experiences

Joined Up Care

- Discharge to Recover and Assess (D2RA) model trialled in North Powys and scaled up across Powys
- Out of Hours Peer Review undertaken and future model agreed for an integrated urgent primary care approach
- Working with Delivery Unit on demand and capacity review for planned care
- Full engagement with the national Eye Care programme
- Catheter Care Passport implemented
- District Nurses using sepsis bundle
- Senior Nurse for Infection Control working with key teams including promotion of e-learning to increase uptake
- Clinical Quality Framework developed

Transforming in Partnership

- Commissioning Assurance Framework rolled out to include Primary Care and developed for use thematically for Maternity care
- Primary Care Cluster IMTPs developed for the first time, fully aligned to the Powys Health and Care Strategy and the health board IMTP
- Successful in securing Transformation Funding for the North Powys Well-being Programme and comprehensive engagement carried out; model of care agreed and accelerated areas of delivery underway

Workforce Futures

- A shared Workforce Futures for the Regional Partnership Board developed, following extensive engagement
- PTHB was a finalist in four of eight HPMA Wales awards, winner of 'Rising Star' award and highly commended for staff engagement through Chat to Change

Digital First

- Powys-wide self-referral model in place for Silvercloud
- Engagement with further health boards leading Silvercloud rollout across NHS Wales
- The Information Department successfully supported the implementation of the new Single Cancer Pathway (SCP)
- Telehealth Co-ordinator engaging key stakeholders including GP Practices to promote use of innovative approaches including 'Florence' virtual support app

Performance Analysis

To the End of Quarter 3, March 2019 – December 2019

Performance against The Integrated Medium Term Plan Well-being Objectives and the Annual Plan 2019 - 2020

The health board has a good track record of performance and improvement against the key outcomes and measures set by Welsh Government for healthcare.

In addition, the health board has had an approved IMTP status for five years, enabling the organisation to plan for the longer term, in collaboration with local, regional and national partners. This has enabled the development of the shared Health and Care Strategy and Well-being Objectives and sets the context for the IMTP and Annual Plan.

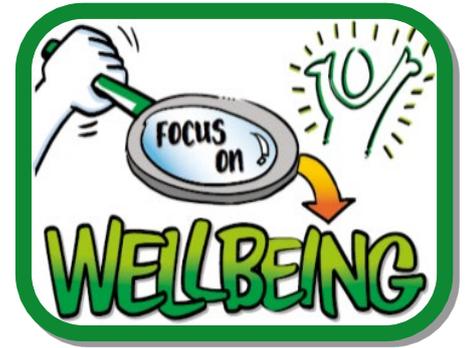
Delivery priorities in 2019/2020 were framed around the eight well-being objectives as shown below:

Focus on Wellbeing	Early Help and Support	The Big Four	Joined Up Care
<ul style="list-style-type: none"> ▪ Wider Determinants of Health (Powys PSB Wellbeing Plan 12 Steps) ▪ Health Improvement, Disease Prevention and Population Screening ▪ Information, Advice and Assistance 	<ul style="list-style-type: none"> • Primary and Community Care • Cluster Working • Connecting Communities 	<ul style="list-style-type: none"> • Cancer • Circulatory • Respiratory • Mental Health 	<ul style="list-style-type: none"> • Care Coordination and Urgent Care • Planned Care • Specialised Care • Quality and Citizen Experience
Workforce Futures	Innovative Environments	Digital First	Transform in Partnership
<ul style="list-style-type: none"> ▪ Well-being and Engagement ▪ Recruitment and Retention ▪ Workforce Design, Efficiency and Excellence ▪ Skills and Development 	<ul style="list-style-type: none"> • Capital, Estates and Facilities • Research, Development and Innovation 	<ul style="list-style-type: none"> • Digital care – Telehealth/care to support self-management • Digital Access: National ICT Programme • Digital Infrastructure and Intelligence 	<ul style="list-style-type: none"> • Good Governance • Financial Management • Planning, Performance & Commissioning • Partnership Working

Performance against Plan: Well-being Objectives

Well-being Objective 1 – Focus on Well-being

A focus on well-being is the essential foundation for 'A healthy, caring Powys'. It centres on promoting, supporting and facilitating the physical and mental well-being of people across the life course. It is about reducing avoidable ill-health and enabling people to effectively manage their health. There is a partnership approach to address the long term, wider determinants of health and behavioural risk. Reducing health inequalities is central to this approach, with an aim to strengthen health improvement and disease prevention, enabling people to make decisions and take action.



2019/2020 Priorities

- 1.1 Wider Determinants of Health – Powys Wellbeing Plan 12 Steps
- 1.2 Health Improvement, Disease Prevention and Population Screening
- 1.3 Information, Advice and Assistance

Link to National Goals and Objectives

- Aligns to National Goals 3, 4 and 6: A Healthier Wales, A More Equal Wales, A Wales of Vibrant Culture and Thriving Welsh Language
- Five Ways of Working: Key to delivery against all five
- Quadruple Aim: Aligns to Improved Population Health and Wellbeing

Powys Outcomes

Through successfully focussing on well-being, people in Powys will say:

- I am engaged in managing my own health and well-being
- I am able to lead a fulfilled life.
- I am able and supported to make healthy lifestyle choices about my mental and physical health, and well-being, for myself and my family.
- I have life opportunities whoever I am and wherever I live in Powys.
- I can easily access the information, advice and assistance to inform myself and remain active and independent
- Delivers against 'Working to achieve a healthier future for Wales, Public Health Wales, Long Term Strategy 2018-30
- Aligns to Prudent principle of 'Do only what is needed and do no harm'
- Public Health Wales Act 2017

Performance Against Well-being Objective 1 to end Quarter 3

All the milestones set in relation to Priority 1.1 Wider Determinants of Health were met as at the end of Quarter 3. These included active involvement in the Public Service Board (PSB) by the Director of Public Health, to progress strategic discussions and decision making. Public Health consultant input was also provided for the PSB Well-being Group and Working Groups.

Positive feedback was received from the Welsh Audit Office exploration of the North Powys Well-being Programme on the application of the sustainable development principle and five ways of working.

In relation to Priority 1.2 Health Improvement, Disease Prevention and Population Screening, key programmes of work were progressed with leadership from Public Health, including:

- The smoking cessation programme and the Tobacco Control Steering Group
- Childhood immunisation including the work of the Powys Vaccination Group, implementation of the Measles Catch Up Campaign and reviews of unwarranted variation in uptake. Work commenced in Quarter 3 on the development of a local action plan for implementation of the National Measles and Mumps Elimination Plan.
- The Flu immunisation programme overseen through the year by the Influenza Steering Group and full roll out was achieved in 2019 for the maternity-led flu vaccination scheme, following a successful trial scheme. A new model of flu vaccination for those over 65 years of age or those under 65 years at risk was in development aligned to Making Every Contact Count (MECC) – as at the end of Quarter 3, thirty clinical nurse specialists had been trained to vaccinate.
- Progression of an Obesity pathway with a review of local need and demand for obesity prevention and management services completed to inform consideration by Executive Committee in Quarter 3.
- A Business Case was developed for the North Powys Well-being Programme targeted prevention work which incorporates the Foundation Phase of Bach a Iach, this was approved in Quarter 3.
- Healthy Pre-schools scheme, 10 Steps to a Healthy Weight and the Healthy Weights Action Plan were also progressed to promote physical activity and healthy eating.

A quality assurance project on COVER data, a long-established vaccine coverage collection that has been running since 1987, has recently been completed in Powys which has led to improvements in the accuracy of COVER data and increases in recorded vaccine uptake in Powys and across Wales. This was a joint project between the health board, Powys Local Public Health, the Public Health Wales Vaccine Preventable Disease Programme Team and NHS Wales Informatics Service.

In relation to Priority 1.3, Information Advice and Assistance, key areas of work included Invest in Your Health, with active liaison across therapy and pharmacy services and a link to Community Connectors to promote sessions and uptake. The Making Every Contact Count training was rolled out further to staff and resources distributed. As noted above, an emphasis on those at risk of flu was built into the use of the MECC approach during Quarter 3.

Further information against national targets and outcome measures are provided later in this report.

Well-being Objective 2 – Early Help and Support

Providing early help and support is vital across the life course to manage ill health and ensure timely support is in the place. Primary and Community Care does face challenges in relation to workforce and sustainability but also occupies a unique position, providing the first point of healthcare contact for more than 90% of people using services. This presents an opportunity to make the greatest impact for early help and support, to improve access to urgent, unplanned and routine, preventative care.



2019/2020 Priorities

- 2.1 Primary and Community Care
- 2.2 Cluster Working
- 2.3 Connecting Communities

Link to National Goals and Objectives

- Aligns to National Goals 3, 4, 5 and 6 (A Healthier Wales; A More Equal Wales, A Wales of Cohesive Communities, A Wales of Vibrant Culture and Thriving Welsh Language) with further opportunities across all
- Five Ways of Working: Key to delivery against 'Long Term'; 'Integration'
- Quadruple Aim: Aligns to Improved Population Health and Wellbeing
- Aligns to Prudent principle of 'Care for those with the greatest health need first'
- Delivers against National Programme for Primary and Community Care and Primary Care Model for Wales

Powys Outcomes

- Through successfully providing early help and support, people in Powys will say;
- I can easily access support to remain active and independent
- As a child and young person I have the opportunity to experience the best start in life
- I have easy access, advice and support to help me live with my chronic condition
- The environment /community I live in supports me to be connected and to maintain my health and well-being.
- As a carer I am able to live a fulfilled life and feel supported

Performance Against Well-being Objective 2 to end Quarter 3

In relation to Priority 2.1 and 2.2, A programme has been progressed in primary and community care which has focused on strengthening access, workforce and sustainability and primary care cluster working. Key achievements to the end of Quarter 3 include:

- A rolling programme of training to support the roll out of triage and signposting including minor illness training through Welsh Universities
- 15 out of 16 practices with a telephone triage system in place and a 'Total triage' model for urgent and routine care in place in the South Cluster

- New roles developed to improve access to primary care including Pharmacist, Pharmacy Technicians and Physician Associates which have been deployed between practices in the Mid Cluster as a shared resource and a Physician Associate Development Manager appointed to mentor and develop these roles
- A Mental Health Practitioner pilot continuing in the North Cluster
- Advanced Nurse Practitioners, Physiotherapists, Mental Health staff and Unscheduled Care Practitioners are also working within GP Practices
- 9 Health Care Support Workers progressing a recognised qualification with funding from HEIW (Health Education and Improvement Wales)
- Practice Sustainability reviews completed
- The Common Ailments service available in 19 Pharmacies was providing wider access and support with 750 people seen in the period July – December 2019; an increase of 34% compared to the period January – June 2019.
- Two pharmacists in Powys are at the forefront of a further innovative approach in pharmacy, having qualified as Independent Prescribers, with a further commencing a course in 2019.
- 11 pharmacies also took part in training to be able to deliver the sore throat test and treat service in 2019
- The community pharmacy team from Boots in Newtown were the first in Powys to provide expert support into the multi-disciplinary team reviews of people in a care home setting in Machynlleth
- Over 20% of Dental Practices took part in the General Dental Services Practice Reform programme, and presentation made at PTHB Dental Conference
- A review of General Dental Service in Machynlleth and Builth Wells was carried out in 2019 and actions taken to improve access as a result, including a mobile dental clinic in Machynlleth and Foundation Dentist supporting the Builth Wells practice
- Increased digital offer including online cognitive behavioural therapy, apps for chronic condition management and self-care including 'Florence', text reminder and cancellation services, My Health Online

In relation to Primary Care Cluster Working, plans were developed in 2019, fully aligned to the shared vision and long-term strategy 'A Healthy Caring Powys' and the health board's IMTP. Delivery priorities for Cluster Plans in 2019 included:

- Rural Regional Centre and Community Well-being Hubs providing access in local areas in each Cluster
- Integrated 'Community Resource Teams' for physical, mental and social well-being; access to urgent and planned care
- Building on strong existing offer of clinical triage and use of extended and alternative roles
- Proactive case management for complex needs and care planning for those at high risk

- Improved routine and preventative care and targeted support for those with complex needs and at high risk
- Collaboration within and across Clusters – increasing number of roles being designed as a joint resource across Clusters
- Local offers for key services to address fragility of in reach for example pain management and Intrauterine Contraceptive Devices.
- Expansion of Community Dental and Eye Care offers
- Maximising use of digital tools and support
- Continued development of Sustainability Toolkit and Commissioning Assurance Framework

In relation to Priority 2.3 Connecting Communities, the health board works as part of the Regional Partnership Board on community development, the plan for carers in Powys, actions on Adverse Childhood Experiences and volunteering opportunities. The RPB joined the First 1000 Days Collaborative in 2019 and held engagement events in July 2019 to explore opportunities for improvement.

Third sector partnerships were a strong focus in 2019, with Community Connectors becoming a key part of Community Resource Teams and winter resilience planning.

Highlights to the end of Quarter 3 include the progression of the First 1000 Days initiative which included an engagement event held in November 2019 and the review of the carers' framework in 2019 as part of the work of the Carers Steering Group chaired by the health board's Director of Nursing.

The Children's Pledge was also adopted which includes a list of promises to all children and young people in Powys, based on what they said is important to them. These include providing access to information, listening to views, providing safe environments, and treating all children equally. The Pledge, which was launched in November (Children's Rights Day), forms a commitment to ensure children have equal access to our services, support and life opportunities.

Bach a Iach won the 'Early Help and Support' Award at the Powys Teaching the health board's 2019 Excellence and Long Service Awards ceremony, and the strong partnership working was highlighted. Bach a Iach was also invited to present at the Public Health Wales Annual Conference (October 2019).

An example of work carried out in 2019 was the promotion of the Welsh Government guidelines for Food and Nutrition for Childcare Settings (published in November 2018). This work built on the strong links between the Healthy Schools Team and local pre-school settings developed over recent years through Bach a Iach, and the close working partnership between Bach and Iach and Dietetics. The teams worked together to develop bespoke training for pre-school settings, with attendees able to cascade information to colleagues and parents.

Well-being Objective 3 – Tackling the Big Four

The Powys Wellbeing Assessment indicates that there are four main causes of ill health, burden of disease and premature mortality in Powys. The Health and Care Strategy aims to tackle 'The Big Four':

- Mental Health
- Cancer
- Respiratory
- Circulatory



2019/2020 Priorities

- 3.1 Mental Health
- 3.2 Cancer
- 3.3 Respiratory
- 3.4 Circulatory

Link to National Goals and Objectives

- Aligns to National Goals 3 and 4 (A Healthier Wales; A More Equal Wales) with further opportunities across all
- Five Ways of Working: Key to delivery against all five
- Quadruple Aim: Aligns to Improved Population Health and Wellbeing; Higher Value Health and Social Care
- Prudent principle 'Reduce inappropriate variation through evidence based approaches'
- Delivers against National Delivery Plan Priorities

Powys Outcomes

Through tackling the Big Four, people in Powys will say;

- I have easy access to support, information and early diagnosis
- I have early intervention and appropriate treatment
- My treatment and support is high quality, evidence based and timely as locally as possible

Performance Against Well-being Objective 3 to end Quarter 3

In the context of a complex commissioning landscape, the health board has a unique challenge to deliver value for the people of Powys, ensuring the best outcomes for patients at the best cost, addressing health inequalities and unwarranted variation.

In 2019 the Clinical Change Programme was progressed, to bring the priorities to tackle the 'Big Four' into a whole system approach spanning prevention, resilience and health inequalities. Capacity was strengthened in 2019 / 2020 to include a specialist in commissioning intelligence and a Public Health Consultant in healthcare public health.

3.1 Mental Health

2019/2020 was the last year of delivery against the national ten year strategy, *Together for Mental Health (T4MH)*. Work in the decade of the strategy has seen a cross-cutting approach with actions jointly achieved by partners, including Welsh Government, Health Boards, Local Authorities, the Third and Independent sector, Education, Public Health Wales, Police, Fire, Ambulance, people using services and those close to them. In 2019 health board and partners carried out a consultation on a new phase of delivery to extend the work to 2022. The work is overseen by the National Partnership Board and there continues to be a Local Partnership Board (LPB) in each area. In Powys the LPB is known as the Mental Health Planning and Development Partnership (MHP&DP). 'A Healthy Caring Powys' outlines local actions and outcomes for our population.

Efforts to improve access to psychological therapies resulted in a 45% decrease in those waiting since April 2019 to the end of 2019 and there were also reductions in those waiting more than 26 weeks, with 5 people in this category at the end of Quarter 3. The on-line CBT Service Silver Cloud (blended with face to face counselling) offered greater access and a new service was developed for complex trauma and personality disorder with specialist staff recruited in 2019/2020. Skill development of current staff with new interventions and specialist skills was also progressed to ensure access to the best and latest quality therapeutic tools.

Referrals into the Mental Health service increased in 2019 and as a result the target for people to receive a therapeutic intervention within 28 days was not achieved, however the target to receive an assessment in 28 days was achieved and liaison with GP practices was undertaken to identify referrals suitable for Tier 0 services and Silvercloud.

Other areas of the mental health measure were achieved in 2019, with 100% of people assessed within Part 3 of the Mental Health measure sent a copy of the outcome of their assessment within 10 days and 96.4% of those people who require a care and treatment plan having one in place.

The Early Intervention in Psychosis service was co-designed with users and family members, based on lived experience, and funding secured to establish the service with roll out underway across Powys. Funding was also secured for a co-ordinating post for Suicide and Self Harm reduction to deliver the priorities in the Suicide Prevention Plan (Talk to Me 2).

Social prescribing has been an increasing area of focus, in areas such as "Arts in Health", "Green Prescribing" and "Eco-therapy" related projects provided by our partners in the Third Sector, County Council's Countryside Services, National Park Authorities, Natural Resources Wales and Wildlife Trusts.

The Child and Adolescent Mental Health Service (CAMHS) moved to the Mental Health Directorate in 2019 and prioritised delivering integrated services, developing emotional health and resilience for young people and a single point of access. Funding was received through the Regional Partnership Board (RPB) to develop a virtual emotional health and wellbeing service, bringing together partners such as children's social services, youth services, and Xenzone (counselling service and education).

Mental Health transformation funding has been utilised to develop increased support through primary mental health care workers in schools, developing links with children's social services to provide dedicated consultation and training to staff.

The work of the Crisis Care Forum has gathered momentum in 2019/2020 and Powys continues to lead on the Integrated Risk Intervention Support (IRIS). This unique multi-agency approach to case management and review has proven invaluable in providing specialist support for people at risk.

A joint action plan for Veterans mental health has been delivered throughout 2019 including establishing links with Community Connectors to promote access and support. The health board works with the Powys Armed and Ex Forces Forum multi agency group to ensure that health issues relating to the Armed Forces Covenant are appropriately reflected and there is continual improvement across services.

There was a continued strong focus on the involvement of people who use mental health services and their parents and carers. Individual representatives of people using services are active members of the Partnership and provide feedback from local networks and from national forums and partnerships. The Engage to Change group seeks to resolve issues raised and use these to improve services. In 2019/2020, the group conducted a survey of people using mental health services in Powys and used the findings to make changes, such as updating patient information provided in relation to Part 3 of the Mental Health Measure.

Dementia

The health board is working to achieve the themes within the Dementia Action Plan for Wales 2018 – 2021 overseen by the Powys Dementia Leads groups. Progress is reported to Welsh Government bi-annually in detail.

Achievements include collaborative work with third sector partners to raise awareness in local communities; there are currently twelve towns working towards becoming dementia friendly in Powys. Examples of initiatives across the county include Dementia Friends sessions, Virtual Dementia tour bus and Dementia Matters meeting centres which are now open in Ystradgynlais, Brecon, Llandrindod Wells and Newtown. These Centres offer support, education and activities that are led by the people who attend.

Intergenerational projects continued with Schools across Powys and work with General Practices included a project to raise awareness about dementia using the electronic screens is being developed in one area.

Hospitals continue to use the Butterfly Scheme and John's Campaign to support the recommendations in the Royal College of Psychiatry National Audit of Dementia Care in general hospitals.

The Dementia Home Treatment team in South Powys commenced in November 2019 following the successful pilot in North Powys. Its purpose is to provide rapid assessment, treatment and review; to reduce the need for hospital admission, and to enable the patient to be assessed and supported in their usual place of residence.

Substance Misuse

In relation to Substance Misuse, actions overseen by the Powys Area Planning Board for 2019/2020, included:

Securing funding from Welsh Government to focus on Harm Reduction across agencies to reduce the instances of harm across people living with substance misuse and mental health distress

Obtaining further funding for two new posts providing additional support to people who are living with complex needs in relation to substance misuse and mental health distress, working with Community Mental Health Teams, Police, Social Services and the Third Sector to coordinate care and support for people

Further capacity has been augmented by securing funding for four posts, based in the Third Sector, looking at complex care needs for people with mental health, substance misuse and housing issues.

Jointly looking at the need for an independent "Clinical Audit" of the currently commissioned service to determine what is working well and what could be improved in currently commissioned substance misuse services.

3.2 Cancer

The Improving Cancer Journey Programme was launched in April 2019 with appointments into key posts for programme management, communications and engagement. The first phase of this was underway including a review of good practice and the production of a Draft Governance Framework.

The Macmillan lead nurse role incorporates Cancer and End of Life Care and key activities in this period have included the delivery of oncology and palliative care education programmes and the launch of the Macmillan Cancer Quality Toolkit.

The Powys Cancer Partnership Group was refreshed in November 2019 with a key role to implement the Single Cancer Pathway, with leadership from the Medical Director.

In relation to the Single Cancer Pathway, an integrated information system was established to enable cancer waits tracking and the functionality for operational teams to enter urgent suspected cancer referrals and record incidental findings. This utilisation of the WPAS system was a significant development in 2019. It will enable the health board to evidence the importance of rapid diagnosis procedures and early cancer care.

Single Cancer Pathway (SCP) performance summary (2019 period)

- 199 patient pathways recorded April to October 2019 with a suspicion of cancer on WPAS using the new integrated cancer waits system (CWS)
- In this period 197 patient pathways have been closed
- 46 pathways (23%) tertiary referred out of the provider for further care
- Patients wait less than 12 days on average for a diagnostic endoscopy procedure
- Of the 151 downgrades 52% occurred within 28 days optimal pathway period
- Predominately, delays over the 28 day period for downgrade are linked to pathology and CT/MRI waits/reporting
- Further rollout of tracking planned with use of PTHB developed Incidental findings E-Form to robustly ensure all start points are captured accurately

Monitoring of performance and quality of provision of cancer care services for both directly provided and commissioned services was delivered through the health board's Commissioning Assurance Framework.

- English cancer performance now utilises multiple sources to provide assurance which flow into the health board Commissioning Assurance process.
- With the challenges around data access the process has changed to use main provider reports which include harm reviews and further utilise the English Digital Cancer Waiting times reports.
- These reports show the providers performance for all patients including Powys residents and their adherence to English targets. All Powys responsible patient breaches are reported with individual pathway breakdowns and harm reviews.

3.3 Respiratory

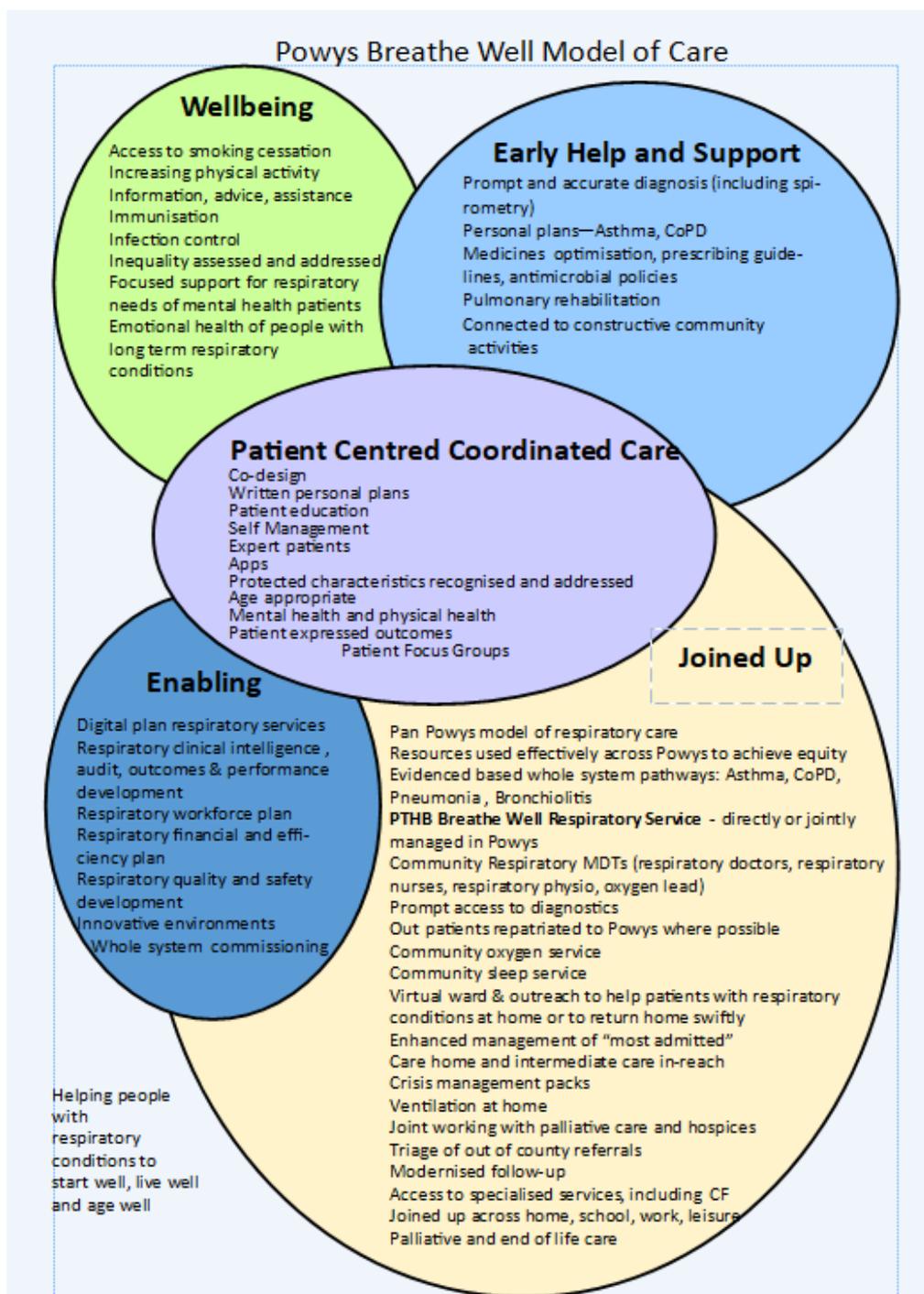
The Breathe Well programme was established in 2019 with a Programme Board overseeing a phased implementation plan, and a Transformation Programme Manager was appointed and commenced work in Quarter 3.

The programme is clinically led by the Medical Director with two key streams: adult and children.

Phase 1 was commenced in 2019 and an impact assessment was completed for the programme against Essential Standards, to inform the priorities in the programme implementation plan.

Key initiatives progressed in 2019 included:

- Adult Outpatient review of 144 referrals in Mid Powys completed; indicated 99% of outpatient care could be delivered in Powys; (47) 33% were sleep referrals and (8) 5.6% required advice only.
- Impact assessment underway to determine the extent of possible Outpatients modernisation and repatriation to Powys (whole model - but including physiology, sleep service and medical staffing).
- Pilot pre-hospital response to 999 respiratory patients in South Powys developed in conjunction with Welsh Ambulance Services and funded by EASC (Emergency Ambulance Services Committee) – to include respiratory specialist nurse and paramedic in rapid response vehicle; evaluation to be supported by National Collaborative Commissioning Unit (NB due to commence in February 2020 however arrangements under review due to Covid-19 pandemic response)
- A joint Pharmacy Project with Aneurin Bevan University Health Board focused on respiratory reviews and support to improve inhaler technique
- A Senior Pharmacist undertaking a Respiratory Diploma
- Completion of a Community Respiratory Team review of oxygen requirements



3.4 Circulatory

The extension of the clinical change transformation approach, commenced with the Breathe Well programme noted above, was rolled out to include circulatory at the end of 2019 and a Programme Manager commenced work in December 2019.

The initial phase of work included service mapping and baseline assessment against the Essential Standards for circulatory conditions and National Delivery Plans, encompassing heart conditions, diabetes, stroke and neurological conditions and care. The outcomes were being used to inform the Project Plan and Milestones.

Oversight of the Diabetes Plan 2019/2020 was carried out through the Powys Diabetes Planning and Delivery Group and key activities included structured

education, to increase the uptake of people with diabetes and provide them with the tools and techniques needed to effectively manage their conditions with the appropriate support of healthcare professionals.

The Stroke and Neurological Plan 2019/2020 is similarly overseen by a Powys Action Plan Group and was delivered on track with a focus on rehabilitation and service development in 2019. Moving on after stroke self management programmes in place and Neuro Cafes providing peer support to stroke survivors, in partnership with the Stroke Association.

The health board has contributed to national and regional programmes of work including providing evidence for the All Party Review of Stroke Services, engagement in the Herefordshire and Worcestershire Stroke Programme, NHS Future Fit in Shropshire, Telford and Wrekin and the ARCH programme in West and South West Wales.

The health board was also engaged in the national work 'Building a Healthier Wales' which incorporates primary prevention of chronic disease, behavioural and clinical risk.

In addition, a comprehensive stocktake exercise was carried out in Quarter 3 and submitted to Welsh Government, across all of the national condition specific areas, contributing to the All Wales review of progress against the National Delivery Plans.

Well-being Objective 4 – Joined Up Care

Providing Joined Up Care in Powys requires a whole system approach, for commissioned and directly provided services and population needs. Collaboration across boundaries is essential as residents in Powys access urgent, planned and specialised care across a wide geography spanning North, Mid and South Wales, the West Midlands and North of England.



2019/2020 Priorities

- 4.1 Care Co-ordination and Urgent Care
- 4.2 Planned Care
- 4.3 Specialised Care
- 4.4 Quality and Citizen Experience

Link to National Goals and Objectives

- Aligns to National Goals 3, 4 and 5 (A Healthier Wales; A More Equal Wales, A Wales of Cohesive Communities)
- Five Ways of Working: Key to 'Integration'; 'Collaboration' and 'Involvement'
- Quadruple Aim: Aligns to Improved Population Health and Wellbeing; Better Quality & More Accessible Health and Social Care Services
- Aligns to Prudent principle 'Public and Professionals are Equal Partners through Co-production'
- Delivers against National Programmes for Planned Care and Unscheduled Care and Transformational Model of integrated, seamless services

Powys Outcomes

Through Joined Up Care, people in Powys will say:

- I have timely access to equitable services as locally as possible
- I am treated as an individual with dignity and respect
- My care and support are focused around what matters most to me
- I receive continuity of care which is safe and meets my needs
- I am safe and supported to live a fulfilled life

Performance Against Well-being Objective 4 to end Quarter 3

'A Healthy Caring Powys' aims to bring care closer to home wherever possible with access to wider networks as required for the whole pathway of care.

Care Co-ordination and Urgent Care

In relation to Priority 4.1, care co-ordination and urgent care, the health board took forward a number of targeted initiatives in 2019 including progressing the Discharge to Recover and Assess model, Home First initiative, Patient Flow and Co-ordination and Community Resource Teams.

Specific areas of work included:

- The introduction of the 'Plan for Every Delay' system with case management of each patient
- The introduction of a Delayed Transfer of Care dashboard to track and report on system delays on a weekly basis
- Consistent high performance in Minor Injuries Units
- Winter monies via the Regional Partnership Board focused on impact to benefit flow and alternatives to domiciliary care
- Collaborative work also included care homes admission avoidance, community falls avoidance, and minor injuries support during winter
- WAST red performance was an area of concern and the health board oversaw actions at Chief Executive level of escalation, including working with Welsh Ambulance Services to use a business information tool to target improvement
- Delayed transfers of care (DTOCs) also posed challenges but there was improvement and a consistent reduction as a result of the work noted above – refer to performance against measures later in this report for figures.
- A Peer Review of Out of Hours care was undertaken in November 2019, which informed improvements to the model and the endorsement of an integrated urgent primary care approach.

The **winter resilience plan 2019/2020** was developed with key partners including GPs, Welsh Ambulance Services, Powys County Council and PAVO.

It builds on lessons learnt and set out the plan for 2019 (which was prior to the impact of the Covid-19 pandemic).

It is set in the context of the All Wales Delivery Framework.

Key areas of work included:

- Additional escalation bed capacity
- Mental health bed capacity
- Direct allocation to GP practices (30% of PtHB allocation)
- Discharge to recover and assess (Powys wide) including additional social work input and third sector
- Catheter care home training
- Domiciliary care capacity

Further information on performance against the key national measures for urgent care is provided later in this report.

Planned Care

In relation to Priority 4.2 Planned Care the health board consistently achieved referral to treatment targets for its own directly provided services despite some fragility with in-reach provision and some challenges in directly provided services.

For Commissioned services the picture is complex and monitoring, up to the end of Quarter 3, was carried out via the Commissioning Assurance Framework, with reporting and actions transacted via the CQPRM process (Contracting, Quality, Performance Reporting Meetings).

The health board engaged in the National Planned Care arrangements including the Planned Care Board and task and finish groups for a range of areas such as endoscopy, glaucoma and ophthalmology. A review against the National Planned Care Programme was completed in December 2019 and identified key areas of development including ophthalmology, ENT (Ear, Nose and Throat) and Dermatology.

In April 2019 the health board were awarded another year of JAG (Joint Advisory Group) accreditation for the Endoscopy unit in Brecon. The health board remains one of only six units in Wales (out of a total of 20) to gain this accreditation.

The health board worked with the National Programme for Eye Care to map the complexity of care for Powys residents as part of the work on the Electronic Patient Record (EPR). A baseline assessment was completed in November 2019. An Optometry Advisor was appointed in November 2019 and an Ophthalmology Clinical Lead role was in development for the Mid Wales region in Quarter 3.

Other key initiatives underway to the end of Quarter 3 included a pharmacy led osteoporosis scheme, a fracture liaison service in the Mid Powys Cluster and expansion of the pain management service to deliver more care in Powys following pathway changes by a commissioned provider.

A demand and capacity modelling exercise was underway with the Welsh Government Delivery Unit, taking into account the complexity of pathways and provision for Powys residents.

The health board worked with the Welsh Endoscopy programme to model demand and capacity for this speciality and understand the areas of underlying capacity gaps. An outline Endoscopy Plan was submitted in December 2019.

Digital solutions were being increasingly introduced including the use of skype for outpatients' appointments and the use of apps including 'Florence' to support self care for those with chronic conditions.

In relation to the programme of work for the strategy on Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV), work was underway to incorporate changes to the regional framework and rollout of the Group 2 Training was completed in line with the National Training Framework, with 113 professionals attending and completing. Phase 1 of the Sexual Assault Referral Centre (SARC) Project was approved in 2019 and implementation underway as at the end of Q3.

There was a focus in 2019 on Non Emergency Patient Transport, including supporting the All Wales arrangements to transfer this to a national provider and procurement processes being led by two of the neighbouring areas in England which the health board supported as a commissioner.

Further information is provided on key national measures for timely care including referral to treatment times are provided later in this report.

Specialised Care

In relation to Priority 4.3 Specialised Care, the health board participates in the Management Group and Joint Committee arrangements for the Welsh Health Specialised Services Committee (WHSSC), to oversee delivery of the Integrated Commissioning Plan (ICP) for 2019/2020.

A particular focus in the later part of 2019 was the development of the Integrated Commissioning Plan (ICP) for 2020/ 2021 and the alignment with the health board's Integrated Medium Term Plan.

The health board carried out a review of patient flow data to understand the equity of provision for Powys residents in relation to specialised care and clarify the complex pathways particularly in the Midlands in England.

Quality and Citizen Experience

In relation to Priority 4.4 Quality and Citizen Experience, please refer to the separate Annual Quality Statement for the full information. Key data is also provided on national outcomes and measures later in this report.

Quality is a watchword in the NHS and is a clear expectation in a '*A Healthier Wales: our Plan for Health and Social Care*' (Welsh Government, 2018). It is at the heart of our Integrated Medium Term Plan and our Annual Plan. In the widest sense, in relation to the determinants of health, it is embedded into the '*A Healthy, Caring Powys*' with a clear commitment to high quality services and positive patient and citizen experience. Working with citizens, patients and carers is key to improve services, experience and outcomes of care and treatment.

The Health and Social Care (Quality & Engagement) (Wales) Bill includes a duty to secure quality in health services, whatever the setting. As a provider and commissioner of services this is particularly important for Powys Teaching Health Board.

Work was completed in 2019 on the PTHB Clinical Quality Framework and it was approved in January 2020. This has the vision of '*Systematic, clinically-led, continuous and sustained, year-on-year improvement in the quality of clinical care provided by Powys Teaching Health Board*'. The implementation of the framework will further improve and assure the quality of care and provide a toolkit of improvement methodologies for use across the health board and in partnership with our key stakeholders, including people using the services and the residents and communities of Powys.

Well-being Objective 5 – Workforce Futures

Workforce Futures remains an essential enabler to deliver 'A Healthy Caring Powys', across directly provided services and commissioned services. It requires an agile workforce with transferrable knowledge, skills and competencies to adapt to new and enhanced roles and ways of working, with greater integration and collaboration, working with the Regional Partnership Board and Public Service Board.



2019/2020 Priorities

- 5.1 Well-Being and Engagement
- 5.2 Recruitment and Retention
- 5.3 Workforce Design, Efficiency and Excellence
- 5.4 Skills and Development

Link to National Goals and Objectives

- Aligns to National Goals 2, 3, 5 and 6 (A resilient Wales, A Healthier Wales; A Wales of Cohesive Communities, A Wales of Vibrant Culture and Thriving Welsh Language) with further opportunities in Goals 4 and 7 in particular
- Five Ways of Working: Key to 'Long Term'; 'Integration' and 'Collaboration'
- Quadruple Aim: A Motivated and Sustainable Health and Social Care Workforce
- Prudent principle 'Public and Professionals are Equal Partners through Co-production'
- Delivers against National HEIW Vision and Workstreams

Powys Outcomes

Through workforce futures, people in Powys will say:

- Those who I need to support me are able to make decisions and respond because they are well informed and qualified. If they can't help me directly they know who can.
- As a carer, I and those who I care for are part of the team.
- I can access education, training and development opportunities in Powys that allow me to secure and develop my skills and opportunities.
- I am enabled to provide services digitally where appropriate.
- I am engaged and satisfied with my work.

Performance Against Well-being Objective 5 to end Quarter 3

During 2019/20 the health board has progressed the Workforce Futures Programme at pace. This is a key enabler of the Health and Care Strategy, which aims to create a 'Healthy, Caring Powys' between now and 2027. The Workforce Futures programme has focused on developing a Health and Care Strategic Framework, the first example of this approach in Wales. It was developed with the people of Powys and partners of the Regional Partnership Board, including representatives from social care, health, the voluntary and independent sectors. Over 300 people were engaged with as part of the development of the framework.

In relation to Priority 5.1 Well-being and Engagement, there was a focus on the provision of support and activities for well-being. Chat2Change continued to play an

important role in engagement with staff on the outcome of the staff survey and the associated development of the organisation and staff well-being initiatives.

Improved access was put in place for key mechanisms including the Counselling service, occupational health and a review of the Stress and Well-being Policy.

The Silvercloud offer was promoted to staff to provide support in relation to psychological well-being and self-referral was in place as at the end of Quarter 3. A series of staff roadshows were also held in 2019, supported by Chat2Change, Health and Safety, Leisure and Libraries and PAVO (Powys Association of Voluntary Organisations).

A monthly calendar of health and well-being campaigns was promoted through Powys Announcements and Well-being boards and amongst the campaigns that the health board promoted were World Mental Health Day; Time to Talk; Flu campaigns; Alcohol Awareness and Dry January; Time to Change.

An Executive Development programme was carried out in 2019 with the University of South Wales who produced an observation report to inform themes to support future organisational development.

In relation to Priority 5.2, Recruitment and Retention, an annual action plan was on track and key areas of delivery included:

- Health Care Support Worker apprenticeships- two appointments made, one for the health board and one for Powys County Council, with an additional appointment to business administration
- Charitable Funds secured for external marketing of 'Step into Health' to maximise recruitment from the armed forces community
- Roster efficiencies being tracked using an Insight reporting system
- Working with the Nursing Directorate to review establishments
- Targeted recruitment events based on supply and demand of the Temporary Support Unit (TSU)
- Armed Forces Covenant and Dying to Work pledge signed
- Fast track process agreed for nurse recruitment and student streamlining

In relation to Priority 5.3, the health board progressed an Organisational Change Process 'Best Chance of Success' aimed at achieving alignment across the long term strategy 'A Healthy Caring Powys' and the organisational structure. A Job Evaluation Policy and Procedure was reviewed and published and the new authorisation process is in place, with Disclosure and Barring Service checking as part of the request process.

The Phase 2 Nursing Cadet scheme was continuing within the health board and further actions to strengthen monitoring and compliance with the National Staffing Act, including collation of Provided and Commissioned Services information. Powys Birth Rate Plus self-assessment was also completed.

In relation to Priority 5.4, a clinical skills delivery programme was in development, to incorporate venepuncture, basic life support and Intravenous Therapy. A comprehensive Operational Managers programme was also designed and had commenced in Quarter 3.

Well-being Objective 6 – Innovative Environments

Innovative environments are essential to deliver 'A Healthy Caring Powys'. This is partly about safe, effective and sustainable physical environments and facilities for patients and for working. It is also about fostering the space for innovation and taking forward bright ideas to support the delivery of our vision. There is a short term, medium term and longer term programme of capital developments, facilities management and research and development.



2019/2020 Priorities

- 6.1 Capital, Estates and Facilities
- 6.2 Research, Development and Innovation

Link to National Goals and Objectives

- Aligns to National Goals 2, 3, 5, 6 and 7 (A resilient Wales, A Healthier Wales; A Wales of Cohesive Communities, A Wales of Vibrant Culture and Thriving Welsh Language, A Globally Responsive Wales)
- Five Ways of Working: Key to 'Long Term' and 'Integration'
- Quadruple Aim: Higher Value Health and Social Care; Better Quality and More Accessible Health and Social Care Services
- Aligns to Prudent 'Public and Professionals are Equal Partners through Co-production'
- Delivers against National Capital programme and partnership working via ICF

Powys Outcomes

Through innovative environments, people in Powys will say:

- I am part of a thriving community which has a range of opportunities for health and social care, to support my well-being
- I have access to one stop health and care which reduces unnecessary out of county travel
- I am encouraged and supported to use the great outdoors to support my well-being and care
- I am able to have my home adapted to help me live independently and make me feel safe
- I have care in a fit for purpose environment that enhances my experience

Performance Against Well-being Objective 6 to end Quarter 3

The PTHB Capital Programme covers three areas of capital expenditure and a range of works, encompassing estates works and equipment:

- Discretionary capital which is allocated to the health board for use on projects based on project need and focused on organisational and estates compliance. The assessments are risk based and appraise health and safety, business criticality, audit and statutory compliance and consideration against the sustainable development principle.

- All Wales Capital Funding which is subject to specific bids for project works or equipment. This can range from specific equipment requests to full business case submissions for major refurbishments or new build projects.
- Integrated Care Funding which is subject to partnership bids for integrated working between social services, health, housing and the voluntary and independent sectors.

The PTHB Capital Programme sets out specific priorities and projects at the commencement of the year and this is reflected in the Integrated Medium Term Plan, this includes a schedule of intended business cases over a three year horizon and more specific projects annually. Some of these are already in approval status and others are included as part of the overall ambitions of the health board, subject to successful submission of bids and cases.

The Project Pipeline is used throughout the year to capture the wider range of works and activity such as scheme funding from charitable sources/ league of friends groups/ revenue and primary care sources.

This is set in the context of a challenging estates infrastructure, in particular in relation to the age profile of the estates and the related maintenance requirements. PTHB has an estate with an overall profile that is considerably older in build than other comparators across NHS Wales.

Capital Programme Priorities in 2019 were delivered as follows:

- Llandrindod Wells Community Hospital: delivery of phases for Birthing, Dental, Renal and Outpatients by December 2019
- Bro Dyfi Community Hospital, Machynlleth: Pre-construction phase - Design and Build Lead appointed and progression of Full Business Case resubmission to Welsh Government
- Llanfair Caereinion Medical Practice –as per agreed programme on track
- Anti-ligature works for Mental Health sites across Powys and exploration of funding availability
- North Powys Well-being Programme includes capital development as part of a wider partnership transformation programme; Programme Business Case stage in development; reporting to the Regional Partnership Board

A modernisation programme was progressed in 2019 to deliver facilities improvements including a review of waste and recycling; catering and transport. This included improvements to security arrangements across hospital sites. Other improvements included hand hygiene facilities; recycling and staff catering efficiencies and cost recovery.

In relation to estates maintenance and sustainability, including the achievement of ISO14001, please refer to the separate report later in this document.

In relation to Priority 6.2 Research, Development and Innovation, a proposal was developed to take forward the Research and Innovation Hub as part of the Medical Directorate and a strengthened innovation portfolio. A health board wide approach to patient reported outcomes and experience was also in development as at the end of Quarter 3.

Well-being Objective 7 – Digital First

Digital First for Powys is a conscious shift in our approach to utilising new technologies to support healthcare. It is using technology to improve services and achieve better outcomes. As many residents have to travel outside Powys for healthcare, digital solutions are key to providing care closer to home. Digital solutions and innovations are key to a sustainable health care approach, enabling self-care and more effective services.



2019/2020 Priorities

- 7.1 Digital care – Telehealth and telecare to support patient self-management
- 7.2 Digital Access: Implementation of the National ICT Programme
- 7.3 Digital Infrastructure and Intelligence

Link to National Goals and Objectives

- Aligns to National Goals 2, 3 and 4 (A resilient Wales, A Healthier Wales; A More Equal Wales) with further opportunities across 5,6 and 7
- Five Ways of Working: Key to 'Long Term' 'Integration' 'Collaboration'
- Quadruple Aim: Better Quality and More Accessible Health and Social Care Services
- Aligns to Prudent principle of 'Public and Professionals are Equal Partners through Co-production'
- Delivers against National ICT Programmes / Aligned with NWIS Programme

Powys Outcomes

Through Digital First, people in Powys will say;

- I am able to find and do what I need online, such as make or change appointments, pay my bills, self-assess or reach a doctor or consultant without having to travel
- I am helped to use technology and gain access to resources to allow me to be digitally independent
- We have an effective and safe technology infrastructure that supports residents

Performance Against Well-being Objective 7 to end Quarter 3

The Digital First programme is a complex and extensive area of work encompassing Projects and Programmes across all three priorities of Digital Care, Digital Access and Digital Infrastructure and Intelligence.

In relation to digital care, the key reporting areas are telehealth and telecare developments. Highlights in 2019 include the development of online, text and app based support; virtual in reach and roll out of e-approaches to care including cognitive therapy. A telehealth co-ordinator is in place who is supporting increased adoption and concurrency of users; and the evaluation of impact. Silvercloud continues to be rolled out within Powys and across Wales and work commenced on the welsh translation functionality in 2019.

In relation to Digital Access, there is a programme of work to implement the systems which will improve access, care co-ordination, referral and diagnostics. The programme incorporates the roll out of WCCIS (Welsh Community Care Information System); WCCG (Welsh Clinical Communications Gateway); WNCR (Welsh Nursing Care Records) and WCP (Welsh Clinical Portal). The roll out of these is complex nationally and locally and involves testing and refinement of updates and releases to resolve issues and progress functionality. For Powys there are additional complexities in relation to the interface and interoperability with English NHS systems and this forms part of the programme of work.

The development of Digital Infrastructure and Intelligence is similarly complex and encompasses information storage and hosting; security and recovery; back up and archiving; connectivity and skill development. A Data Centre programme was under construction as at the end of Q3 alongside the individual concept, project and business cases. Key developments in relation to user interfaces include the rollout of Office 365 which commenced in 2019 and the update to Windows 10.

Well-being Objective 8 – Transforming in Partnership

There is a strong platform of collaboration in Powys. Building on this requires a balance between robust organisational governance and innovative partnership. This includes embedding the principles of prudent and value based healthcare. This final Well-being Objective brings the Powys picture back to the unique characteristics of the county, and the unique position of Powys as a commissioner as well as a direct provider, in a complex environment.



2019/2020 Priorities

- 8.1 Good Governance
- 8.2 Financial Management
- 8.3 Planning, Performance and Commissioning
- 8.4 Partnership Working

Link to National Goals and Objectives

- Aligns to National Goals 3, 5, 6 and 7 (A Healthier Wales; A Wales of Cohesive Communities, A Wales of Vibrant Culture and Thriving Welsh Language, A Globally Responsive Wales) and further opportunities across 1,2 and 4
- Five Ways of Working: Key to 'Long Term' 'Integration' 'Collaboration'
- Quadruple Aim: Higher Value Health and Social Care; Better Quality and More Accessible Health and Social Care Services
- Aligns to Prudent principle of 'Public and Professionals are Equal Partners through Co-production'
- Delivers against National Efficiency Framework, Value Based Health Care; WHSCC and EASC Programmes with links to All Wales / NHS England commissioning

Powys Outcomes

Through Transforming in Partnership, people in Powys will say;

- I can tell my story once
- I am confident that those looking after me are working together in my best interest
- The services I receive are co-ordinated and seamless
- I am able to access buildings and resources which are

Performance Against Well-being Objective 8 to end Quarter 3

Good Governance

In relation to Priority 8.1 an Annual Governance Programme has been delivered in 2019 which saw an update of the Board Development Plan and Scheme of Delegation, with a renewed Board and Committee Structure put in place.

Priorities for Improving Organisational Effectiveness 2019-2021 (approved by Board May 2019)	
Culture	<ul style="list-style-type: none"> Assessment of Culture Mature Partnership Approach Staff Engagement & Wellbeing Drawing together Performance, Risk & Assurance, Decision Making & Culture
People	<ul style="list-style-type: none"> Board Development Executive Team Development Clinical and Professional Leadership & Development Workforce Futures Strategic Framework
Structure	<ul style="list-style-type: none"> Organisational Design Model Investment in specific areas to enable delivery of Health & Care Strategy Cluster Working
Process	<ul style="list-style-type: none"> Governance Programme Designated Management Groups Organisational Processes

An annual review of risk management was approved by the Board in 2019, and the risk appetite statement was revisited and risk targets re-aligned accordingly.

The Standards of Behaviour Policy and Framework was also approved which included the Declaration of Interests, Gifts and Hospitality.

A Records Management Improvement Plan was approved by Board and implementation underway in 2019, in response to an internal audit which reported no assurance.

Internal Audits were also carried out for Staff well-being, disciplinary case management, safeguarding employees and financial planning and budgetary control (reasonable assurance); Freedom of Information Act and Deprivation of Liberty/ Best Interests Assessors (limited assurance). Recommendations and actions for all audit outcomes are tracked and reported via the Audit and Assurance Committee.

Please also refer to the Accountability section in this document for further information on the governance of the organisation.

Financial Management

Please refer to the Financial Statement section of this report for information relating to Priority 8.2, Financial Management.

Planning, Performance and Commissioning

In relation to Priority 8.3, a strengthened approach was put in place for Planning, Performance and Commissioning. This ensured a robust approach and delivery of the Integrated Medium-Term Plan and submission of this to both PTHB Board for approval in January 2020 and Welsh Government at the end of January 2020.

The IMTP was subsequently suspended by Welsh Government in order to respond to the Covid-19 pandemic and therefore the formal approvals were not issued in 2020. Operational Planning and response was put in place in Quarter 4 and that is reported separately later in this report.

Similarly, the arrangements for integrated performance, commissioning assurance and long-term agreements / service level agreements were progressed up to the end of Quarter 3 and suspended in Quarter 4, to respond to the pandemic.

During 2019, the Commissioning Assurance Framework was developed and encompassed Secondary care, Powys provider services, Primary care (General Medical and Dental Services), Maternity and the inclusion of a domain for Governance. Mechanisms in place under this process include Contract, Quality and Performance Review Meetings, Escalation processes and targeted involvement and action planning in areas of key risk.

There was an investment in Commissioning Intelligence in 2019 with a specific focus on quality and outcomes for the Powys population, supporting a focus of attention on the risk-based plan in place with key providers.

A self-assessment was carried out against the Royal College of Gynaecology/ Royal College of Maternity recommendations (May 2019). A total of 21 areas were examined and no 'low'/no assurance areas were identified. 9 'medium' areas were identified requiring further development broadly in information analysis and intelligence reporting, further development of commissioning assurance, concerns management, risk management and clinical audit and board development. This was progressed as part of the work of the Governance Improvement Programme and Clinical Quality Framework noted in previous sections of this report.

Partnership Working

In relation to 8.4, Partnership Working, the health board is an active partner in the Powys Regional Partnership Board (examples of work shown below); the Powys Public Service Board and the Mid Wales Joint Committee for Health and Care.

As part of the Regional Partnership Board the health board is taking forward the 'North Powys Well-being Programme' which is a once in a generation opportunity to transform services in north Powys. This is also building and testing the model of care Pan Powys. Phase 1 was completed in 2019 and encompassed a full engagement programme; agreement of the Proof of concept; production of the draft case for change and model of care; tendering for evaluation support; demand and capacity modelling with clinical / professional engagement and business case development. Examples of Accelerated Delivery Areas were also developed as below:

- Discharge to Recover and Assess
- Repatriation of Children (Looked After; Early Help Service, Multi Agency Single Point of Access)
- Targeted Prevention
- Digital (Virtual Clinics, Digital House, Information Kiosk)

Other Regional Partnership Board Developments are shown below:

Regional Partnership Board Developments



- Children's Zone for Families with Complex needs (Newtown)
- Children on the Edge of Care
- Integrated Disability Service
- Small Grants Scheme – building community preventative capacity
- Young Carers Project
- Training and Awareness for Perinatal Mental Health
- Dads Research
- Solihull Antenatal Programme



- Integrated Autism Service
- Return to Home
- Home Support
- Shared Lives
- Disability Powys – Access Support
- Transition
- Dementia Home Treatment Service



- Befriending
- Right Sizing Care Packages
- Enhanced Brokerage
- Patient Flow Coordination nit
- Virtual Ward Integrated Team
- Community Wellbeing Hubs
- Read and Remember
- Digital Social Care (Ask Sara/Digital Wallet)
- Micro Enterprise Development (Social Care)
- Integrated Commissioning Practice



Cross-cutting - Technology Enabled Care, Carers, Social Value, Workforce, PAVO Engagement, Welsh Language, Models of Care, WCCIS, RPB Operations/Development Programme

Capital – Specialist Equipment, Powys Extra Care, Fan Gorau refurbishment, Llanwrtyd Wells community kitchen, property development for day services.



Throughout 2019 there was a focus on the management of strategic change and collaboration as part of these regional arrangements and in relation to the response to any impacts and benefits for the Powys population. This included neighbouring change programmes such as Clinical Futures led by Aneurin Bevan University Health Board and NHS Future Fit in Shropshire, Telford and Wrekin.

Key areas of communications and engagement with the Powys population, service users, communities and stakeholders included:

- The North Powys Well-being Programme
- Dyfi Valley Health Consultation on GP Practice change
- Engagement with Powys residents on Hywel Dda University Health Board's Major Trauma proposals
- Involvement in the Independent Reconfiguration Panel review of the NHS Future Fit Consultation (Shropshire, Telford and Wrekin)
- Promotional Campaign for the introduction of NHS 111 in Powys
- Support to the bi-lingual approach to communications as part of the active Welsh Language offer (more information below)

Welsh Language, Equalities and Human Rights

A separate Annual Monitoring Report is being produced setting out performance against the Welsh Language Standards. The submission of this has been adjusted to later in the year, at the end of September 2020. This was not available at the time of publication of this document but will be available on the PTHB Website at that point.

Significant progress has been made during 2019-2020 with the implementation of the Welsh Language Standards. Following the appointment of a new Service Improvement Manager a Welsh Language Service Leads Group has been established to monitor the progress being made across each department. Key achievements during 2019/2020 include:

- Development and promotion of new Welsh language resources and procedural guidelines for staff
- Higher compliance rates and strengthened reporting mechanisms which include baseline assessments and statistical data to provide assurance to the Board
- Improved quality and quantity of available bilingual documentation. This has been aided by the review of external translation companies and the appointment of an internal Welsh Language Communications Officer
- The development and roll-out of Welsh Language Awareness Training for staff groups to raise awareness of the 'Active Offer Principle'
- Extending the use of Datix risk management software to identify incidents relating to Welsh language
- Improved relations and joint-working to Welsh language requirements between the health board and independent primary care contractors
- Increase in data of staff Welsh language skills on the electronic staff record
- Bilingual Take Control of your Recruitment Process (TRAC) functions
- Strengthened links with Welsh Language Leads across NHS Wales, Welsh Government and the Welsh Language Commissioner's Office.

A separate Equality Annual Report will also be produced for 2019/2020 which will include workforce statistical data and evidence of performance against the legislative requirements for equalities and human rights. As above, this was not available at the time of publication of this document but will be available on the PTHB Website later in the year.

Following a review of our Strategic Equality Plan (SEP) for 2016-2020 undertaken with the Equality and Human Rights Commission in October 2019, the health board is performing well with key areas of development in terms of engaging with local communities and individuals with specific needs in order to help us better plan and deliver our services accordingly.

The health board has developed a new four year Strategic Equalities Plan and the All Wales Standards for Accessible Communication and Information for People with Sensory Loss continue to be implemented across the health board.

Preparation for EU Exit

The health board participated in the national and regional arrangements for the preparation for exit from the European Union, which in the period up to the end of 2019 was focused around the 'no-deal brexit' scenario in particular.

This included the EU Transition Health and Social Services Senior Responsible Officers Group and groups established as part of Dyfed-Powys Local Resilience Forum arrangements.

An internal planning group was also established, with an action plan focused on:

- Medical devices and clinical consumables
- Medicines
- Supplies
- Workforce
- Communications
- ICT
- Support for the Farming Sector
- Assurance in relation to commissioned services

Supporting the farming sector:

- District nurses visiting Farmers Markets across Powys to offer a full 'health MOT' (including emotional health support) to farmers
- Suicide and Self-Harm Prevention Co-ordinator supporting engagement work with the agricultural community
- Drop in sessions and support groups at Mind
- Online Cognitive Behavioural Therapy (Silvercloud) providing support for stress, anxiety, depression, bereavement, sleep difficulties
- Local Primary Mental Health Support Services (including mental health assessment, counselling and other psychological therapies) accessed via a GP referral

Performance against NHS Wales Outcome and Delivery Framework

Welsh Governments NHS Outcome and Delivery Framework has been developed to provide assurance around the population and its health outcomes. This framework is reviewed and updated yearly to ensure emerging priority areas are reflected, this can involve the development, revision and retirement of measures from previous years, and allows an evolving and modernised approach to population health assurance. This framework is based around seven key domains linked to multiple NHS outcome statements, these have been identified as key drivers when assessing the NHS and its delivery of services, and the resulting population well-being and health improvement.

This year the need to plan and respond to the COVID-19 pandemic has had a significant impact on Powys Teaching Health Board, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will continue both for the organisation and wider society throughout 2020/21 and beyond. The COVID-19 pandemic presented a number of challenges to the organisation which are represented in the following disclosures within the performance reporting and scorecard.

Complete performance data for Powys Teaching Health Board has been presented for the first three quarters of 2019/20 only. The remaining quarter (January 2020 to March 2020) was impacted by the pandemic and the suspension of performance monitoring mid-March. Performance trends have been assessed using the April 2019 to December 2019 period. Only those measures which have an absolute monthly / quarterly target for December 2019 or quarter 3 2019/20 have been included in the 'Targets achieved' column on the scorecard.

The organisation has provided local management information and narrative on the final quarter of 2019/20 as recommended by Welsh Government.

Powys Teaching Health Board	Improved Performance	Sustained Performance	Decline Performance	Target Summary	Targets Achieved
Staying Healthy: People in Wales are well informed and supported to manage their own physical and mental health	2 measures	0 measures	3 measures	↓	1 measure
Safe care: People in Wales are protected from harm and supported to protect themselves from known harm	3 measures	1 measures	4 measures	↓	3 measures
Individual care: People in Wales are treated as individuals with their own needs and responsibilities	0 measures	1 measures	4 measures	↓	1 measures
Our staff and resources: People in Wales can find information about how their NHS is resourced and make careful use of them	2 measures	0 measures	2 measures	→	
Timely care: People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care	7 measures	4 measures	5 measures	↑	8 measures
Effective care: People in Wales receive the right care and support as locally as possible and are enabled to contribute to making that care successful	5 measures	1 measures	1 measures	↑	2 measures
Dignified care: People in Wales are treated with dignity and respect and treat others the same	0 measures	0 measures	2 measures	↓	
Summary	19 measures	7 measures	21 measures	↓	15 measures

Performance against Well-being Objectives and Domains

Staying Healthy Domain in the National framework: Aligns to 'Focus on Wellbeing' and 'Joined Up Care' in A Healthy Caring Powys

Powys Teaching Health Board - Staying Healthy				
	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of children who received 2 doses of the MMR vaccine by age 5	92.3%	93.3%	91.8%	↓
% of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1	96.9%	96.4%	96.2%	↓
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	94.1%	94.8%	95.2%	↑
European age standardised rate of alcohol attributed hospital admissions for individuals resident in Wales**	499.3	518.3	498.1	↑
Annual Trends				
	2018	2019	Trend	
% of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy)*	26.3%	16.7%	↓	

*Taken from Jan-20 merged data set

**Taken from April APC refresh

Powys Teaching Health Board performance against the Staying Healthy domain has remained robust when compared to other health boards in Wales.

Childhood immunisation has seen steady improvement through 2019/20.

Both the measure for '6 in 1' vaccination and MMR (measles mumps & rubella) dose 2 by age 5 met the trajectories set within the health board IMTP. The '6 in 1' vaccination rate met the national target every quarter during the year (98.4% Q4) and the MMR dose 2 performance improved over the four quarters when compared to 2018/19 narrowly missing the national target of 95% in Q4 at 94.1%. Ongoing work to improve this performance included public campaigns especially during the height of COVID early in Quarter 4.

The healthy weights, physical activity and health visitor services are also continuing to prove successful and we see continuing improvement trends of the health visitor part of the Healthy Child Wales Programme in Powys.

Performance against the hospital admissions attributed to alcohol has continued to show a slight trend of improvement during the first three quarters of 2019/20.

Influenza vaccine uptake is another key area within the staying healthy domain, although not included within the Welsh Government provided data tables the health board has seen a positive improvement in uptake across most of the measures when compared to 2018/19.

Measure	Target	2018/19	2019/20	Trend
Uptake in patients aged 65y and older (%)	75%	65.5%	67.1%	↑
Uptake in patients younger than 65y at risk (%)	55%	43.1%	44.3%	↑
Uptake among pregnant women (%)	75%	85.7%	93.3%	↑
Staff with direct patient contact	60%	64.3%	64.3%	→

None of the health boards within Wales met the national targets for uptake in the patients aged 65years and older or under 65 at risk. Powys performance for uptake among pregnant women was the highest of all Welsh health boards at 93.3%.

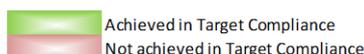
Health care staff with direct uptake remains above the 60% target but did not see significant improvement from 2018/19.

Quality, Safety & Patient Experience Domain in the National framework: Aligns to 'Joined Up Care' in A Healthy Caring Powys

Powys Teaching Health Board - Safe Care										
	9 Month Trends									Trend
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales**	0.0%	0.0%	50.0%	33.3%	0.0%	0.0%	0.0%	50.0%	0.0%	↑
Number of new Never Events**	0	0	0	0	0	0	0	0	0	→
3 Quarter Trends										
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
Opioid average daily quantities per 1,000 patients	4,028.85	4,063.26	4,086.71	↓						
Number of patients aged 65+ prescribed an antipsychotic	481	474	475	↑						
Total antibacterial items per 1,000 STAR-PUs	227.14	226.86	262.44	↓						
Fluoroquinolones, Cephalosporins, Clindamycin & Co-amoxiclav per 1,000 patients	11.08	11.46	11.37	↓						
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	1	0	0	↑						
Annual Trends										
	2018	2019	Trend							
Number of hospital admissions with any mention of self harm for children/young people per 1,000 pop*	4.20	4.50	↓							

*Taken from March APC refresh

**Data as at 29/04/20



Patient Safety and Quality of care remains challenging to meet the national framework targets. Powys Teaching Health Board has continued to report zero never events during 2019/20. Unfortunately, the health board has not achieved compliance with the national measure in relation to the timely processing of Serious Incidents.

Prescribing indicators for 2019/20 show a similar position to the same periods in 2018/19, Opioid daily quantity rates have seen a slight increase during 2019/20, this makes it unlikely that we would meet the 4-quarter reduction target by the end of the year, but we are below the All Wales rate consistently for this measure.

The rate of prescribed Anti-Psychotic medication for the first three quarters has seen a reduction in line with national targets and is considerably lower than the All Wales position for the same time period.

Total antibacterial items per 1000 did not meet the health board 5% reduction target in Q3 and data for Q4 is not available at the time of this document, it should be noted that areas of work during Q3 included work such as the antimicrobial stewardship review to highlight opportunities.

Progress against the Fluoroquinolone, Cephalosporin, Clindamycin & Co-amoxiclav remains robust meeting the 10% reduction health board specific target, however the performance remains below the All Wales average.

The health board performance against patient safety solutions remains robust with all required assurances within the timescales being met, through to Q4 2019/20.

'Individual Care' Domain in the National framework: Aligns to 'Tackling the Big Four' and 'Early Help and Support' in A Healthy Caring Powys

Powys Teaching Health Board - Individual Care										
	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	95.1%	94.2%	94.1%	94.7%	96.0%	96.4%	96.8%	96.4%	86.3%	↓
% of HB residents sent their outcome assessment report within 10 working days after assessment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	→
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	218.2	151.0	166.9	↓						
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	4.9	16.0	2.5	↓						
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	43.8	42.3	30.2	↓						

Achieved in Target Compliance
 Not achieved in Target Compliance

Performance against the national measures continues to remain robust.

The measure for percentage of health board residents in receipt of secondary mental health services care treatment plan improved during Q4 to finish March with 92.7% against the 90% target.

The helpline performance in Powys showed a downward rate per 100k across the 3 quarters reported.

'Timely Care' Domain in the National framework: Aligns to 'Early Help and Support', 'Joined Up Care' and 'Tackling the Big Four in A Healthy Caring Powys

As a provider we have continued to perform consistently with timely access where applicable locally within in-reach outpatient services. Up until the end of Q3 no patients waited longer than 36 weeks for treatment, and 98.3% waited less than 26 weeks.

A small number of patients waited longer than 8 weeks for a diagnostic test, during the 9 months to December 2019, this capacity pressure is a result of the fragility of in-reach services, and staffing pressures on small teams. During Q3 a sustainability plan for endoscopy was developed linking with the National Endoscopy Programme, funding was received and utilised from the Single Cancer Pathway workstream which funded additional theatre staff for increased capacity.

Patients breaching the 14 week target for therapies during the 9 months reported were low, the majority of all breaches were linked to the fragile speech and language specialty, with its limited capacity, especially in learning disabilities.

Follow-up compliance against outpatient appointments has seen improvements throughout the 9 months, with a reduction trend in the number of patients waiting, and those being delayed for a long period in excess of 100% past their date. Further work in January with the patient administration system including significant validation work meant that the nationally set health board specific targets were met at the end of Q4.

Powys Teaching Health Board - Timely Care										
	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of patients waiting less than 26 weeks for treatment	99.0%	98.6%	98.9%	98.7%	98.8%	98.7%	98.9%	98.7%	98.3%	↓
Number of patients waiting more than 36 weeks for treatment	0	0	0	0	0	0	0	0	0	→
Number of patients waiting more than 8 weeks for a specified diagnostic	16	21	9	27	18	12	0	0	1	↑
Number of patients waiting more than 14 weeks for a specified therapy	2	9	6	6	5	7	6	6	7	↓
Number of patients waiting for a follow-up outpatient appointment	8,610	8,368	8,277	8,202	8,169	8,289	7,618	7,692	7,610	↑
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	515	456	427	436	467	450	412	501	336	↑
% of emergency responses to red calls arriving within 8 mins	58.9%	59.8%	74.7%	71.3%	61.0%	58.6%	57.6%	61.1%	63.1%	↓
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	100.0%	99.9%	100.0%	100.0%	99.9%	100.0%	99.9%	99.9%	99.8%	↓
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	0	0	0	0	0	0	0	0	0	→
% of MH assessments undertaken within 28 days from the date of receipt of referral	78.6%	81.8%	81.0%	87.4%	87.9%	84.1%	82.9%	89.2%	90.2%	↑
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	71.8%	61.6%	59.6%	47.7%	51.9%	58.4%	62.1%	59.7%	72.8%	↑
% of patients waiting less than 26wks to start a psychological therapy	52.4%	53.7%	62.5%	66.5%	68.3%	72.2%	74.5%	80.4%	89.4%	↑
% of children/young people waiting less than 26 wks to start ADHD or ASD neurodevelopment assessment	93.0%	79.9%	80.7%	87.9%	83.2%	94.2%	94.9%	96.3%	100.0%	↑
% R1 ophthalmology patients waiting within target date or within 25% beyond target date for an OP appointment	93.6%	96.6%	96.3%	96.3%	95.2%	95.6%	95.2%	94.6%	92.4%	↓
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	→						
	Annual Trends									
	2018	2019	Trend							
% GP practices offering appointments between 17:00 and 18:30 on 5 days a week	87.5%	87.5%	→							

 Achieved in Target Compliance
 Not achieved in Target Compliance

Powys urgent care saw intense pressure during the winter period, Welsh ambulance targets for RED call responses struggled to meet the 65% target, the challenges of ambulance handover times in district general hospitals and the geographical spread of patients. Our own minor injuries units consistently perform to a very high level, at least 99% of admissions or higher wait less than 4hrs within out departments, and no patients have waiting longer than 12hrs for 2019/20 including Q4.

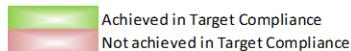
Mental health performance remains robust, we have met the targets set consistently with the exception of interventions within 28 days which has shown improvement. Silver Cloud an online mental health resource has seen exceptional uptake and continues rollout across Wales.

Specific fragility around in reach ophthalmology has impacted on compliance for the national measures reported by Welsh Government. In December PTHB had 96.4% of patients waiting with a health risk factor (HRF). Of the patients with an HRF classed as R1 92.4% are waiting within or less than 25% of their target date. As a comparison, the All Wales average in was 65.2% in November.

'Effective Care' Domain in the National framework: Aligns across Well-being Objectives and particularly 'Focus on Well-being', 'Early Help and Support', 'Joined Up Care' and 'Tackling the Big Four' in A Healthy Caring Powys

Powys Teaching Health Board - Effective Care										
	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending*	1.70%	1.76%	1.99%	1.91%	1.98%	2.02%	2.06%	2.30%	2.27%	↓
% of episodes clinically coded within one reporting month post episode discharge end date	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	→
% comp of completed level 1 IG (Wales) training element of Core Skills & Training Framework	78.3%	81.9%	83.5%	86.2%	87.7%	89.0%	89.6%	90.9%	91.6%	↑
Number of health board non mental health DToC	31	32	26	27	33	28	19	20	17	↑
Number of health board mental health DToC	3	1	2	3	3	2	1	2	2	↑
3 Quarter Trends										
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals	95.6%	96.1%	96.7%	↑						
Annual Trends										
	2018/19	2019/20	Trend							
% clinical coding accuracy attained in the NWIS national clinical coding accuracy audit programme	93.8%	95.9%	↑							

*Taken from April CHKS refresh



Performance within this domain as a summary has improved within the 9 months reported with two exceptions.

The rate of crude mortality continues to increase, we have the highest level in Wales but this links to our service composition. Powys cares for a significant proportion of end of life patients within a palliative care setting at community hospital sites.

The second measure where we are not meeting the target, is for the timely availability of new medicines after approval, the health board does not meet the 100% target set nationally but remains close to the All Wales performance levels. Clinical coding and Delayed Transfers of Care (DToC) performance are significantly positive areas within this domain, for coding compliance Powys Teaching Health Board remains consistently the best in Wales when compared to other health boards. And the DToC performance for both Mental Health and Non-Mental Health showed an improving reduction trend in line with national targets for year end.

'Dignified Care' Domain in the National framework: Aligns to 'Joined Up Care' in A Healthy Caring Powys

The health board has not met the target required for the last two years, in Q3 28.2% of complaints received a reply or interim reply within the required 30-day period, the All Wales compliance was reported at nearly 70%.

Powys Teaching Health Board - Dignified Care

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% complaints that had final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	64.8%	45.5%	28.2%	↓
Annual Trends				
	Dec-18 (9mths ending)	Dec-19 (9mths ending)	Trend	
Number procedures postponed either on the day or day before for specified non-clinical reasons*	10	60	↓	

*Taken from April refresh



Achieved in Target Compliance

Not achieved in Target Compliance

In-reach fragility, staffing and other problems have caused challenges to procedures undertaken, with significantly more being postponed for non-clinical reasons during the 9 months to December when compared to the same period in 2018.

Staff and Resources - Aligns to 'Workforce Futures' and 'Transforming in Partnership' in A Healthy Caring Powys

Powys Teaching Health Board - Our Staff & Resources										
	9 Month Trends									Trend
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	
% of headcount who have had a PADR/medical appraisal in previous 12 months	72.8%	72.4%	73.0%	74.2%	75.2%	75.3%	75.7%	76.5%	77.0%	↑
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	82.5%	83.8%	83.6%	84.4%	84.8%	85.4%	85.6%	81.8%	82.5%	↓
% staff sickness absence (rolling 12 months)	4.48%	4.50%	4.46%	4.40%	4.39%	4.39%	4.49%	4.62%	4.71%	↓
3 Quarter Trends										
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% adult dental patients in the HB pop re-attending NHS primary dental care between 6 & 9 mths	36.2%	35.1%	33.7%	↑						



Achieved in Target Compliance

Not achieved in Target Compliance

The health board continues to perform well against the Workforce measures when compared to the All Wales position, PADR compliance for the 9 months to December had a positive trend of improvement although missing the national target. The Workforce Directorate continues to raise awareness and provide support across the health board to improve compliance. Mandatory Core Skills and Training have not met the 85% target or shown an improving trend but compare favourably to the All Wales figure of 79.9% in December 2019.

Performance Analysis – Quarter 4, January 2020 – March 2020

During the period from January 2020 to March 2020 the health board, along with its partners, government and communities, had to respond to the COVID-19 pandemic. This required a different approach to governance, planning and performance and Welsh Government suspended the official performance arrangements at the end of Quarter 3, therefore an update is given on this quarter based on local information as below.

A Strategic Gold Group, chaired by the Chief Executive was established to manage the response to the Covid-19 pandemic. This group determined the overall strategy and approach for the overall management of the health board's response, with a role to:

- Coordinate strategic decision making and effective use of resources throughout the assessment, treatment and recovery phases; ensuring key supporting roles are covered;
- Ensure strategic oversight of the response to COVID-19 for the health board as a whole;
- To ensure implementation of a tactical plan to deliver the strategic aim and objectives;
- Formulate media handling and public communications strategies, as required and necessary;
- Protect the wellbeing of staff and patients within the health board;
- Decide when the pandemic response arrangements should be stood-down and recovery phase implemented.

The Gold Group was constituted by Executive Directors and includes a Military Liaison Officer and the Director of Adult's & Children's Services, Powys County Council. It met daily up to the end of March and into the first Quarter of 2020/2021.

For Phase 1 A Central Control & Coordination Function, led by the Director of Planning & Performance, supported the GOLD group and co-ordinated the actions taken to limit the impact on any business continuity disruption and manage the key stages of response (incident management response, recovery and resumption of 'business as usual') to the COVID-19 pandemic. Specifically, the Function coordinated:

- Master Plan development, implementation & tracking
- Performance monitoring & reporting
- SITREP Reporting
- LRF (Local Resilience Forum) Tactical Group Link
- Public health guidance
- Tactical Military Liaison
- Communications/ Engagement
- Tracking Service Changes/CHC liaison
- DGH Liaison/ Powys Demand Model
- Specialised Services Liaison
- WAST Liaison

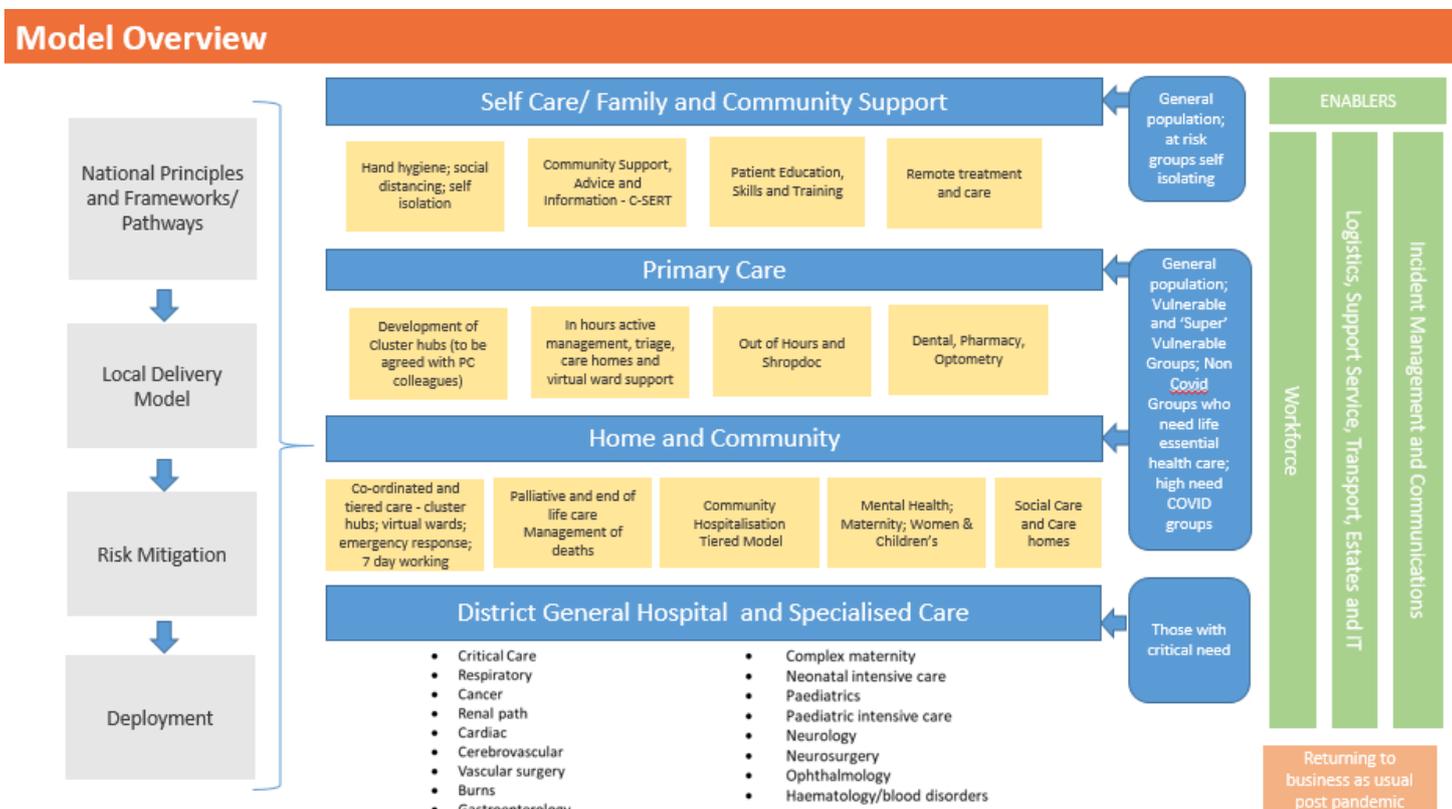
For Phase 1 of COVID-19 three programme Workstreams, led by nominated Executive Directors, were established to provide planning and operational management support and to deliver the strategic aims and objectives in response to COVID-19. Specifically to:

- Co-ordinate implementation of the respective workstream actions contained within the COVID-19 detailed action plan;
- Update and report respective actions contained within the COVID-19 detailed action plan; and
- Identify, manage and escalate key risks associated with implementation.

Specific areas of work delegated to the three Programme Workstreams were:

Clinical Response Model

Development, Operational Oversight and Delivery of Clinical Response Model:



Core Support Services Model

Operational Oversight of Delivery of Core Support Services Model involved:

- Transport
- Estates
- IT & Information
- Support Services
- Equipment & Procurement

Workforce Model

Operational Oversight of Delivery of Workforce Model involved:

- Planning
- Recruitment
- Staff Testing
- Redeployment
- Policies / Guidance
- Staff wellbeing
- Staff Side Partnership link

Clinical Leadership Group

A Clinical Leadership Group, chaired by the Director of Public Health, provided direction, leadership and guidance to the Strategic (Gold) Group and clinical staff responding to COVID-19. This includes all aspects of public health and individual patient care, across all settings, including inpatient, community and primary care services. Specifically, the role of the group was to:

- Provide a central route for clinical issues to be raised, considered and responded to within the health board.
- Ensure consistency and accuracy in the clinical advice given to staff.
- Support the local interpretation and implementation of national guidance.
- Provide direction on clinical issues where national guidance is lacking.
- Establish a process for ethical decision making in response to COVID-19.
- Establish mechanisms for signposting and directing staff to the most up to date guidance as and when it is published.

Membership of the Clinical Leadership Group included the Board's Clinical Directors and professional representation from clinical groups across the organisation.

Performance Reporting

Performance reporting in Quarter 4 was therefore set in the context of the COVID response work, in line with the revised Welsh Government framework and requirements, and reporting was reshaped to provide effective management information within this new context.

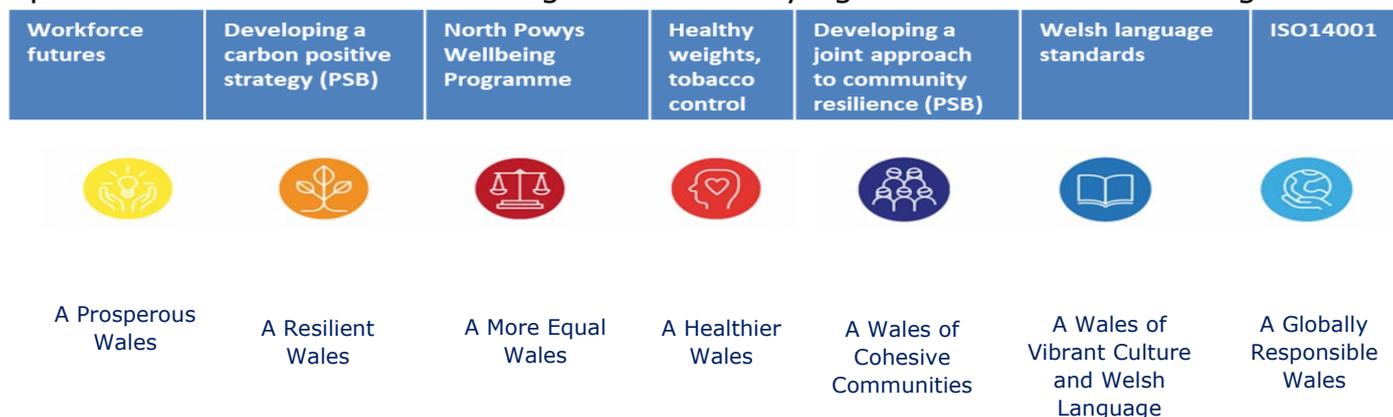
Key mechanisms developed for this period included a daily GOLD Dashboard and a detailed Implementation Plan for each phase of the Covid response.

Well-being of Future Generations Statement

There is a requirement as part of the Well-being of Future Generations Act (WBFGA) for the health board to demonstrate the progress being made in setting and delivering against well-being objectives.

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.

Specific areas of our IMTP are aligned to delivery against National Well-being Goals:



For the health board, the goals and well-being objectives are fully assimilated into the Integrated Medium Term Plan (IMTP). 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 Performance Analysis on the preceding pages provides the detailed analysis against these Well-being Objectives, for the period up to the end of Quarter 3 (December 2020). As noted previously, Welsh Government suspended performance reporting at this date due to the need to respond to the COVID-19 Pandemic.

The Office of the Future Generations Commissioner provided feedback on the PTHB self-assessment against the Well-being of Future Generations Act in 2019. This noted several areas of good practice in particular partnership working, a focus on prevention in our wellbeing objectives and a recognition of the importance of workforce futures.

The health board has taken further steps in 2019/2020 and held a Board Development session on sustainability which enabled a deeper consideration of the health board's role and actions on the environment, climate change and social and cultural well-being.

The health board achieved ISO 14001 in 2019 and this put robust environmental management at the core of our business.

The health board also took forward specific, practical changes in line with the 'journey checker' approach set out by the Office of the Future Generations Commissioner and focusing on the seven corporate areas for change. An assessment of alignment with the WBFGA has been incorporated into requests for estates projects within the health board.

The Wales Audit Office examination of the North Powys Well-being Programme in 2019 demonstrated alignment with the sustainable development principle and five ways of working, with further opportunities to embed the approach as this programme evolves.

PTHB remains active in the Public Service Board (PSB), with the lead for Steps 11 and 12 of the Powys Well-being Plan 'Towards 2040'.

Our approach to the Powys model of care is delivering against the **five ways of working**, examples are given below:

- A Healthy Caring Powys sets out our **long term** vision. Key to this is the evidence of the well-being assessment which explores the long term impact if the current approach remains the same. The IMTP sets out progress against these long term outcomes.
- The Health and Care Strategy and the IMTP span across primary, secondary and tertiary **prevention**. We are utilising the Welsh Government definition of prevention to ensure that encompasses a broader approach, with connections within and between communities of geography and communities of interest, as well as a life course approach in our IMTP and in key Partnership Plans (the Public Services Board Well-being Plan and the Regional Partnership Board Area Plan).
- Key to this is the triple **integration** approach of health and social care, mental and physical health and primary and community care. The Powys RPB takes a life course approach to 'Start Well', Live Well and Age Well' and there is a programme of work across each of these.
- 'A Healthy Caring Powys' is reliant on **collaboration** between and across members of the Regional Partnership Board, which includes the health board, Powys County Council, the Third Sector, Universities, the public, patients and carers. The IMTP described the work of the RPB in more detail in the Transforming in Partnership section.
- The Powys well-being objectives and outcomes were developed through **involvement** with our communities and stakeholders. It reflects what the people of Powys said about their health and care – in service user surveys, complaints, compliments, engagement events, service user forums, conferences and specific health and care events.

The Environment and Sustainability report that follows also provides further detail specifically related to the environmental aspects of the Act.

Environment and Sustainability Report

The health board recognises the value of sustainability as a central organising principle within the Welsh Government (WG) and public sector bodies in Wales.

It also recognises that there is an immediate need to tackle climate change by reducing its CO₂e emissions, whilst at the same time ensuring measures are implemented to adapt to the changing environment. The imperative for change was reinforced by the WG 'climate emergency' declaration on 29 April 2019.

This report documents sustainability performance for the year 2019-20, 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 2020."

Powys Teaching Health Board – description of the organisation

Aggregated sites include Clinics:	9
Hospital sites:	9
Total Estate Site Footprint	40,108 m ²
Total Estate Site Land Area	7525 Hectare
Total full time equivalent Staff Employed	1838.5

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

The ESG 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 ESG 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.

By ensuring continual improvement of the health board's Environmental Management System (EMS), and implementation of the Wellbeing of Future Generations Act, Powys Teaching Health Board is delivering the three key principles of Sustainable Development:

- 1) Environment
- 2) Economic

3) Social

The main legislative drivers for change within the health board in respect of the environment are:

- The Environment (Wales) Act 2016
- Well-being of Future Generations (Wales) Act 2015¹

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

- 1) Zero Waste to Landfill (target to achieve: 2050)²
- 2) Decarbonisation of the public sector (target to achieve: 2030)³

Annual objectives and targets set by the organisation, in the main, are developed to meet these nationally set targets, and to embed the Well-being Act into the organisation's management system.

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

- Environment and Decarbonisation Plan (draft)
- Buildings and Biodiversity Plan (finalised 2019)
- Communications Plan (updated 2019)

PTHB continues to support sustainability as a central organising principle. The importance of the Environment agenda has been further realised within the health board, and is reflected in the Integrated Medium Term Plan (IMTP)⁴ for 2020-21. The IMTP also supports the health board's endeavours to embed the principals of the Wellbeing of Future Generations Act and the *five ways of working*.

During 2019-20 the organisation was successful in gaining certification to ISO14001 (2015), environmental management system standard⁵ and has continued to develop and monitor its EMS in preparation for re-certification in 2020.

In summary achievements during 2019-20:

- ISO14001 audit and certification
- Appointment of Environment and Sustainability Officer
- Environment and Sustainability board development session with guest speakers from the Welsh Government and government funded energy service, facilitated by Cynnal Cymru
- Reprioritisation of the Environment and Sustainability Group to include all parts of the organisation represented by senior staff
- Development and drafting of Powys Teaching Health Board's 'Environment and Decarbonisation Framework'
- Trial of 'Departmental Decarbonisation Plan'

¹ <https://futuregenerations.wales/about-us/future-generations-act/>

² <https://gov.wales/sites/default/files/publications/2019-05/towards-zero-waste-our-waste-strategy.pdf>

³ <https://www.assembly.wales/Research%20Documents/15-030-Environment/15-030.pdf>

⁴ <http://www.powysthb.wales.nhs.uk/document/324113>

⁵ <https://www.iso.org/iso-14001-environmental-management.html>

- Significant contributions to business case writing to ensure step change towards an environmentally sustainable model of care
- Standard specification for products and materials to ensure the best and least environmentally impactfully goods are used
- Continual support for the Public Service Board (PSB) and the active participation for 'A Carbon Positive Powys Strategy' development
- Review of printer/scanner fleet and recommendations to reduce environmental impacts

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, 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. Finalise and publish its Environment and Decarbonisation Framework
2. Continue to gain executive support and participation for the Environment and Sustainability Group
3. Align strategic documents with the PSB 'A Carbon Positive Powys' and NWSSP's decarbonisation strategy, to be published in 2020
4. Roll out PTHB Departmental Decarbonisation Plans
5. Support the development of the NHS Wales Carbon Footprint 2019-2020
6. Develop and deliver sustainable transport
7. Bring systems in line with new government carbon emission reporting and ensure accurate submissions.
8. Development and implementation of carbon offsetting measures
9. Continue to develop and monitor the organisation's Environmental Management System and retain ISO14001 certification
10. Review and recommendations paper to Board to reduce environmental impacts of printer and scanner technology

Commentary on greenhouse gas emissions

Powys Teaching Health Board continues to repatriate services back to the organisation, which in the medium to long-term will have an effect on patient numbers and energy demands. 2019-20 continues to see a trend of lower ward admissions by an average of **%23** balanced by an increase of outpatient attendance by circa **%18**.

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 have been pro-rated to give as full an account of the year as possible. Once a full year's accounts are received and validated figures from previous years, if significantly different from reported figures, will be amended.

In 2018-19 electricity emissions were reported as zero as the organisation had procured REGO (renewable) backed electricity. This has now been revised and carried into 2019-2020 as green tariffs are included into electricity conversion calculations.

Energy usage falls below the threshold for CRC reporting and no carbon offsetting has been undertaken or procured during 2019-20

Emissions from transportation include all NHS owned and private vehicles business mileage and does not include private home to work commute. Previous figures have been recalculated to reflected this.

In line with Annual Reports and Accounts guidance the UK Governments GHG Conversion Factors for Company Reporting has been used for all CO₂e conversion calculations.

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', eg. 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

Greenhouse Gas Emissions		2017-18	2018-19	2019-20
Non-Financial Indicators (1,000 tCO2e)	Total Gross Emissions	4.981	4.611⁷	4.174
	Total Net Emissions	4.981	4.611 ⁷	4.174
	Gross Emissions Scope 1 (direct)	Gas: 2.712 Oil: 0.206 ⁶	Gas: 2.539 Oil: 0.182	Gas 2.300 Oil 0.200
	Gross Emissions Scope 2 & 3 (indirect)	Electric 1.239 Business travel 0.600 ⁷	Electric ⁷ 0.987 Business travel 0.903 ⁷	Electric 0.932 Business travel 0.742 ⁷
Related Energy Consumption (million KWh)	Electricity: Non-renewable	3.551	3.468 ⁷	3.653
	Electricity: Renewable	0.200	0.200	0.200
	Gas	14.725	13.965 ⁷	12.509
	LPG	N/A	N/A	N/A
	Other	Oil 0.812	Oil 0.669	Oil 0.641
Financial Indicators (£million)	Expenditure on Energy	Electric: 0.501 Gas: 0.424 Fuel oil: 0.066 Total: 0.991	Electric: 0.527 ⁷ Gas: 0.457 ⁷ Fuel oil: 0.040 Total: 1.024 ⁷	Electric: 0.690 Gas: 0.410 Fuel oil: 0.034 Total: 1.134
	CRC License Expenditure (2010 onwards)**	N/A	N/A	N/A
	Expenditure on accredited offsets (e.g. GCOF)**	N/A	N/A	N/A
	Expenditure on official business travel	1.523	1.061	1.089

Commentary on waste

The ability to verify waste weights and costs has improved significantly since the last period. Where accurate waste data is not readily available from waste disposal contractors, auditable systems are in place to estimate waste weights for each waste stream. It is envisaged that the methodologies in place within the waste monitoring system will enable near-real-time access to waste generation reports

⁶ Amended following re-evaluation

⁷ Revised from 2018-19 reported figures following final invoice validation

from 2020/21 and onwards. This will enable waste to be more closely managed, reduce the volume of waste going to landfill and be in a position to set targets for future reduction to meet zero waste ambitions.

Work is nearing completion to enable a specification to go to tender for our non-clinical waste streams. This is an opportunity not only to seek the best value for money but to have access to accurate generated waste data, also to ensure that a new service will better provide the means to manage down our landfill waste and minimise our waste impact on the environment.

To keep abreast of the incoming changes to waste management and local waste reduction initiatives in the health board, a comprehensive review of policy, procedures and associated waste management documentation is being undertaken.

The health board also received £1,594 from the sale of old and broken equipment.

Waste		2017-18	2018-19	2019-20
Non-financial indicators (tonnes)	Total waste	412.80	371.61	374.27
	Landfill	General waste 175.94 ⁸ Medical 0000 Total 175.94	General waste 165.55 ⁸ Medical 000.00 Total 165.55	General waste 140.83 ⁸ Medical 022.00 Total 162.83
	Reused /Recycled	General 068.78 ⁸ Medical 000.00 Total 068.78	General 096.33 ⁸ Medical 000.00 Total 096.33	General 118.04 ⁸ Medical 026.01 Total 144.05
	Composted	Food 010.79	Food 010.79	Food 011.24
	Incinerated with energy recovery	General 000.00 Medical 122.68 Total 122.68	General 000.00 Medical 098.94 Total 098.94	General 000.00 Medical 056.15 Total 056.15
	Incineration without energy recovery	0.0	0.0	0.0
Financial indicators (£million)	Total disposal cost	£0.150	£0.132	⁹£0.186
	Landfill	General 0.075 Medical 0.000 Total 0.075	General 0.065 Medical 0.000 Total 0.065	General 0.067 Medical 0.008 Total 0.076
	Reused/ recycled	General 0.012 Medical 0.000 Total 0.012	General 0.014 Medical 0.000 Total 0.014	General 0.039 Medical 0.000 Total 0.039
	Composted	Food 0.003	Food 0.003	Food 0.003
	Incinerated with energy recovery	General 0.000 Medical 0.060 Total 0.060	General 0.000 Medical 0.050 Total 0.050	General 0.000 Medical 0.068 Total 0.068
	Incinerated without energy recovery	N/A	N/A	N/A

⁸ To reflect a greater understanding of medical waste treatments between 2017-19 medical landfill waste and reused/recycled has been reassigned to incineration with energy recover as 'offensive waste' and some clinical waste turned into 'flock' and used in industries for energy. 2019-20 data reflects a better understanding of the splits between incineration with energy recovery and landfill.

⁹ Grand total includes administration and delivery costs

Commentary on water usage

Water conservation is balanced against water safety. The figures below are based on pro-rata accounts so the actual figure may be different from reported.

Total supplied volumes are based on metered and rateable sites. As a result, the figures based on rateable value may influence the accuracy of water volume used for the organisation during this period.

Finite Resource Consumption			2017-18	2018-19	2019-20	
Non-Financial Indicators (000m ³)	Water Consumption (Office Estate)	Supplied	42.898	43.410	33.458	
		Sewerage	31.502	30.900	25.404	
		Abstracted	N/A	N/A	N/A	
		Per FTE	0.024	0.025	0.018	
	Water Consumption (Non-Office Estate)	Supplied	Not available	Not available	Not available	
		Abstracted	Not available	Not available	Not available	
	Financial Indicators (£million)	Water Supply Costs (Office Estate)		0.071	0.071	0.051
		Sewerage Supply Costs (Office Estate)		0.061	0.064	0.056
Water Supply Costs (Non-Office Estate)		N/A	N/A	N/A		

SECTION TWO: THE ACCOUNTABILITY REPORT



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

Accountability Report: 2019-20



SIGNED BY:

**CAROL SHILLABEER
[CHIEF EXECUTIVE]**

DATE: 30 JUNE 2020

INTRODUCTION TO THE ACCOUNTABILITY REPORT

Powys Teaching Health Board is required, as are all Welsh NHS bodies, to publish annually 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 Companies Act 2006 apply to NHS bodies, the structure adopted is as described in the Treasury's Government Financial Reporting Manual (FRoM) and set out in the 2019-20 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 2019-20. 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, Risk 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 Officer 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, and sickness absence rates 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, and the audit certificate and Auditor General for Wales' 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 2019-20. It includes:

1. A Director's Report
2. A Statement of Accountable Officer Responsibilities
3. A Statement of Directors' Responsibilities in Respect of the Accounts
4. The Annual Governance Statement

1. THE DIRECTORS' REPORT FOR 2019-20

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 Government’s legislation website: <http://www.legislation.gov.uk/wsi/2009/779/contents/made>

VOTING MEMBERS OF THE BOARD DURING 2019-20

During 2019-20, the following individuals were voting members of the Board of Powys Teaching Health Board:

Independent Members (IM)		
Vivienne Harpwood	Chair	Full year
Melanie Davies	Vice Chair	Full Year
Anthony Thomas	IM (Finance)	Full Year
Matthew Dorrance	IM (Local Authority)	Full Year
Owen James	IM (Community)	Full Year
Trish Buchan	IM (Third Sector)	Full Year
Duncan Forbes	IM (Legal)	To 07 August 2019
Frances Gerrard	IM (University)	Full Year
Ian Phillips	IM (ICT)	Full Year
Susan Newport	IM (Trade Union Side)	Full Year
Mark Taylor	IM (Capital & Estates)	From 03 July 2019
Executive Directors		
Carol Shillabeer	Chief Executive	Full Year
Julie Rowles	Executive Director of Workforce and OD	Full Year
Eifion Williams	Executive Director of Finance and IT	To 30 June 2019
Pete Hopgood	Interim Executive Director of Finance and IT	From 01 July 2019
Hayley Thomas	Executive Director of Planning and Performance	Full Year
Wyn Parry	Executive Medical Director	Full Year
Stuart Bourne	Executive Director of Public Health	Full Year
Rhiannon Jones	Executive Director of Nursing	To 14 July 2019
	Interim Executive Director of Therapies & Health Science	
Katrina Rowlands	Interim Director of Nursing	15 July 2019 to 20 January 2020
Alison Davies	Executive Director of Nursing & Midwifery	From 20 January 2020
Claire Madsen	Executive Director of Therapies & Health Sciences	From 07 January 2020
Patsy Roseblade	Interim Executive Director of Primary, Community Care and Mental Health	To 14 April 2019
Jamie Marchant	Executive Director of Primary, Community and Mental Health Services	From 11 June 2019

During 2019/20, vacancies in the Board consisted of:

Independent Member	Executive Director
<ul style="list-style-type: none"> Independent Member (Legal) from 08/08/19 to present Independent Member (Capital) from 01/04/19 to 02/07/19 	<ul style="list-style-type: none"> Executive Director of Primary, Community & Mental Health Services from 15/04/19 to 10/06/19 Executive Director of Therapies and Health Sciences from 15/07/19 to 06/01/20

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 Chief Executive provided leadership and support to the Primary, Community & Mental Health Services Directorate whilst the Director post was vacant.

On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. At the time of this suspension the Health Board has one Independent Member vacancy. The intention is to recommence Campaigns in September 2020, however this is being kept under review as the public health response to COVID-19 develops.

NON-VOTING MEMBERS OF THE BOARD DURING 2019-20

During 2019/20, the following Associate Members, were appointed by the Minister for Health and Social Services, to the Board as a non-voting member:

- **Alison Bulman**, Corporate Director (Children & Adults), Powys County Council.

The following Associate Member positions were vacant on the Board during 2019/20:

- Chair of the Stakeholder Reference Group (Advisory Group of the Board)
The Stakeholder Reference Group did not meet in 2019/20 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 2020/21.

Further details in relation to role and composition of the Board can be found at page 23 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 57 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 forms a key part of the Performance Report section of the Annual Report and 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: 30 JUNE 2020

CAROL SHILLABEER [CHIEF EXECUTIVE]

**STATEMENT OF ACCOUNTABLE OFFICER
RESPONSIBILITIES: 2019-20**

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's Memorandum issued 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: 30 JUNE 2020

**CAROL SHILLABEER
[CHIEF EXECUTIVE]**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2019-20

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 2019-20 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:

**VIV HARPWOOD
[CHAIR]**

DATE: 30 JUNE 2020

SIGNED BY:

**CAROL SHILLABEER
[CHIEF EXECUTIVE]**

DATE: 30 JUNE 2020

SIGNED BY:

**PETE HOPGOOD
[INTERIM DIRECTOR OF FINANCE AND ICT]**

DATE: 30 JUNE 2020

ANNUAL GOVERNANCE STATEMENT

This Annual Governance Statement details the arrangements that were in place to manage and control resources during the financial year 2019-20. 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

The Board is accountable for Governance, Risk Management and Internal Control. As Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

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 in the section labelled 'Services' on the health board [website](#). Our Integrated Medium Term Plan for 2019-2022 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.

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

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

The actions and decisions taken by the Health Board in response to COVID-19 have been explained within this Annual Governance Statement.

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:**

The Community Health Councils operate across Wales and provide help and advice if citizens have problems with, or complaints about, NHS services. They ensure that citizens' views and needs influence the policies and plans put in place by health providers in their area. They monitor the quality of NHS services from a citizen's perspective and provide information about access to the NHS.

The Board of Community Health Councils in Wales was established in April 2004 with the aim to advise, assist and monitor the Community Health Councils with respect to the performance of their functions, and to represent their collective views and interests to the Welsh Ministers. In 2015, the regulations were revised and it was clearly stated that the Board had responsibility of setting standards and to monitor the performance of the Community Health Councils, the conduct of members and performance of officers as well as operating a Complaints Procedure.

- **Health and Care Research Wales (HCRW):**

HCRW is a national, multi-faceted, virtual organisation funded and overseen by the Welsh Government's Division for Social Care and Health Research. It provides an infrastructure to support and increase capacity in research and development, runs a number of funding schemes, and manages the NHS research and development funding allocation in Wales. Its aim is to generate and support excellent research to improve the health and care of people in Wales across a range of conditions and settings.

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.

The health board has nominated its Director of Workforce and OD as the Lead Director for Community Health Council and its Medical Director as the Lead Director for Health and Care Research Wales. Key officers from the finance and workforce teams have been identified to provide support to the functions, as appropriate.

During 2019-20 we continued to work with Welsh Government to strengthen the governance and accountability arrangements for the functions that we host. The Audit, Risk and Assurance Committee held discussion regarding hosted functions in January 2020 following an Advisory Internal Audit Report. Internal Audit made a number of recommendations for improvement which will be taken forward in 2020/21.

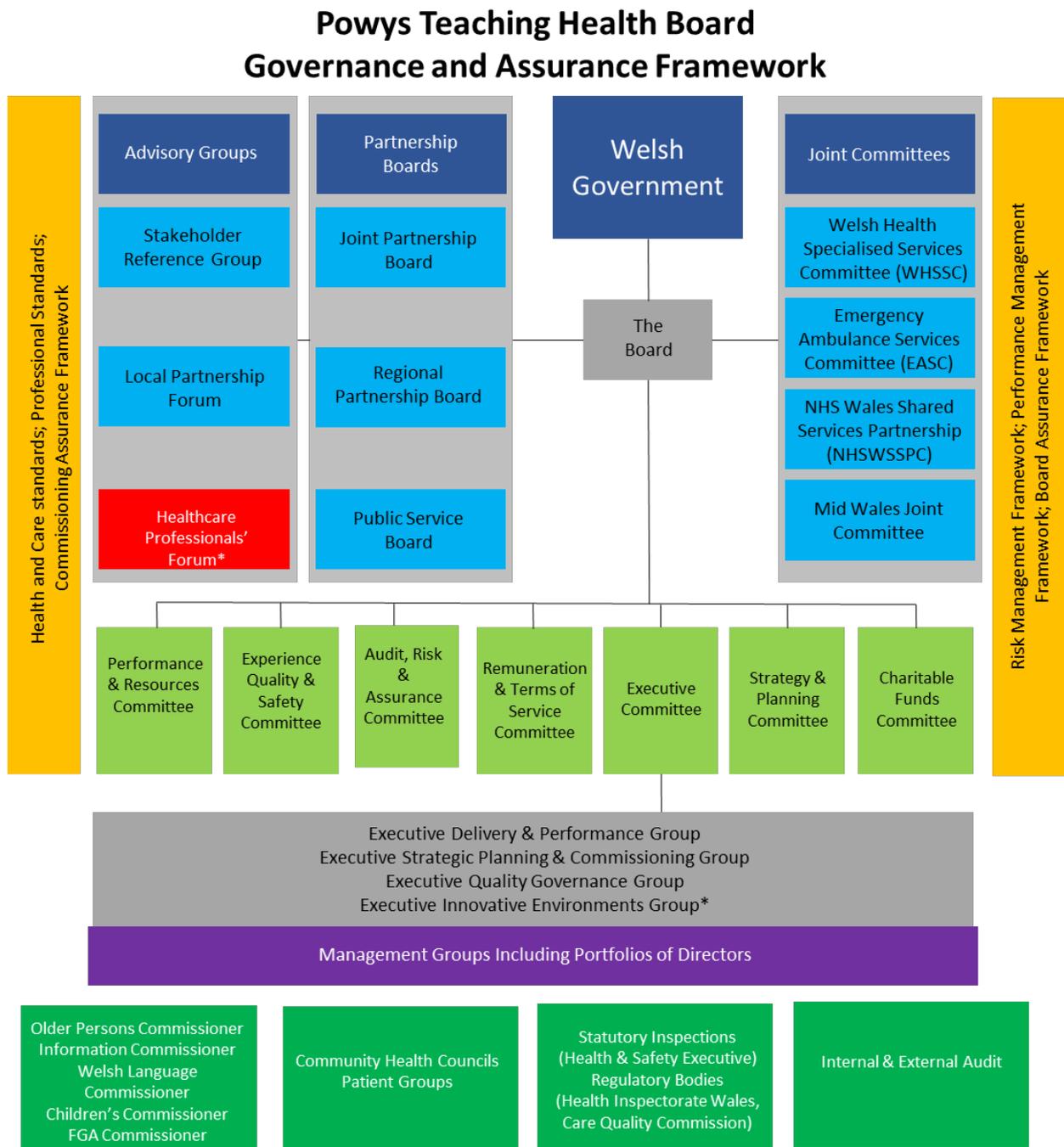
The development of robust accountability frameworks, in conjunction with Welsh Government and hosted bodies, will be necessary to allow each function to discharge its responsibilities.

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 2019-20 to 2021-22 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 2019-20:

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 6.

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 Board is strongly committed to the health board being value-driven, rooted in 'Nolan' principles and high standards of public life and behaviour, including openness, customer service standards, diversity and engaged leadership. The Board has in place a Standards of Behaviour Policy, which sets out the Board's expectations and provides guidance so that individuals are supported in delivering that requirement.

The Standards of Behaviour Policy re-states and builds on the provisions of Section 7, Values and Standards of Behaviour, of the health board's Standing Orders. It re-emphasises the commitment of the health board to ensure that it operates to the highest standards, the roles and responsibilities of those

employed by the health board, and the arrangements for ensuring that declarations of interests, gifts, hospitality, honoraria and sponsorship can be made. The policy also aims to capture public acceptability of behaviours of those working in the public sector in order that the health board can be seen to have exemplary practice in this regard.

Details of the Board's Standards of Behaviour Policy incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, is available on the health board's [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 2019-20 were adopted by the Board on 27 November 2019 and are available on the health board's [website](#).

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 27 November 2019 can be found on the health board's [website](#).

COMMITTEES OF THE BOARD

Section 3 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 Welsh Government's 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 was taken forward to develop revised committee arrangements, and these were formally approved by the Board in March 2019, the revised committee arrangements were implemented in 2019-20. A paper outlining the changes made and agreed by the Board can be found on the health board's [website](#).

The Committees that were in place during 2019-20 were:

- Audit, Risk and Assurance Committee
- Charitable Funds Committee
- Executive Committee
- Experience Quality and Safety Committee
- Performance an Resources Committee
- Remuneration and Terms of Service Committee
- Strategy and Planning Committee

The detailed Terms of Reference, agendas and papers for each of these Committees can be found on the health board's [website](#).

The Chair of each Committee reports regularly to the Board on the committee's activities. This contributes to the Board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. In addition, and in-line with Standing Orders, each committee is required to produce an annual report. The development of committee annual reports for 2019/20 was delayed in order that capacity could be made available to support the health board's response to COVID-19.

Powys Teaching Health Board is committed to openness and transparency, and conducts as much of its board and committee business as possible in a session that members of the public are normally welcome to attend and observe. The Board and its Committees meet throughout the year, and attendance is formally recorded within the minutes, detailing where apologies have been received and deputies have been nominated.

In light of Welsh Government's advice in relation to COVID-19, the Board took a decision at its meeting on 25 March 2020 to conduct meetings by electronic / telephony means as opposed to in a physical location, for the foreseeable future. This will mean that members of the public will not be able attend in person or observe on-line. The Board took this decision in the best interests of protecting the public, our staff and Board members. The Board agreed to publish a summary of meetings held on the health board's website within a week of the meeting to promote openness and transparency.

In addition, the Board agreed to temporarily stand down the following meetings:

- Performance and Resources Committee meeting scheduled for 29th April 2020 would be cancelled. In its absence, finance and performance reporting will go to the full Board on 27th May 2020 (the usual Finance Monthly Report will be issued and Integrated Performance Report) along with any other critical areas and material issues; and
- Strategy and Planning Committee meeting scheduled for 23rd April 2020 would be cancelled, recognising that the organisation's immediate focus would be on COVID-19.

Figure 2 below provides an overview of the role and responsibilities of the Board's Committees, as set out within respective Terms of Reference.

Figure 3 below provides an overview of Board and Committee meetings held during 2019-20.

Figure 2: Roles and Responsibilities of Committees of the Board



Figure 3: Board and Committee meetings held during 2019-20

Board/ Committee	Dates											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board		8 & 29		31		25		27		29		25
Audit Risk and Assurance		7 & 28		16		12		11		14		9
Charitable Funds			11				15				3	
Experience Quality and Safety	16		4		1		10		3		4	
Performance and Resources	30		24		6		22		16		24	
Remuneration and Terms of service		7			6			5			11	
Strategy and Planning		2	24					1		16		14

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

ITEMS CONSIDERED BY THE BOARD IN 2019-20

During 2019-20 the Board held:

- Five meetings in public;
- One extraordinary meeting held in public to consider a recommendation from the Branch Practice Review Panel, in respect of a Branch Surgery Closure Application received from Dyfi Valley Health regarding Cemmaes Road and;
- Six developmental sessions.
- One meeting of the Board (25 March 2020) was held in closed session due to the advice and guidance in relation to COVID-19. This meant that members of the public were not be able to attend in person or observe on-line. The Board took this decision in the best interests of protecting the public, staff and Board members. The Board published a summary of the meeting held on the website within a week of the meeting to promote openness and transparency.

All meetings of the Board held in 2019-20 were appropriately constituted with the required quorum.

COVID-19 Response

In March 2020, the Board approved its Clinical Response Model to the COVID-19 pandemic. This outlined the model of care to be put in place to save lives during COVID-19, and included five main elements:

1. Stay home and save lives;
2. Saving Lives through Self Care, Families and Support;
3. Saving Lives through the best use of the skills & resources in Primary Care;
4. Saving Lives through the best use of the skills & resources in Community Care; and
5. Saving Lives through strong partnership with acute & specialist care.

The first four elements of the model outlined above will mean that as many people as possible will continue to receive their care at home or close to home in Powys. We have increased beds, the skills and services within the community to care for more patients with the virus, which will reduce the need for patients to be admitted to acute hospital, and bringing them closer to home when they are more stable and no longer need acute hospital care. In addition to this we have refocussed our community hospitals and health & care centres to provide an enhanced level of in-county community hospital care for those who need it. This also includes increasing the number of beds, increasing the scope of practice so that we are able to provide a higher level of care within the county than would normally be possible, as well as making sure we are able to continue to provide dignified palliative support and end of life care. We also continue to develop plans so that extra local capacity can be put in place if the need for additional health and care support is required. There will be some people, however, with more

serious illnesses who will need to be admitted for specialist and critical care, with specialist teams and equipment to give them the best chance of recovery. We have very well established relationships with our network of neighbouring hospitals who provide acute and specialist inpatient care for the people of Powys. This will continue to be the case during this period and each of our neighbouring hospitals is increasing their own capacity so that as the impact of COVID-19 increases, they will continue to be able to provide essential care, including for our communities – both for COVID-19 as well as for the other essential services.

Organisational Development Framework

In May 2019, the Board considered and approved '*Best Chance of Success*', An Organisational Development Strategic Framework to support 'A Healthy, Caring Powys' 2019 – 2021.

The purpose of this framework is to outline the development priorities to improve Powys Teaching Health Board's organisational effectiveness, enabling the health board to be best placed to deliver against its commitments for the population of Powys. These commitments are set out in the 10-year health and care strategy: 'A Healthy, Caring Powys' and are operationalised in our three year Integrated Medium Term Plan.

Workforce Futures Strategic Framework

The Board approved the Workforce Futures Strategic Framework in January 2020. The Framework sets out the health board's intentions, by describing our high-level strategic priorities based on what we know about the current workforce landscape, and ensures everyone is clear about what is needed to deliver 'A Healthy, Caring Powys' through our workforce resource. It makes a commitment to design a health and care workforce model that will meet the needs of our citizens and communities, attract the right people with the right skills and knowledge, continue to value, engage and retain our workforce through compassionate and collective leadership, and provide education and development opportunities.

Strategic Planning and Service Change

Integrated Medium Term Plan (IMTP) 2020-21 - 2022-23

The Health and Care Strategy for Powys 'A Healthy Caring Powys' provided a robust strategic context for the IMTP for 2019/2020 – 2021/2022. This provided 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 represented 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.

In January 2020, the Board approved its IMTP for 2020-23. In March 2020, Welsh Government confirmed to the health board that, following a robust assessment, the IMTP was considered to be approvable, which provided a

baseline for future planning discussions. However, in light of the challenges associated with COVID-19, Welsh Government had taken the decision to pause the IMTP processes and allow all resources to be redirected to sustaining key services.

During 2019-20, the Board also considered and approved:

- **Branch Surgery Closure Application received from Dyfi Valley Health**
The Board ratified a decision of a Branch Practice Review Panel, held on 18 April 2019, to accept an application from Dyfi Valley Health to close their premises in Cemmaes Road and consolidate their services at their premises in Machynlleth from 31 July 2019.
- **South Wales Trauma Network Programme Business Case**
In November 2019, the Board approved the overall network model described in the Programme Business Case (clinical, operational and governance) for a South Wales Trauma Network. This included the Operational Delivery Network (ODN) and the role of the health board as a provider of respective components of the service model.
- **Powys Winter Resilience Plan 2019/20**
In November 2019, the Board approved its Winter Resilience Plan which was co-produced with partners and key stakeholders to ensure the health and care community was fully prepared for the winter period to ensure safe, timely and effective care together with positive experiences and outcomes for the people of Powys.
- **Strategic Change Programmes**
The Board received regular updates and assurances in relation to other external change programmes, including: Aneurin Bevan University Health Board – ‘Clinical Futures’; NHS Future Fit (Shrewsbury and Telford Hospitals); and Hereford and Worcestershire STP – Stroke Programme.

Clinical Quality Framework

In January 2020 the Board approved its Clinical Quality Framework. The specific purpose of the PTHB Clinical Quality Framework is to realise a vision of:

"Systematic, clinically-led, continuous and sustained, year-on-year improvement in the quality of clinical care provided by Powys Teaching Health Board".

In this context and through its approach, the framework encompasses fundamental pre-determinants of the delivery of high quality clinical care, including:

- Organisational culture - encompassing honesty and openness
- Clinical leadership
- The improvement methodology in place in the organisation
- Clinical quality intelligence and performance reporting

The Framework is structured around five organisational goals linked improvement actions to determine good quality care in PTHB clinical services, during the period 2020-2023.

Governance, Risk Management and Assurance

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, with an update regarding the Board Assurance Framework received quarterly. The Board Assurance Framework is available on the health board [website](#). In July 2019, the Board approved its Risk Appetite Statement and in September 2019 approved its updated Risk Management Framework. The Board considered its Corporate Risk Register at each meeting, ensuring risks were managed in-line with its appetite and thresholds.

In November 2019 the Board approved: revised Standing Orders and a revised Scheme of Reservation and Delegation of Powers.

During 2019-20, the Board approved the following key policies for implementation in the organisation:

- **Putting Things Right Policy**
This Policy sets out the arrangements, under Putting Things Right (PTR), by which Powys Teaching Health Board will manage, respond and resolve concerns in order to meet the requirements of the NHS Welsh Government legislation: Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011. These Regulations came into force on 1 April 2011, except Part 7, which came into force in April 2012. Part 7 of the Policy deals with the consideration of Redress where a Welsh NHS body has commissioned care from a NHS Provider in England – Cross Border Arrangements.
- **Standards of Behaviour Policy**
The aim of this policy is to ensure that arrangements are in place to support employees and Independent Members to act in a manner that upholds the Standards of Behaviour Framework, as well as setting out the arrangements in place to manage declarations of interests, gifts, hospitality, honoraria and sponsorship, through the standard forms in place.
- **Bribery Policy**
The primary purpose of this policy is to outline the Health Board's position in respect of compliance with the Bribery Act; set out the Health Board's responsibilities, and the responsibilities of those working for the Health Board, in preventing bribery and corruption; and provide clear guidance on how to report any concerns or suspicions in respect of potential fraudulent behaviour. This policy forms a key part in the Health Board's defence against the risks posed by economic crime.

Nurse Staffing Levels (Wales) Act

The Nurse Staffing Levels (Wales) Act 2016 came into force on 21 March 2016,

with a phased commencement with full implementation required by 6 April 2018. In May 2019, the Board received a position report from the Executive 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 2018-19;
- Approved the Resource Plan for 2019-20;
- Received feedback from service users and patients through experience stories;
- Approved and monitored the Discretionary Capital Programme;
- Received, considered and discussed financial performance and the related risks being managed by the health board;
- 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 2019-20, 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 the HSE.

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

<p>Audit Risk and Assurance Committee</p>	<ul style="list-style-type: none"> ▪ Approved the Internal Audit Plan for 2019-20 ▪ Oversaw the delivery of a programme of internal and external audit reports ▪ Sought assurance in relation to Post Payment Verification Checks ▪ Kept an overview of the adequacy of Local Counter Fraud Services ▪ Monitored the implementation of audit recommendations ▪ Kept under review the health board’s arrangements for risk management and assurance ▪ Reviewed and sought assurance on the accuracy of Annual accounts ▪ Oversaw the Governance Improvement Programme
<p>Executive Committee</p>	<ul style="list-style-type: none"> ▪ Took forward actions arising from the Integrated Performance Report and performance managing the delivery of those action plans. ▪ Kept the operational effectiveness of policies and procedures under review. ▪ 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. ▪ Provided a strategic view of issues of concern ensuring co-ordination between directorates. ▪ 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. ▪ Ensured staff are kept up to date on health board wide issues. ▪ Acted as the forum in which Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues.
<p>Charitable Funds Committee</p>	<ul style="list-style-type: none"> ▪ Scrutinised applications for charitable funds ▪ Kept and overview of charitable funds income and expenditure
<p>Experience Quality and Safety Committee</p>	<ul style="list-style-type: none"> ▪ Reviewed performance against key patient experience, quality and safety indicators ▪ Sought assurance in relation to the quality of directly provided services and commissioned services

	<ul style="list-style-type: none"> ▪ Monitored the health board’s approach to complaints and concerns ▪ Sought assurance in relation to specific issues, for example, Commissioned Maternity Services ▪ Oversaw the development of the Annual Quality Statement ▪ Received reports on matters such as Infection Prevention and Control, Wellbeing at Work, Safeguarding and Health and Safety ▪ Monitored Welsh Language requirements, equality and diversity; and compliance with mental health legislation. ▪ Monitored the effectiveness of arrangements in place to support Improvement and Innovation ▪ Considered the safeguarding of information and associated governance arrangements. ▪ Sought assurance on the implementation of Putting Things Right regulations and lessons learnt.
<p>Performance and Resources Committee</p>	<ul style="list-style-type: none"> ▪ Sought assurance regarding financial management and financial performance. ▪ Oversaw the delivery of the health board’s performance against the National Outcomes Framework, the Integrated Medium Term Plan and related Annual Plan, and key local outcomes. ▪ Sought assurance regarding arrangements for the performance management and accountability of directly provided and commissioned services ▪ Monitored workforce and organisational development frameworks and plans; and the monitoring of key workforce metrics. ▪ Monitored GDPR and Freedom of Information, requirements ▪ Monitored the achievement of shared outcomes, including the Regional Partnership Board and Public Services Board.
<p>Strategy and Planning Committee</p>	<ul style="list-style-type: none"> ▪ Oversaw the development of the Board’s Capital Discretionary Programme and Capital Business Cases ▪ Received reports on matters such as Board’s Integrated Medium-Term Plan, including the Financial Plan and Workforce Plan and Board’s Annual Plan, aligned to the Integrated Medium-Term Plan. ▪ Considered and kept the following under review:

	<ul style="list-style-type: none"> • any necessary revision of the Health Board’s strategies and plans • implications for service planning arising from the development of the Health Board’s strategies and plans or those of its stakeholders and partners • Health Board Civil Contingency Plan and Business Continuity Plan
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BOARD DEVELOPMENT

In July 2019, the Board approved its Board Development Plan 2019/20 – 2020/21. The purpose of Plan outlines the key components of an effective Board, areas for further development as identified through a process of self-assessment and reflection (undertaken in January 2019) and confirms the Board Development Plan for delivery throughout 2019/20 and 2020/21.

During the year, the Board took part in a number of development and briefing sessions which covered topics that included risk management, organisational development, strategic commissioning, key issues and hot topics and presentations from organisations, such as Welsh Health Specialised Services Committee and the Health and Safety Executive.

The Board had scheduled its annual self-assessment and reflection to take place in April 2020 (to include consideration of the effectiveness of its committees), however this was stood down in light of COVID-19. In its absence, implementation of the Board Development Plan will continue into its second year to support improved effectiveness.

ADVISORY GROUPS

PTHB's Standing Orders require the board to establish 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 on the health board's [website](#).

The Local Partnership Forum (LPF) is well established. Work was undertaken in 2019-20 to strengthen the Forum's operating arrangements and maximize its role in providing advice to the Board. Considerations have been made in 2019-20 regarding the potential of combining the Local Partnership Forum and the Health and Safety Group. This will be given further consideration in 2020/21. There were no significant issues considered by the LPF on behalf of the Board during 2019-20.

The Stakeholder Group did not meet during 2019/20. Whilst the Board had identified actions to review the SRG's terms of reference and membership and establish a schedule of meetings during 2019/20, other actions within the Annual Governance Programme were delivered as a priority. During 2020/21, in-line with the Annual Governance Programme, work will be undertaken to review the Stakeholder Reference Group's membership, to ensure clarity on its role and purpose and ensure alignment with the Board's programme of business.

The Board does not have in place its Healthcare Professionals' Forum. Whilst the Board had identified action to establish the Healthcare Professionals' Forum during 2019/20, other actions within the Annual Governance Programme were delivered as a priority.

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 Healthcare Professional's Forum is due to be established in 2020/21, in-line with the Annual Governance Programme.

JOINT COMMITTEES

Regular reports on the work of the Joint Committees are provided by the Chief Executive to the Board at each meeting and can be viewed on the health board [website](#).

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).

PARTNERSHIP AND COLLECTIVE WORKING

Regular reports on the work of the Partnership Boards are provided by the Chief Executive to the Board at each meeting and can be viewed on the health board [website](#).

POWYS COUNTY COUNCIL

Powys Teaching Health Board and Powys County Council have a series of overarching Section 33 agreements through which the organisations manage joint arrangements for Care Homes, Community Equipment, Glan Irfon, Information Communication Technology (ICT) services, Reablement Services and Substance Misuse. In addition to Section 33 agreements, there are a number of key areas where there is integrated working, including: Mental health services, services for people with learning disabilities, older people, carers and children's. Section 33 arrangements are overseen by a Joint Partnership Board which is outlined below.

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 County Council, 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 also has oversight of the Section 33 agreements, as mentioned above.

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 PUBLIC SERVICE BOARD SCRUTINY COMMITTEE

The PSB Scrutiny Committee was set up in September 2018 as a joint committee with representatives of the organisations which sit on the Powys Public Service Board. This Committee was active during the year scrutinizing progress on a number of the 12 steps of the Well-being Plan.

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 2014. 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 and focuses on 'Delivering the Vision'. Priorities have been identified as a Focus on Wellbeing, Tackling the Big 4 (Cancer, Cardio-vascular diseases, respiratory diseases and mental health), Early Help and Support and Joined up care. The Regional Partnership Board is currently overseeing a major integrated project in North Powys providing a new model of care jointly for health and social care and extending to include supported accommodation and primary education.

Welsh Government has distributed an Integrated Care Fund across Wales to the seven Regional Partnership Boards (RPBs) in Wales. The aim of the fund is to drive and enable integrated working between social services, health, housing and the third sector and independent providers to develop sustainable services. Powys RPB is responsible for overseeing and managing the use of the fund in Powys.

In September 2019, Wales Audit Office (WAO) examined whether the fund is being used effectively to deliver sustainable services that achieve better outcomes for service users. WAO identified a number of areas where Powys RPB could improve upon at a regional level, as set out in their report. In addition, WAO identified some key questions that Board members of Health Boards and scrutiny members of local authorities could explore with lead officers responsible for the fund to maintain a close handle on how the fund continues to be used across the region. The Board's Strategy and Planning Committee will consider these in its 2020/21 workplan.

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.

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](#).

THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code currently relevant to NHS bodies is 'The Corporate governance code for central government departments: Code of Good Practice 2017'. 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.

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 2020 and up to the date of approval of the annual report and accounts. Some elements of the system of internal control were however adapted or suspended in the last quarter of 2019/20 to support the health board's response to COVID-19, specifically:

- The board's Performance and Resources Committee and Strategy and Planning Committee meeting did not meet, with any urgent business being absorbed by the Board;
- The implementation of Audit Recommendations was not monitored;
- The Internal Audit Plan for 2019/20 was closed down with two audits deferred to 2020/21;
- The Risk & Assurance Group did not meet to oversee Operational Risk Management, although risk management remained the responsibility of managers as set out within the Risk Management Framework;
- A Command and Control Model was established to lead the planning and response to COVID-19.

The system of internal control will continue to be reviewed and refined as the organisation moves into the second phase of responding to COVID-19.

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, Risk and Assurance Committee and Experience, Quality and Safety Committee.

Executive Committee (Committee of the Board, as per page 23) 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. In addition, the Risk and Assurance Group, constituted by Assistant Directors and Senior Managers to oversee operational risk management, reports into the Executive Committee.

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, reviewed and updated in September 2019, 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.

In March 2020, Internal Audit undertook a review of Risk Management and Board Assurance arrangements, which focused on how the Board Assurance Framework and Risk Management Framework are being implemented and updated in-line with the revised IMTP. A limited assurance rating was provided to the Board in respect of this review.

Internal Audit confirmed that the Board has adopted a structured approach to risk management, whereby risks are identified, assessed and controlled, and if appropriate, escalated or de-escalated through the governance mechanisms of the organisation. Further, the health board's Risk Management Framework identifies those individuals with responsibilities for the management of risk, and sets out the health board's key risk management structures and processes.

Whilst, Internal Audit recognised the progress made during 2019-20 at an organisational and strategic level to set the framework by which risk will be identified and managed, Internal Audit made a number of recommendations by which improvements could be made in embedding risk into the operational management of the organisation. During 2020-21, we will take forward Internal Audit's recommendations as a priority.

I recognise the limited assurance that Internal Audit was able to provide given the weaknesses identified in the operational management. I am satisfied that the Board did continue to receive and review its corporate risk register to ensure that strategic risks were managed and this was acknowledged by Internal Audit and the Wales Audit Office as part of the 2019 Structured Assessment.

RISK APPETITE

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 updating and approving its Risk Appetite Statement in July 2019, the Board gave careful consideration to the health board's capacity and

capability to manage risk.

The Board recognises that risk is inherent in the provision and commissioning of healthcare services, and therefore a defined approach is necessary to articulate risk context, ensuring that the organisation understands and is aware of the risks it is prepared to accept in the pursuit of its aims and objectives.

The Risk Appetite Statement for 2019-20 was developed to reflect an increased appetite in relation to innovative and financial risks, which may be necessary to support achievement of the Board’s ten-year strategy, ‘A Healthy, Caring Powys’. In recognising the risks inherent in healthcare services, the risk appetite statement starts at the basis of a low appetite.

The Risk Appetite Statement confirms that the Board is not open to risks that materially impact on the quality or safety of services the Health Board provides or commissions; or risks that could result in the organisation being non-compliant with UK law, healthcare legislation, or any of the applicable regulatory frameworks in which we operate. The Board has greatest appetite to pursue innovation and challenge current working practices and financial risk in terms of its willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

The following risk appetite levels, informed by the Good Governance Institute, have been included have been used as the basis in determining the appetite levels set out in the Statement:

Risk Appetite Level	Risk Maturity	Risk Appetite Description
LOW (Risk Score 1-6)	Minimal	Preference for ultra-safe, well established/evidence based delivery options that have a low degree of risk.
MODERATE (Risk Score 8-10)	Cautious	Preference for safe delivery options, also used by other organisations that have some degree of known risk outweighed by potential benefit.
HIGH (Risk Score 12-15)	Open	Willing to consider all potential delivery options, established and new, and make a choice which also provides an acceptable level of reward.
SIGNIFICANT (Risk Score 16-25)	Seek Mature	Eager to be innovative and to choose options offering potentially higher rewards despite greater potential risk. Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.

The thresholds provided within the Risk Appetite Statement, approved in July 2019, is provided below:

Risk Category	Description
APPETITE FOR RISK: Low (Risk Score 1-6)	
Quality & Safety of Services	<p>The provision of high quality services is of the utmost importance to the Health Board and we have a cautious appetite to risks that impact adversely on quality of care.</p> <p>We consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities of the organisation. We have a low appetite to risks that result in, or are the cause of incidents of avoidable harm to our patients or staff.</p> <p>This means we are not open to risks that could result in poor quality care or clinical risk assessment, non-compliance with standards of clinical or professional practice, unintended outcomes or poor clinical interventions.</p> <p>We will not accept risks associated with unprofessional conduct, underperformance, bullying, or an individual's competence to perform roles or tasks safely and, nor any incidents or circumstances which may compromise the safety of any staff member or group.</p>
Regulation & Compliance	<p>We will not accept risks that could result in the organisation being non-compliant with UK law or healthcare legislation, or any of the applicable regulatory frameworks in which we operate.</p>
APPETITE FOR RISK: Moderate (Risk Score 8-10)	
Reputation & Public Confidence	<p>We will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviours Framework, and will not accept risks or circumstances that could damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government.</p> <p>We have a moderate appetite for risks that may impact on the reputation of the health board when these arise as a result of the health board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.</p>
Finance	<p>We have been entrusted with public funds and must remain financially viable. We will make the best use of our resources for patients and staff. Risks associated with investment or increased expenditure will only be</p>

	<p>considered when linked to supporting innovation and strategic change.</p> <p>We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.</p>
<p>APPETITE FOR RISK: High (Risk Score 12-15)</p>	
<p>Innovation & Strategic Change</p>	<p>We wish to maximise opportunities for developing and growing our services by encouraging entrepreneurial activity and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the Integrated Medium Term Plan, whilst respecting and abiding by our statutory obligations.</p> <p>We will consider risks associated with innovation, research and development to enable the integration of care, development of new models of care and improvements in clinical practice that could support the delivery of our person and patient centred values and approach. We will only take risks when we have the capacity and capability to manage them, and are confident that there will be no adverse impact on the safety and quality of the services we provide or commission.</p>

THE HEALTH BOARD’S RISK PROFILE

As can be seen from the Heat Map at **Figure 7**, at the end of March 2020 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 on the health board’s [website](#).

Figure 7: Strategic Risk Heat Map

Impact	Catastrophic	5					
	Major	4	<ul style="list-style-type: none"> There is a Service Failure of Out of Hours GMS Care 	<ul style="list-style-type: none"> Fragmented and unsustainable service models as a result of population changing need and service reconfiguration of neighbouring bodies The health board does not meet its statutory duty to achieve a breakeven position ICT systems are not robust or stable enough to support safe, effective and up to date care Effective governance arrangements are not embedded across all parts of the health board The health board is unable to attract, recruit and retain staff to some medical and clinical roles, principally registered nurses and doctors (GPs) 	<ul style="list-style-type: none"> Some commissioned services are not sustainable or safe, and do not meet national targets The care provided in some areas is compromised due to the health board’s estate being non-compliant and not fit for purpose Resources (financial and other) are not fully aligned to the health board’s priorities Potential adverse impact on business continuity and service delivery arising from a pandemic outbreak of a high consequence infectious disease 		
	Moderate	3			<ul style="list-style-type: none"> The health board does not comply to the Welsh Language standards, as outlined in the compliance notice Services provided are fragile, not sustainable, and impact on PTHB ability to achieve National Outcome Framework measures 		
	Minor	2					
	Negligible	1					
Likelihood		1	2	3	4	5	
		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**.

Figure 8: Key Risks and Controls

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>Some commissioned services are not sustainable or safe, and do not meet national targets</p>	<p>CONTROLS IN PLACE/ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ Implementation of the Strategic Commissioning Framework (for whole system commissioning) ▪ Embedding the Commissioning Assurance Framework (CAF) escalation process ▪ Executive Committee Strategic Commissioning and Change Group (including consideration of fragile services) ▪ Regular review at Delivery and Performance Meetings ▪ Scrutiny by Performance and Resources Committee ▪ Scrutiny by Experience, Quality and Safety Committee ▪ Internal Audits ▪ Contract Quality and Performance Review Meetings for the 15 NHS Providers and key private sector providers ▪ Individual Patient Funding Request Panel and Policy ▪ WHSSC Joint Committee and Management Group ▪ WHSSC ICP agreed within PTHB IMTP ▪ Emergency Ambulances Services Committee ▪ Shared Services Framework Agreements ▪ Section 33 Agreements ▪ Responsible Commissioner Regulations for Vulnerable Children Placed away from Home ▪ Specific Organisational Delivery Objectives set out in health board’s Annual Plan for 2019-20 ▪ Participation in the Cross-Border Network Between England and Wales (Statement of Values and Principles between England and Wales) ▪ Commissioning Intentions set out in IMTP ▪ NHS LTA and SLA Overview submitted to the Executive Committee (and approval process) ▪ Executive Committee approved LTA and SLA narrative (updated each year) ▪ CEO signed LTAs and SLAs for healthcare ▪ CAF developed for General Dental Services ▪ CAF developed for General Medical Services ▪ Recruitment of Public Health Consultant to help strengthen commissioning intelligence ▪ Prior approval policy in place ▪ EEA policy arrangements in place ▪ INNU policy out to consultation <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2020-21:</p> <ul style="list-style-type: none"> ▪ Embed whole system commissioning through the implementation of the Strategic Commissioning Framework ▪ Embed and ensure implementation of the Commissioning Assurance Framework ▪ Implement commissioning intentions for 2018-19 ▪ Robustly manage the performance of all providers of planned care services for the people of Powys through the Commissioning

	<p>Assurance Framework</p> <ul style="list-style-type: none"> ▪ Programme of work to strengthen effective processes to develop and manage condition specific and service plans ▪ Strengthening of commissioning intelligence in line with IMTP ▪ Review Patient flows and activity into specialised services to ensure safe and appropriate pathways ▪ Strengthen the organisation’s capacity, capability and governance processes for commissioning – including interface with specialised services ▪ As a member of the Powys Regional Partnership Board, support delivery of the Powys Area Plan which includes commissioning appropriate, effective and efficient accommodation options for older people, individual children and looked after children ▪ Through the Joint Partnership Board, continue to develop opportunities for pooling Third Sector commissioning ▪ Recruitment of a pooled fund manager for Section 33 Residential Care ▪ Strengthen the whole system approach to the Big 4
<p>The care provided in some areas is compromised due to the health board’s estate being non-compliant and not fit for purpose</p>	<p>CONTROLS IN PLACE/ACTION TAKEN:</p> <p><u>ESTATES</u></p> <ul style="list-style-type: none"> ▪ Specialist sub-groups for each compliance discipline ▪ Risk based improvement plans introduced ▪ Specialist leads identified ▪ Estates Compliance Group and Capital Control Group established ▪ Medical Gases Committee; Fire Safety Group; Water Safety Group; Health & Safety Committee in place ▪ Capital Programme developed for compliance and approved ▪ Capital and Estates set as a specific Organisational Priority (OP 22) in the health board’s Annual Plan for 2019-20 with related Organisational Delivery Objectives ▪ Address (on an ongoing basis) maintenance and compliance issues ▪ Address maintenance and compliance improvements to ensure patient environment is safe, appropriate and in line with standards <p><u>CAPITAL</u></p> <ul style="list-style-type: none"> ▪ Capital Procedures for project activity ▪ Capital Procedures for project activity ▪ Routine oversight / meetings with NWSSP Procurement ▪ Specialist advice and support from NWSSP Specialist Estates Services ▪ Audit reviews by NWSSP Audit and Assurance ▪ Close liaison with Welsh Government, Capital Function ▪ Reporting routinely to P&R Committee ▪ Capital Programme developed and approved ▪ Detailed Strategic, Outline and Full Business Cases defining risk ▪ Capital and Estates set as a specific Organisational Priority (OP 22) in the health board’s Annual Plan for 2019-20 with related Organisational Delivery Objectives <p><u>ENVIRONMENT</u></p> <ul style="list-style-type: none"> ▪ ISO 14001 accreditation with ongoing external audit to retain accreditation ▪ Environment & Sustainability Group ▪ NWSSP Specialist Estates Services (Environment) support and oversight ▪ Welsh Government support and advice

	<p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2020-21:</p> <ul style="list-style-type: none"> ▪ Implement the Capital Programme and develop the long term capital programme ▪ Continue to seek WG funding ▪ Develop capacity and efficiency of the Estates and Capital function ▪ Review current structure of capital and estates department
Resources (financial and other) are not fully aligned to the health board's priorities	<p>CONTROLS IN PLACE/ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ Approved IMTP signals confidence in planning and delivery ▪ Development of an Organisational Development Framework ▪ Assessment of organisational capability including staff survey, WAO and Internal Audit, external review work ▪ Strengthened Regional Partnership Board working and ICF management – potential for further investment <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2020-21:</p> <ul style="list-style-type: none"> ▪ Development of a Workforce Futures Strategic Framework and its implementation ▪ Development of an Innovative Environments Strategic Framework and its implementation ▪ Development of a Digital First Strategic Framework and its implementation
Potential adverse impact on business continuity and service delivery arising from a pandemic outbreak of a high consequence infectious disease.	<p>CONTROLS IN PLACE/ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ PTHB Pandemic Framework invoked; Gold (Strategic), Silver (Tactical) and a series of task and finish groups have been convened to meet weekly. Incident management team established ▪ Action plan in place ▪ Scientific Advisory Group on Emergencies (SAGE) reasonable worst case planning assumptions being used to model the impact of a 4-6 month outbreak on the Powys population and plan the health board response ▪ Support being given to the wider system in Wales through participation in WG and PHW-led planning and response groups ▪ Regular updates on COVID-19 guidance issued via Powys Announcements to ensure effective communication processes across the health board are in place ▪ Walkthrough of local response arrangements at key PTHB hospital sites ▪ Community testing in place to support the 'Contain' phase ▪ UK Govt guidance circulated to primary and community services <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2020-21:</p> <ul style="list-style-type: none"> ▪ Local Resilience Forum arrangements may need to be invoked at some point in the future, depending on the scale of the outbreak and the effectiveness of the public health response

As referenced in the table above, in developing our Integrated Medium Term Plan for 2020-23 we gave careful consideration to the actions that we will be taken 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 2019-20 by the Performance & Resources Committee and the Board.

During 2019/20, 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 ICT systems are not robust or stable enough to support safe, effective and up to date care
- A risk that the health board is unable to attract , recruit and retain staff to some medical and clinical roles, principally registered nurses and doctors (GPs)
- A risk that services provided are fragile, not sustainable, and impact on PTHB ability to achieve National Outcome Framework measures
- A risk that there is a Service Failure of Out of Hours GMS Care

During 2019/20, the Board agreed to de-escalate a number of risks from the Corporate Risk Register to the Directorate Risk Register, due to the impact of mitigating actions being implemented or a change in circumstance. These included:

- A risk that a "no deal" Brexit scenario adversely impacts PTHB systems and services, and key sectors within the economy of Powys

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020, and this has subsequently led to NHS organisations, including Powys Teaching Health Board, needing to focus on preparations and plans for dealing with an expected surge in demand of patients requiring interventions. The situation has been changing constantly and has required an agile response.

The Board's approach to risk management will therefore need to be balanced and proportionate to ensure effective risk management arrangements, whilst ensuring capacity is made available to plan and respond to COVID-19. The approach to releasing capacity and determining priorities (COVID and 'business as usual' related) during this period will need to be determined by an assessment of risk.

During the COVID-19 Pandemic, the Board will continue to review the existing Corporate Risk Register to:

- Consider whether any existing risks may need to be updated to reflect the impact of COVID-19 on them which may reduce/increase the risk score in terms of likelihood and/or impact;
- Consider whether there are new risks emerging from the impact of COVID-19 on the achievement of the board's strategic objectives;

- Assess and make recommendations to the Board regarding those risks where appetite and tolerance may need adjusting to recognise the impact of COVID-19 on the organisation.

In light of the COVID-19 pandemic, the Chief Executive Officer established a command and control structure under Business Continuity Planning arrangements, led by a Strategic (Gold) Group. Gold Group is responsible for determining the coordinated strategy and policy for the overall management of the health board's response to COVID-19, to protect the reputation of the organisation and ensure the delivery of effective, efficient and safe care for the population of Powys.

In assessing the health board's ability to respond to COVID-19, Gold Group has identified the key risks which require mitigation and monitoring and a COVID-19 Risk Register developed. Risks contained within the COVID-19 Risk Register relate solely to the health board's arrangements for responding to COVID-19 and does not include the COVID-19 related risks relevant to the achievement of the Board's strategic objectives (recorded through the Corporate Risk Register) or those risks related to service delivery (recorded through Directorate Risk Registers).

The COVID-19 Risk Register is reviewed regularly by Strategic (Gold) Group and will be reported to the Board alongside the Corporate Risk Register during 2020/21.

The Audit, Risk and Assurance Committee has a key role in monitoring the effectiveness of internal control and the process for risk management. Work will continue in 2020/21 to strengthen the reporting of risks to the Board's Committees.

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:

QUALITY GOVERNANCE STRUCTURE

During 2019-20, the health board progressed work to review arrangements and activities to support the delivery of high-quality clinical care. The existing quality governance structure of the Experience, Quality and Safety Committee continued to receive reports on assurance and escalated risks linked to patient experience, quality and safety. A new Quality Governance Group was set up in July 2019, its

focus to ensure robust governance, management systems and processes were in place and were operating effectively; this reported via the Executive Committee to the Experience, Quality and Safety Committee on matters of risk or escalation. Recognising its collective responsibility for quality and with a particular focus on clinical quality and clinical quality improvement, in January 2020, the Board approved 'Improving Clinical Quality: Powys Teaching Health Board Framework for Action 2020-2023'.

The Board recognises people's experience is an important aspect of optimising clinical outcome. Listening and learning from patient stories at Board has supported a strong focus on the provision of person centered, outcome focused care to help inform decision making in relation to service planning design, delivery and evaluation. This year the Board has received presentations about driving when living with Parkinson's disease, Powys' triage approach to treating patients with musculoskeletal conditions in primary care and our model of care within occupational therapy. The driving checklist is now integrated into practice as part of the routine annual review for anyone with Parkinson's disease who drives. This improvement was also shared via the Chief Nursing Officer's Annual Conference last year and more widely, through the Parkinson's Disease Excellence Networks, along with a poster presentation at an international conference.

HEALTH AND CARE STANDARDS

The health board continues to utilise the Health and Care Standards (HCS) to inform on the quality of services provided in in-patient settings. Services undertake self-assessments which enables identification of good practice, which is shared across the health board to help support improvement in other areas. The HCS are referenced as part of all reports to Committees, with associated risks and escalation raised.

In December 2019, Welsh Government wrote to health boards advising that a review of the standards framework was underway. As part of the review, health boards were asked to complete a questionnaire on the current effectiveness of the standards in particular whether they remain fit for purpose or whether there is a need for wholesale review at this time.

HEALTH AND SAFETY

During 2019-20 the health board invested in its Health and Safety function, aligning the team to both Occupational Health and Workforce Training. During early 2019, the Health and Safety Executive visited various PTHB sites as part of a national initiative to look at the management of Violence and Aggression and Manual Handling, and recommended a number of areas for improvement. At the revisit in November 2019, the HSE reported significant improvements had been made by PTHB in the identified areas, where clear awareness, knowledge and application by staff was evident. During the revisit, two improvement notices were served and two contraventions of health & safety law were

identified, in relation to Water Safety testing and robust site risk assessments.

The refreshed Health and Safety Group has a clear line of accountability to the Executive Team and the Experience Quality and Safety Committee, through to Board.

A number of key H&S policies have been reviewed, updated and signed off. Manual Handling Training provision has been streamlined to four key areas.

The following risk assessment templates have been reviewed and updated:

- Patient Handling Assessment and Safer Handling Plans
- Inanimate Load Handling Risk Assessment form and guidance
- General Risk Assessment Template Form and Toolkit
- All Wales Violence and Aggression Risk Assessment form

Waiting lists for occupational health Doctors have reduced from nine months to six weeks. SliverCloud online CBT programme is in place, including provision for self-referrals.

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, around 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 2019-20, under the Strategic Commissioning Framework, work has been undertaken with public health expertise to help strengthen commissioning intelligence building an approach which will enable the health board to scan multiple systems and sources of information (including the Clinical Health Knowledge System and the MAIR system for specialised services) to highlight the most important issues.

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, where there have been significant concerns in relation to Emergency Department and maternity services in particular. As well as its own escalation procedures, PTHB has also participated in system wide risk management arrangements for that provider led by NHS England.

In 2019-20 significant work has been undertaken to develop a specific thematic view of maternity services “across the system” with a maternity assurance spanning all providers feeding into the Commissioning Assurance Framework. The fragility of some neighbouring maternity services, including Shrewsbury and Telford NHS Trust and those in Cwm Taf Morgannwg University Health Board, has been a particular concern.

The dedicated lead for the quality and safety of commissioned services has populated a dashboard of key indicators covering key issues such as serious incidents, mortality, pressure sores, hospital acquired infections and patient experience.

Via Internal Audit there was reasonable assurance in relation to financial management of commissioned services. The Executive Committee approves the values of the DGH Agreements, which are signed by myself as Accountable Officer. Regular reports of progress in reaching signature through negotiation are received through the “Long Term Agreement and Service Level Agreement Overview”.

A “Fragile Services Log” is also regularly submitted to the Strategic Planning and Executive Group of the Executive Committee.

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 signed Section 33 Agreement has been in place with Powys County Council for care home functions. There was difficulty appointing a Pooled Fund Manager which was achieved in January 2020. The Health Board provided additional interim support and resources in-year to help take forward a programme of work needed for the Section 33 Agreement, including developing an information report ahead of a commissioning assurance approach.

A new procedure for Prior Approval was consulted upon and implemented in addition to the continued use of updated policies and procedures for Individual Patient Funding Requests and European Economic Area cases, which have helped to ensure robust processes for highly complex individual cases.

CLINICAL AUDIT

The current Clinical Audit Strategy is due to be reviewed during 2020, as set out in the Board's Clinical Quality Framework. Recognising that clinical audit is one of a number of tools that enable the provision of high quality, safe and effective healthcare, PTHB's approach to clinical audit will be incorporated into a Clinical Effectiveness and Quality Improvement Strategy. A Clinical Audit Programme Plan aligned to the Clinical Quality Framework has been developed. This reflects the changes to both the governance arrangements of the Health Board and the organisational realignment. A Clinical Audit Plan will be drafted for 2020/21 which incorporates within the plan:

- National Audit Programme elements as they apply to PTHB;
- Learning from Serious Incidents (SIs) or complaints;
- New or changes to existing policy / practice and areas where service improvement is required; and
- The prioritisation of new and repeat clinical audit projects (taking account of any recognised clinical risks).

All clinical services continued to offer a local audit programme during the course of 2019-20, with the Health Board also participating in the National Clinical Audits for:

- Cardiac Rehabilitation;
- Audiology; and
- Primary Care Diabetes Care.

COMPLAINTS AND CONCERNS FRAMEWORK

Significant work has taken place in 2019/20 to improve compliance with the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. This has resulted in focused work led through the Executive Team to improve the way in which serious incidents are managed, through to investigation, learning and sharing of lessons. Concerns/ complaints have been targeted with the aim of providing quality responses within assessed timeframes. This work is continuing through our Improving Clinical Quality: Powys Teaching Health Board Framework for Action 2020-2023, setting out clear goals for improving clinical quality, safety, effectiveness and patient experience.

Further detail on complaints and concerns will be published in the Annual Quality Statement 2019-2020 and Putting Things Right Annual Report for 2019-2020. These and further information on Putting Things Right can be found on the health board [website](#).

MORTALITY REVIEWS

The normal process for in-patient mortality review continued to take place in Powys hospitals throughout the year, with a change to a quarterly pan Powys mortality review to be introduced in 2020. A group also undertook a review of the

proposed Datix module for mortality review documentation. Extensive feedback was offered to the manufacturers by Powys users. Links were also made to the All-Wales Medical Examiner's office about the future use of the software. Unfortunately the coronavirus pandemic is currently delaying a final implementation of quarterly reviews, Datix software or the full Medical Examiner role. A report summarising local mortality reviews was submitted to the Board's Experience, Quality and Safety Committee in November 2019

ANNUAL QUALITY STATEMENT

The Annual Quality Statement provides the opportunity to:

- share how well we are doing across all services and across the patient pathway, including working with social care and the third sector;
- promote good practice to share and spread more widely;
- confirm any areas which need improvement;
- reporting our progress year on year;
- account to our public and other stakeholders on the quality of our services; and
- engage our public on the quality of services received.

The health board will publish its Annual Quality Statement by 30 September 2020. This will provide a summary of the health board's activities in addressing local need. The Annual Quality Statement will highlight a summary of actions taken to improve the quality and safety of the services provided and commissioned, along with reference to the Health and Social Care (Quality & Engagement) (Wales) Bill, which is set to be introduced within the next year. The Annual Quality Statements of the health board can be found on the health board [website](#).

EXECUTIVE PORTFOLIOS

In November 2019, 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 – November 2019



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.

Positive staff engagement and communication programmes have enabled us to maintain high levels of uptake of flu immunisation, and to continue our programmes to embed our values to ensure a kind and compassionate culture across the organisation including a very successful Staff Excellence Awards.

COMMUNICATION AND ENGAGEMENT

During 2019-20 we have continued to strengthen our systems and processes for engagement and communication.

The main formal consultation activity during the year was the analysis and decision-making phase following formal consultation on the Dyfi Valley Health primary care proposals.

However, this was a significant year for engagement programmes with the planning, launch and delivery of a comprehensive partnership engagement programme for the North Powys Wellbeing Programme culminating at the end of the year with the development of the new Model of Care. Alongside this, the health board engagement and communication team planned and launched a programme of engagement on podiatry services.

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 the continuation of the Welsh Government-led Local Care and Support programme to promote alternatives to GP Primary Care.

During the year we have continued our work 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 2020/21 having been delayed during Q4 by the need to focus on COVID-19.

As mentioned above, a significant focus during Q4 has been the emerging issue of COVID-19 with the health board's engagement and communication capacity and capability being fully occupied in support of addressing this major public health emergency.

INFORMATION GOVERNANCE

Information Governance (IG) is the way in which the health board handles all information, in particular personal and sensitive information relating to our patients, services users and employees. IG sets out the requirements and standards that the health board must achieve to ensure it fulfills its obligations to handle information securely, efficiently and effectively.

Responsibility for IG in the health board rests with the Board Secretary, and the Executive Director of Finance acts as the Senior Information Risk Owner (SIRO). The Information Governance Manager is the health board's nominated Data Protection Officer (DPO) in line with the requirements of General Data Protection Regulation (GDPR). The Medical Director is the nominated Caldicott Guardian. Performance against IG related legislation for Powys Teaching Health Board is captured and reported to our Performance and Resources Committee <http://www.powysthb.wales.nhs.uk/performance-and-resources-committee>.

During the Covid-19 response, reliance on IG has increased with the introduction of new technologies to share information and communicate with patients and staff. Performance indicators against IG related legislation include the following:

- **INFORMATION GOVERNANCE TRAINING**

Powys Teaching Health Board achieved a compliance rate of 93% for the mandatory Information Governance training for 2019-20. This exceeded the national average training compliance, and target set for compliance for NHS Wales organisations.

- **PERSONAL DATA RELATED INCIDENTS (BREACHES)**

A personal data incident is a breach of security leading to the accidental or unlawful destruction, loss, alteration, un-authorized disclosure of, or access to, personal data. In line with GDPR requirements, all personal data incidents must be reviewed daily and any incidents deemed significant must be formally reported to the Information Commissioner's office (ICO) within 72 hours. During 2019/20, six personal data incidents were formally reported to the ICO. These included over disclosure to the courts, and over disclosure to relatives of patients. The health board did not incur any financial penalties from the ICO as a result of those incidents reported. However the health board did adopt ICO

recommendations locally, with these recommendations due to be added to the internal audit recommendations register, and we continue to take on board any lessons learned or feedback. Figures on the number of IG related breaches are reported to our Experience, Quality and Safety Committee (<http://www.powysthb.wales.nhs.uk/experience-quality-and-safety-committee>)

- **FREEDOM OF INFORMATION ACT**

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 period 1 April 2019 to 31 March 2020, Powys Teaching Health Board received a total of 354 requests for information, 201 of these were answered within the 20 day target. Four requests for internal review was received, and one complaint was 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.

Key performance indicators on access to information requests are routinely reported to the Board's Performance and Resources Committee and papers are available on the health board's [website](#).

- **WELSH INFORMATION GOVERNANCE (IG) TOOLKIT**

The Welsh IG Toolkit is the national self-assessment tool that enables organisations to measure their level of compliance against National Information Governance Standards and data protection legislation to ascertain whether information is handled and protected appropriately. It replaces the previous assessment tool, the Caldicott Principles into Practice (C-PIP). A pilot of the assessment was released in 2019-20 and the closing date for submission was end of February 2020. Work will take place in 2020/21 to evaluate the results of the submission, target areas for improvement and to provide a compliance report and improvement plan to the Board Secretary and Medical Director as Caldicott Guardian.

RECORDS MANAGEMENT

Records Management is the process by which the health board manages all aspects of records whether internally or externally generated and in any format or media type, from their creation through their lifecycle to their eventual disposal. Responsibility sits with the Board Secretary, whose role includes the overall development and maintenance of records management practices within the organisation, and for ensuring that related policies and procedures conform to the latest legislation and standards.

In August 2019, Internal Audit undertook a review of records management. The

objective of the review was to assess the adequacy of the arrangements in place for the management of health records, including compliance with policies and procedures.

The review sought to provide assurance that: -

- roles, responsibilities and arrangements for the creation, storage, management, retention and disposal of records are clearly documented and reflect the GDPR;
- records are securely shared and stored, including the tracking and transportation of information, accessibility / availability and maintenance of records (including archiving and disposal);
- any record management issues have been identified, risk prioritised and reported; and
- sufficient resources are afforded to train staff (including induction training) and that staff overseeing the management of records have sufficient knowledge and experience.

Internal Audit concluded the level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with records management is 'No Assurance'. Internal Audit's report recommended six high rated recommendations for action.

In its meeting of 11 November 2019, the Audit, Risk & Assurance Committee approved the Records Management Improvement Plan that was developed by the Board Secretary in response to the audit. A Service Improvement Manager for Records Management has been appointed from 1 February 2020 to implement the recommendations and progress against the Plan will be reported to the Performance & Resources Committee. Although work continues, the Covid-19 outbreak has had a detrimental impact on the ability to address many of the requirements in accordance with the timescales set out in the Plan.

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 9.7 to the Annual Accounts provides details of the scheme, how it operates and the entitlement of employees.

WELSH LANGUAGE

During 2019-2020, significant improvements have been made to Welsh language service provision across PTHB. Following the appointment of a new Service Improvement Manager, PTHB has begun implementing a set of Welsh Language Standards which aim to improve patient experience for our Welsh speaking service users. Further information on the standards with which PTHB is required to comply can be found on the [website](#).

A series of departmental Welsh language action plans have been developed and Service Leads have been identified to oversee the monitoring procedures. A new Welsh Language Steering Group has been established to address any issues and to share examples of best practice. This is having a positive impact in raising awareness across the Health Board and encouraging more proactive bilingual service provision in line with the 'Active Offer' principle. Many initiatives to raise awareness of Welsh language and culture are now being rolled out such as our St David's Day ward activities, our promotion of the new Welsh Language Rights Day on 6 December 2019 and our nursing staff who took part in S4C's 'Nyrsys', a Welsh language documentary series which followed newly qualified nurses preparing to care for patients across Wales which also promoted the use of Welsh in healthcare settings.

Improvements have been made to the way in which Welsh speaking service users are identified. Patient Services are able to record and flag a person's preferred language at the point of referral which can allow staff to pair Welsh speaking staff to Welsh speaking patients, examples of which can be found right across the Health Board. PTHB also continues to assess the skills of its workforce in order to monitor the availability of Welsh speaking staff, especially in communities with high numbers of Welsh speakers.

Welsh language resources and aids are now available to support staff in their roles and all staff who wish to learn Welsh or improve upon their existing skills are encouraged to do so. Several members of staff have already taken up the opportunity to attend the Welsh language courses on offer and are more confident in using their language skills with patients in the workplace.

Considerable efforts have been made to ensure that PTHB does not treat the Welsh language any less favourably than English. Staff have undertaken assessments of the information available to patients and the public and existing translation procedures have been reviewed and strengthened to ensure that information is produced bilingually in accordance with the requirements of the Welsh Language Standards.

In 2019-20, Internal Audit undertook a review of high-level review of the actions

the health board had taken to assess the impact of, and achieve compliance with, the Welsh Language Regulations 2018. Internal audit provided the Board with a limited level of assurance with weaknesses identified. Recognising that the health board has made progress in 2019-20 in respect of the Welsh Language, further improvements will need to continue into 2020/21.

EQUALITY AND DIVERSITY

PTHB has continued to implement a series of initiatives aimed to improve the quality and accessibility of its services to minority and vulnerable groups. PTHB's Strategic Equality Plan (SEP) and Objectives has been reviewed and considerable engagement and consultation has been undertaken in preparation for a new 4yr SEP for 2020-2024. A joint-working approach between Powys, Carmarthenshire, Pembrokeshire and Ceredigion took place where all public sector and 3rd sector bodies joined together to conduct a survey with members of the public and targeted groups with protected characteristics. The data was analysed by the Regional Collaboration Group and was used to inform the new SEP objectives. PTHB has worked closely with neighbouring Hywel Dda UHB to ensure that its SEP objectives are aligned with the national objectives set out in Welsh Government's SEP objectives. In addition, PTHB has cross-referenced the new 4yr action plan to the actions included in the refreshed IMTP to help mainstream equality and diversity across all directorates and to ensure that a consistent approach is taken within PTHB.

Considerable achievements have been made during 2019-2020 to improve the lives of dementia patients who also have a physical or learning disability, which include meaningful ward activities, quicker referrals to audiology for dementia patients with hearing loss, and the development of our dementia home treatment teams to prevent hospital admissions.

Other notable achievements include the work completed by staff within the Mental Health Directorate who have been working with Diverse Cymru to implement the Cultural Competency Toolkit as part of our ambition to achieve the BME Mental Health Workplace Good Practice Certification Scheme. Also, a successful Maternity Day Assessment Project has been rolled out providing vital access to scans and support in the county, reducing the need for expectant parents to travel to neighbouring District General Hospitals and PTHB Maternity Flu Immunisation Project Team is also leading the way in midwife-led flu immunisation.

EMERGENCY PREPAREDNESS 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.

In December 2014, the Board approved the Powys Pandemic Framework which provides an overarching framework that details the Powys THB response to an influenza pandemic. The Pandemic Framework was developed in considering Welsh Government Guidance and other Multi-Agency Response Plans. The Board has also approved (January 2020) its Civil Contingency Plan. The purpose of which is to enable PTHB to respond effectively to a major incident or an emergency situation.

During 2019, the Health Board has 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.

Key areas of planning for 2019/2020 include:

- **Preparing for a 'no-deal' BREXIT**

The Health Board continued to prepare for the potential impacts of a 'no-deal' Brexit on its services throughout 2019/2020.

At a national level, the Health Board was represented at a number of NHS Brexit planning groups, which had been established by Welsh Government as part of the UK's overall governance arrangements for 'no-deal' Brexit. The Health Board was also represented at Dyfed-Powys Local Resilience Forum, ensuring that effective multi-agency planning and coordination was in place in response to the potential impact of a 'no-deal' Brexit.

At a local level, the focus of the Health Board's 'no-deal' Brexit preparations was on ensuring continuity and quality of service to ensure that the Health Board was as prepared as it could reasonably be, to respond to the challenges of leaving the EU. Key areas of this work included:

- ensuring continuity of supply of medicines, medical devices and clinical consumables as part of work being undertaken at a national level;
- ensuring that our workforce feel valued by providing continued support to EU staff working in Powys, including the promotion of the EU Settlement Scheme, which officially opened on 30th March 2019;
- the provision of mental wellbeing support in the farming sector;

- effective communications;
- seeking assurance from commissioned service providers that appropriate preparations were being developed in the context of a 'no-deal' Brexit.

In January 2020, the Health Board stood-down its 'no-deal' Brexit preparations, as directed by Welsh Government.

- **Planning Arrangements for COVID-19**

The current novel coronavirus (COVID-19) outbreak has presented significant challenges internationally, since the new strain was first identified in Wuhan City, China in December 2019. Since then, cases have been identified across the world, including the United Kingdom.

On 30th January 2020, the World Health Organisation (WHO) declared the outbreak of Coronavirus a "Public Health Emergency of International Concern". On 11th March 2020, the WHO subsequently declared COVID-19 as a "Pandemic" following the rapid global transmission of the outbreak.

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

The PTHB Pandemic Framework is being used to shape the preparatory and response arrangements that are being undertaken within the Health Board at the time of completing this annual report.

The Health Board has established internal command and control arrangements, which centre on Gold (Strategic) and Silver (Tactical) groups, as part of its response to COVID-19. Task and finish groups have been established to carry out specific pieces of work, e.g. establish procedures for community and staff testing.

In addition, an internal COVID-19 action plan has been developed to ensure that the Health Board's response encompasses all measures currently

directed by Welsh Government.

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve their strategic objectives.

MINISTERIAL DIRECTIONS & WELSH HEALTH CIRCULARS

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. I can confirm that all of the Directions previously issued have been fully considered and where appropriate implemented. There was 1 ministerial direction issued in December 2019, relating to action on 2019/20 Pension Tax Impacts. A full detail of WHCs, ministerial directions and the health board's action is included at Appendix 2.

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. The Work of the Post Payment Verification Team is reported to the Board's Audit, Risk and Assurance Committee with papers available on the health board's [website](#).

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 2019-20.

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 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.

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

INTEGRATED MEDIUM TERM PLAN (IMTP)

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 2019-22, which was approved by the Minister 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 2019/20 will be provided in the PTHB Annual Report 2019/20, which will be published in August 2020.

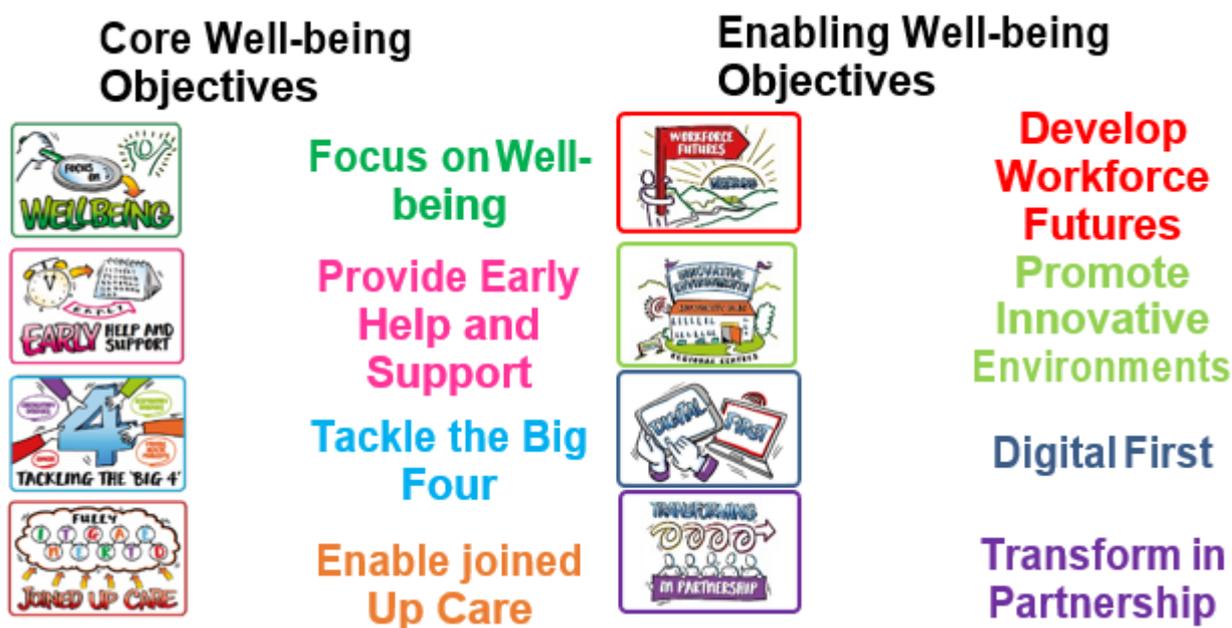
The health board continues to perform well against most of the directly influenced key targets set by Welsh Government. We are also performing well against the well-being objectives set jointly as part of the Health and Care Strategy, A Healthy Caring Powys.

The health board delivered the financial target of breakeven in 2019/20 and remained within the Capital Resource Limit (CRL).

In March 2020, Welsh Government confirmed to the health board that, following a robust assessment, the IMTP 2020-23 was considered to be approvable, which provided a baseline for future planning discussions. However, in light of the challenges associated with COVID-19, Welsh Government had taken the decision to pause the IMTP processes and allow all resources to be redirected to sustaining key services.

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.



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 2019, the Wales Audit Office confirmed "*the Health Board has a strong approach to strategic planning and is changing structures and leadership arrangements to deliver its vision. Underpinning plans are developing in collaboration with partners and are on track for delivery in year*".

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.

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, Risk and Assurance Committee and the Experience, Quality and Safety Committee. The 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 reports its business regularly and these are received by the Board in public.

Whilst significant progress has been made in 2019/20 to strengthen the system of internal control, I recognise that further improvements are essential in 2020/21 in respect of risk management and embedding the Board's Assurance Framework. Fundamental work will also be taken forward in implementing the Boards Organisational Development Framework and Clinical Quality Framework which will contribute to the system of control.

INTERNAL AUDIT

Internal audit provide me as Accountable Officer and the Board through the Audit, Risk 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 focused 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 2019-20

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 2019/20 audit programme was impacted by the need to respond to the COVID-19 pandemic with some audits deferred to 2020/21 as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

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, Risk & 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 2019-20 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 three assessed as 'limited' assurance this year are 'corporate governance, risk management and regulatory compliance', 'clinical governance quality & safety' and 'information governance and I.T. security'.

Of the 27 reviews included in the 2019/20 Internal Audit Plan, 15 were rated as providing 'reasonable' assurance and two 'substantial'. Six reviews were rated as 'limited' assurance with a further one providing 'no' assurance. Ratings were not applicable to three reviews.

Audits of 'risk management & board assurance', 'Welsh Language Standards', 'care and nursing homes governance', 'DOLS best interest assessments', 'FoI requests' all received limited assurance. In addition, the follow up work on the 2017/18 'no' assurance report of 'podiatry' received a 'limited' assurance rating in 19/20.

The health board recognises that the effective management of risk is a key responsibility. The Head of Internal Audit noted in the review of risk management "*It is disappointing that for the second year running we have been able to deliver only a 'limited' assurance rating. We observed limited progress with implementing prior year recommendations, resulting in several of the findings from our 2018/19 limited assurance report being repeated. Whilst we noted slight improvement, the key finding from previous years remains – there is an absence of directorate level risk registers and a lack of evidence of management oversight by directorate teams.*"

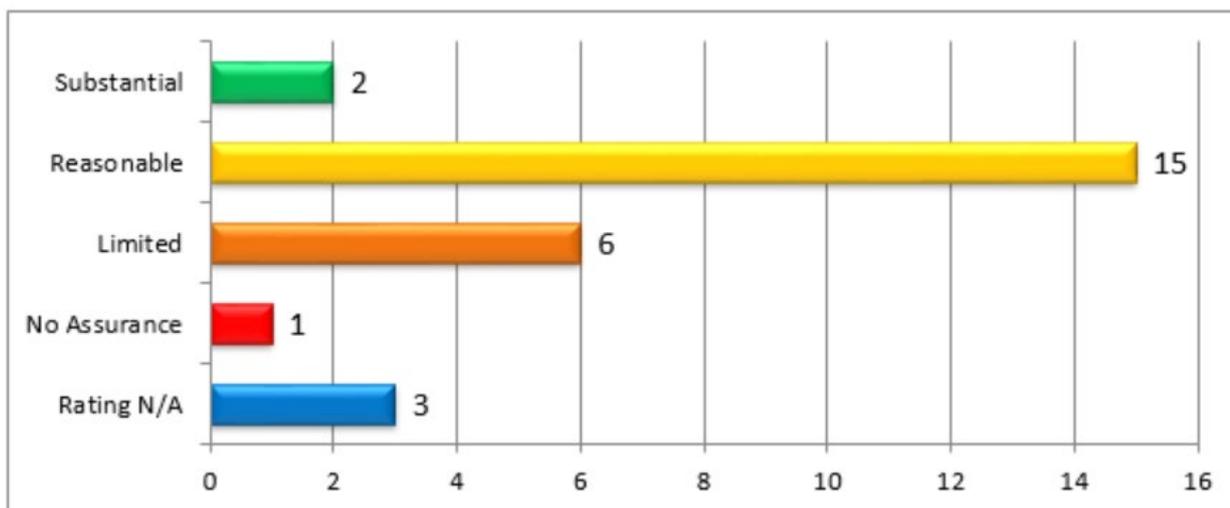
A 'no assurance' rating was assigned to the review of the 'records management' where significant issues were highlighted. The overarching theme of audit findings was the inadequacy of arrangements in place. The majority of the findings were consistent with those raised in previous audits, dating as far back as 2012, including a no assurance report in 2015/16. Six

high priority recommendations were raised.

Due to the Covid-19 outbreak and the impact on health board resource, Internal Audit was unable to progress two of the four remaining follow up reviews of 2018/19 limited assurance outcomes ('health & safety' and 'Section 33 governance arrangements'). The reviews of 'dental services – monitoring the GDS contract' and 'catering department' evidenced sufficient improvements to enable assurance ratings of 'reasonable'.

Both the Board and operational management have worked in partnership with Internal Audit throughout the year and formal feedback on the work demonstrates that Internal Audit is helping the health board to make continuous improvements.

A summary of audit ratings provided in 2019-20, is outlined in the table below:



The findings to all limited and no assurance rated internal audit reviews undertaken in 2019/20 were accepted in full by management, and action plans included in final reports. All Internal Audit reports were reported to the Audit, Risk and Assurance Committee for oversight and monitoring.

The Audit, Risk 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, through robust systems for recording and monitoring audit recommendations arising from Internal and External Audit Reviews.

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's [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 2019-20. This was approved by the Audit, Risk and Assurance Committee in May 2019.

The work plan for 2019-20 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, Risk and Assurance Committee. The Audit, Risk and Assurance Committee will receive the Counter Fraud and Corruption Annual Report for 2020-21 on 25 June 2020.

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 2019 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 the Health Board's arrangements provide strong foundations for delivering its vision, and that the Board has a clear understanding of which arrangements require further development and has focused action to deliver improvements.

The WAO made three recommendations within its report. Recommendations in respect of governance related to: functioning of the Performance and Resources Committee; and, evaluation of the new committee structure.

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 2019 can be viewed on the health board's [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 2019-20, 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 2020-21 to ensure implementation of recommendations arising from audit reviews, particular where a limited or no assurance rating is applied. We have taken substantial steps to embed risk management and the assurance framework at a corporate level; this work will continue in 2020-21. Implementation of the Board's Annual Governance Programme will see a further strengthening of the Board's effectiveness and system of internal control in 2020-21.

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.

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

SIGNED BY:

CAROL SHILLABEER [CHIEF EXECUTIVE]

DATE: 30 JUNE 2020

Appendix 1

Board and Board Committee Membership and Attendance at Board

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Vivienne Harpwood	Chair	▪ Chair of the Board	7/7	
		▪ Chair of the Remuneration and Terms of Service Committee	4/4	
Melanie Davies	Vice Chair	▪ Vice Chair of the Board	6/7	
		▪ Chair of the Experience, Quality and Safety Committee	5/6	
		▪ Vice Chair of the Remuneration and Terms of Service Committee	3/4	
		▪ Member of the Performance and Resources Committee	4/6	
Ian Phillips	Independent Member [Information Technology]	▪ Member of the Board	5/7	
		▪ Vice Chair of the Strategy and Planning Committee	4/4	
		▪ Member of the Audit, Risk and Assurance Committee	4/6	
		▪ Member of the Performance and Resources Committee	5/6	
Trish Buchan	Independent Member [Third Sector]	▪ Member of the Board	7/7	Cleaning, Hygiene and Infection Management
		▪ Chair of the Strategy and Planning Committee	4/4	
		▪ Vice Chair of the Experience, Quality and Safety Committee	6/6	
		▪ Member of the Charitable Funds Committee	3/3	
Matthew Dorrance	Independent Member [Local Authority]	▪ Member of the Board	4/7	
		▪ Chair of the Performance and Resources Committee	3/6	
		▪ Member of the Audit, Risk and Assurance Committee	4/7	
		▪ Member of the Remuneration and Terms of Service Committee	4/4	
Owen James	Independent Member [Community]	▪ Member of the Board	7/7	
		▪ Chair of the Charitable Funds Committee	2/3	
		▪ Member of the Experience, Quality and Safety Committee	6/6	
		▪ Member of the Strategy and Planning Committee	4/4	

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Tony Thomas	Independent Member [Finance]	▪ Member of the Board	7/7	
		▪ Chair of the Audit, Risk and Assurance Committee	7/7	
		▪ Vice Chair of the Charitable Funds Committee	3/4	
		▪ Member of the Performance and Resources Committee	5/6	
		▪ Member of the Remuneration and Terms of Service Committee	4/4	
Mark Taylor	Independent Member [Capital and Estates] [From July 2019]	▪ Member of the Board	6/6	
		▪ Vice Chair of the Audit, Risk and Assurance Committee	4/5	
		▪ Vice Chair of Performance & Resources Committee	4/4	
		▪ Member of the Charitable Funds Committee	2/2	
		▪ Member of the Strategy and Planning Committee	2/2	
Susan Newport	Independent Member [Trade Union]	▪ Member of the Board	6/7	Armed Forces/Veterans Health
		▪ Member of the Experience, Quality and Safety Committee	4/6	
		▪ Member of the Remuneration and Terms of Service Committee	3/4	
Duncan Forbes	Independent Member [Legal [To August 2019]]	▪ Member of the Board	2/3	
		▪ Vice Chair of the Performance and Resources Committee	1/3	
		▪ Member of the Audit, Risk and Assurance Committee	2/3	
		▪ Member of the Strategy and Planning Committee	2/2	
Frances Gerrard	Independent Member [University] [Sickness Absent from 2 nd February 2020]	▪ Member of the Board	5/6	
		▪ Member of the Experience, Quality and Safety Committee	4/5	

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Carol Shillabeer	Chief Executive	<ul style="list-style-type: none"> ▪ Member of the Board ▪ Member of the Emergency Ambulance Services Committee ▪ Member of the Joint Partnership Board ▪ Member of the Welsh Health Specialist Services Committee <p><u>Required attendee at:</u></p> <ul style="list-style-type: none"> ▪ Remuneration and Terms of Service Committee ▪ Regular attendee at all Board Committees 	Board Attendance 7/7	
Patsy Roseblade	Director of Primary and Community Care, and Mental Health [To April 2019]	<ul style="list-style-type: none"> ▪ Member of the Board ▪ Member of the Emergency Ambulance Services Committee (in Chief Executives absence) ▪ Member of the Welsh Health Specialist Services Committee (in Chief Executives absence) <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience Quality and Safety Committee ▪ Performance and Resources Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 0/0	
Jamie Marchant (From June 2019)	Director of Primary and Community Care, and Mental Health [From June 2019]	<ul style="list-style-type: none"> ▪ Member of the Board ▪ Member of the Emergency Ambulance Services Committee (in Chief Executives absence) ▪ Member of the Welsh Health Specialist Services Committee (in Chief Executives absence) <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience Quality and Safety Committee ▪ Performance and Resources Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 4/5	

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Wyn Parry	Medical Director	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 5/7	
Rhiannon Jones	Director of Nursing and Interim Director of Therapies and Health Sciences [To July 2019]	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Executive Lead and Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Performance and Resources Committee ▪ Strategy and Planning Committee ▪ Charitable Funds Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 2/2	
Claire Madsen	Director of Therapies and Health Sciences [From January 2020]	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee ▪ Performance and Resources Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 2/2	
Alison Davies	Director of Nursing [From January 2020]	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Executive Lead and Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Strategy and Planning Committee ▪ Charitable Funds Committee <p><u>Attendee as requested at all Board Committees</u></p>	Board Attendance 1/1	

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Katrina Rowlands	Interim Director of Nursing [From July 2019 to January 2020]	<ul style="list-style-type: none"> ▪ Member of the Board <u>Executive Lead and Required Attendee:</u> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee <u>Required Attendee:</u> <ul style="list-style-type: none"> ▪ Strategy and Planning Committee ▪ Charitable Funds Committee <ul style="list-style-type: none"> ▪ <u>Attendee as requested at all Board Committees</u> ▪ 	Board Attendance 3/3	
Julie Rowles	Director of Workforce and OD	<ul style="list-style-type: none"> ▪ Member of the Board <u>Executive Lead and Required Attendee:</u> <ul style="list-style-type: none"> ▪ Remuneration and Terms of Service Committee <u>Required Attendee:</u> <ul style="list-style-type: none"> ▪ Experience, Quality and Safety Committee ▪ Performance and Resources Committee ▪ Strategy and Planning Committee <u>Attendee as requested at all other Board Committees</u>	Board Attendance 7/7	
Hayley Thomas	Director of Planning and Performance	<ul style="list-style-type: none"> ▪ Member of the Board <u>Executive Lead and Required Attendee:</u> <ul style="list-style-type: none"> ▪ Strategy and Planning Committee <u>Required Attendee:</u> <ul style="list-style-type: none"> ▪ Performance and Resources Committee <u>Attendee as requested at all other Board Committees</u>	Board Attendance 7/7	

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2019-20	Board Champion Role
Stuart Bourne	Director of Public Health	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Strategy and Planning Committee ▪ Experience, Quality and Safety Committee <p><u>Attendee as requested at all other Board Committees</u></p>	Board Attendance 7/7	
Eifion Williams	Director of Finance and IT [To July 2019]	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Executive Lead and Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Performance and Resources Committee ▪ Charitable Funds Committee <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Audit, Risk and Assurance Committee ▪ Strategy and Planning Committee <p><u>Attendee as requested at all other Board Committees</u></p>	Board Attendance 2/2	
Pete Hopgood	Interim Director of Finance and IT [From July 2019]	<ul style="list-style-type: none"> ▪ Member of the Board <p><u>Executive Lead and Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Performance and Resources Committee ▪ Charitable Funds Committee <p><u>Required Attendee:</u></p> <ul style="list-style-type: none"> ▪ Audit, Risk and Assurance Committee ▪ Strategy and Planning Committee <p><u>Attendee as requested at all other Board Committees</u></p>	Board Attendance 5/5	

Appendix 1

Ministerial Directions and Welsh Health Circulars 2019-20

Ministerial Direction/ Welsh Health Circular	Year of Adoption	PTHB Position
Ministerial Direction referred to in letter from Andrew Goodall, 19 December 2019 – Action on 2019/20 Pension Tax Impacts	2019	Received and detailed in financial statements.
WHC 2019 (001) - Changes to the availability of gluten free (GF) foods for the treatment of coeliac disease on prescription in England – Implications for Wales	2019	Reported to prescribing leads at the Drugs and Therapeutics Committee. No specific action required within Powys.
WHC 2019 (002) - Update on ordering influenza vaccines for the 2019-20 season	2019	Circular cascaded in line with guidance. Circulated to members of Influenza Steering Group on 07/02/19 and on 11/02/19. Reviewed at Influenza Steering Group meeting on 11/02/19.
WHC 2019 (003) - List of Welsh Health Circulars - 1 August 2018 – 31 January 2019	2019	All WHCs for the period received and actioned
WHC 2019 (004) - Statutory and Administrative Financial Duties of Health Education and Improvement Wales	2019	HEIW's financial responsibilities noted.
WHC 2019 (005) - Maintaining continuity of supply of medicines in the event of leaving the European Union in a 'no deal' scenario	2019	Head of Pharmacy is a member of the WG Medicine Shortages Group Messaging for Wales wide shortage risks will be managed centrally though this group Within Powys, We have 1. Asked MM team to actively discourage stockpiling 2. Working with our DGH suppliers to identify potential over-ordering National advice has been sent to all Community pharmacies and GP practices, and re-iterated at PCD&T
WHC 2019 (006) - NHS Wales National Clinical Audit and Outcome Review Plan	2019	Audits relevant to PTHB underway to be completed in 2020

Annual Rolling Programme for 2019/20		
WHC 2019 (007) - Annual Quality Statement 2018 / 2019 Guidance	2019	The Annual Quality Statement was prepared and published by the 31 May as required.
WHC 2019 (008) - Changes to the shingles immunisation programme from 1 April 2019	March 2019	Circular cascaded in line with guidance. Circulated to members of Powys Vaccination Group on 19/02/19. Reviewed at Powys Vaccination Group meeting on 12/03/19.
WHC 2019 (011) - Implementing recommendations of the review of sexual health services – action to date and next steps	2019	Finance, Planning and Performance paper prepared in September in anticipation of the forthcoming Sexual Health Welsh Health Circular Multi-agency workshop held in October 2018 to prepare the relevant priorities for Powys Sexual Health Improvement plan The content will be populated as part of the required response to the Welsh Health Circular by June 2019
WHC 2019 (012) - Implementation of OBS Cymru (Obstetric Bleeding Strategy for Wales), a management strategy for Postpartum Haemorrhage (PPH), in Maternity Services	2019	Powys fully implemented Community element (stage 1 risk assessment of OBS Cymru (Obstetric Bleeding Strategy for Wales) as the the agreed all Wales management strategy for Postpartum Haemorrhage (PPH), in Maternity Services. Full training of all Powys midwives was undertaken in the 19-20 Midwifery updates in regards to use of documentation and objective measurement of blood loss. Early VHA, haemoglobin and lactate testing is undertaken on transfer for PPH in the community
WHC 2019 (013) - 2019/20 LHB & Trust Monthly Financial Monitoring Return Guidance	2019	The Guidance has been implemented and being adhered to by the Finance Team
WHC 2019 (014) - Dispute Arbitration Process – Guidance for Disputed Debts (invoices and service agreements within NHS Wales – 2019/20 – 2020/21	2019	Revised guidance incorporating a change in timescales for service agreement disputes. This is being followed should the need arise. There have been no requirements for arbitration in 19/20

WHC 2019 (015) - The National Influenza immunisation Programme 2019-2020	2019	Circular forwarded to lead officers. Relevant actions in WHC 015/2019 included in 2019/20 PTHB seasonal flu vaccination action plan approved by Executive Committee in July'19. - Enclosure – Childhood Influenza Vaccination Programme 2019/2020 – National Enhanced Service Specification
WHC 2019 (016) - European Parliamentary Elections - 23 May 2019	2019	Guidance issued by Powys Announcements and included in Standards of Behaviour Policy
WHC 2019 (017) - Living with Persistent Pain in Wales	2019	Powys has introduced a Chronic Pain Pathway that is compliant with NICE Guidelines.
WHC 2019 (018) - Augmentative and Alternative Communication (AAC) Pathway	2019	Circular cascaded in line with guidance.
WHC 2019 (019) - AMR & HCAI IMPROVEMENT GOALS FOR 2019-20	2019	5 year National Action Plan 2019 – 2024 underpinning the UK AMR Strategy 20
WHC 2019 (020) - Changes to the Human Papillomavirus (HPV) immunisation programme for the academic school year starting September 2019	2019	Circular forwarded to lead officer for school nursing service. Confirmation provided that plans in place to extend HPV immunisation from Sep'19 as per the requirements.
WHC 2019 (021) - The Role of the Community Dental Service and Services for Vulnerable People	2019	The CDS is now transmitting FP17's and all actions are complete.
WHC 2019 (022) - Sharing Patient information between healthcare professionals – a joint statement from the Royal College of Ophthalmologists and College of Optometrists	2019	Consultants advised of requirements.
WHC 2019 (023) -UPDATE OF GUIDANCE ON CLEARANCE AND MANAGEMENT OF HEALTHCARE WORKERS LIVING WITH A BLOODBORNE VIRUS (BBV)	2019	Occupational Health Physician revising guideline, scheduled for completion end March 2020
WHC 2019 (024) -Pertussis – occupational vaccination of healthcare workers	2019	There is no PGD for pertussis this was due to be discussed with Medicines Management 5 March 2020. Mitigation is that Occupational Health Physician signs individual prescriptions. Focus on Pertussis will increase now that

		influenza campaign is coming to an end, however progress may be adversely affected dependent upon demand generated by COVID-19.
WHC 2019 (025) - List of Welsh Health Circulars - 31 January 2019 – 31 July 2018	2019	All WHC for the period received and actioned.
WHC 2019 (026) - Nationally Standardised Adult Inpatient Assessment and Core Risk Assessments	2019	Compliance achieved.
WHC 2019 (027) - Model Standing Orders, Reservation and Delegation of Powers – Local Health Boards, NHS Trusts, Welsh Health Specialised Services Committee and the Emergency Ambulances Services Committee	2019	Board approved amended versions in November 2019.
WHC 2019 (028) - Consolidated rules for managing cancer waiting times	2019	For Planned Care the management of patients is in accordance with the relevant elements of consolidated guidance (mainly in relation to the start of the pathway and diagnostics, treatment is not undertaken in PTHB).
WHC 2019 (029) - NHS Wales Planning Framework 2020-23	2019	The PTHB IMTP 2020/2023 has been developed in accordance with the NHS Wales Planning Framework 2020-23. PTHB Board approved the IMTP in January 2020 and it was submitted to Welsh Government for the deadline of the end of January 2020.
WHC 2019 (030) - National Integrated Medium Term Plan (IMTP) – An All Wales Review of NHS IMTPs for 2019-22	2019	The PTHB IMTP 2020/2023 has been developed in accordance with the NHS Wales Planning Framework 2020-23. PTHB Board approved the IMTP in January 2020 and it was submitted to Welsh Government for the deadline of the end of January 2020.
WHC 2019 (031) - The Department of Culture, Media and Sport (DCMS) guidance for UK departments on mitigation options for risks to data flows	2019	Guidance used as part of no-deal Brexit planning up to 31st January 2020. Will be re-visited in the second half of 2020, depending on WG future direction regarding no-deal Brexit planning.

WHC 2019 (032) -Sensory Loss Communication Needs (Accessible Information Standard) - of parents and carers of patients and service users.	2019	As a service communication preference is recorded on referral forms.
WHC 2019 (034) -National Optimal Pathways for Cancer (2019 tranche 1)	TBC	Improving data capture shows that more work is required to ensure we consistently meet the 62 day target for diagnosis. There is a requirement to address symptom awareness, encourage uptake of screening opportunities and healthcare consultations to review possible red flag symptoms and the increase clinical suspicion amongst healthcare providers.
WHC 2019 (035) - UK General Election 2019	2019	Guidance shared via Powys Announcements. Standards of Behaviour Policy updated to include revised guidance.
WHC 2019 (036) - UK General Election 2019 – Guidance for NHS Wales	2019	Guidance shared via Powys Announcements. Standards of Behaviour Policy updated to include revised guidance.
WHC 2019 (037) - Ordering Influenza Vaccines for the 2020-2021 Season	2019	Advice circulated to GPs and community pharmacists by WG. Shared internally via the PTHB Influenza Steering Group membership (inc to Medicines Management, School Nursing and Maternity).
WHC 2019 (038) - Guidance for the Provision of Continence Containment Products for Adults in Wales	2019	All Wales guidelines developed and implemented locally. Local audit planned to confirm compliance by March 2021.
WHC 2019 (039) - Good Working Practice Principles for the Use of Chaperones During Intimate Examinations or Procedures Within NHS	2020	Action undertaken by the Safeguarding Group during January 2020.
WHC 2019 (040) - 2020-21 Health Board and Public Health Wales NHS Trust Allocations	2020	Noted. Detail included in IMTP 2020-23.
WHC 2019 (041) - Changes to the infant pneumococcal conjugate vaccine (PCV) immunisation schedule.	2020	Received and cascaded to clinical leads.

WHC 2019 (042) - Annual Quality Statement 2019 / 2020 Guidance	2020	Noted. AQS to be developed by September 2020, in-line with revised timescales.
WHC 2020 (003) - Value Based Health Care Programme - Data Requirements	2020	Cascaded to commissioning and information teams for action.
WHC 2020 (004) - List of Welsh Health Circulars - 1 August 2019 - 31 January 2020	2020	All WHCs for the period received and actioned.
WHC 2020 (006) - COVID-19 RESPONSE - CONTINUATION OF IMMUNISATION PROGRAMMES	2020	Received and cascaded to clinical leads.

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.

THE REMUNERATION AND STAFF REPORT

BACKGROUND

The Treasury's Government Financial Reporting Manual (FRoM) 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 2019-20, the Remuneration and Terms of Services Committee was chaired by the health board's Chair, Vivienne Harpwood, and the membership included the following Members:

- Melanie Davies, Vice Chair of the Board;
- Tony Thomas, Chair of Audit and Assurance Committee;
- Matthew Dorrance, Chair of Performance and Resources Committee; and
- Susan Newport, Independent Member (Trade Union)

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 2019-20 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 2019-20, 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 an Interim Director of Finance & IT.

SALARY AND PENSION DISCLOSURE TABLE: SALARIES AND ALLOWANCES

Name and title	2019-20						2018-19					
	Salary	Benefits in Kind	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pension - Related Benefits Salary	Single Total remuneration	Salary	Benefits in Kind	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pension - Related Benefits Salary	Single Total remuneration
	(bands of £5,000) £000	(taxable) to nearest £100 £00	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(taxable) to nearest £100 £00	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Executive directors												
Carol Shillabeer - Chief Executive	165 - 170	0	0	0	42.5 - 45.0	210 - 215	160 - 165	0	0	0	2.5 - 5.0	165 - 170
Julie Rowles - Director of Workforce and Organisational Development **	115 - 120	59	0	0	102.5 - 105.0	225 - 230	105 - 110	47	0	0	(42.5) - (45.0)	65 - 70
Catherine Woodward - Director of Public Health (From 1st September 2018 to 31st January 2019)	0	0	0	0	0	0	110 - 115	0	0	0	90.0 - 92.5	200 - 205
Hayley Thomas - Director of Planning and Performance **	115 - 120	65	0	0	72.5 - 75.0	195 - 200	105 - 110	55	0	0	42.5 - 45.0	155 - 160
Rhiannon Jones - Director of Nursing and Interim Director of Therapies & Health Science (to 14th July 2019)	35 - 40	20	0	0	55.5 - 57.0	95 - 100	105 - 110	58	0	0	22.5 - 25.0	135 - 140
Eifion Williams - Interim Director of Finance (to 30th July 2019)	30 - 35	0	0	0	0	30 - 35	130 - 135	0	0	0	10.0 - 12.5	140 - 145
Stuart Bourne - Interim Director of Public Health (to 31st August 2018) - Director of Public Health (From 1st February 2019)	105 - 110	0	0	0	12.5 - 15.0	115 - 120	75 - 80	0	0	0	7.5 - 10.0	85 - 90
Patsy Roseblade - Interim Director of Primary, Community Care and Mental Health (From 15th October 2018 to 14th April 2019)	5 - 10	0	0	0	0	5 - 10	50 - 55	0	0	0	27.5 - 30.0	75 - 80
Wyn Parry - Medical Director (From 10th September 2018)	130 - 135	0	0	0	140.0 - 142.5	270 - 275	70 - 75	0	0	0	67.5 - 70.0	140 - 145
Pete Hopgood - Interim Director of Finance (From 1st July 2019)	100 - 105	0	0	0	132.5 - 135.0	235 - 240	0	0	0	0	0	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (From 11th June 2019)	80 - 85	0	0	0	15.0 - 17.5	95 - 100	0	0	0	0	0	0
Katrina Rowlands - Interim Director of Nursing (From 15th July 2019 to 19th January 2020)	50 - 60	0	0	0	132.5 - 135.0	185 - 190	0	0	0	0	0	0
Rani Mallison - Board Secretary	75 - 80	0	0	0	105.0 - 107.5	180 - 185	0	0	0	0	0	0
Claire Madsen - Director of Therapies and Health Science (From 7th January 2020)	20 - 25	0	0	0	12.5 - 15.0	35 - 40	0	0	0	0	0	0
Alison Davies - Director of Nursing (From 20th January 2020)	15 - 20	0	0	0	20.0 - 22.5	35 - 40	0	0	0	0	0	0

Name and title	2019-20						2018-19					
	Salary	Benefits in Kind	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pension - Related Benefits Salary	Single Total remuneration	Salary	Benefits in Kind	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pension - Related Benefits Salary	Single Total remuneration
	(bands of £5,000) £000	(taxable) to nearest £100 £00	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(taxable) to nearest £100 £00	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Associate Members												
Director of Social Services, Powys County Council (Alison Bulman)	0	0	0	0	0	0	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0	0	0	0	0	0	0
Non-Officer Members												
Professor Vivienne Harwood - Chair *	50 - 55	0	0	0	0	50 - 55	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)	5 - 10	0	0	0	0	5 - 10	10 - 15	0	0	0	0	10 - 15
Mark Baird - Independent Member (ICT - to 30th June 2018)	0	0	0	0	0	0	0 - 5	0	0	0	0	0 - 5
Sara Williams - Independent Member (Capital and Estates to 30th September 2018)	0	0	0	0	0	0	5 - 10	0	0	0	0	5 - 10
Owen James - Independent Member (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 - to 7th August 2019)	0 - 5	0	0	0	0	0 - 5	5 - 10	0	0	0	0	5 - 10
Frances Gerrard - Independent Member (University held post relating to health)	5 - 10	0	0	0	0	5 - 10	5 - 10	0	0	0	0	5 - 10
Ian Phillips - Independent Member (ICT - from 1st September 2018)	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
Mark Taylor - Independent Member (Capital and Estates from 3rd July 2019)	5 - 10	0	0	0	0	5 - 10	0	0	0	0	0	0

*Please note that Professor Vivienne Harpwood is also Chair for the Welsh Health Specialist Services Committee and the costs of this role are paid by Powys THB and recharged to Cwm Taf Morgannwg University Health Board. These costs are excluded from the above calculations

** Please note that the salary figure for 2019-20 includes arrears of pay relating to 2018-19

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 or 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 2019-20 was £165,000 to £170,000 (2018-19, £160,000 to £165,000. This was 5.61 times (2018-19, 5.75 times) the median remuneration of the workforce, which was £29,763 (2018-19, £28,479).

In 2019-20, 1 (2018-19, 2) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £17,652 to £169,422 (2018-19, £17,460 to £171,635).

	2019-20	2018-19
Band of Highest paid Directors' Total Remuneration £000	165 - 170	160 - 165
Median Total Remuneration £000	30	28
Ratio	5.6	5.8

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.

SALARY AND PENSION DISCLOSURE TABLE: PENSION BENEFITS

	Real increase in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 Mar 2020	Lump sum at aged 60 related to accrued pension at 31st March 2020	Cash Equivalent transfer value at 31 Mar 2020	Cash Equivalent transfer value at 31 Mar 2019	Real increase in Cash equivalent transfer value	Employer's contribution to stakeholder pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Name and title								
Carol Shillabeer - Chief Executive	2.5 - 5.0	0.0 - 2.5	55 - 60	145 - 150	1,070	981	66	0
Julie Rowles - Director of Workforce and Organisational Development	5.0 - 7.5	7.5 - 10.0	55 - 60	140 - 145	1,168	1,018	126	0
Hayley Thomas - Director of Planning and Performance	2.5 - 5.0	5.0 - 5.5	30 - 35	70 - 75	552	469	71	0
Rhiannon Jones - Director of Nursing and Interim Director of Therapies & Health Science (to 14th July 2019)	2.5 - 5.0	7.5 - 10.0	50 - 55	155 - 160	1,091	891	59	0
Eifion Williams - Interim Director of Finance (to 30th July 2019)**	0	0	0	0	0	1,742	0	0
Stuart Bourne - Interim Director of Public Health (to 31st August 2018) - Director of Public Health (From 1st February 2019)	0.0 - 2.5	0.0 - (2.5)	30 - 35	70 - 75	584	545	26	0
Patsy Roseblade - Interim Director of Primary, Community Care and Mental Health (From 15th October 2018 to 14th April 2019)**	0	0	0	0	0	643	0	0
Wyn Parry - Medical Director (From 10th September 2018)*	5.0 - 7.5	20.0 - 22.5	45 - 50	145 - 150	0	997	0	0
Pete Hopgood - Interim Director of Finance (From 1st July 2019)	7.5 - 10.0	17.5 - 20.0	35 - 40	80 - 85	632	457	124	0
Jamie Marchant - (From 11th June 2019)	0.0 - 2.5	0.0 - (2.5)	25 - 30	50 - 55	463	427	21	0
Katrina Rowlands - Interim Director of Nursing (From 15th July 2019 to 19th January 2020)*	5.0 - 7.5	(7.5) - (10.0)	45 - 50	75 - 80	0	0	0	0
Rani Mallison - Board Secretary	5.0 - 7.5	10.0 - 12.5	10 - 15	25 - 30	183	111	70	0
Claire Madsen - Director of Therapies and Health Science (From 7th January 2020)	0.0 - 2.5	0.0 - 2.5	25 - 30	75 - 80	549	475	15	0
Alison Davies - Director of Nursing (From 20th January 2020)***	0.0 - 2.5	2.5 - 5.0	30 - 35	100 - 105	0	0	0	0

The above calculations are provided by the NHS Pensions Agency and are based on the standard pensionable age of 60.

For Directors marked:

* the member is over normal retirement age in existing scheme therefore a CETV calculation is not applicable

** the members are now retired

*** CETV figures are not currently available

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 2020, the total number of staff employed by the Health Board stood at 1709.26 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 19/20	Average Weekly WTE 18/19
Add Prof Scientific and Technic	59.83	53.96
Additional Clinical Services	327.56	306.20
Administrative and Clerical	413.3	510.61
Allied Health Professionals	123.81	118.44
Estates and Ancillary	161.76	151.11
Healthcare Scientists	2.43	2.58
Medical and Dental	36.55	32.61
Nursing and Midwifery Registered	541.62	531.94
Grand Total	1667	1707.45

STAFF COMPOSITION

As at 31 March 2020 the composition of the staff of Powys Teaching Health Board was as follows:

	Female	Male
Directors	5	4
Employees	1,815	302

SICKNESS ABSENCE

2019-20 information on sickness absence is provided in the table below:

	2019/2020	2018/19
Days Lost Long Term	22268.65	21071.66
Days Lost Short Term	7625.87	7037.26
Total Days Lost	29894.52	28108.92
Total Staff Years	81.90	77.01
Average Working Days Lost	17.96	15.85
Total Staff Employed in Period (Headcount)	2126	2182
Total Staff Employed in Period with no absence (Headcount)	945	978
Percentage of Staff with no Sick Leave	45.56%	44.82%

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 health 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 2020;	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 2019-20.

There have been no off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020.

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: WELSH PARLIAMENT 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 ASSEMBLY 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 29) 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 2019-20 is £0.00m and is disclosed in note 21.2 (page 55) of the Health Board's Annual Accounts.

THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENEDD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I certify that I have audited the financial statements of Powys Teaching Local Health Board for the year ended 31 March 2020 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Local Health Board as at 31 March 2020 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

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.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

I draw attention to Note 1.24 to the financial statements, which describes a material valuation uncertainty clause in the valuation report on certain property items arising from circumstances caused by the Covid-19 pandemic. My opinion is not modified in respect of this matter.

Emphasis of Matter – Clinicians’ pension tax liabilities

I draw attention to Note 21.1 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians’ pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. The Health Board has disclosed the existence of a contingent liability at 31 March 2020, and my opinion is not modified in respect of this matter.

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 Senedd 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 Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the 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 12 and 14, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Adrian Crompton	24 Cathedral Road
Auditor General for Wales	Cardiff
2 July 2020	CF11 9LJ

SECTION THREE: THE 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 was established 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

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

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

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

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

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

	Note	2019-20 £'000	2018-19 £'000
Expenditure on Primary Healthcare Services	3.1	72,773	67,927
Expenditure on healthcare from other providers	3.2	157,686	148,167
Expenditure on Hospital and Community Health Services	3.3	109,381	97,347
		339,840	313,441
Less: Miscellaneous Income	4	(15,328)	(14,264)
LHB net operating costs before interest and other gains and losses		324,512	299,177
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	0
Finance costs	7	19	7
Net operating costs for the financial year		324,531	299,184

See note 2 on page 25 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 70 form part of these accounts

Other Comprehensive Net Expenditure

	2019-20 £'000	2018-19 £'000
Net (gain) / loss on revaluation of property, plant and equipment	(705)	(721)
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>(705)</u>	<u>(721)</u>
Total comprehensive net expenditure for the year	<u>323,826</u>	<u>298,463</u>

The notes on pages 8 to 70 form part of these accounts

Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Non-current assets			
Property, plant and equipment	11	74,674	78,465
Intangible assets	12	0	0
Trade and other receivables	15	14,791	23,322
Other financial assets	16	0	0
Total non-current assets		89,465	101,787
Current assets			
Inventories	14	156	150
Trade and other receivables	15	9,024	9,615
Other financial assets	16	0	0
Cash and cash equivalents	17	540	2,317
		9,720	12,082
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		9,720	12,082
Total assets		99,185	113,869
Current liabilities			
Trade and other payables	18	(35,164)	(40,435)
Other financial liabilities	19	0	0
Provisions	20	(2,461)	(2,446)
Total current liabilities		(37,625)	(42,881)
Net current assets/ (liabilities)		(27,905)	(30,799)
Non-current liabilities			
Trade and other payables	18	0	0
Other financial liabilities	19	0	0
Provisions	20	(20,679)	(29,145)
Total non-current liabilities		(20,679)	(29,145)
Total assets employed		40,881	41,843
Financed by :			
Taxpayers' equity			
General Fund		768	2,415
Revaluation reserve		40,113	39,428
Total taxpayers' equity		40,881	41,843

The financial statements on pages 2 to 7 were approved by the Board on 29 June 2020 and signed on its behalf by:

Chief Executive and Accountable Officer Date: 29 June 2020

The notes on pages 8 to 70 form part of these accounts

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	2,415	39,428	41,843
Net operating cost for the year	(324,531)	-	(324,531)
Net gain/(loss) on revaluation of property, plant and equipment	0	705	705
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	20	(20)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2019-20	(324,511)	685	(323,826)
Net Welsh Government funding	319,391	-	319,391
Notional Welsh Government Funding	3,473	-	3,473
Balance at 31 March 2020	768	40,113	40,881

The notes on pages 8 to 70 form part of these accounts

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2018-19			
Balance 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)	0	(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
Other reserve movement	0	0	0
Transfers between reserves	17	(17)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2018-19	(299,167)	704	(298,463)
Net Welsh Government funding	299,972	0	299,972
Balance at 31 March 2019	2,415	39,428	41,843

The notes on pages 8 to 70 form part of these accounts

Statement of Cash Flows for year ended 31 March 2020

		2019-20 £'000	2018-19 £'000
Cash Flows from operating activities	Notes		
Net operating cost for the financial year		(324,531)	(299,184)
Movements in Working Capital	27	3,901	17,141
Other cash flow adjustments	28	14,327	(3,998)
Provisions utilised	20	(11,612)	(7,504)
Net cash outflow from operating activities		(317,915)	(293,545)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(3,253)	(5,295)
Proceeds from disposal of property, plant and equipment		0	0
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		(3,253)	(5,295)
Net cash inflow/(outflow) before financing		(321,168)	(298,840)
Cash Flows from financing activities			
Welsh Government funding (including capital)		319,391	299,972
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		319,391	299,972
Net increase/(decrease) in cash and cash equivalents	17	(1,777)	1,132
Cash and cash equivalents (and bank overdrafts) at 1 April 2019		2,317	1,185
Cash and cash equivalents (and bank overdrafts) at 31 March 2020		540	2,317

The notes on pages 8 to 70 form part of these accounts

Notes to the Accounts

1. Accounting policies

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

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

1.6.2. Valuation

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

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

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

- Specialised buildings – depreciated replacement cost

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

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

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

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

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

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

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

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

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver

services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

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

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed

sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

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

1.11. Leases

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. Powys Teaching 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 SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2. Powys Teaching Local Health Board as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost

and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

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

1.14. Provisions

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

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in 2019-20. The WRP is hosted by Velindre NHS Trust.

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

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

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budget

The NHS Wales organisation has entered 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 the Pooled budget Note.

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

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

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

claims would be recoverable through the Welsh Risk Pool.

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

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

A formal valuation of Llandrindod Wells War Memorial Hospital was undertaken during the year, with the Valuation Office Agency specifying the following:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors.

As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

1.24.1. Provisions

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

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

1.24.2. Probable & Certain Cases – Accounting Treatment

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

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision
	Contingent Liability for all other estimated expenditure.	

Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.75%.

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

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 NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

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

1.25.1. Services received

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

1.25.2. PFI asset

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

1.25.2. PFI liability

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

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

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

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

1.25.3. Lifecycle replacement

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

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

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

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

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

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

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

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

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

1.26. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBS the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.28. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts Not EU-endorsed.*

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

IFRS 16 Leases is to be effective from 1st April 2021.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

During 2019-20 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales

organisation has established that as it is the corporate trustee of the 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 'Powys Teaching Local Health Board Charitable Fund and other Related Charities' as a subsidiary and therefore is required to consolidate the results of the 'Powys Teaching Local Health Board Charitable Fund and other Related Charities' within the statutory accounts of the NHS Wales organisation.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Charity or its independence in its management of charitable funds.

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

2. Financial Duties Performance

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

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

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

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

2.1 Revenue Resource Performance

	Annual financial performance			
	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Net operating costs for the year	291,900	299,184	324,531	915,615
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,734	1,682	1,855	5,271
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Total operating expenses	293,634	300,866	326,386	920,886
Revenue Resource Allocation	293,730	300,931	326,441	921,102
Under /(over) spend against Allocation	96	65	55	216

Powys THB has met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board did not receive any repayable brokerage during the year.

2.2 Capital Resource Performance

	2017-18	2018-19	2019-20	Total
	£'000	£'000	£'000	£'000
Gross capital expenditure	5,482	5,372	3,373	14,227
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(250)	0	0	(250)
Less capital grants received	0	0	0	0
Less donations received	(304)	(276)	(176)	(756)
Charge against Capital Resource Allocation	4,928	5,096	3,197	13,221
Capital Resource Allocation	4,933	5,108	3,200	13,241
(Over) / Underspend against Capital Resource Allocation	5	12	3	20

Powys THB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2019-20 to 2021-22 issued to LHBS placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2019-20 to 2021-22 in accordance with NHS Wales Planning Framework.

**2019-20
to
2021-22**

The Minister for Health and Social Services approval

**Status
Date**

**Approved
27/03/2019**

The THB **has** therefore met its statutory duty to have an approved financial plan for the period 2019-20 to 2021-22.

2.4 Creditor payment

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

	2019-20	2018-19
Total number of non-NHS bills paid	45,593	42,654
Total number of non-NHS bills paid within target	43,965	40,843
Percentage of non-NHS bills paid within target	96.4%	95.8%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited	Non-cash limited	2019-20 Total	2018-19
	£'000	£'000	£'000	£'000
General Medical Services	37,613		37,613	36,020
Pharmaceutical Services	4,574	(2,899)	1,675	1,774
General Dental Services	8,356		8,356	8,157
General Ophthalmic Services	0	1,044	1,044	1,022
Other Primary Health Care expenditure	4,810		4,810	2,626
Prescribed drugs and appliances	19,275		19,275	18,328
Total	74,628	(1,855)	72,773	67,927

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 Other Primary Health Care Expenditure relates to an increase of Integrated Care Fund expenditure in 2019/20 of £4.024M (2018/19: £2.393M) which aims to drive and enable integrated and collaborative working between social services, health, housing, the third and independent sectors to support underpinning principles of integration and prevention.

3.2 Expenditure on healthcare from other providers

	2019-20	2018-19
	£'000	£'000
Goods and services from other NHS Wales Health Boards	38,997	36,701
Goods and services from other NHS Wales Trusts	2,947	2,465
Goods and services from Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	61,146	58,721
Goods and services from WHSSC / EASC	37,035	34,256
Local Authorities	1,954	1,593
Voluntary organisations	2,141	1,823
NHS Funded Nursing Care	2,218	2,208
Continuing Care	12,461	11,508
Private providers	379	635
Specific projects funded by the Welsh Government	0	0
Other	(1,592)	(1,743)
Total	157,686	148,167

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 2020 is £37.035M.

The increase in Goods and services of other non Welsh NHS bodies results from increased activity and increases in tariffs within English NHS providers. The most significant increases are Shrewsbury and Telford Hospitals NHS Trust £1.518M Wye Valley NHS Trust £0.425M and Gloucestershire Hospitals NHS Foundation Trust £0.208M in comparison to 2018/19 expenditure.

The increase in Continuing Health Care expenditure during 2019/20 has resulted from from an increase in the number of cases being funded for this health need in comparison to 2018/19.

The decrease in Private Providers expenditure during 2019/20 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

	2019-20 £'000	2018-19 £'000
Directors' costs	1,363	1,419
Staff costs	83,158	76,331
Supplies and services - clinical	4,962	4,585
Supplies and services - general	1,321	1,343
Consultancy Services	448	561
Establishment	2,490	2,639
Transport	1,415	1,288
Premises	5,084	4,940
External Contractors	0	0
Depreciation	3,734	3,327
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	4,135	(87)
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	263
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	238	92
Research and Development	0	0
Other operating expenses	770	646
Total	109,381	97,347

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

	2019-20 £'000	2018-19 £'000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		0
Secondary care	1,825	(7,699)
Primary care	0	0
Redress Secondary Care	48	98
Redress Primary Care	0	0
Personal injury	557	452
All other losses and special payments	2	3
Defence legal fees and other administrative costs	(2)	87
Gross increase/(decrease) in provision for future payments	2,430	(7,059)
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	84	43
Less: income received/due from Welsh Risk Pool	(2,276)	7,108
Total	238	92

	2019-20 £	2018-19 £
Permanent injury included within personal injury £:	87,035	1,639

The main increases in staff costs relates to the NHS Pay Award being agreed and implemented during 2019/20 and the full year effect of the increase in Employer pensions costs payable by 6.3% during the year. Full details of the impact of these additional pension costs is provided in detail at note 34.1.

Clinical Redress expenditure including defence fees during the year was £0.066M in respect of 26 cases (2018-19 £0.115M in respect of 20 cases). This relates to the movement on 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 Movement on Clinical Negligence, Personal Injury and Defence fees links to Note 20 of the accounts and includes the arising in year amounts on these lines offset by the reversed unused amounts of the opening provision.

4. Miscellaneous Income

	2019-20 £'000	2018-19 £'000
Local Health Boards	2,616	3,195
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	0	0
NHS Wales trusts	67	26
Health Education and Improvement Wales (HEIW)	557	325
Foundation Trusts	0	0
Other NHS England bodies	320	415
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	5,166	4,904
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,770	1,826
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	63	92
Other income from activities	1,550	1,316
Patient transport services	33	32
Education, training and research	502	448
Charitable and other contributions to expenditure	0	0
Receipt of donated assets	176	276
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	64	73
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	109	107
Mortuary fees	22	25
Staff payments for use of cars	0	0
Business Unit	0	0
Other	2,313	1,204
Total	15,328	14,264
Other income Includes;		
	0	0
	0	0
	0	0
	0	0
Total	0	0

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 £4.964M from an amount of £4.548M received in 18/19.

The Receipt of donated assets is due to four significant patient related building schemes being funded by League of Friends and the THB Charity. These include the creation of Palliative Care Suite in Bronllys hospital and redevelopment of patient garden areas at Brecon, Welshpool and Ystradgynlais Hospitals. 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 other Income relates mainly to the receipt of monies due to the Health Board in respect of a fraud case relating to prior years of £0.498M.

5. Investment Revenue

	2019-20	2018-19
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	<u>0</u>	<u>0</u>

6. Other gains and losses

	2019-20	2018-19
	£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	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	<u>0</u>	<u>0</u>

7. Finance costs

	2019-20	2018-19
	£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	<u>0</u>	<u>0</u>
Provisions unwinding of discount	19	7
Other finance costs	0	0
Total	<u>19</u>	<u>7</u>

8. Operating leases

LHB as lessee

As at 31st March 2020 the LHB had 52 operating leases agreements in place for the leases of premises, 21 arrangements in respect of equipment and 126 in respect of vehicles, with 7 premises, 4 equipment and 40 vehicle leases having expired in year.

Payments recognised as an expense	2019-20	2018-19
	£000	£000
Minimum lease payments	1,007	924
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,007	924

Total future minimum lease payments

Payable	£000	£000
Not later than one year	959	807
Between one and five years	1,206	957
After 5 years	334	251
Total	2,499	2,015

LHB as lessor

Rental revenue	£000	£000
Rent	322	424
Contingent rents	0	0
Total revenue rental	322	424

Total future minimum lease payments

Receivable	£000	£000
Not later than one year	322	424
Between one and five years	46	181
After 5 years	136	163
Total	504	768

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	£000	£000	£000	£000	£000	£000
Salaries and wages	62,017	271	5,451	0	67,739	65,097
Social security costs	5,383	0	0	0	5,383	5,115
Employer contributions to NHS Pension Scheme	11,399	0	0	0	11,399	7,538
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	78,799	271	5,451	0	84,521	77,750
Charged to capital					202	188
Charged to revenue					84,319	77,562
					84,521	77,750
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	Total	2018-19
	Number	Number	Number		Number	Number
Administrative, clerical and board members	546	4	4	0	554	529
Medical and dental	37	0	6	0	43	40
Nursing, midwifery registered	541	1	25	0	567	571
Professional, Scientific, and technical staff	59	0	5	0	64	61
Additional Clinical Services	328	0	9	0	337	320
Allied Health Professions	124	0	5	0	129	127
Healthcare Scientists	2	0	0	0	2	3
Estates and Ancillary	162	0	3	0	165	157
Students	0	0	0	0	0	2
Total	1,799	5	57	0	1,861	1,810

9.3. Retirements due to ill-health

	2019-20	2018-19
Number	3	5
Estimated additional pension costs £	92,113	341,766

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

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2019-20	2019-20	2019-20	2019-20	2018-19
	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	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)	2019-20	2019-20	2019-20	2019-20	2018-19
	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	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 within the organisation during 2019/20 and 2018/19

9.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in the LHB in the financial year 2019-20 was £165,000 to £170,000 (2018-19, £160,000 to £165,000). This was 5.61 times (2018-19, 5.75 times) the median remuneration of the workforce, which was £29,763 (2018-19, £28,479).

In 2019-20, 1 (2018-19, 2) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £17,652 to £169,422 (2018-19, £17,460 to £171,635).

Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

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/nhs-pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2019-20	2019-20	2018-19	2018-19
NHS	Number	£000	Number	£000
Total bills paid	2,367	149,083	2,448	134,693
Total bills paid within target	1,890	142,439	1,553	124,183
Percentage of bills paid within target	79.8%	95.5%	63.4%	92.2%
Non-NHS				
Total bills paid	45,593	75,892	42,654	68,922
Total bills paid within target	43,965	70,760	40,843	63,368
Percentage of bills paid within target	96.4%	93.2%	95.8%	91.9%
Total				
Total bills paid	47,960	224,975	45,102	203,615
Total bills paid within target	45,855	213,199	42,396	187,551
Percentage of bills paid within target	95.6%	94.8%	94.0%	92.1%

The THB performance at 96.4% 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

	2019-20	2018-19
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2019	14,429	55,014	657	7,591	6,635	545	4,653	0	89,524
Indexation	(141)	912	13	0	0	0	0	0	784
Additions									
- purchased	0	2,117	0	297	435	0	348	0	3,197
- donated	0	6	0	155	15	0	0	0	176
- 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	21	5,280	0	(5,301)	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	177	0	0	0	0	0	0	177
Impairments	0	(4,312)	0	0	0	0	0	0	(4,312)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(87)	(46)	0	0	(133)
At 31 March 2020	14,309	59,194	670	2,742	6,998	499	5,001	0	89,413
Depreciation at 1 April 2019	0	3,934	40	0	4,144	206	2,735	0	11,059
Indexation	0	78	1	0	0	0	0	0	79
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	(87)	(46)	0	0	(133)
Provided during the year	0	2,278	27	0	768	74	587	0	3,734
At 31 March 2020	0	6,290	68	0	4,825	234	3,322	0	14,739
Net book value at 1 April 2019	14,429	51,080	617	7,591	2,491	339	1,918	0	78,465
Net book value at 31 March 2020	14,309	52,904	602	2,742	2,173	265	1,679	0	74,674
Net book value at 31 March 2020 comprises :									
Purchased	14,309	50,058	602	2,731	2,013	265	1,679	0	71,657
Donated	0	2,846	0	11	160	0	0	0	3,017
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2020	14,309	52,904	602	2,742	2,173	265	1,679	0	74,674
Asset financing :									
Owned	14,309	52,904	602	2,742	2,173	265	1,679	0	74,674
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 2020	14,309	52,904	602	2,742	2,173	265	1,679	0	74,674

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

	£000
Freehold	67,815
Long Leasehold	0
Short Leasehold	0
	67,815

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 an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets

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) Valuations

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) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

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

v) Write Downs

There have not been write downs.

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

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

There are no assets held for sale or sold in the period.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2019	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 2020	0	0	0	0	0	0
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

**12. Intangible non-current assets
2019-20**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	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 2020	0	0	0	0	0	0	0
Amortisation at 1 April 2019	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 2020	0	0	0	0	0	0	0
Net book value at 1 April 2019	0	0	0	0	0	0	0
Net book value at 31 March 2020	0	0	0	0	0	0	0
At 31 March 2020							
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 2020	0	0	0	0	0	0	0

**12. Intangible non-current assets
2018-19**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	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

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13 . Impairments

	2019-20		2018-19	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	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)	4,135	0	(87)	0
Reversal of Impairments	0	0	0	0
Total of all impairments	4,135	0	(87)	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	4,135	0	(87)	0
Charged to Revaluation Reserve	0	0	0	0
	4,135	0	(87)	0

Within the healthcare segment of the THB, there is one downward impairment in year totalling £4.312M, charged to the statement of Comprehensive Net Expenditure.

This is as a result of the initial valuation for the bringing into use the hospital reconfiguration scheme phase 2 scheme and upgrade of Renal Unit at Llandrindod Wells Hospital.

There is also a reversal of impairment of £0.177M which has 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.

Impairment funding to cover adjustments required is provided to the THB by Welsh Government on an annual basis

14.1 Inventories

	31 March	31 March
	2020	2019
	£000	£000
Drugs	89	88
Consumables	44	30
Energy	4	7
Work in progress	0	0
Other	19	25
Total	156	150
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2020	2019
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board.

15. Trade and other Receivables

		Reclassified
Current	31 March	31 March
	2020	2019
	£000	£000
Welsh Government	1,821	1,910
WHSSC / EASC	231	49
Welsh Health Boards	537	1,888
Welsh NHS Trusts	540	282
Health Education and Improvement Wales (HEIW)	72	157
Non - Welsh Trusts	289	251
Other NHS	0	0
Welsh Risk Pool Claim reimbursement		0
NHS Wales Secondary Health Sector	1,510	1,390
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	171	103
Other	0	0
Local Authorities	788	551
Capital debtors - Tangible	213	364
Capital debtors - Intangible	0	0
Other debtors	2,895	2,424
Provision for irrecoverable debts	(394)	(320)
Pension Prepayments NHS Pensions	0	0
Other prepayments	351	566
Other accrued income	0	0
Sub total	9,024	9,615
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool Claim reimbursement;		0
NHS Wales Secondary Health Sector	14,791	23,322
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	14,791	23,322
Total	23,815	32,937

15. Trade and other Receivables (continued)

	31 March 2020	31 March 2019
	£000	£000
Receivables past their due date but not impaired		
By up to three months	619	86
By three to six months	91	472
By more than six months	375	366
	<u>1,085</u>	<u>924</u>

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

Balance at 31 March 2019		(258)
Adjustment for Implementation of IFRS 9		(20)
Balance at 1 April 2019	(320)	(278)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	36	61
(Increase) / decrease in receivables impaired	(110)	(103)
Bad debts recovered during year	0	0
Balance at 31 March 2020	<u>(394)</u>	<u>(320)</u>

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

Receivables VAT

Trade receivables	0	0
Other	0	0
Total	<u>0</u>	<u>0</u>

16. Other Financial Assets

	Current		Non-current	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April 2019	2,317	1,185
Net change in cash and cash equivalent balances	(1,777)	1,132
Balance at 31 March 2020	540	2,317
Made up of:		
Cash held at GBS	406	2,251
Commercial banks	131	62
Cash in hand	3	4
Current Investments	0	0
Cash and cash equivalents as in Statement of Financial Position	540	2,317
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	540	2,317

18. Trade and other payables

Current	31 March	Reclassified 31 March
	2020	2019
	£000	£000
Welsh Government	0	0
WHSSC / EASC	19	289
Welsh Health Boards	3,013	2,608
Welsh NHS Trusts	370	406
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	2,585	6,179
Taxation and social security payable / refunds	555	548
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	856	778
Non-NHS payables - Revenue	4,313	5,408
Local Authorities	4,289	4,342
Capital payables- Tangible	1,420	1,627
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,128	1,087
Non NHS Accruals	16,616	17,163
Deferred Income:		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	35,164	40,435
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	0	0
Total	35,164	40,435

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

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2020	2019
	£000	£000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<u>0</u>	<u>0</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-	0								0
Secondary care	611	0	0	367	8,114	(8,331)	(284)	0	477
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	93	0	0	0	92	(34)	(44)	0	107
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	802	0	0	59	555	(317)	(15)	3	1,087
All other losses and special payments	0	0	0	0	2	(2)	0	0	0
Defence legal fees and other administration	57	0	0	5	82	(26)	(32)		86
Pensions relating to former directors	0			0	0	0	0		0
Pensions relating to other staff	657			812	10	(652)	(190)	15	652
Restructuring	0			0	0	0	0	0	0
Other	226		0	0	120	(166)	(128)		52
Total	2,446	0	0	1,243	8,975	(9,528)	(693)	18	2,461
Non Current									
Clinical negligence:-	0								0
Secondary care	22,824	0	0	(367)	0	(2,025)	(6,005)	0	14,427
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,346	0	0	(59)	17	0	0	0	1,304
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	182	0	0	(5)	8	(59)	(60)		66
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,793			(812)	901	0	0	0	4,882
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	29,145	0	0	(1,243)	926	(2,084)	(6,065)	0	20,679
TOTAL									
Clinical negligence:-	0								0
Secondary care	23,435	0	0	0	8,114	(10,356)	(6,289)	0	14,904
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	93	0	0	0	92	(34)	(44)	0	107
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,148	0	0	0	572	(317)	(15)	3	2,391
All other losses and special payments	0	0	0	0	2	(2)	0	0	0
Defence legal fees and other administration	239	0	0	0	90	(85)	(92)		152
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	5,450			0	911	(652)	(190)	15	5,534
Restructuring	0			0	0	0	0	0	0
Other	226		0	0	120	(166)	(128)		52
Total	31,591	0	0	0	9,901	(11,612)	(6,758)	18	23,140

Expected timing of cash flows:

	In year to 31 March 2021	Between 1 April 2021 and 31 March 2025	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-	0			0
Secondary care	477	14,427	0	14,904
Primary care	0	0	0	0
Redress Secondary care	107	0	0	107
Redress Primary care	0	0	0	0
Personal injury	1,087	586	718	2,391
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	86	66	0	152
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	652	2,380	2,502	5,534
Restructuring	0	0	0	0
Other	52	0	0	52
Total	2,461	17,459	3,220	23,140

The opening balances on this note have been reclassified during the year

The THB estimates that in 2020/21 it will receive £1.511M and in 2021-22 and beyond £14.791M from the Welsh Risk Pool in respect of Losses and Special Payments

£16.095M (2018/19: £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 2020 is £0.051M relating to retrospective continuing health care claims (2018/19 £ 0.226M)

During the year the opening provision has been reclassified to the Redress Secondary Care line and Defence Legal Fees and other administration to provide for expected payments in respect of redress arrangements under National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. The amount of Provision in relation to this at 31st March 2020 is £0.127M including defence costs (2018/19: £0.103M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

20. Provisions (continued)

	Reclassified		Reclassified	Reclassified	Reclassified	Reclassified	Reclassified	Reclassified	Reclassified
	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	11,236	0	0	8,186	75	(5,891)	(12,995)	0	611
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	98	(5)	0	0	93
Redress Primary care	0	0	0	0	0	0	0	0	0
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	75	(145)	(9)		57
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:-	0	0	0	0	0	0	0	0	0
Secondary care	25,899	0	0	(8,186)	5,221	(110)	0	0	22,824
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	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:-	0	0	0	0	0	0	0	0	0
Secondary care	37,135	0	0	0	5,296	(6,001)	(12,995)	0	23,435
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	98	(5)	0	0	93
Redress Primary care	0	0	0	0	0	0	0	0	0
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	96	(168)	(9)		239
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

21. Contingencies

21.1 Contingent liabilities

	2019-20 £'000	Reclassified 2018-19 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	16,341	900
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	0	0
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	<u>16,341</u>	<u>900</u>
Amounts (recovered) in the event of claims being successful	<u>(16,277)</u>	<u>(630)</u>
Net contingent liability	<u>64</u>	<u>270</u>

Legal Claims for alleged medical or employer negligence: £0.604M of the £16.341M 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). £15.737M of the £16.341M relates to Powys THB cases. Legal advice has established that these claims are not likely to result in payments. In the unlikely event that amounts are payable, all payments over a threshold of £0.025M will be reimbursed to Powys THB by the Welsh Risk Pool.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;
- Powys Teaching Local Health Board will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to Powys Teaching Local Health Board.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national 'average discounted value per nomination' (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by the number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff in 2019-20 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2019-20	2018-19
	£'000	£'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 2019/20

21.3 Contingent assets

	2019-20	2018-19
	£'000	£'000
	0	0
	0	0
	0	0
Total	0	0

There are no Contingent Assets for 2019/20

22. Capital commitments

Contracted capital commitments at 31 March

	2019-20	2018-19
	£'000	£'000
Property, plant and equipment	107	877
Intangible assets	0	0
Total	107	877

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Local Health Board has no finance leases receivable as a lessee.

Amounts payable under finance leases:

Land	31 March 2020 £000	31 March 2019 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

24.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

Buildings	31 March 2020 £000	31 March 2019 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

Present value of minimum lease payments

Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

Other

	31 March 2020 £000	31 March 2019 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

Present value of minimum lease payments

Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

24.2 Finance leases obligations (as lessor) continued

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

Amounts receivable under finance leases:

	31 March	31 March
	2020	2019
	£000	£000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Local Health Board [has no](#) PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2020 £000	31 March 2019 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11 £000

Contract start date:

Contract end date:

The Local Health Board has no Private Finance Initiatives in operation

£000

Contract start date:

Contract end date:

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

	On SoFP PFI Capital element 31 March 2020 £000	On SoFP PFI Imputed interest 31 March 2020 £000	On SoFP PFI Service charges 31 March 2020 £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	<u>0</u>	<u>0</u>	<u>0</u>

	On SoFP PFI Capital element 31 March 2019 £000	On SoFP PFI Imputed interest 31 March 2019 £000	On SoFP PFI Service charges 31 March 2019 £000
Total payments due within one year	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	<u>0</u>	<u>0</u>	<u>0</u>

Total present value of obligations for on-SoFP PFI contracts 0

25.3 Charges to expenditure

	2019-20	2018-19
	£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	<u>0</u>	<u>0</u>

The LHB is committed to the following annual charges

	31 March 2020	31 March 2019
	£000	£000
PFI scheme expiry date:		
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	<u>0</u>	<u>0</u>

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

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	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

On/Off
On/Off

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit risk

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

Liquidity risk

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

27. Movements in working capital

	2019-20	2018-19
	£000	£000
(Increase)/decrease in inventories	(6)	(20)
(Increase)/decrease in trade and other receivables - non-current	8,531	2,783
(Increase)/decrease in trade and other receivables - current	591	10,107
Increase/(decrease) in trade and other payables - non-current	0	0
Increase/(decrease) in trade and other payables - current	(5,271)	4,072
Total	3,845	16,942
Adjustment for accrual movements in fixed assets - creditors	207	82
Adjustment for accrual movements in fixed assets - debtors	(151)	117
Other adjustments	0	0
	3,901	17,141

28. Other cash flow adjustments

	2019-20	2018-19
	£000	£000
Depreciation	3,734	3,327
Amortisation	0	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	4,135	(87)
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	(176)	(276)
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	3,161	(6,942)
Other movements	3,473	(20)
Total	14,327	(3,998)

29. Events after the Reporting Period

The THB has not experienced any events having a material effect on the accounts, between the date of the statement of the financial position and the date on which these accounts were approved by the Board. The impact of the COVID 19 pandemic is outlined in Note 34.3.

30. Related Party Transactions

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

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	7	326,463	0	1,821
Aneurin Bevan University Health Board	15,744	356	757	174
Betsi Cadwaladr University Health Board	3,515	573	186	91
Cardiff & Vale University Health Board	2,304	162	578	24
Cwm Taf Morgannwg University Health Board	2,555	109	241	96
Hywel Dda University Local Health Board	8,586	411	392	104
Public Health Wales NHS Trust	335	390	115	73
Swansea Bay University Health Board	9,221	1,440	859	48
Velindre University NHS Trust	3,143	667	173	424
Welsh Ambulance Services Trust	1,159	43	82	43
Welsh Health Specialised Services Committee	37,036	134	19	231
Health Education and Improvement Wales (HEIW)	0	564	0	72
Powys County Council	10,929	2,048	4,289	788
PAVO - Powys Association of Voluntary Organisations	1,112	0	0	0
Swansea University	22	0	0	0
	95,668	333,360	7,691	3,989

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 Organisations
Alison Bulman	Associate Member	Strategic Director of People, Powys County Council
Eifion Williams	Interim Finance Director (to 30th July 2019)	Employee of Abertawe Bro Morgannwg University Health Board Member of Finance Committee at Swansea University
Patsy Roseblade	Interim Director of Primary, Community Care and Mental Health (to 14 April 2019)	Employee of Welsh Ambulance Services NHS Trust

31. Third Party assets

The LHB held £1,840.20 cash at bank and in hand at 31 March 2020 (31 March 2019, £2,530.20) 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 2019-20 or 2018-19.

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	1,118,455		1,118,455
Total Funding	2,183,012		2,183,012
Expenditure			
Monies spent in accordance with Pooled budget arrangement		2,218,369	2,218,369
Total Expenditure		2,218,369	2,218,369
Net under/(over) spend			(35,357)

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		1,042,000	1,042,000
Total Expenditure		1,042,000	1,042,000
Net under/(over) spend			0
Share of overspend			0

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 parties 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	Net Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	3,145,450		3,145,450
Powys Teaching Health Board	1,023,777		1,023,777
Shortfall of Powys Teaching Health Board Funding from Reserve	253,013		253,013
Total Funding	4,422,240		4,422,240
Net Expenditure			
Monies spent in accordance with Pooled budget arrangement			
Expenditure		5,243,108	5,243,108
Income		(1,061,972)	(1,061,972)
Total Expenditure			4,181,136
Net under/(over) spend			241,104

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		1,212,205	1,212,205
Total Expenditure		1,212,205	1,212,205
Net under/(over) spend			29,175
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 will not affect the liability of the parties from 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 person centred care at Glan Irfon, for 12 residents within the short stay shared care reablement unit with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

	Funding £	Expenditure £	Total £
Gross Funding			
Powys County Council	226,920		226,920
Powys Teaching Health Board	226,920		226,920
Total Funding	453,840		453,840
Expenditure			
Monies spent in accordance with Pooled budget arrangement		453,840	453,840
Total Expenditure		453,840	453,840
Net under/(over) spend			0
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 under 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.

	Note	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
Expenditure on Primary Healthcare Services	3.1	72,773	0	0	0	0	0	72,773
Expenditure on healthcare from other providers	3.2	157,369	0	0	0	317	0	157,686
Expenditure on Hospital and Community Health Services	3.3	99,751	25	4,153	564	4,964	(76)	109,381
		329,893	25	4,153	564	5,281	(76)	339,840
Less: Miscellaneous Income	4	9,559	0	0	564	5,281	(76)	15,328
THB net operating costs before interest and other gains and losses		320,334	25	4,153	0	0	0	324,512
Investment Income	8	0	0	0	0	0	0	0
Other (Gains) / Losses	9	0	0	0	0	0	0	0
Finance costs	10	19	0	0	0	0	0	19
THB Net Operating Costs		320,353	25	4,153	0	0	0	324,531
Add Non Discretionary Expenditure	3.1	1,855	0	0	0	0	0	1,855
Revenue Resource Limit	2.1	322,263	25	4,153	0	0	0	326,441
Under / (over) spend against Revenue Resource Limit		55	0	0	0	0	0	55

Note the segment of Continuing Care Case Administration ended at 31st July 2019. This all wales project was ended and any remaining case reviews were transferred back to the Local Health Boards that the claims related to.

34. Other Information**34.1. 6.3% Staff Employer Pension Contributions - Notional Element**

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2019 to 31 March 2020. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2019 and February 2020 alongside Health Board/Trust/SHA data for March 2020.

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

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020		£'000
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Expenditure on Primary Healthcare Services	2019-20	105
Expenditure on Hospital and Community Health Services	2019-20	3368

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020		
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Net operating cost for the year	Balance at 31 March 2020	3473
Notional Welsh Government Funding	Balance at 31 March 2020	3473

Statement of Cash Flows for year ended 31 March 2020		
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Net operating cost for the financial year	2019-20	3473
Other cash flow adjustments	2019-20	3473

2.1 Revenue Resource Performance		
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Revenue Resource Allocation	2019-20	3473
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3. Analysis of gross operating costs**3.1 Expenditure on Primary Healthcare Services**

General Dental Services	2019-20	44
Other Primary Health Care expenditure	2019-20	51
Prescribed drugs and appliances	2019-20	10

3.3 Expenditure on Hospital and Community Health Services

Directors' costs	2019-20	63
Staff costs	2019-20	3305

9.1 Employee costs**Permanent Staff**

Employer contributions to NHS Pension Scheme	2019-20	3473
Charged to capital	2019-20	7
Charged to revenue	2019-20	3466

18. Trade and other payables**Current**

Pensions: staff	Balance at 31 March 2020	0
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28. Other cash flow adjustments

Other movements	2019-20	3473
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34.2 IFRS 16 Impact

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 *Leases* until 1 April 2021, because of the circumstances caused by Covid-19. To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

We expect the introduction of IFRS16 will not have a significant impact and this will be worked through for disclosure in our 2020-21 financial statements.

34.3 COVID 19

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. The organisation's Governance Framework will need to consider and respond to this need

The Financial statements for 2019/20 have not been significantly impacted and only minor changes have been required in the preparation of the financial statements in comparison to previous years. These are as follows:

A physical verification of Equipment was not possible in some areas due to resource capacity at operational level to verify asset existence at the end of the financial year. Where physical verification has not been undertaken a cross reference to disposed items documentation has been undertaken by the finance department.

Due to low level of clinical and medical consumables expenditure on an annual basis, formal stock takes are not undertaken by the THB in this area. The increase in spend on clinical and medical consumables in the last 3 weeks of the financial year is not material and the THB has received an allocation from Welsh Government during 2019/20 of £0.173M in recognition of increased costs incurred due to the pandemic of COVID 19.

As the 2020/21 financial year progresses there will be significant additional costs that will be incurred due to the pandemic and the previously prepared Financial Plan completed as part of the Integrated Medium Term Planning process will be regularly updated to reflect any changes required. Any amendments will be clearly documented to Welsh Government and the Board via the THB monthly Financial Reporting process.

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 (FRoM), 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 FRoM 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