



Cyfarfod a dyddiad: Meeting and date:	Audit Committee – 29th June 2020					
Cyhoeddus neu Breifat: Public or Private:	Private. The report is a briefing by the Acting Executive Director Finance on the 2019-20 annual financial statements, which will become publicly available documents following approval by the Audit Committee and submission to Welsh Government.					
Teitl yr Adroddiad Report Title:	Executive Director of Finance Briefing on Financial Accounts 2019-20 1. Briefing on 2019-20 Financial Statements provided by Director of Finance 2. Annual Accounts 3. Remuneration Report					
Cyfarwyddwr Cyfrifol: Responsible Director:	Acting Executive Director of Finance					
Awdur yr Adroddiad Report Author:	Financial Accountant, Reporting and Control					
Craffu blaenorol: Prior Scrutiny:	The Health Board's annual financial statements for 2019-20 were subject to scrutiny by senior finance staff prior to submission to Welsh Government and Wales Audit Office on 7 th May 2020. Wales Audit Office has audited the statements in accordance with the International Standard on Auditing (ISA) 260, following which they have prepared an Audit of Financial Statements Report. This document provides a summary of any amendments made to the unaudited financial statements along with recommendations arising from their work.					
Atodiadau Appendices:	One appendix – "Executive Director of Finance Briefing on Financial Accounts 2019-20".					
Argymhelliad / Recommendation:						
At its meeting on 14 th May 2020, the Board delegated authority for approval of the 2019-20 annual financial statements to the Audit Committee (minute 20/51.7 refers). The Audit Committee is recommended to approve the Health Board's 2019-20 annual financial statements following consideration of the Wales Audit Office Audit of Financial Statements Report and confirmation of the Auditor General's intended opinion on the financial statements.						
Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category)						
Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval	<input checked="" type="checkbox"/>	Ar gyfer Trafodaeth For Discussion	<input type="checkbox"/>	Ar gyfer sicrwydd For Assurance	<input type="checkbox"/>	Er gwybodaeth For Information

Sefyllfa / Situation:

The purpose of this paper and attachment is to provide Audit Committee members with a briefing on the Health Board's 2019-20 annual financial statements and to ensure that members have sufficient and appropriate information to be able to approve the statements in accordance with the above recommendation.

The attachment outlines the Health Board's achievement against Welsh Government financial targets and provides an analytical review of in-year movements for both income and expenditure transactions and balance sheet balances.

Cefndir / Background:

The Health Board has a statutory requirement to prepare a set of annual financial statements in a standard format provided by Welsh Government, with the approval of H M Treasury. The annual financial statements are completed in accordance with the National Health Services (Wales) Act 2006, the Welsh Government Health Board Manual for Accounts and HM Treasury's Financial Reporting manual (FReM) in order to reflect:

- International Financial Reporting Standards (IFRS);
- Accounting and disclosure requirements of the Companies Act 2006, where appropriate;
- Any other pronouncements made, or endorsed by, the International Accounting Standards Board.

The unaudited annual financial statements for 2019-20 were submitted to Welsh Government and Wales Audit Office on 7th May 2020. This was two weeks in advance of the formal submission deadline, which had this year been extended due to the Covid-19 pandemic.

Following completion of their financial audit, Wales Audit Office has prepared an Audit of Financial Statements Report providing a summary of amendments made to the unaudited financial statements along with recommendations arising from their audit work.

The audited annual financial statements now require approval by the Audit Committee prior to submission to Welsh Government and the Auditor General for Wales.

Asesiad / Assessment & Analysis

Strategy Implications

The preparation of annual financial statements provide publicly available information on the Health Board's performance against Welsh Government financial targets both annually and on a three-year rolling period. The annual financial statements, along with analysis and working papers used in their preparation, will inform future strategic decision-making and the development of financial plans.

Financial Implications

The Health Board's annual financial statements provide details of performance against both revenue and capital resource allocations during the financial year. They also explain how the Health Board has performed against Welsh Government's annual and three-year rolling period targets.

The statements also provide disclosures on repayable strategic cash support received from Welsh Government.

Risk Analysis

Wales Audit Office has completed their audit of the Health Board's 2019-20 unaudited annual financial statements in accordance with the International Standard on Auditing (ISA) 260 and has prepared an Audit of Financial Statements Report. This report details issues identified during the course of the audit and, where appropriate, how these have been amended prior to audited submission. Where applicable it also provides recommendations for opportunities to improve processes within the Health Board.

The report provides details of the audit opinion that the Auditor General intends to issue following completion of Wales Audit Office's work.

Legal and Compliance

The Health Board has a statutory requirement to prepare a set of annual financial statements in a standard format provided by Welsh Government, with the approval of H M Treasury. The purpose of this paper and attachment is to provide Audit Committee members with sufficient and appropriate information to be able to approve the annual accounts in accordance with this requirement.

Impact Assessment

The Health Board's annual financial statements will be publicly available in bilingual format once approved by the Audit Committee. This work is being co-ordinated by the Health Board's Public Affairs Manager and the Welsh Language Team.

The annual financial statements will be available to interested parties either in electronic format on the Health Board's internet site or in paper format on request.



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WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Executive Director of Finance Briefing on Financial Accounts 2019-20

Sue Hill

Acting Executive Director of Finance
Betsi Cadwaladr University Health Board

1. Executive Summary

1.1 Purpose

- The purpose of this report is to provide Audit Committee members with a briefing on the 2019-20 financial accounts. References to page numbers within this report refer to the relevant sections of the Welsh Government's annual accounts proforma.

1.2 Key Financial Targets

- The NHS Finance (Wales) Act 2014 outlines two statutory duties that the Health Board is required to achieve:
 1. To ensure that its expenditure does not exceed the aggregate of the funding allocated to it over a rolling period of three financial years (the latest of which commenced on the 1st April 2017 and ended on the 31st March 2020). Revenue and Capital Funding are both included within this duty but measured separately;
 2. To prepare a plan to secure compliance with the above duty, and for that plan to be approved by the Minister for Health and Social Services.
- The Health Board is also required to comply with the CBI Prompt Payment Code and pay 95% of all non-NHS invoices, by number, within 30 days of receipt of the goods or a valid invoice.

1.3 Achievement of Financial Targets

- **Revenue resource performance.** The Health Board's outturn position for 2019-20 was a deficit of £38.7m, with the cumulative financial deficit over the three-year period of measure being £118.8m (page 25). The Health Board did not therefore achieve this target.
- **Capital resource performance.** The Health Board had a cumulative underspend of £0.04m against capital resource allocations for 2017-18 to 2019-20 and achieved this target (page 25).
- **Duty to prepare a three-year plan.** Following agreement with Welsh Government, the Health Board did not submit a three-year plan during 2019-20 and did not therefore achieve the statutory target (page 26).
- **Public Sector Payment Policy.** The Health Board paid 95.3% of all non-NHS invoices by number within 30 days (page 26) and therefore achieved this performance measure.

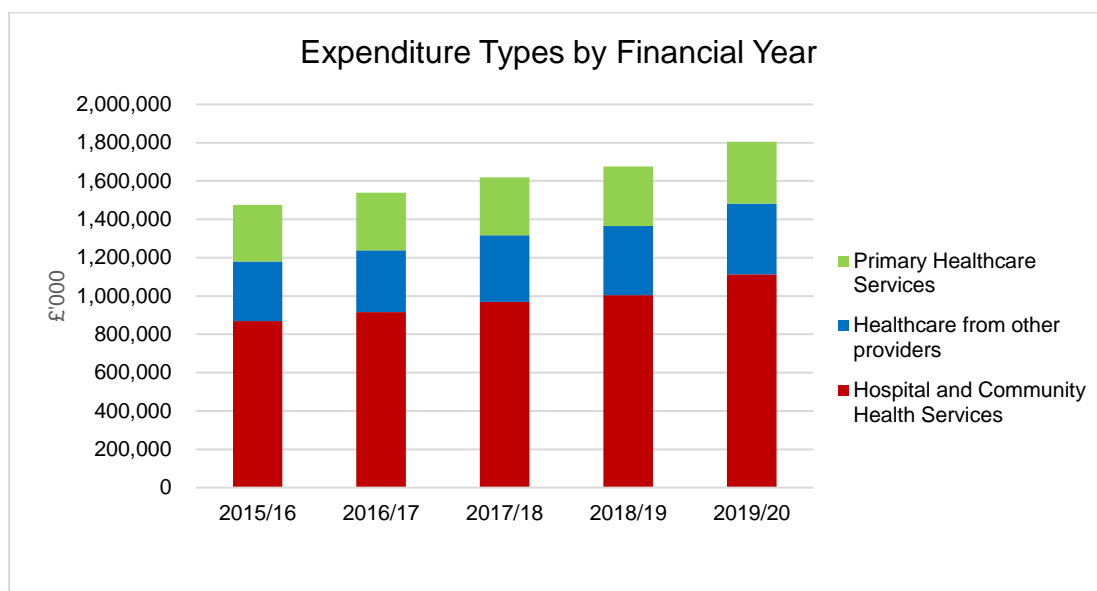
1.4 Key points of note

- The Revenue Resource Allocation from the Welsh Government increased by £131.6m (8.8%) year on year to £1,622.2m (£1,490.6m for 2018-19). This included £80.4m for capital depreciation and impairments, £31.6m for the impact of increased employer superannuation costs and £18.9m funding for RTT work.
- Year on year expenditure increased by 7.8% to £1,805.3m (£1,675.2m for 2018-19). Further details on this increase by expenditure type are provided in Section 2 of this report.
- Annual capital expenditure decreased to £25.7m during 2019-20 (2018-19 £50.9m). This reduction was mainly due to completion of schemes associated with the Glan Clwyd Hospital redevelopment project and the Emergency Department at Ysbyty Gwynedd. Funding for capital expenditure was received through the Welsh Government Capital Resource Allocation (£24.1m) and charitable donations (£1.6m).

2. Analysis of Expenditure

2.0 Overview of revenue expenditure (page 2)

- The Health Board incurred gross expenditure of £1,805.3m during 2019-20, which represents a 7.8% increase on the previous year. Analysis of movements in key expenditure headings is provided in Sections 2.1 to 2.3 and summarised below:



2.1 Expenditure on Primary Healthcare Services (Note 3.1 page 27)

- Expenditure on Primary Healthcare Services increased by £13.2m to £322.5m during the year. This includes all Health Board payments to General Practitioners, dentists, opticians and pharmacists.
- Net expenditure on General Medical Services (GMS) increased by 5.3% to £136.4m, which included an increase in the per-capita payment made to GPs, additional Quality Achievement payments and the impact of GP managed practices transferring to the Health Board.
- Prescribed drugs and appliances expenditure represented 33.7% of all primary healthcare costs during the year and increased by 6.5% to £108.8m. This largely resulted from increased drugs tariffs and growth in demand particularly during the initial stages of the Covid-19 pandemic in March 2020.

2.2 Expenditure on healthcare from other providers (Note 3.2 page 27)

- Expenditure on purchasing healthcare from other providers increased by £8.5m to £369.6m during 2019-20, which represents 20.5% of all Health Board expenditure. This category includes the cost of healthcare services

commissioned from both NHS and non-NHS bodies including nursing homes, voluntary and private providers.

- Expenditure with non-Welsh NHS bodies increased during 2019-20 due to inflationary pressures and activity levels with the Health Board's major trauma centre, the University Hospitals of North Midlands NHS Trust.
- The Health Board's contract with WHSSC/EASC increased by £10.7m (6.0%) during the year to £177.0m due to inflationary pressures, pay awards and the cost of Advanced Therapy Medicinal Products (ATMPs).
- Expenditure on Continuing Healthcare Costs (CHC) decreased by £7.7m or 7.08%, which reflected both a reduction in the number of CHC packages and the repatriation of a number of packages which had previously been commissioned from outside of the Health Board area.
- The increase in expenditure with private providers of £1.1m largely resulted from additional outsourcing of rehabilitation services and changes to the way that online radiology services are reported within the annual accounts.

2.3 Expenditure on Hospital and Community Health Services (Note 3.3 page 28)

- Expenditure on Hospital and Community Health Services increased by £108.5m (10.8%) during the year and represented 61.7% of total gross expenditure reported in the Statement of Comprehensive Net Expenditure on page 2. The main increases during the year related to staff costs, general supplies and services and the revenue consequences of capital expenditure.
- Expenditure on staff costs increased by £63.0m (8.8%) during the year to £782.8m, which included £31.6m for increased employer superannuation contributions. A further analysis of the increase in staff costs is provided in Section 2.4 below.
- General supplies and services expenditure increased by £11.9m (35.5%) to £45.5m during 2019-20. This increase primarily related to payments to local authorities as part of joint working arrangements coordinated through the Regional Partnership Board.
- Depreciation, amortisation and impairment expenditure relating to capital assets increased by £26.7m to £82.0m during the year, which included the impact of revaluations undertaken at Glan Clwyd Hospital and the Emergency Department, Ysbyty Gwynedd. Impairments reflect the difference between the formal valuation undertaken by the District Valuer following completion of a capital scheme and the expenditure incurred on the scheme. It is routine for public assets to be valued at less than cost due to the specialised nature of construction projects.

- The net charge to expenditure in respect of losses and special payments was £2.8m, a reduction of £1.5m on the previous year. Further analysis provided in Note 3.4 (page 28) shows that whilst the total provision for losses and special payments increased by £12.2m during the year, this was offset by additional income of £9.5m which will be due from the Welsh Risk Pool once claims are settled.

2.4 Employee Benefits and Staff Numbers (Note 9 page 32)

- This note discloses the total payroll and agency costs across the Health Board, including primary, secondary and community based workforce costs. Total expenditure for 2019-20 was £811.0m, which represents an in-year increase of £66.8m (2018-19 £744.2m).
- All Health Board staff received a pay award during the year with medical and dental staff receiving a 2.5% increase to basic pay and individuals holding either a senior or executive post receiving a 2% consolidated increase.
- Staff paid under the Agenda for Change (AfC) agreement received pay awards based on their individual bandings and pay points following national reforms of pay structures.
- Employer superannuation costs increased by £34.3m (49.4%) following a 6.3% uplift in contribution rates payable to the NHS Superannuation Agency from 14.3% to 20.6%. The impact of this increase was funded in full by the Welsh Government.
- The primary care sector continues to experience significant challenges in respect of the recruitment and retention of GPs with 15 practices in North Wales now being directly managed by the Health Board. Staff costs relating to GP Managed practices increased by £2.0m during 2019-20.
- The average number of employees increased by 264 during the year resulting in further additional pay costs (2018-19 increase of 254). Strict processes are in place to ensure that staff structures and vacancies are subject to scrutiny prior to recruitment.
- The Health Board is required to disclose the relationship between the remuneration of its highest paid director and the median salary of its employees in Note 9.6 of the annual accounts. The banded remuneration of the highest paid director during 2019-20 was £225,000-£230,000, which was 7.7 times the median salary of all employees (£29,554). This was an increase on 2018-19 when the banded remuneration of the highest paid director was £205,000 to £210,000 and 7.16 times the median salary (£28,983).

3. Income

3.1 Income

- **Revenue Resource Allocation (Note 2.1 page 25)** The Health Board received a Revenue Resource Allocation of £1,622.2m from the Welsh Government, which was a £131.5m (8.8%) increase on 2018-19. This included £80.4m for capital depreciation and impairments, £31.6m for the impact of increased employer superannuation costs and £18.9m funding for RTT work.
- **Miscellaneous Income (Note 4 page 29)** In addition to the Revenue Resource Allocation from the Welsh Government, the Health Board received £144.6m of miscellaneous income during the year (2018-19 £142.5m). This included income from other NHS bodies (£86.3m), Welsh Government (£11.0m) and local authorities (£8.0m).

4. Statement of Financial Position

4.1 Statement of Financial Position (page 4)

- The Health Board's net assets as at the 31st March 2020 were £485.2m, which was a decrease of £45.2m on the previous year. This mainly related to a reduction in the net book value of property, plant and equipment following a reduced capital programme and revaluations of newly completed schemes.

4.2 Capital Assets (Note 11 – page 38)

- Property, plant and equipment assets were valued at £575.3m as at 31st March 2020, which was a decrease of £51.4m on the previous year. This movement included new capital expenditure less adjustments for sales, depreciation, impairments and revaluations.
- The Health Board received capital funding of £24.1m from Welsh Government in relation to a number of schemes including the Emergency Department at Ysbyty Gwynedd, digital schemes, a replacement CT Scanner at Glan Clwyd Hospital, North Denbighshire Community Hospital and the Patient Administration System (PAS).
- In-year impairments of £48.7m related to the Glan Clwyd Hospital redevelopment project, the Emergency Department at Ysbyty Gwynedd and the Substance Misuse Service, Wrexham following revaluations by the Valuation Office Agency.
- The Health Board also received funding of £1.6m towards capital expenditure from charitable organisations including the Health Board's linked charity, Awyr Las, and the League of Friends.

4.3 Trade and other receivables (Note 15 – page 47)

- Trade and other Receivables decreased by £4.6m during the year to £131.2m (31st March 2019 £135.8m).
- This balance includes £96.6m of receivables with Welsh Risk Pool, which are subject to the outcome of litigation claims being brought against the Health Board. (Section 4.6).
- Provisions for irrecoverable debts decreased by £2.7m during the year, largely due to the resolution of outstanding receivables balances with two English CCGs.
- Prepayments relate to amounts paid in advance for goods or services to be received in 2020-21, including rents, maintenance contracts and lease cars.

4.4 Cash and cash equivalents (Note 17 page 49)

- The Health Board receives an annual cash allocation from Welsh Government, which can be drawn as required during the year. This allocation does not include any additional cash support towards pressures resulting from the revenue deficit position.
- During 2019-20, Welsh Government provided an additional £35.0m repayable cash support to ensure that the Health Board could continue to make payments through to the end of the financial year. Cumulative repayable strategic cash support received from Welsh Government as at 31st March 2020 was £149.7m.
- Whilst there is no statutory target for retained cash balances, the Health Board aims to hold no more than £8.5m of cash at each month-end, which represents two days of normal cash requirements based on the Welsh Government cash allocation. The closing cash balance at 31st March 2020 was £3.15m of which £1.70m related to funding for capital expenditure.

4.5 Trade and other payables (Note 18 – page 50)

- The value of trade and other payables as at the 31st March 2020 was £144.6m, which represented a year on year decrease of £2.2m.
- Capital creditors were £5.2m at the end of the financial year, which reflects the phasing of capital schemes towards the final quarter of 2019-20.
- Local Authority payables increased by £3.7m to £25.9m during the year resulting from additional joint working initiatives co-ordinated through the Regional Partnership Board.
- Payments on account are advances made to community pharmacists to reflect the unavoidable time delay between the dispensing of a prescription and reimbursement by the Health Board. Estimates of year-end liabilities for prescribing, including additional costs incurred during March 2020 as a result of the Covi-19 pandemic, are included within the note.

4.6 Provisions (Note 20 page 52)

- Provisions are recognised when liabilities that exist at the end of the financial year are likely to crystallise at some point in the future. By their nature, provisions are often uncertain in terms of exact value or timing of settlement.
- The total level of provisions recognised in the Health Board's annual accounts decreased by £12.2m during the year to £98.2m (31st March 2019 £110.4m). This included £90.7m relating to potential negligence claims, which represented 92.3% of the total.

- The total revenue cost of litigation claims during the year was £12.2m, offset by income of £9.5m, which will be due from Welsh Risk Pool subject to the outcome of each individual claim. Whilst this reduces the overall cost to the Health Board, the full cost remains within NHS Wales as the Welsh Risk Pool is funded from the Health and Social Care budget.
- Other provisions include pension costs relating to former staff, Continuing Healthcare (CHC) claims under review, holiday pay entitlements and pay banding reviews.

5. Financial impact of Covid-19

- The Covid-19 pandemic presented a number of challenges to the Health Board during March 2020 with directly linked additional costs of £1.1m being included in the 2019-20 annual accounts.
- These costs included additional pay expenditure of £0.4m and non-pay expenditure of £0.7m. Non-pay costs related to both clinical and non-clinical areas including medical and surgical equipment, bedding and laundry, protective clothing, drugs and premises.
- Covid-19 specific stocks of Personal Protective Equipment (PPE) valued at £0.06m as at 31st March 2020 are included in Note 14.1 Inventories on page 46 of the annual accounts.

6. Summary

- The Health Board's outturn position for 2019-20 was a deficit of £38.7m. This was £3.7m above the initial forecasted budget deficit of £35.0m.
- The duty to achieve revenue financial balance over the three-year period 1st April 2017 to 31st March 2020 was not met. The cumulative deficit during this period was £118.8m, which represented 2.6% of the cumulative Revenue Resource Allocation.
- The Health Board did not meet its duty to submit a three-year plan and operated under an Annual Plan during the year.
- Capital expenditure was £0.02m less than the Capital Resource Limit during 2019-20 and £0.04m less than the cumulative limit for the three year period 1st April 2017 to 31st March 2020.
- The Health Board met the requirement to pay 95% of non-NHS creditors, by number, within 30 days of receipt of a valid invoice or goods. During 2019-20, 95.3% of invoices were paid within the target timescale (2018-19 95.0%).

BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

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

Statutory background

Betsi Cadwaladr University Local Health Board was established on 1 October 2009 following implementation of the Welsh Government's One Wales National Reform Programme for the NHS in Wales and the merger of North Wales NHS Trust, North West Wales NHS Trust and the following six former Local Health Boards:

Anglesey Local Health Board
Conwy Local Health
Denbighshire Local Health Board
Flintshire Local Health Board
Gwynedd Local Health Board
Wrexham Local Health Board

The Health Board provides a full range of primary, community, mental health and acute hospital services to the population of North Wales from three main hospitals (Ysbyty Gwynedd in Bangor, Ysbyty Glan Clwyd in Bodelwyddan and Wrexham Maelor Hospital) along with a network of community hospitals, health centres, clinics, mental health units and community team bases. The Health Board also coordinates the work of GP practices and NHS services provided by dentists, opticians and pharmacists in North Wales.

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 Local Health Board 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	322,503	309,336
Expenditure on healthcare from other providers	3.2	369,614	361,107
Expenditure on Hospital and Community Health Services	3.3	1,113,194	1,004,720
		1,805,311	1,675,163
Less: Miscellaneous Income	4	(144,574)	(142,518)
LHB net operating costs before interest and other gains and losses		1,660,737	1,532,645
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(19)	(158)
Finance costs	7	50	44
Net operating costs for the financial year		1,660,768	1,532,531

Details of the Health Board's performance against its Revenue and Capital allocations over the last three financial periods are provided in Note 2 on page 25.

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	(5,132)	(1,164)
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 Boundar	0	0
Reclassification adjustment on disposal of available for sale financial asset	0	0
Other comprehensive net expenditure for the year	(5,132)	(1,164)
Total comprehensive net expenditure for the year	1,655,636	1,531,367

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

Statement of Financial Position as at 31 March 2020

		31 March 2020 £'000	31 March 2019 £'000
	Notes		
Non-current assets			
Property, plant and equipment	11	575,257	626,745
Intangible assets	12	1,026	661
Trade and other receivables	15	51,496	69,363
Other financial assets	16	0	0
Total non-current assets		627,779	696,769
Current assets			
Inventories	14	17,402	16,077
Trade and other receivables	15	79,666	66,403
Other financial assets	16	0	0
Cash and cash equivalents	17	3,150	3,972
		100,218	86,452
Non-current assets classified as "Held for Sale"	11	0	38
Total current assets		100,218	86,490
Total assets		727,997	783,259
Current liabilities			
Trade and other payables	18	(143,633)	(141,415)
Other financial liabilities	19	0	0
Provisions	20	(46,846)	(39,652)
Total current liabilities		(190,479)	(181,067)
Net current assets/ (liabilities)		(90,261)	(94,577)
Non-current liabilities			
Trade and other payables	18	(958)	(1,013)
Other financial liabilities	19	0	0
Provisions	20	(51,349)	(70,780)
Total non-current liabilities		(52,307)	(71,793)
Total assets employed		485,211	530,399
Financed by :			
Taxpayers' equity			
General Fund		356,698	402,323
Revaluation reserve		128,513	128,076
Total taxpayers' equity		485,211	530,399

The Health Board has delegated authority for approval of the 2019-20 financial statements to the Audit Committee, which is a sub-committee of the Board. The financial statements on pages 2-7 were approved by the Committee on 29 June 2020 and signed on its behalf by:

Interim 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	402,323	128,076	530,399
Net operating cost for the year	(1,660,768)		(1,660,768)
Net gain/(loss) on revaluation of property, plant and equipment	0	5,132	5,132
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	4,695	(4,695)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2019-20	(1,656,073)	437	(1,655,636)
Net Welsh Government funding	1,578,821		1,578,821
Notional Welsh Government Funding	31,627		31,627
Balance at 31 March 2020	356,698	128,513	485,211

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

Transfers between reserves represents the balance held in the revaluation reserve for each non-current asset disposed during 2019-20.

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	393,676	131,734	525,410
Adjustment for Implementation of IFRS 9	(1,371)	0	(1,371)
Balance at 1 April 2018	392,305	131,734	524,039
Net operating cost for the year	(1,532,531)		(1,532,531)
Net gain/(loss) on revaluation of property, plant and equipment	0	1,164	1,164
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	4,822	(4,822)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2018-19	(1,527,709)	(3,658)	(1,531,367)
Net Welsh Government funding	1,537,727		1,537,727
Balance at 31 March 2019	402,323	128,076	530,399

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

Transfers between reserves represents the balance held in the revaluation reserve for each non-current asset disposed during 2018-19.

Statement of Cash Flows for year ended 31 March 2020

	2019-20 £'000	2018-19 £'000
Cash Flows from operating activities		
Net operating cost for the financial year	(1,660,768)	(1,532,531)
Movements in Working Capital	27 6,739	(16,010)
Other cash flow adjustments	28 122,221	94,187
Provisions utilised	20 (22,472)	(26,935)
Net cash outflow from operating activities	(1,554,280)	(1,481,289)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(26,353)	(55,847)
Proceeds from disposal of property, plant and equipment	57	532
Purchase of intangible assets	(658)	(357)
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	(26,954)	(55,672)
Net cash inflow/(outflow) before financing	(1,581,234)	(1,536,961)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,578,821	1,537,727
Capital receipts surrendered	0	0
Capital grants received	1,591	1,102
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	1,580,412	1,538,829
Net increase/(decrease) in cash and cash equivalents	(822)	1,868
Cash and cash equivalents (and bank overdrafts) at 1 April 2019	3,972	2,104
Cash and cash equivalents (and bank overdrafts) at 31 March 2020	3,150	3,972

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The LHB does not ordinarily permit the carry forward of annual leave from one period to another and requires staff to take annual leave as it falls due unless the leave year differs from the accounting period. This requirement was however relaxed at the end of the 2019-20 financial year for members of staff who were unable to take annual leave due to operational requirements resulting from the Covid-19 pandemic. Where employees are permitted to carry forward leave into the following period the associated cost is fully recognised in the financial statements.

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, LHBs 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 Note 34 - Other Information 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 LHB commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the LHB'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

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

1.5. Other expenses

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

1.6. Property, plant and equipment

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 LHB;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

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. LHBs 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 LHB or the asset which would prevent access to the market at the reporting date. If the LHB could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

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

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, LHBs 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 LHB; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

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

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits 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. The LHB as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

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

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

1.11.2. The LHB as lessor

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

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

1.12. Inventories

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

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than twenty-four hours. Cash equivalents are investments that mature in three 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 LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool 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 LHBs, 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 LHB becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

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

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

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the 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 LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the 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 LHB are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the 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 LHB has no beneficial interest in them. Details of third party assets are provided in Note 31 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 LHB not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure). However, Note 23 on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

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

The LHB accrues or provides for the best estimate of future 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 budgets

The LHB has entered into pooled budget arrangements with Local Authorities accross North Wales. Under these arrangements funds are pooled in accordance with Section 33 of the NHS (Wales) Act 2006 for specific activities as detailed in Note 32 - Pooled budgets.

The LHB accounts for its share of the assets, liabilities, income and expenditure from these activities in accordance with each pooled budget's arrangements.

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.

Clinical negligence and personal injury claims (Notes 20 and 21)

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.

Continuing healthcare costs (Notes 20 and 21)

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.

Primary care services including prescribed drugs and appliances (Note 18)

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

1.24.1. Provisions

The LHB 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 LHB, 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

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

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

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

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 LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.25.3. 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.

1.25.4. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB'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.

1.25.5. Assets contributed by the LHB to the operator for use in the scheme

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

1.25.6. Other assets contributed by the LHB to the operator

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

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

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

1.26. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27. 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

IFRS 14 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 LHB has established that as it is the corporate trustee of the linked charity "Betsi Cadwaladr University Health Board and Other Related Charities", it is considered for accounting standards compliance to have control of the Charity as a subsidiary. It is therefore required to consolidate the results of the Charity within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Charity or its independence in its management of charitable funds.

However, the LHB has, with the agreement of the Welsh Government, adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in Note 30 Related Party Transactions.

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	1,492,291	1,532,531	1,660,768	4,685,590
Less general ophthalmic services expenditure and other non-cash limited expenditure	(158)	(645)	84	(719)
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Total operating expenses	1,492,133	1,531,886	1,660,852	4,684,871
Revenue Resource Allocation	1,453,295	1,490,607	1,622,156	4,566,058
Under /(over) spend against Allocation	(38,838)	(41,279)	(38,696)	(118,813)

Betsi Cadwaladr University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board received £35.000 million repayable cash-only support during 2019-20 with the accumulated cash-only support provided to the Health Board by the Welsh Government as at 31 March 2020 being £149.694 million. This support has been provided to assist the Health Board with ensuring payments to staff and suppliers. There is no interest payable on cash-only support.

Consideration of repayment of this cash assistance will be informed through on-going consideration of the Health Board's future Integrated Medium Term Plan submissions. The Health Board did not receive any repayable brokerage during the year.

2.2 Capital Resource Performance

	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
	£'000	£'000	£'000	£'000
Gross capital expenditure	74,858	50,869	25,714	151,441
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(553)	(374)	(38)	(965)
Less capital grants received	0	0	0	0
Less donations received	(909)	(1,102)	(1,591)	(3,602)
Charge against Capital Resource Allocation	73,396	49,393	24,085	146,874
Capital Resource Allocation	73,398	49,408	24,109	146,915
(Over) / Underspend against Capital Resource Allocation	2	15	24	41

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2019-20 to 2021-22 issued to Health Boards placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Health Board was placed in Special Measures in June 2015 and in agreement with Welsh Government did not submit a three year plan during the 2019-20 financial year.

An Annual Operating Plan was submitted to Welsh Government for 2019-20 and the Health Board has agreed with Welsh Government that it will develop a further plan for 2020-21 which responds to the special measures framework and key areas for improvement.

The Minister for Health and Social Services approval

Status
Date

Not submitted
Not applicable

The LHB has not 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	329,268	318,118
Total number of non-NHS bills paid within target	313,739	302,089
Percentage of non-NHS bills paid within target	95.3%	95.0%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2019-20 Total £'000	2018-19 £'000
General Medical Services	136,403		136,403	129,579
Pharmaceutical Services	31,728	(6,683)	25,045	24,948
General Dental Services	35,540		35,540	34,433
General Ophthalmic Services	1,865	6,599	8,464	8,112
Other Primary Health Care expenditure	8,278		8,278	10,153
Prescribed drugs and appliances	108,773		108,773	102,111
Total	322,587	(84)	322,503	309,336

3.2 Expenditure on healthcare from other providers

	2019-20 £'000	2018-19 £'000
Goods and services from other NHS Wales Health Boards	5,377	4,987
Goods and services from other NHS Wales Trusts	10,511	9,589
Goods and services from Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	67,079	63,864
Goods and services from WHSSC / EASC	177,021	166,319
Local Authorities	0	0
Voluntary organisations	7,567	8,011
NHS Funded Nursing Care	7,515	7,239
Continuing Care	91,324	99,032
Private providers	3,220	2,066
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	369,614	361,107

Note 3.1 Expenditure on Primary Healthcare Services includes pay costs of £24,187,000 comprising:

	2019-20 £'000	2018-19 £'000
General Medical Services - GP Out of Hours	7,449	6,808
General Medical Services - Including GP managed practices	14,893	12,094
General Dental Services	826	667
Other Primary Health Care Expenditure	1,019	1,122
	24,187	20,691

3.3 Expenditure on Hospital and Community Health Services

	2019-20 £'000	2018-19 £'000
Directors' costs	2,499	2,101
Staff costs	782,814	719,809
Supplies and services - clinical	132,866	128,422
Supplies and services - general	45,528	33,612
Consultancy Services	2,651	2,367
Establishment	9,810	10,540
Transport	6,074	5,914
Premises	41,367	37,108
External Contractors	0	0
Depreciation	32,899	31,132
Amortisation	358	454
Fixed asset impairments and reversals (Property, plant & equipment)	48,712	23,604
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	35
Audit fees	398	418
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	2,796	4,262
Research and Development	370	558
Other operating expenses	4,052	4,384
Total	1,113,194	1,004,720

**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;		
Secondary care	10,042	25,764
Primary care	0	0
Redress Secondary Care	140	1,077
Redress Primary Care	0	0
Personal injury	984	1,524
All other losses and special payments	417	284
Defence legal fees and other administrative costs	1,058	1,166
Gross increase/(decrease) in provision for future payments	12,641	29,815
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(360)	95
Less: income received/due from Welsh Risk Pool	(9,485)	(25,648)
Total	2,796	4,262

	2019-20 £	2018-19 £
Permanent injury included within personal injury:	571,000	883,000

Fixed asset impairments and reversals (Property, plant & equipment) in Note 3.3 includes a credit of £2,541,000 (2018-19 £1,257,000) in respect of the reversal of impairments charged to expenditure in previous periods. The value of impairment reversals is also reported in the Cost or valuation section of Note 11.1 Property, plant and equipment on page 38 of these accounts.

4. Miscellaneous Income

	2019-20 £'000	2018-19 £'000
Local Health Boards	5,681	5,657
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	41,442	40,451
NHS Wales trusts	4,783	5,762
Health Education and Improvement Wales (HEIW)	14,533	2,779
Foundation Trusts	1,342	1,022
Other NHS England bodies	18,084	15,679
Other NHS Bodies	469	0
Local authorities	11,006	10,804
Welsh Government	7,954	8,761
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	42	49
Dental fee income	7,555	7,645
Private patient income	1,112	911
Overseas patients (non-reciprocal)	149	104
Injury Costs Recovery (ICR) Scheme	1,520	1,667
Other income from activities	11,031	12,758
Patient transport services	0	0
Education, training and research	5,532	16,468
Charitable and other contributions to expenditure	1,596	1,711
Receipt of donated assets	1,591	1,102
Receipt of Government granted assets	0	0
Non-patient care income generation schemes	294	335
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	82	9
Contingent rental income from finance leases	0	0
Rental income from operating leases	324	483
Other income:		
Provision of laundry, pathology, payroll services	127	128
Accommodation and catering charges	3,345	3,195
Mortuary fees	333	378
Staff payments for use of cars	1,167	1,135
Business Unit	0	0
Other	3,480	3,525
Total	144,574	142,518
Other income Includes;		
Staff recharges not included in other lines	1,231	1,521
Reduction in Expected Credit Losses (ECLs) on invoiced income	513	230
Ad-Trac income	188	136
Sports Council for Wales	82	0
Total	2,014	1,887

Injury Cost Recovery (ICR) Scheme income

	2019-20 %	2018-19 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	21.79	21.89

Whilst Injury Cost Recovery (ICR) Scheme income is generally subject to a provision for impairment of 21.79% to reflect expected rates of collection, the Health Board has further increased the provision impairment rate on specific aged cases in order to reflect the additional risk of potential non-recovery.

The "Other NHS Bodies" line includes income generated from English NHS Trusts, NHS Scotland and NHS Northern Ireland. The equivalent figure for 2018-19 of £518,000 is included within the "Other NHS England bodies" line as prior year figures have not been reanalysed within the note.

Income generated from English NHS Foundation Trusts is disclosed in the specific line of the note.

5. Investment Revenue

	2019-20	2018-19
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2019-20	2018-19
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	22	158
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	(3)	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	19	158

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	37	39
contingent finance cost	0	0
Interest on late payment of commercial debt	0	1
Other interest expense	0	0
Total interest expense	37	40
Provisions unwinding of discount	13	4
Other finance costs	0	0
Total	50	44

8. Operating leases

LHB as lessee

As at 31 March 2020 the Health Board had 1,668 operating leases agreements in place for the leases of 47 premises, 282 arrangements in respect of equipment and 1,339 in respect of vehicles.

Lease arrangements in respect of 12 premises, 130 items of equipment and 325 vehicle expired during the 2019-20 financial year.

Payments recognised as an expense	2019-20	2018-19
	£000	£000
Minimum lease payments	5,826	5,141
Contingent rents	0	0
Sub-lease payments	0	0
Total	5,826	5,141

Total future minimum lease payments

Payable	£000	£000
Not later than one year	4,879	4,975
Between one and five years	7,941	7,939
After 5 years	23,928	22,202
Total	36,748	35,116

LHB as lessor

Rental revenue	£000	£000
Rent	282	275
Contingent rents	0	0
Total revenue rental	282	275

Total future minimum lease payments

Receivable	£000	£000
Not later than one year	282	275
Between one and five years	160	153
After 5 years	421	426
Total	863	854

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	600,164	2,355	26,873	18,659	648,051	618,505
Social security costs	58,508	0	0	0	58,508	55,809
Employer contributions to NHS Pension Scheme	103,832	0	0	0	103,832	69,493
Other pension costs	397	0	0	0	397	209
Other employment benefits	0	0	0	0	0	0
Termination benefits	215	0	0	0	215	220
Total	763,116	2,355	26,873	18,659	811,003	744,236
Charged to capital					963	872
Charged to revenue					810,040	743,364
					811,003	744,236
Net movement in accrued employee benefits (untaken staff leave accrual included above)					4	96

The "Other" staff column includes temporary and contract staff such as short-term direct engagement contracts, IR35 applicable staff, Out of Hours GPs and GMS Locum Doctors. Social Security costs relating to these groups of staff for the 2019-20 financial year are included within the Permanent Staff column of the above note.

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	3,008	10	70	0	3,088	2,918
Medical and dental	1,330	14	29	110	1,483	1,437
Nursing, midwifery registered	4,783	1	192	0	4,976	4,967
Professional, Scientific, and technical staff	598	13	9	0	620	438
Additional Clinical Services	3,242	0	0	0	3,242	3,312
Allied Health Professions	864	0	39	0	903	880
Healthcare Scientists	252	0	2	0	254	274
Estates and Ancillary	1,163	0	1	0	1,164	1,240
Students	15	0	0	0	15	15
Total	15,255	38	342	110	15,745	15,481

9.3. Retirements due to ill-health

	2019-20	2018-19
Number	10	15
Estimated additional pension costs £	607,355	872,585

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. NHS Pensions has advised that there were 10 early retirements with an estimated additional pension cost of £607,355. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

9.4 Employee benefits

Employee benefits refer to non-pay benefits which are not attributable to individual employees, for example group membership of a club. The Health Board does not operate any employee benefit schemes.

9.5 Reporting of other compensation schemes - exit packages

	2019-20	2019-20	2019-20	2019-20	2018-19
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	1	1	0	2
£10,000 to £25,000	0	1	1	0	0
£25,000 to £50,000	0	3	3	0	0
£50,000 to £100,000	0	1	1	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	1
Total	0	6	6	0	3

	2019-20	2019-20	2019-20	2019-20	2018-19
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	7,608	7,608	0	10,108
£10,000 to £25,000	0	24,831	24,831	0	0
£25,000 to £50,000	0	126,446	126,446	0	0
£50,000 to £100,000	0	56,118	56,118	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	209,701
Total	0	215,003	215,003	0	219,809

This disclosure reports the number and value of exit packages taken by staff leaving the Health Board during the year.

Whilst the exit costs in this note are accounted for in full in the year of departure, the expenses associated with these departures may have been recognised either in part or full in a previous period. Total exit costs paid during 2019-20, the year of departure, were £215,003 (2018-19 £219,809).

The Health Board has paid all redundancy and other departure costs in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Additional costs relating to early retirements, including early retirements on grounds of redundancy for employees entitled to pension benefits, have been met by the Health Board and not by the NHS Pension Scheme.

Ill-health retirement costs are not included in these tables as they are met by the NHS Pension Scheme and further details are provided in Note 9.3 Retirements due to ill-health.

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 Health Board in the financial year 2019-20 was £225,000 to £230,000 (2018-19, £205,000 to £210,000). This was 7.70 times (2018-19, 7.16 times) the median remuneration of the workforce, which was £29,554 (2018-19, £28,963).

The banded remuneration of the Chief Executive of the Health Board in the financial year 2019-20 was £210,000 to £215,000 (2018-19, £205,000 to £210,000). This was 7.19 times (2018-19, 7.16) the median remuneration of the workforce, which was £29,554, (2018-19, £28,963).

In 2019-20, 15 (2018-19, 11) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £17,652 to £295,000 (2018-19, £17,460 to £345,000).

Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The Remuneration Relationship has increased in 2019-20 due to the highest-paid director no longer being the Chief Executive and that director receiving additional remuneration in respect of their medical experience. Excluding this post, the Remuneration Relationship for the Chief Executive has only increased marginally in 2019-20. This reflects the fact that all staff received an inflationary pay award, so increasing the median remuneration and also increasing the remuneration of the Chief Executive.

An average 1.7% inflationary pay increase was received by staff covered by the Agenda for Change agreement. In addition, Medical Staff received an inflationary pay award of 2.5%.

9.7 Pension costs

PENSION COSTS

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2019-20	2019-20	2018-19	2018-19
NHS	Number	£000	Number	£000
Total bills paid	5,856	292,228	6,209	275,136
Total bills paid within target	5,420	290,210	5,641	271,903
Percentage of bills paid within target	92.6%	99.3%	90.9%	98.8%
Non-NHS				
Total bills paid	329,268	651,781	318,118	612,506
Total bills paid within target	313,739	634,803	302,089	599,486
Percentage of bills paid within target	95.3%	97.4%	95.0%	97.9%
Total				
Total bills paid	335,124	944,009	324,327	887,642
Total bills paid within target	319,159	925,013	307,730	871,389
Percentage of bills paid within target	95.2%	98.0%	94.9%	98.2%

During 2019-20 the Health Board paid 95.3% of non-NHS invoices by number within 30 days (2018-19 95.0%) and therefore achieved the Welsh Government performance measure.

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	476	811
Compensation paid to cover debt recovery costs under this legislation	300	694
Total	776	1505

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	47,436	474,284	18,439	75,528	106,252	1,172	22,929	7,004	753,044
Indexation	(260)	9,391	365	0	0	0	0	0	9,496
Additions									
- purchased	0	0	0	15,638	4,803	39	2,427	539	23,446
- donated	0	642	0	0	891	0	12	0	1,545
- 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	68,846	13	(80,200)	9,036	0	1,878	427	0
Revaluations	(9)	(22,097)	(204)	0	0	0	0	0	(22,310)
Reversal of impairments	0	2,534	7	0	0	0	0	0	2,541
Impairments	(206)	(51,047)	0	0	0	0	0	0	(51,253)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(6,448)	(369)	(2,670)	(477)	(9,964)
At 31 March 2020	46,961	482,553	18,620	10,966	114,534	842	24,576	7,493	706,545
Depreciation at 1 April 2019	0	42,545	1,255	0	66,040	976	12,528	2,955	126,299
Indexation	0	3,139	32	0	0	0	0	0	3,171
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	(20,748)	(369)	0	0	0	0	0	(21,117)
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	(6,448)	(369)	(2,670)	(477)	(9,964)
Provided during the year	0	18,175	643	0	9,585	39	3,751	706	32,899
At 31 March 2020	0	43,111	1,561	0	69,177	646	13,609	3,184	131,288
Net book value at 1 April 2019	47,436	431,739	17,184	75,528	40,212	196	10,401	4,049	626,745
Net book value at 31 March 2020	46,961	439,442	17,059	10,966	45,357	196	10,967	4,309	575,257
Net book value at 31 March 2020 comprises :									
Purchased	46,961	431,875	17,059	10,966	39,971	196	10,898	3,887	561,813
Donated	0	6,668	0	0	5,386	0	69	418	12,541
Government Granted	0	899	0	0	0	0	0	4	903
At 31 March 2020	46,961	439,442	17,059	10,966	45,357	196	10,967	4,309	575,257
Asset financing :									
Owned	46,961	438,415	17,059	10,966	45,357	196	10,967	4,309	574,230
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	1,027	0	0	0	0	0	0	1,027
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2020	46,961	439,442	17,059	10,966	45,357	196	10,967	4,309	575,257

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	498,665
Long Leasehold	4,797
Short Leasehold	0
	503,462

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	46,294	435,660	18,234	105,527	104,727	1,127	20,714	7,059	739,342
Indexation	926	4,357	182	0	0	0	0	0	5,465
Additions									
- purchased	0	0	0	41,236	5,781	54	1,945	395	49,411
- donated	0	232	0	0	854	0	6	10	1,102
- 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	63,683	23	(71,235)	4,310	127	2,548	544	0
Revaluations	(412)	(5,632)	(4)	0	0	0	0	0	(6,048)
Reversal of impairments	408	845	4	0	0	0	0	0	1,257
Impairments	0	(24,861)	0	0	0	0	0	0	(24,861)
Reclassified as held for sale	220	0	0	0	0	0	0	0	220
Disposals	0	0	0	0	(9,420)	(136)	(2,284)	(1,004)	(12,844)
At 31 March 2019	47,436	474,284	18,439	75,528	106,252	1,172	22,929	7,004	753,044
Depreciation at 1 April 2018	0	26,717	620	0	66,758	1,085	11,261	3,317	109,758
Indexation	0	1,113	10	0	0	0	0	0	1,123
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	(2,866)	(4)	0	0	0	0	0	(2,870)
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	(9,420)	(136)	(2,284)	(1,004)	(12,844)
Provided during the year	0	17,581	629	0	8,702	27	3,551	642	31,132
At 31 March 2019	0	42,545	1,255	0	66,040	976	12,528	2,955	126,299
Net book value at 1 April 2018	46,294	408,943	17,614	105,527	37,969	42	9,453	3,742	629,584
Net book value at 31 March 2019	47,436	431,739	17,184	75,528	40,212	196	10,401	4,049	626,745
Net book value at 31 March 2019 comprises :									
Purchased	47,436	424,699	17,184	75,528	34,470	196	10,282	3,549	613,344
Donated	0	6,140	0	0	5,742	0	119	492	12,493
Government Granted	0	900	0	0	0	0	0	8	908
At 31 March 2019	47,436	431,739	17,184	75,528	40,212	196	10,401	4,049	626,745
Asset financing :									
Owned	47,436	430,786	17,184	75,528	40,212	196	10,401	4,049	625,792
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	953	0	0	0	0	0	0	953
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2019	47,436	431,739	17,184	75,528	40,212	196	10,401	4,049	626,745

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000
Freehold	491,427
Long Leasehold	4,932
Short Leasehold	0
	496,359

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

Donated asset additions during 2019-20 included schemes funded by:

- Betsi Cadwaladr University Health Board and Other Related Charities - £588,000
- Other hospital based voluntary bodies - £1,003,000

(ii) Valuations

The Health Board's land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation was prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

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

(iii) Asset Lives

Property, plant and equipment is depreciated using the following asset lives:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment between 5-15 years.

(iv) Compensation

The Health Board did not receive any compensation from third parties for assets impaired, lost or given up during the year.

(v) Write Downs

There were no write downs of capital assets during the year.

(vi) Open Market Value

The Health Board does not hold any property where the value is considered to be materially different from its open market value.

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

The balance of £38,000 on Note 11.2 non-current assets held for sale at 1 April 2019 related to grazing land at Abergele Hospital which was disposed during the year. The Health Board did not hold any non-current assets for sale at 31 March 2020.

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	38	0	0	0	0	38
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	(38)	0	0	0	0	(38)
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	593	74	0	0	0	667
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	(300)	(74)	0	0	0	(374)
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	(35)	0	0	0	0	(35)
Less assets no longer classified as held for sale, for reasons other than disposal by sale	(220)	0	0	0	0	(220)
Balance carried forward 31 March 2019	38	0	0	0	0	38

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	3,881	0	0	0	0	0	3,881
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	677	0	0	0	0	0	677
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	46	0	0	0	0	0	46
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	(368)	0	0	0	0	0	(368)
Gross cost at 31 March 2020	4,236	0	0	0	0	0	4,236
Amortisation at 1 April 2019	3,220	0	0	0	0	0	3,220
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	358	0	0	0	0	0	358
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(368)	0	0	0	0	0	(368)
Amortisation at 31 March 2020	3,210	0	0	0	0	0	3,210
Net book value at 1 April 2019	661	0	0	0	0	0	661
Net book value at 31 March 2020	1,026	0	0	0	0	0	1,026
At 31 March 2020							
Purchased	972	0	0	0	0	0	972
Donated	54	0	0	0	0	0	54
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2020	1,026	0	0	0	0	0	1,026

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	3,570	0	0	0	0	0	3,570
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	357	0	0	0	0	0	357
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	(46)	0	0	0	0	0	(46)
Gross cost at 31 March 2019	3,881	0	0	0	0	0	3,881
Amortisation at 1 April 2018	2,812	0	0	0	0	0	2,812
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	454	0	0	0	0	0	454
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(46)	0	0	0	0	0	(46)
Amortisation at 31 March 2019	3,220	0	0	0	0	0	3,220
Net book value at 1 April 2018	758	0	0	0	0	0	758
Net book value at 31 March 2019	661	0	0	0	0	0	661
At 31 March 2019							
Purchased	585	0	0	0	0	0	585
Donated	76	0	0	0	0	0	76
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2019	661	0	0	0	0	0	661

Additional disclosures re Intangible Assets

Explanatory Notes: Note 12 Intangible non-current assets

- (i) Software intangible assets are amortised over a standard life of five years, subject to an annual review by the relevant department. The Health Board does not hold any intangible non-current assets where the useful lives are considered to be indefinite;
- (ii) The gross carrying amount of fully depreciated intangible assets still in use as at 31 March 2020 was £2,830,000 (31 March 2019 £2,010,000).

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	51,253	0	24,896	0
Others (specify)	0	0	0	0
Reversal of Impairments	(2,541)	0	(1,257)	0
Total of all impairments	48,712	0	23,639	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	48,712	0	23,639	0
Charged to Revaluation Reserve	0	0	0	0
	48,712	0	23,639	0

Impairments charged to the Statement of Comprehensive Net Expenditure during 2019-20 were conducted by the District Valuer in accordance with the requirements of IFRS.

Analysis of impairments during 2019-20

	£000
Glan Clwyd Hospital Redevelopment	41,915
Ysbyty Gwynedd Emergency Department	5,830
The Elms, Wrexham	967
	48,712

14.1 Inventories

	31 March	31 March
	2020	2019
	£000	£000
Drugs	7,850	6,060
Consumables	9,277	9,741
Energy	245	255
Work in progress	0	0
Other	30	21
Total	17,402	16,077
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	212
Reversal of write-downs that reduced the expense	0	0
Total	0	212

The Welsh Government's Manual for Accounts requires additional disclosures in Note 14.2 where NHS organisations purchase inventories for resale. The Health Board does not routinely sell inventories to third parties and this note has not, therefore, been completed for the 2019-20 financial year.

15. Trade and other Receivables

Reclassified

Current	31 March 2020 £000	31 March 2019 £000
Welsh Government	6,999	7,122
WHSSC / EASC	2,051	349
Welsh Health Boards	594	733
Welsh NHS Trusts	1,983	2,095
Health Education and Improvement Wales (HEIW)	66	152
Non - Welsh Trusts	0	0
Other NHS	4,330	6,519
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	47,596	35,717
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	481	633
Other	0	0
Local Authorities	5,331	4,748
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	7,436	7,200
Provision for irrecoverable debts	(3,024)	(5,753)
Pension Prepayments NHS Pensions	0	0
Other prepayments	3,663	5,009
Other accrued income	2,160	1,879
Sub total	79,666	66,403
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	48,507	66,330
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	(371)	(360)
Pension Prepayments NHS Pensions	0	0
Other prepayments	685	1,050
Other accrued income	2,675	2,343
Sub total	51,496	69,363
Total	131,162	135,766

15. Trade and other Receivables (continued)

	31 March	31 March
Receivables past their due date but not impaired	2020	2019
	£000	£000
By up to three months	1,978	1,725
By three to six months	693	652
By more than six months	1,172	1,083
	3,843	3,460

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

Balance at 31 March 2019		(1,840)
Adjustment for Implementation of IFRS 9		(1,371)
Balance at 1 April 2019	(5,121)	(3,211)
Transfer to other NHS Wales body	0	0
Amount written off during the year	34	22
Amount recovered during the year	0	(1)
(Increase) / decrease in receivables impaired	2,838	(1,931)
Bad debts recovered during year	0	0
Balance at 31 March 2020	(2,249)	(5,121)

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

Receivables VAT

Trade receivables	1,049	1,294
Other	0	0
Total	1,049	1,294

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	3,972	2,104
Net change in cash and cash equivalent balances	(822)	1,868
Balance at 31 March 2020	3,150	3,972
Made up of:		
Cash held at GBS	3,050	3,743
Commercial banks	0	0
Cash in hand	100	229
Current Investments	0	0
Cash and cash equivalents as in Statement of Financial Position	3,150	3,972
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	3,150	3,972

The cash and cash equivalents balance as at 31 March 2020 comprised funding for revenue expenditure of £1,452,000 (2018-19 £307,000) and funding for capital projects of £1,698,000 (2018-19 £3,665,000).

In response to additional disclosure requirements in accounting standard IAS7 - Statement of Cash Flows the changes in liabilities arising from financing activities during 2019-20 were as follows:

Lease liabilities	£	0
PFI liabilities	£	351,000

These movements relate to cash payments made during the year.

No comparative information is required by IAS7 in 2019-20.

18. Trade and other payables

Current	31 March	Reclassified 31 March
	2020	2019
	£000	£000
Welsh Government	65	7
WHSCC / EASC	470	3,835
Welsh Health Boards	485	653
Welsh NHS Trusts	3,262	1,912
Health Education and Improvement Wales (HEIW)	4	0
Other NHS	17,799	16,395
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	3,094	6,802
NI contributions payable to HMRC	5,380	8,562
Non-NHS payables - Revenue	27,694	27,841
Local Authorities	25,900	22,219
Capital payables- Tangible	5,118	6,480
Capital payables- Intangible	65	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	55	54
Pensions: staff	0	0
Non NHS Accruals	61,776	54,266
Deferred Income:		
Deferred Income brought forward	1,507	2,011
Deferred Income Additions	497	(494)
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(82)	(10)
Other creditors	1,850	2,074
PFI assets –deferred credits	0	0
Payments on account	(11,306)	(11,192)
Sub Total	143,633	141,415
Non-current		
Welsh Government	0	0
WHSCC / 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	958	1,013
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	958	1,013
Total	144,591	142,428

It is intended to pay all invoices within the 30 day period directed by the Welsh Government (further information in Note 10 on page 37).

Current accruals as at 31 March 2020 include £4,392,000 following reclassification of a category of payables (2018-19 equivalent £2,926,000).

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	117	113
Between two and five years	125	121
In five years or more	716	779
Sub-total	<u>958</u>	<u>1,013</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2,020	2,019	2,020	2,019
	£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:-									
Secondary care	27,180	(10,459)	105	16,432	21,634	(11,401)	(6,257)	0	37,234
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	502	0	0	0	358	(358)	(218)	0	284
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,588	0	0	310	718	(1,497)	(281)	0	838
All other losses and special payments	19	0	0	0	436	(435)	(19)	0	1
Defence legal fees and other administration	1,157	0	0	169	1,137	(773)	(475)		1,215
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	153			157	0	(155)	0	0	155
Restructuring	0			0	0	0	0	0	0
Other	9,053		0	0	3,279	(4,280)	(933)		7,119
Total	39,652	(10,459)	105	17,068	27,562	(18,899)	(8,183)	0	46,846
Non Current									
Clinical negligence:-									
Secondary care	65,927	(1,968)	(4,950)	(16,432)	9,160	(3,261)	(2,068)	0	46,408
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	3,814	0	0	(310)	547	(7)	0	12	4,056
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	726	0	0	(169)	461	(305)	(65)		648
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	313			(157)	81	0	(1)	1	237
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	70,780	(1,968)	(4,950)	(17,068)	10,249	(3,573)	(2,134)	13	51,349
TOTAL									
Clinical negligence:-									
Secondary care	93,107	(12,427)	(4,845)	0	30,794	(14,662)	(8,325)	0	83,642
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	502	0	0	0	358	(358)	(218)	0	284
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	5,402	0	0	0	1,265	(1,504)	(281)	12	4,894
All other losses and special payments	19	0	0	0	436	(435)	(19)	0	1
Defence legal fees and other administration	1,883	0	0	0	1,598	(1,078)	(540)		1,863
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	466			0	81	(155)	(1)	1	392
Restructuring	0			0	0	0	0	0	0
Other	9,053		0	0	3,279	(4,280)	(933)		7,119
Total	110,432	(12,427)	(4,845)	0	37,811	(22,472)	(10,317)	13	98,195

Expected timing of cash flows:

	In year to 31 March 2021	Between 1 April 2021 31 March 2025	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	37,234	46,408	0	83,642
Primary care	0	0	0	0
Redress Secondary care	284	0	0	284
Redress Primary care	0	0	0	0
Personal injury	838	1,196	2,860	4,894
All other losses and special payments	1	0	0	1
Defence legal fees and other administration	1,215	648	0	1,863
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	155	215	22	392
Restructuring	0	0	0	0
Other	7,119	0	0	7,119
Total	46,846	48,467	2,882	98,195

Provisions included within the "Other" categories above relate to:

£'000

Continuing Healthcare claims subject to further review	4,702
Holiday pay entitlement - overtime and additional hours	1,975
Staff regrading appeals and pay arrears	300
Relocation expenses	120
GP managed practices premises costs	22
Total	7,119

The provision for Continuing Healthcare claims is based on estimates from the claims which have been processed up to the balance sheet date. This is subject to a significant degree of sensitivity and is dependent on the percentage of claims which are deemed eligible along with the average settlement rate.

The expected timing of cashflows is based on best available information for each individual provision as at 31 March 2020 and may be subject to changes in future periods.

20. Provisions (continued)

	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	28,236	(19,907)	0	(6,420)	52,300	(20,400)	(6,629)	0	27,180
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	1,077	(575)	0	0	502
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,292	0	0	(367)	2,172	(864)	(648)	3	1,588
All other losses and special payments	49	0	0	0	304	(314)	(20)	0	19
Defence legal fees and other administration	1,081	0	0	(39)	1,664	(1,051)	(498)		1,157
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	151			76	78	(153)	0	1	153
Restructuring	0			0	0	0	0	0	0
Other	2,306		0	0	10,540	(3,578)	(215)		9,053
Total	33,115	(19,907)	0	(6,750)	68,135	(26,935)	(8,010)	4	39,652
Non Current									
Clinical negligence:-									
Secondary care	59,507	0	0	6,420	0	0	0	0	65,927
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	3,447	0	0	367	0	0	0	0	3,814
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	687	0	0	39	0	0	0		726
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	389			(76)	0	0	0	0	313
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	64,030	0	0	6,750	0	0	0	0	70,780
TOTAL									
Clinical negligence:-									
Secondary care	87,743	(19,907)	0	0	52,300	(20,400)	(6,629)	0	93,107
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	1,077	(575)	0	0	502
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,739	0	0	0	2,172	(864)	(648)	3	5,402
All other losses and special payments	49	0	0	0	304	(314)	(20)	0	19
Defence legal fees and other administration	1,768	0	0	0	1,664	(1,051)	(498)		1,883
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	540			0	78	(153)	0	1	466
Restructuring	0			0	0	0	0	0	0
Other	2,306		0	0	10,540	(3,578)	(215)		9,053
Total	97,145	(19,907)	0	0	68,135	(26,935)	(8,010)	4	110,432

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	126,695	108,369
Primary care	31	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,284	2,273
Continuing Health Care costs	439	828
Other	0	0
Total value of disputed claims	129,449	111,470
Amounts (recovered) in the event of claims being successful	(125,022)	(105,871)
Net contingent liability	4,427	5,599

In accordance with IAS37, the Health Board is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. The contingent liabilities included in Note 21.1 relate to legal claims for alleged negligence (net of amounts recoverable from the Welsh Risk Pool in the event of claims being successful) and Continuing Health Care costs.

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;
- Betsi Cadwaladr University 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 Betsi Cadwaladr University Local Health Board.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national '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 the Health Board's 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	6,797	6,875
Letters of Comfort	0	0
Total	6,797	6,875

The 2019-20 balance for remote contingent liabilities relates to 2 litigation claims (2018-19 5 claims). In the event of these claims being successful £6,747,000 (2018-19 £6,754,000) would be recoverable from the Welsh Risk Pool.

21.3 Contingent assets

	2019-20	2018-19
	£'000	£'000
The Health Board does not hold any contingent assets	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments**Contracted capital commitments at 31 March**

	2019-20	2018-19
	£'000	£'000
Property, plant and equipment	10,299	12,168
Intangible assets	0	0
Total	10,299	12,168

Capital commitments as at 31 March 2020 related to the following schemes:

Patient Administration Systems (PAS)
 Substance Misuse - Holyhead, Anglesey
 Substance Misuse - Shotton, Flintshire
 North Denbighshire Community Hospital, Rhyl
 Ablett Unit - Glan Clwyd Hospital
 Orthopaedic Services
 Computerised Tomography (CT) Scanner, Glan Clwyd Hospital
 Emergency Department Clinical Information Management Solutions (EDCIMS)
 Ruthin Primary Care Centre

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during period to 31 March 2020	
	Number	£
Clinical negligence	185	14,913,633
Personal injury	54	1,496,992
All other losses and special payments	142	435,588
Total	381	16,846,213

Analysis of cases which exceed £300,000 and all other cases

Cases where cumulative amount exceeds £300,000	Number	Case type	Amounts paid out in year	Cumulative amount
			£	£
	02RT9PI0004	Personal Injury	28,304	382,574
	03RT8PI0015	Personal Injury	22,649	326,987
	04RT9MN0023	Clinical Negligence	0	2,100,000
	06RT9MN0022	Clinical Negligence	1,850,000	2,350,000
	08RT7MN0008	Clinical Negligence	0	5,025,000
	08RT7MN0020	Clinical Negligence	5,000	735,000
	09RT8MN0015	Clinical Negligence	100,000	5,675,000
	09RT8MN0039	Clinical Negligence	0	1,153,000
	10RT9MN0033	Clinical Negligence	10,000	3,033,194
	117A1MN0038	Clinical Negligence	306,000	306,000
	117A1MN0052	Clinical Negligence	2,498,131	3,001,037
	127A1MN0023	Clinical Negligence	468,798	777,500
	127A1MN0030	Clinical Negligence	120,000	1,120,000
	127A1MN0031	Clinical Negligence	20,000	965,000
	147A1MN0009	Clinical Negligence	280,000	367,500
	147A1MN0038	Clinical Negligence	373,297	373,297
	147A1MN0064	Clinical Negligence	20,000	2,695,000
	147A1MN0179	Clinical Negligence	340,411	340,411
	147A1MN0215	Clinical Negligence	125,000	460,345
	157A1MN0023	Clinical Negligence	0	440,667
	157A1MN0049	Clinical Negligence	108,615	361,857
	157A1MN0092	Clinical Negligence	0	404,580
	157A1MN0149	Clinical Negligence	350,600	350,600
	157A1MN0205	Clinical Negligence	296,500	371,500
	167A1MN0009	Clinical Negligence	0	301,000
	167A1MN0029	Clinical Negligence	40,000	636,795
	167A1MN0103	Clinical Negligence	0	1,035,541
	177A1MN0018	Clinical Negligence	417,500	417,500
	177A1MN0043	Clinical Negligence	851,758	851,758
	177A1MN0090	Clinical Negligence	1,285,000	1,380,000
	177A1PI0025	Personal Injury	620,298	620,298
Sub-total			10,537,859	38,358,939
All other cases			6,308,354	16,181,814
Total cases			16,846,213	54,540,753

24. Finance leases**24.1 Finance leases obligations (as lessee)**

The Health Board does not have any finance lease obligations 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	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
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>
	<u>0</u>	<u>0</u>

24.1 Finance leases obligations (as lessee) continue**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 Health Board does not have any finance lease receivables as a lessor.

Amounts receivable under finance leases:

	31 March 2020 £000	31 March 2019 £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>
	<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>
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board does not have any PFI schemes which are deemed to be off-statement of financial position

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 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	0	0
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11

£000
1,027

Contract start date: 1 September 2004

Contract end date: 1 September 2034

The Conwy & Denbighshire NHS Trust (a legacy organisation of the Health Board) contracted with Fresenius Medical Care to build and equip a Renal Diabetic Unit at Glan Clwyd Hospital under PFI contract arrangements. Whilst Fresenius continue to have defined responsibilities for the maintenance of the Unit, the Health Board is responsible for the delivery of all clinical care and other support costs.

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	55	35	364
Total payments due between 1 and 5 years	242	120	1,598
Total payments due thereafter	716	135	5,193
Total future payments in relation to PFI contracts	1,013	290	7,155

	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	54	37	341
Total payments due between 1 and 5 years	233	128	1,496
Total payments due thereafter	780	162	5,460
Total future payments in relation to PFI contracts	1,067	327	7,297

Total present value of obligations for on-SoFP PFI contracts

6,838

25.3 Charges to expenditure

	2019-20	2018-19
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	351	328
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>351</u>	<u>328</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	351	328
Total	<u>351</u>	<u>328</u>

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

25.4 Number of PFI contracts

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

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

PFI Contract

Not applicable

25.5 The Health Board did not have any Public Private Partnerships during the year

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

The Health Board 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 Health Board 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 Health Board in undertaking its activities.

Currency risk

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

Interest rate risk

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

Credit risk

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

Liquidity risk

The Health Board 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 Health Board is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2019-20	2018-19
	£000	£000
(Increase)/decrease in inventories	(1,325)	(887)
(Increase)/decrease in trade and other receivables - non-current	17,867	(6,488)
(Increase)/decrease in trade and other receivables - current	(13,263)	(11,613)
Increase/(decrease) in trade and other payables - non-current	(55)	(54)
Increase/(decrease) in trade and other payables - current	2,218	(931)
Total	5,442	(19,973)
Adjustment for accrual movements in fixed assets - creditors	1,297	5,334
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	(1,371)
	6,739	(16,010)

28. Other cash flow adjustments

	2019-20	2018-19
	£000	£000
Depreciation	32,899	31,132
Amortisation	358	454
(Gains)/Loss on Disposal	(19)	(158)
Impairments and reversals	48,712	23,639
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	(1,591)	(1,102)
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	10,235	40,222
Other movements	31,627	0
Total	122,221	94,187

Other movements of £31,627,000 in Note 28 Other cash flow adjustments relate to notional expenditure for additional staff employer pension contributions. Further information is provided in Note 34.1 on page 69

29. Events after the Reporting Period

Covid-19 Pandemic

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the Health Board, wider NHS and society as a whole. This 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 be with the Health Board and wider society throughout 2020-21 and beyond and the Health Board's Governance Framework will need to consider and respond to this need on an on-going basis.

The Health Board plans to incur additional expenditure during 2020-21 as it establishes three field hospitals and increases bed capacity within acute, community and continuing healthcare sectors. The Health Board is also forecasting that it will not deliver its original planned level of savings during the financial year as a result of the focused response to the pandemic.

Whilst an accurate forecast of the full financial impact of the pandemic cannot be made at this stage details will be reported to Welsh Government on an ongoing basis during 2020-21 and will be subject to formal monitoring and review processes.

Additional expenditure of £1,152,000 specifically related to the pandemic was incurred during 2019-20 and all costs incurred up to 31st March 2020 have been included within these financial statements. Further details are provided in Note 34 on page 70d.

30. Related Party Transactions

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

Health Bodies and Welsh Government	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	76	1,590,499	65	6,999
Aneurin Bevan LHB	44	953	13	67
Cardiff & Vale University LHB	706	604	107	175
Cwm Taf Morgannwg LHB	188	115	43	60
Health Education and Improvement Wales (HEIW)	4	14,726	4	66
Hywel Dda LHB	4,838	338	223	40
Powys LHB	573	3,515	91	186
Public Health Wales NHS Trust	5,344	3,540	1,282	165
Swansea Bay University LHB	186	288	8	66
Velindre NHS Trust	21,808	3,655	1,905	1,697
Welsh Ambulance Services NHS Trust	5,584	384	75	121
Welsh Risk Pool	0	0	0	96,584
WHSSC / EASC	177,042	41,927	470	2,051
Total	216,393	1,660,544	4,286	108,277

Other Organisations	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Conwy County Borough Council	9,197	1,518	5,525	625
Denbighshire County Council	8,830	2,439	3,360	1,171
Flintshire County Council	12,783	2,001	4,910	1,204
Gwynedd County Council	11,176	1,177	4,479	365
Isle of Anglesey Council	5,989	1,322	2,522	224
Wrexham County Borough Council	12,310	4,160	5,003	1,711
Other Welsh Local Authorities (Including Police & Crime Commissioners and Fire Authorities)	769	320	97	16
Total	61,054	12,937	25,896	5,316

Charitable Funds

The Health Board is corporate trustee of the Betsi Cadwaladr University Health Board Charity and Other Related Charities (registered charity number 1138976). All voting members of the Health Board can act as corporate trustees of the charity. Operational responsibility for the administration of the charity is delegated to a Charitable Funds Committee.

The Health Board received revenue and capital grants totalling £2,184,000 from the charitable fund during the year (2018-19 £2,113,000).

30. Related Party Transactions (Continued)

All Board Members are required to submit an annual Declaration of Interests covering the following seven areas:

- A: Interest in a company which may compete for an NHS contract to supply goods and services to Betsi Cadwaladr University Local Health Board
 B: Any self-beneficial interest in a private care home, hostel or independent health care provider
 C: Any relevant outside employment, including self employment, whilst employed by the Health Board
 D: Interest in the Pharmaceutical Industry or Allied Commercial Sector
 E: Personal links to, or relationships with, individuals in local or national government / AMs / MPs
 F: Councillorships, Directorships or any other relevant position
 G: Any other matters to declare (including issues relating to personal relationships and maintaining clear professional boundaries)

Declarations are also required where an individual Board member does not have any interests to declare.

The following tables details all interests declared by Board Members during the 2019-20 financial year including any material transactions with related parties. Full details of individual Board Members declarations are provided in Note 34 Other Information.

Name	Details of positions held during the financial year (or part thereof)	Dates positions held	Declarations made
Directors / Executive Directors			
Mr G Doherty	Chief Executive	01.04.19 - 09.02.20	G
Mr S Dean	Interim Chief Executive	10.02.20 - 31.03.20	G
Mr A Thomas	Executive Director of Therapies and Health Sciences	01.04.19 - 31.03.20	G
Mrs L Singleton	Acting Associate Board Member Director of Mental Health and Learning Disabilities	01.11.19 - 31.03.20	A
Independent Members			
Mr M Polin OBE QPM	Chair	01.04.19 - 31.03.20	G
Mrs M W Jones	Independent Member and Vice Chair	01.04.19 - 30.11.19	F, G
Mrs L Reid	Independent Member and Vice Chair (01.12.19 - 31.03.20)	01.04.19 - 31.03.20	C
Cllr C Carlisle	Independent Member	01.04.19 - 31.03.20	F, G
Mr J Cuncliffe	Independent Member	01.04.19 - 31.03.20	F, G
Prof N Callow	Independent Member (University Representative)	05.06.19 - 31.03.20	G
Mrs J F Hughes	Independent Member (Trades Union Representative)	01.04.19 - 31.03.20	G
Cllr R Medwyn Hughes	Independent Member (Local Authority Representative)	01.04.19 - 31.03.20	C, E, F
Mr H E Jones	Independent Member	05.08.19 - 31.03.20	G
Mrs L Meadows	Independent Member	01.04.19 - 31.03.20	G
Mrs H Wilkinson	Independent Member	01.04.19 - 31.03.20	C
Associate Board Members			
Mrs M Edwards	Associate Board Member - Director of Social Services	01.04.19 - 31.03.20	G
Mr G Evans	Associate Board Member - Chair - Healthcare Professionals Forum	01.04.19 - 31.03.20	F, G
Mr Ff Williams	Associate Board Member - Chair - Stakeholder Reference Group	01.04.19 - 31.03.20	A, F

No other Health Board members who served during the 2019-20 financial year disclosed any related party interests.

Material transactions between the Health Board and related parties during 2019-20 were as follows (unless already reported on page 65):	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Adra (formerly Cartrefi Cymunedol Gwynedd)	(2)	0	0	0
Bangor University	793	953	359	207
Boots the Chemist	5,765	0	0	0
Denbighshire Voluntary Services Council	3	0	0	0
Health Education England	0	185	0	0

31. Third Party assets

As at 31 March 2020, the Health Board held £272,827 cash at bank and in hand on behalf of third parties (31 March 2019 £254,441) comprising:

	2019-20	2018-19
	£	£
Monies held on behalf of patients - savings accounts	98,396	98,198
Monies held on behalf of patients - current accounts and cash in hand	113,350	85,143
Deposits for staff residential accommodation	45,900	71,100
Monies held on behalf of Glan Clwyd Hospital League of Friends	15,181	0
	<u>272,827</u>	<u>254,441</u>

These balances have been excluded from the Cash and Cash Equivalents figure reported in Note 17 of these Accounts.

The Health Board also holds a quantity of consignment stock that remains the property of suppliers until it is used and is therefore considered as a third party asset. The value of consignment stock as at 31 March 2020 was £2,857,997.

As this is the first year that consignment stock has been recorded alongside the main stock count, prior year figures for 2018-19 are not available.

32. Pooled budgets

The Health Board has entered into five pooled budget arrangements which are governed by the NHS (Wales) Act 2006:

- North East Wales Community Equipment Service - hosted by Flintshire County Council
- Denbighshire Community Equipment Service - hosted by Denbighshire County Council
- Denbighshire Health and Social Care Support Workers Service - hosted by Denbighshire County Council
- Bryn-y-Neuadd Community Equipment Store - hosted by Betsi Cadwaladr University Local Health Board
- North Wales Older People Accommodation Pooled Budget - hosted by Denbighshire County Council

The financial arrangements for each of these five agreements are subject to partner organisations normal annual auditing requirements with each host body being responsible for the audit of the accounts of individual arrangements in accordance with their statutory audit requirements.

Memorandum notes on page 70-70b of these accounts provide details of the joint income and expenditure transactions for each of these arrangements.

Integrated Care Fund

The Intermediate Care Fund (ICF) was established in 2014 to support initiatives which prevent unnecessary hospital admission, inappropriate admission to residential care and delayed discharges from hospital. From 1 April 2017 this fund was rebranded as the Integrated Care Fund to better reflect an expanded scope.

Regional Partnership Boards (RPBs) lead on the planning, allocations, monitoring and Welsh Government reporting of the funds across health services, social services, housing and third independent sector to ensure delivery which maximises outcomes for the use of the resource. This delivery mechanism provides assurance that the objectives for the use of this fund are met as outlined in Welsh Government guidance.

The RPBs have further established Programme Boards to monitor measurable performance outcomes and financial returns using results based accountability (outcome) methodologies. Linked with this RPB structure the Health Board's Area Directors have also established ICF/ISB Lead Groups at a local health economy level to ensure that the decisions, interventions and investments are delivered at a local level. These ISBs include representation from the health sector, local authorities, ambulance and fire services and voluntary bodies.

Total ICF funding, including Winter Planning Allocations, allocated through the North Wales Regional Partnership Boards for 2019-20 was £26.10m (2018-19 £13.40m) of revenue funding plus ICF capital grant funding of £8.20m (2018-19 £7.06m). These funding flows are managed through the Health Board's Statement of Comprehensive Net Expenditure and reported in Note 3.3 Expenditure on Hospital and Community Health Services and Note 4 Miscellaneous Income.

33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

1. That engages in activities from which it may earn revenue and incur expenses (including internally);
2. Whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resource allocation to the segment and assesses its performance;
3. For which discrete information is available.

The Health Board's Operational Management Structure reports on an Area-based and Site-based divisional approach with each of the individual functions being responsible for their own services and performance within devolved management structures. Three of the Health Board's functions are considered to represent operating segments under the accounting standard with their performance being reported at monthly Board meetings.

Information on divisions which do not exceed the reporting thresholds has also been disclosed in the following table in order to provide additional details of the Health Board's activities during the year.

Area Teams - Operating Costs less Miscellaneous Income	2019-20	2018-19
	£'000	£'000
Area Teams *	637,320	608,693
Commissioner Contracts *	205,188	188,136
Provider Income	(20,755)	(19,339)
Total Area Teams	821,753	777,490
Secondary Care - Operating Costs less Miscellaneous Income		
Secondary Care - District Hospital Services *	332,145	319,440
North Wales Hospital Services	102,539	101,821
Womens Services	39,126	38,211
Total Secondary Care	473,810	459,472
Mental Health & Learning Disabilities	126,630	121,261
Corporate Functions and Other Expenditure	126,636	119,660
6.3% Staff employer pension contributions notional expenditure (See Note 34.1)	31,627	0
Depreciation, Impairments and Finance Costs	82,006	55,263
Donated/Granted Capital Income	(1,591)	(1,102)
(Profit)/Loss on disposal of capital assets	(19)	(158)
Operating Costs sub-total	1,660,852	1,531,886
Revenue Resource Limit	1,622,156	1,490,607
Under/(over) spend against Revenue Resource Limit	(38,696)	(41,279)

* Operating segments which meet the standard criteria for reporting as per par 1.406 of the Welsh Government Manual for Accounts 2019-20.

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 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	894
Expenditure on healthcare from other providers	2019-20	15
Expenditure on Hospital and Community Health Services	2019-20	30,718

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	31,627
Notional Welsh Government Funding	Balance at 31 March 2020	31,627

Statement of Cash Flows for year ended 31 March 2020	
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Net operating cost for the financial year	2019-20	31,627
Other cash flow adjustments	2019-20	31,627

2.1 Revenue Resource Performance

Revenue Resource Allocation	2019-20	31,627
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3. Analysis of gross operating costs**3.1 Expenditure on Primary Healthcare Services**

General Medical Services	2019-20	894
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3.2 Expenditure on healthcare from other providers

Continuing Care	2019-20	15
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3.3 Expenditure on Hospital and Community Health Services

Directors' costs	2019-20	71
Staff costs	2019-20	30,647

9.1 Employee costs**Permanent Staff**

Employer contributions to NHS Pension Scheme	2019-20	31,627
Charged to capital	2019-20	0
Charged to revenue	2019-20	31,627

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	31,627
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34. Other Information (continued)**Memorandum Note - Note 32 - Pooled Budgets****North East Wales Community Equipment Service Memorandum Accounts 2019-20**

The North East Wales Pool is hosted by Flintshire County Council and the formal partnership agreement commenced on 8 July 2009. A memorandum of account has been produced by Flintshire County Council, as shown below:

	2019-20	2018-19
	£ 000	£ 000
Pooled Budget contributions		
Flintshire County Council	300	295
Wrexham County Borough Council	285	281
Betsi Cadwaladr University Local Health Board	419	411
Other	226	181
Total Pooled Budget contributions for the year	1,230	1,168
Expenditure		
Equipment Purchases	416	468
Operating Expenditure	793	608
Non Operating Expenditure	0	0
Total Expenditure for the year	1,209	1,076
Net Surplus/(Deficit) on the Pooled Budget for the Year	21	92

Denbighshire Community Equipment Service Memorandum Accounts 2019-20

The Denbighshire Pool is hosted by Denbighshire County Council. The initial three year partnership agreement commenced on 1 April 2009 and ended on 31st March 2012.

The second partnership agreement commenced on 1 April 2012 and ran until 31 March 2015. For 2015-16 onwards it was decided to revert to one year agreements.

A memorandum of account has been produced by Denbighshire County Council which is shown below:

	2019-20	2018-19
	£ 000	£ 000
Pooled budget contributions		
Denbighshire County Council	219	220
Betsi Cadwaladr University Local Health Board (Core)	138	138
Betsi Cadwaladr University Local Health Board (Bed Service)	51	51
Other - HEC / CHC / Intermediate Care	116	139
Total Pooled Budget contributions for the year	524	548
Expenditure		
Equipment purchases (Core and CHC)	122	120
Operating Expenditure	420	415
Change of computer system from DICES to ELMS	0	0
Total Expenditure for the year	542	535
Net Surplus/(Deficit) on the Pooled Budget for the Year	(18)	13
Cumulative net Surplus/(Deficit) on the Pooled Budget	15	33

34. Other Information (continued)**Memorandum Note - Note 32 - Pooled Budgets****Denbighshire Health and Social Care Support Workers Service - Memorandum Accounts 2019-20**

The Denbighshire Health and Social Care Support Workers Service Pool is hosted by Denbighshire County Council who have produced a memorandum account for the 2019-20 financial year as shown below:

	2019-20 £ 000	2018-19 £ 000
Pooled Budget contributions		
Denbighshire County Council	50	50
Betsi Cadwaladr University Local Health Board	50	50
Betsi Cadwaladr University Local Health Board - Primary Care 3 x 30 hour posts	0	29
ICF Grant Allocation	51	52
ICF Grant Allocation - from slippage	3	24
Total Pooled Budget contributions for the year	154	205
Expenditure		
Employee Expenses	140	187
Other Operating Expenditure	15	18
Total Expenditure for the year	155	205
Net Surplus/(Deficit) on the Pooled Budget for the Year	(1)	0
Cumulative net Surplus/(Deficit) on the Pooled Budget	46	47

Bryn-y-Neuadd Community Equipment Store Memorandum Accounts 2019-20

The Bryn-y-Neuadd Community Equipment Store Pool is hosted by Betsi Cadwaladr University Local Health Board in partnership with Ynys Mon Council, Conwy County Borough Council and Gwynedd County Council. This is the first year that a memorandum account for this arrangement has been separately disclosed within the Health Board's annual accounts.

	2019-20 £ 000	2018-19 £ 000
Contributions		
Ynys Mon County Council	156	154
Conwy County Council	183	181
Gwynedd County Council	196	193
Betsi Cadwaladr University Local Health Board	484	472
Special Orders	90	90
Total Pooled Budget Contributions	1,109	1,090
Expenditure		
Operating Expenses	607	613
Equipment Purchases (incl. Special Orders)	519	499
Total Expenditure	1,126	1,112
Net Surplus/(Deficit) on the Pooled Budget for year	(17)	(22)
Cumulative Net Surplus/(Deficit) on the Pooled Budget	(93)	(76)

34. Other Information (continued)**Memorandum Note - Note 32 - Pooled Budgets****North Wales Older People Accommodation Pooled Budget**

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Local Health Board in relation to the provision of care home accommodation for older people.

The arrangement came into effect on 1st April 2019. Denbighshire County Council is acting as host authority during the initial term of the agreement (2019/20 to 2021/22). The transactions relating to Betsi Cadwaladr University Local Health Board are included in Note 3.3 Expenditure on Hospital and Community Health Services within the Statement of Comprehensive Net Expenditure.

Income and expenditure for these pooled budget arrangements for the year ending 31st March 2020 is shown below. Payments in respect of the contributions for Quarter 4 2019-20 will be made in arrears during 2020-21 in accordance with the Partnership Agreement:

	2019-20
	£ 000
Contributions	
Denbighshire County Council	9,041
Conwy County Borough Council	13,417
Flintshire County Council	8,916
Wrexham County Borough Council	11,059
Gwynedd Council	7,839
Isle of Anglesey County Council	5,075
Betsi Cadwaladr University Local Health Board	38,556
Total Pooled Budget Contributions	<u>93,903</u>
Expenditure	
Care Home Costs	<u>93,903</u>
Total Expenditure for the year	<u>93,903</u>
Net Surplus/(Deficit) on the Pooled Budget for the Year	<u>0</u>

34. Other Information (continued)

Continuing Healthcare Cost uncertainties

Whilst liabilities for continuing healthcare costs continue to be a significant financial issue for the Health Board, significant progress has been made in the processing of claims dating back to 1 April 2003. The Health Board had 100 remaining claims for consideration and settlement as at 31 March 2020.

Betsi Cadwaladr University LHB is responsible for post 1 April 2003 costs and the financial statements include the following amounts relating to those uncertain continuing healthcare costs:

Note 20 - Provisions sets out the £2,286,000 provision made for probable continuing care costs relating to 84 claims received for Phases 2-7 and £2,416,000 in respect of other continuing care provisions;

Note 21.1 - Contingent liabilities sets out the £439,000 contingent liability for possible continuing care costs relating to 16 claims received.

Special Measures

The Welsh Government Minister for Health and Social Services took the decision to place the Health Board into Special Measures on 8 June 2015. As part of this action the Minister appointed a team to provide support for improvement in the following key areas:

- Governance and Leadership
- Mental Health Services
- Maternity Services at Ysbyty Glan Clwyd
- GP and Primary Care Services

Under the Joint Escalation and Intervention Arrangements, the Welsh Government meets with the Wales Audit Office and Healthcare Inspectorate Wales twice a year to discuss the overall position of the Health Board in respect of quality, service performance and financial management. A wide range of information and intelligence is considered to identify any issues and to inform the assessment.

The Minister for Health and Social Services, Vaughan Gething AM, confirmed in a written statement on 14 November 2019 that maternity and GP out of hours services had been stepped down as special measures concerns and recognised that progress had also been made in the areas of primary care and infection control.

The Minister outlined a clear set of immediate expectations in the following areas where the Health Board now needs to demonstrate progress in order to move down the escalation levels:

- Planning
- Unscheduled and planned care performance
- Financial management

He also confirmed the importance of the Health Board sustaining progress it has already made in the areas of adult mental health services and quality measures as acknowledged in previous tripartite discussions.

The full written statement is available on the Welsh Government website at www.gov.wales/written-statement-betsi-cadwaladr-uhb-improvement-framework.

Whilst a further special tripartite meeting was scheduled for Spring 2020, Dr Andrew Goodall, NHS Wales Chief Executive advised on 20 March 2020 that due to on-going priorities relating to the COVID-19 pandemic Welsh Government would be stepping down special measures interaction and discussions until later in the year.

34. Other Information (continued)

Note 15 Expected Credit Losses (ECL) / Provision for impairment of receivables footnote

The Expected Credit Losses (ECL) / Provision for impairment of receivables footnote on page 48 provides an analysis of movements in the provision for irrecoverable debts balance during the year relating to invoiced income. The Health Board also holds provisions for irrecoverable debts in respect of non-invoiced income (including the Injury Cost Recovery (ICR) Scheme) which are outside the scope of IFRS9 and therefore not included within the footnote.

As at 31 March 2020 the balance of provisions on non-invoiced income was £1,146,000 (31 March 2019 £992,000) which represents the difference between the closing balance in the footnote of £2,249,000 (31 March 2019 £5,121,000) and the provision for irrecoverable debts lines in Note 15 of £3,395,000 (31 March 2019 £6,113,000).

Receivables past their due date but not impaired

The Receivables past their due date but not impaired footnote to Note 15 analyses outstanding unimpaired invoices at the balance sheet date by age category. All invoices generated by the Health Board are subject to thirty day payment terms and any invoices which were thirty days old, or less, at the balance sheet date are therefore excluded from this footnote.

The total value of outstanding invoices included in Note 15 as at 31 March 2020 was £13,020,000 (31 March 2019 £14,595,000) of which £7,534,000 (31 March 2019 £6,239,000) had not yet passed their due date and were therefore excluded from the calculation. Of the remaining balance £1,643,000 (31 March 2019 £4,896,000) of invoices had been either partly or fully impaired resulting in a remaining balance of £3,843,000 which were past their due date but not impaired (31 March 2019 £3,460,000).

Covid-19 Pandemic

The Covid-19 pandemic presented a number of challenges to the Health Board during March 2020 with directly linked additional costs of £1,152,000 being incurred during the month. These costs included additional pay expenditure of £430,000 and non-pay expenditure of £722,000. Non-pay costs related to both clinical and non-clinical expenditure including medical and surgical equipment, bedding and laundry, protective clothing, drugs, premises costs and provisions for catering.

The Health Board held Covid-19 specific stocks of Personal Protective Equipment (PPE) valued at £57,000 as at 31st March 2020 and these are included in Note 14.1 Inventories on page 46. Welsh Government also provided additional resource funding of £11,000 during March 2020 for the printing of Community COVID Assessment Pathway Packs.

The additional costs that the Health Board incurred during March 2020 were partly mitigated by actions announced by the Minister for Health and Social Services on 13th March 2020 including the suspension of non-urgent outpatient appointments, surgical admissions and procedures.

The focused response to Covid-19 during March 2020 also meant that additional work by the Health Board to reduce waiting lists which included outsourcing activity to other providers could not be completed as originally planned. The financial recovery programme was also stepped down during the month.

The financial impact of the Covid-19 pandemic on the Health Board's financial performance during 2019-20 was reported to Welsh Government through the monthly monitoring return process in April 2020.

Implementation of IFRS16 Leases

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.

The Health Board expects that the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in the 2020-21 financial statements.

34. Other Information (continued)

As detailed in Note 30 Related Party Transaction, Board Members are required to make an annual Declaration of Interests, including nil returns where applicable. The following table provides details of all declarations of interest made during the 2019-20 financial year.

Name	Details of positions held during the financial year	Declaration	Details of interest declared
Directors/Executive Directors			
Mr G Doherty	Chief Executive	G	Spouse is employed by Health Education England.
Mr S Dean	Interim Chief Executive	G	Seconded civil servant employed by Welsh Government.
Mr A Thomas	Executive Director of Therapies and Health Sciences	G	Spouse is employed by Boots UK as an Accuracy Checking Technician.
Mrs L Singleton	Acting Associate Board Member Director of Mental Health and Learning Disabilities	A	Spouse is the owner of Gwynedd Forklifts and GFL Access.
Independent Board Members			
Mr M Polin OBE QPM	Chair	G	Spouse is employed by the Health Board.
Mrs M W Jones	Independent Member and Vice Chair	F, G	Chair of Council, Bangor University. Vice Chair of Arts Council Wales. Trustee of Kyffin Williams Trust. Trustee of Canolfan Gerdd William Mathias.
Mrs L Reid	Independent Member and Vice Chair (01.12.19 - 31.03.20)	C	Committee Chair for the Primary Care Appeals Service of NHS Resolution. Magistrate for the North Wales Criminal Bench Director of Anakrisis Ltd which provides specialist training and advisory services to NHS England, NHS Improvement and the Care Quality Commission
Cllr C Carlisle	Independent Member	F, G	County Councillor, Conwy Council. Deputy Chair, Clwyd West Conservatives. School Governor, Ysgol Bryn Eilian. Member of the Conwy and Denbighshire Adoption Panel
Mr J Cunciliffe	Independent Member	F, G	Director of Abernet Ltd. Member of the Joint Audit Committee, North Wales Police and Crime Commissioner. Spouse is employed by the Health Board.
Prof N Callow	Independent Member (University Representative)	G	Dean of the College of Human Sciences at Bangor University
Mrs J F Hughes	Independent Member (Trades Union Representative)	G	Three children are employed, or volunteer, within the Health Board. Chair of the Welsh Council of the Society and College of Radiographers
Cllr R Medwyn Hughes	Independent Member (Local Authority Representative)	C, E, F	Director of Meditel Limited. Local Authority member, Gwynedd County Council. Member of the Care Scrutiny Committee and the Audit and Governance Committee. Bangor City Councillor. Chair of the Friends of the William Mathias Centre
Mr H E Jones	Independent Member	G	Member of Gwynedd Pension Board. Member of Gwynedd County Council Standards Committee. Justice of the Peace for North West Wales bench. Member of Adra (formerly Cartrefi Cymunedol Gwynedd). Member of Glas Cymru.
Mrs L Meadows	Independent Member	G	Trustee of Wirral Hospice St John's.
Mrs H Wilkinson	Independent Member	C	Chief Executive, Denbighshire Voluntary Services Council. Wales Committee Member of the National Lottery Community Fund.
Associate Board Members			
Mrs M Edwards	Associate Board Member - Director of Social Services	G	Corporate Director and Statutory Director of Social Services at Gwynedd Council. Lead Director for ADSS Cymru on the Welsh Language. Member of the Welsh Language Partnership Board. Chair of the Regional Integrated Commissioning Board. Member of the Regional Partnership Board.
Mr G Evans	Associate Board Member - Chair - Healthcare Professionals Forum	F, G	Member of the Welsh Therapy Advisory Committee (WTAC). Spouse is employed by the Health Board.
Mr Ff Williams	Associate Board Member - Chair - Stakeholder Reference Group	A, F	Chief Executive of Adra (formerly Cartrefi Cymunedol Gwynedd), a housing association based in Gwynedd but which operates across the whole of North Wales.

Policies for the remuneration of staff and senior managers

Senior Managers are defined as those who have authority or responsibility for directing and controlling the major activities of the Health Board as a whole, this definition includes those employees and Independent Members who are regular attendees at Board meetings. The names and titles of Board members are disclosed in the salary table below.

From October 2004, the NHS Agenda for Change process was introduced to achieve consistency in contracts and terms and conditions across NHS Wales. An all-Wales contract is issued to all staff and managers (excluding directors) upon appointment. Reforms to the NHS Agenda for Change pay structure were agreed for the three years commencing 1st April 2018. As part of this, the value of the top pay points for Bands 2 to 8b were increased in 2019/20 by 1.7% In addition, Medical Staff received an inflationary pay award of 2.5%.

NHS Wales has adopted the Living Wage. Therefore the pay of staff below the Living Wage minimum figure is adjusted to meet the Living Wage hourly rate. For 2019/20 the pay of staff in Agenda for Change Bands 1 and 2 on pay points 1 to 5 was adjusted to meet the minimum hourly rate of £9.00 per hour.

Medical and dental staff are governed by medical and dental terms and conditions which apply across NHS Wales.

The Health Board applies the NHS Wales policy on incremental progression for staff on Agenda for Change pay scales, which includes the operation of the Performance Appraisal Development Review process.

Directors are not part of this process and a very senior manager pay scale has been introduced by the Welsh Government. Pay awards are determined nationally and applied locally based upon instructions from Welsh Government. The Health Board does not operate a performance related pay system for very senior managers.

Independent Members are appointed for a term of up to four years (and can be appointed for a maximum of eight years). Independent Members receive nationally determined remuneration during their period of appointment.

The Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee was established in January 2015. The Committee is designed to provide assurance and advice to the Board on remuneration and terms of service for the executive team and other senior staff as set out by Welsh Government. It also provides assurance on remuneration and terms of service arrangements for all staff and performs specific delegated functions. The Committee has been chaired by the Health Board Chair, Mr Mark Polin, since he joined the organisation in September 2018.

During the 2019/20 reporting period the Committee met on seven occasions. Five were meetings held in public, which were followed by a private section of the agenda when sensitive or confidential information was discussed. In addition, two extraordinary private meetings were convened.

The main business of the Committee during the year covered:

- A revised approval process for Workforce & Organisational Development policies.
- The Committee's annual report for 2018/19
- An update of the Committee's terms of reference
- Consideration of current 'Upholding Professional Standards in Wales' cases.
- Health Care Professionals' Council and General Pharmaceutical Council Wales Professional Registration Report 2018/19
- General Medical Council (GMC) Revalidation update 2019
- Review Body on Doctors' & Dentists Remuneration Report
- Pay protection reports
- Matters pertaining to Executive and Director remuneration and portfolios
- Senior leadership structures and interim arrangements
- National pay rates for identified groups of staff
- A collective grievance
- Executive team objectives and performance assessment.

Chair	Mr Mark Polin	Health Board Chair
Members	Mrs Marian Wyn Jones Mrs Jacqueline Hughes Cllr Medwyn Hughes	Health Board Vice-Chair (until 30/11/19) Independent Member Independent Member
In attendance	Mr Gary Doherty	Chief Executive (until 09/02/20)
Lead Officer (in attendance)	Mrs Sue Green	Executive Director of Workforce and Organisational Development

Remuneration relationships

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. This information can be found in Note 9.6 to the Annual Accounts.

The highest paid director post during 2019/20 was the Executive Medical Director. In 2018/19 it was the Chief Executive. In 2019/20 fifteen employees received remuneration in excess of the highest-paid director (compared to eleven employees in 2018/19).

Exit packages and severance payments

During 2019/20 the Health Board agreed one exit package payment for a very senior manager, details of which are included in the notes to the tables of remuneration below. Details of all severance payments agreed during the year can be found in Note 9.5 to the Annual Accounts.

Senior manager salary and pension disclosures and single total figure of remuneration

The Total figures in the table below (the Single Total Figure of Remuneration) for each Senior Manager includes a figure for the in-year pension benefit, calculated using information supplied by the NHS Pensions Agency. The figure does not represent the actual amount paid to an individual during the year and reflects an accounting assessment of the increase in long term benefits adjusted for inflation. These figures can be influenced by many factors including changes to a person's salary, additional contributions made by individuals and underlying valuation factors on the scheme as a whole.

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

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

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Mr G Doherty Chief Executive 01/04/19 – 09/02/20 (note 1)	180-185	--	(note 2)	--	180-185	210-215	205-210	--	(note 2)	--	205-210	--
Mr S Dean Interim Chief Executive 10/02/20 – 31/03/20 (note 1)	25-30	--	--	20-25	50-55	210-215	--	--	--	--	--	--
Dr E Moore Executive Medical Director & Deputy Chief Executive 01/04/19 – 31/07/19	65-70	2,100	(note 2)	--	65-70	195-200	195-200	5,200	(note 2)	--	200-205	--
Dr D Fearnley Executive Medical Director 01/08/19 – 31/03/20	150-155 (note 3)	4,000	(note 4)	--	150-155	225-230	--	--	--	--	--	--
Mrs G Harris Executive Director of Nursing and Midwifery & Deputy Chief Executive 01/04/19 – 31/03/20	160-165	--	(note 2)	--	160-165	--	150-155	--	(note 2)	--	150-155	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Ms D Carter Acting Executive Director of Nursing and Midwifery 01/04/19 – 31/08/19	50-55	--	(note 5)	--	50-55	130-135	0-5	--	(note 5)	--	0-5	125-130
Interim Director of Operations 17/10/19 – 31/03/20	60-65	--	(note 5)	--	60-65	130-135	--	--	--	--	--	--
Mr A Thomas Executive Director of Therapies and Health Sciences 01/04/19 – 31/03/20	105-110	--	22	--	125-130	--	100-105	--	16	--	115-120	--
Dr J C Stockport Executive Director of Primary Care and Community Services 01/04/19 – 31/03/20	135-140	3,500	(note 2)	--	140-145	--	65-70	3,000	(note 2)	0-5 (note 6)	70-75	135-140
Ms T Owen Executive Director of Public Health 01/04/19 – 31/03/20	125-130	--	28	--	150-155	--	120-125	--	22	--	145-150	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Mr R Favager Executive Director of Finance 01/04/19 – 28/04/19 (note 6)	10-15	700	(note 2)	35-40	45-50	145-150	145-150	11,100	(note 2)	--	155-160	--
Mrs S Hill Acting Executive Director of Finance 29/04/19 – 31/03/20	125-130	--	(note 8)	--	125-130	135-140	--	--	--	--	--	--
Mr M Wilkinson Executive Director of Planning and Performance 01/04/19 – 31/03/20	135-140	--	109	--	245-250	--	50-55	--	(note 4)	--	50-55	135-140
Mrs S Green Executive Director of Workforce and Organisational Development 01/04/19 – 31/03/20	135-140	--	29	--	165-170	--	125-130	--	(note 4)	--	125-130	--
Mrs G Lewis-Parry Board Secretary 01/04/19 – 31/08/19	45-50	--	(24)	--	20-25	100-105	95-100	--	(30)	--	65-70	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Mrs D Sharp Acting Board Secretary 01/09/19 – 31/03/20	50-55	--	(note 9)	--	50-55	85-90	--	--	--	--	--	--
Mrs L Jones Acting Board Secretary 18/12/19 – 31/03/20	20-25	--	(note 10)	--	20-25	70-75	--	--	--	--	--	--
Mrs J Parry Acting Board Secretary 06/02/20 – 31/03/20	10-15 (note 11)	400	(note 12)	--	10-15	70-75	--	--	--	--	--	--
Mr A Roach Associate Board Member Director of Mental Health and Learning Disability 01/04/19 – 31/03/20	115-120	--	47	--	165-170	--	115-120	--	39	--	155-160	--
Mrs L Singleton Acting Associate Board Member Director of Mental Health and Learning Disability 20/11/19 – 31/03/20	30-35	--	(note 13)	--	30-35	85-90	--	--	--	--	--	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Ms M Olsen Chief Operating Officer (to 30/06/18)							75-80 (note 14)	--	210 (note 14)	--	285-290	145-150
Mr G Lang Executive Director of Strategy (to 13/05/18)							10-15	--	(note 2)	--	10-15	125 - 130
Mrs S Baxter Acting Executive Director of Strategy (14/05/18 – 18/11/18)							50-55 (note 15)	--	(note 15)	--	50-55	100-105
Mr M Polin OBE QPM Chairman 01/04/19 – 31/03/20	65-70	--	--	--	65-70	--	40-45	--	--	--	40-45	65-70
Mrs M W Jones Vice Chair 01/04/19 – 30/11/19	35-40	--	--	--	35-40	55-60	45-5	--	--	--	45-50	55-60
Independent Member (to 31/05/18)	--	--	--	--	--	--	0-5	--	--	--	0-5	15-20

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Ms L Reid												
Independent Member 01/04/19 – 30/11/19	10-15	--	--	--	10-15	15-20	5-10	--	--	--	5-10	15-20
Vice Chair 01/12/19 – 31/03/20	15-20	--	--	--	15-20	55-60	--	--	--	--	--	--
ClIr C Carlisle												
Independent Member 01/04/19 – 31/03/20	15-20	--	--	--	15-20	--	15-20	--	--	--	15-20	--
Mr J Cunliffe												
Independent Member 01/04/19 – 31/03/20	15-20	--	--	--	15-20	--	15-20	--	--	--	15-20	--
ClIr R M Hughes												
Independent Member 01/04/19 – 31/03/20	15-20	--	--	--	15-20	--	15-20	--	--	--	15-20	--
Mrs L Meadows												
Independent Member 01/04/19 – 31/03/20	15-20	--	--	--	15-20	--	15-20	--	--	--	15-20	--
Ms H Wilkinson												
Independent Member 01/04/19 – 31/03/20	15-20	--	--	--	15-20	--	5-10	--	--	--	5-10	15-20
Mr H Jones												
Independent Member 05/08/19 – 31/03/20	10-15	--	--	--	10-15	15-20	--	--	--	--	--	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Ms J Hughes Independent Member and Trades Union Representative 01/04/19 – 31/03/20	(note 16)	--	--	--	--	--	(note 16)	--	--	--	--	--
Prof N Callow Independent Member and University Representative 05/06/19 – 31/03/20	(note 17)	--	--	--	--	--	--	--	--	--	--	--
Mr Ff Williams Associate Board Member & Chair, Stakeholder Reference Group 01/04/19 – 31/03/20	(note 18)	--	--	--	--	--	(note 18)	--	--	--	--	--
Mr G Evans Associate Board Member & Chair, Healthcare Professional Forum 01/04/19 – 31/03/20	(note 18)	--	--	--	--	--	(note 18)	--	--	--	--	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Mrs M Edwards Associate Board Member and Director of Social Services 01/04/19 – 31/03/20	(note 18)	--	--	--	--	--	(note 18)	--	--	--	--	--
Dr P Higson OBE Chairman (to 31/08/18)							25-30	--	--	--	25-30	65-70
Mrs M Hanson Vice Chair (to 31/05/18)							5-10	--	--	--	5-10	55-60
Mrs B Russell Williams Independent Member (to 05/03/19)							10-15	--	--	--	10-15	--
Mr C Stradling Independent Member (to 31/08/18)							5-10	--	--	--	5-10	15-20
Prof J Rycroft-Malone Independent Member and University Representative (to 31/03/19)							(note 17)	--	--	--	--	--

	2019/20						2018/19					
Name and Role	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Other payments	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £	(bands of £5,000) £'000	£'000
Mrs N Stubbins Associate Board Member and Director of Social Services (to 31/05/18)							(note 18)	--	--	--	--	--

As a result of the recommendations from the independent financial review conducted by PricewaterhouseCoopers in June 2019, the Health Board implemented a financial recovery programme during the year and engaged an interim Recovery Director in July 2019, which was supported by funding by Welsh Government. The cost of the Recovery Director's contract for the nine months to 31 March 2020 was £353,450 plus expenses of £16,888 (VAT was payable on the contract sums).

Notes

1. By mutual agreement, on the 9th February 2019, Mr G Doherty stepped down from his role as Chief Executive of the Health Board and was seconded to an NHS organisation in England. In addition to Mr G Doherty's salary as Chief Executive for the period 1st April 2019 to 9th February 2020, as reported in the table above, Mr G Doherty received remuneration totalling £29,592 during the period of his secondment to the 31st March 2020. The secondment ends in 2020/21.

Mr S Dean was seconded from the Welsh Government as the Interim Chief Executive with effect from the 10th February 2020. During the period of secondment Mr S Dean's substantive employers were the Welsh Government. Costs totalling £50,495 were incurred in relation to the secondment, which included salary of £29,592, pension costs of £8,571, National Insurance costs of £3,917 and non recoverable VAT of £8,415.

2. These employees chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
3. Dr D Fearnley's salary includes payment for his nationally awarded Bronze Clinical Excellence Award.
4. These employees commenced employment with the Health Board during the year and so prior year figures are not available to enable the in year pension benefit to be calculated.
5. Mrs D Carter was the Acting Executive Director of Nursing and Midwifery for the period 1st April 2019 to 31st August 2019 (and from the 18th March 2018 in the prior year) and the Interim Director of Operations for the period 17th October 2019 to 31st March 2020. Outside of this period Mrs D Carter was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Executive Director of Nursing and Midwifery and Interim Director of Operations.
6. Other remuneration for Dr JC Stockport in 2018/19 relates to earnings from a separate medical role.
7. Mr R Favager stepped down from his role as Executive Director of Finance on the 28th April 2019 and was seconded to an NHS organisation in England. In addition to Mr R Favager's salary as Executive Director of Finance for the period 1st April 2019 to 28th April 2019, as reported in the table above, Mr R Favager received remuneration totalling £99,723 during the period of his secondment, of which £91,524 was recharged to the NHS organisation to which he was seconded. The secondment ended on the 31st December 2019, at which point Mr R Favager left the employment of the Health Board. Other remuneration reported for Mr R Favager relates to a payment in respect of lieu of notice. This amount was agreed by the Board and made in accordance with Welsh Government guidance. Mr R Favager's salary includes £76 sacrificed in respect of the Cycle2Work scheme.

8. Mrs S Hill was the Acting Executive Director of Finance for the period 29th April 2019 to 31st March 2020. Outside of this period Mrs S Hill was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Executive Director of Finance.
9. Mrs D Sharp was the Acting Board Secretary for the period 1st September 2019 to 31st March 2020. Outside of this period Mrs D Sharp was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
10. Mrs L Jones was the Acting Board Secretary for the period 18th December 2019 to 31st March 2020. Outside of this period Mrs L Jones was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
11. Mrs J Parry salary includes £259 sacrificed in respect of the purchase of annual leave scheme.
12. Mrs J Parry was the Acting Board Secretary for the period 6th February 2020 to 31st March 2020. Outside of this period Mrs J Parry was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
13. Mrs L Singleton was the Acting Associate Board Member Director of Mental Health and Learning Disability for the period 20th November 2019 to 31st March 2020. Outside of this period Mrs L Singleton was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Associate Board Member Director of Mental Health and Learning Disability.
14. The salary reported for Ms M Olsen includes £39,922 in respect of contractual entitlements. Pension benefit relates to payment of a contribution to the NHS Pensions Agency towards the employees' pension. These amounts were both agreed by the Board and made in accordance with Welsh Government guidance.
15. Ms S Baxter was the Acting Executive Director of Strategy for the period 14th May 2018 to 18th November 2018. Outside of this period Ms Baxter was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Executive Director of Strategy. Ms S Baxter's salary includes £342 sacrificed in respect of home technology.
16. Ms J Hughes is an employee of the Health Board and is an Independent Member drawn from a Trade Union background. Ms Hughes is not paid for her role as an Independent Member.

17. Professor N Callow (previously Professor J Rycroft-Malone) is the University representative on the Board and is not paid by the Health Board.
18. Mr Williams, Mr Evans and Mrs Edwards (and previously Mrs Stubbins) are not employees of, and are not paid by the Health Board.

	Real Increase In Accrued Pension (bands of £2,500) £'000	Real Increase In Lump Sum (bands of £2,500) £'000	Total accrued pension at 31 March 2020 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2020 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2019 £'000	Cash Equivalent Transfer Value as at 31 March 2020 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
Mr G Doherty Chief Executive 01/04/19 – 09/02/20	--	--	--	--	--	--	--	<i>note 1</i>
Mr S Dean Interim Chief Executive 10/02/20 – 31/03/20	--	--	--	--	--	--	--	<i>note 2</i>
Dr E Moore Executive Medical Director & Deputy Chief Executive 01/04/19 – 31/07/19	--	--	--	--	--	--	--	<i>note 1</i>
Dr D Fearnley Executive Medical Director 01/08/19 – 31/03/20	--	--	70-75	195-200	--	1,403	--	<i>note 3</i>

	Real Increase In Accrued Pension (bands of £2,500) £'000	Real Increase In Lump Sum (bands of £2,500) £'000	Total accrued pension at 31 March 2020 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2020 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2019 £'000	Cash Equivalent Transfer Value as at 31 March 2020 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
Mrs G Harris Executive Director of Nursing and Midwifery & Deputy Chief Executive 01/04/19 – 31/03/20	--	--	--	--	--	--	--	<i>note 1</i>
Ms D Carter Acting Executive Director of Nursing and Midwifery 01/04/19 – 31/08/19 Interim Director of Operations 17/10/19 – 31/03/20	--	--	60-65	185-190	--	1,437	--	<i>note 4</i>
Mr A Thomas Executive Director of Therapies and Health Sciences 01/04/19 – 31/03/20	0-2.5	(0-2.5)	45-50	120-125	940	1,010	33	

	Real Increase In Accrued Pension (bands of £2,500) £'000	Real Increase In Lump Sum (bands of £2,500) £'000	Total accrued pension at 31 March 2020 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2020 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2019 £'000	Cash Equivalent Transfer Value as at 31 March 2020 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
Dr J C Stockport Executive Director of Primary Care and Community Services 01/04/19 – 31/03/20	--	--	--	--	--	--	--	<i>note 1</i>
Ms T Owen Executive Director of Public Health 01/04/19 – 31/03/20	0-2.5	(0-2.5)	45-50	100-105	787	852	29	
Mr R Favager Executive Director of Finance 01/04/19 – 28/04/19	--	--	--	--	--	--	--	<i>note 1</i>
Mrs S Hill Acting Executive Director of Finance 29/04/19 – 31/03/20	--	--	15-20	--	--	209	--	<i>note 5</i>

[illegible]

[illegible]

Notes

1. These employees chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
2. These employees were not employed by an NHS organisation and so were not covered by the NHS pension arrangements.
3. These employees commenced employment with the Health Board during 2019/20 and so prior year figures are not available to enable the in year pension benefit to be calculated.
4. Mrs D Carter was the Acting Executive Director of Nursing and Midwifery for the period 1st April 2019 to 31st August 2019 and the Interim Director of Operations for the period 17th October 2019 to 31st March 2020. Outside of this period Mrs D Carter was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Executive Director of Nursing and Midwifery and Interim Director of Operations.
5. Mrs S Hill was the Acting Executive Director of Finance for the period 29th April 2019 to 31st March 2020. Outside of this period Mrs S Hill was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Executive Director of Finance.
6. Mrs G Lewis-Parry retired from her role as Board Secretary during 2019/20 and is in receipt of her pension.
7. Mrs D Sharp was the Acting Board Secretary for the period 1st September 2019 to 31st March 2020. Outside of this period Mrs D Sharp was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
8. Mrs L Jones was the Acting Board Secretary for the period 18th December 2019 to 31st March 2020. Outside of this period Mrs L Jones was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
9. Mrs J Parry was the Acting Board Secretary for the period 6th February 2020 to 31st March 2020. Outside of this period Mrs J Parry was employed by the Health Board in her substantive post and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Board Secretary.
10. Mrs L Singleton was the Acting Associate Board Member Director of Mental Health and Learning Disability for the period 20th November 2019 to 31st March 2020. Outside of this period Mrs L Singleton was employed by the Health Board in her substantive post

and it has not been possible to calculate the element of pension benefits that relate solely to her role as Acting Associate Board Member Director of Mental Health and Learning Disability.

Staff Report

The average number of full time equivalent (FTE) staff employed by the Health Board during 2019/20 is reported below.

Professional Group	Average FTE 2019/20
Professional, Scientific and Technical	620
Additional Clinical Services	3,242
Administrative and Clerical	3,088
Allied Health Professionals	903
Estates and Ancillary	1,164
Healthcare Scientists	254
Medical and Dental	1,483
Nursing and Midwifery Registered	4,976
Students	15
Total	15,745

The actual number of staff in post during 2019/20 was 18,241 and the gender composition is provided in the table below.

Staff Composition	Female	Male	Total
Director	6	7	13
Manager (Band 8C and above)	111	83	194
Staff	14,599	3,435	18,034
Total	14,716	3,525	18,241

*For the purpose of this report manager is defined as a member of staff at Band 8c and above (or equivalent level for medical staff) based in a corporate function or operational Division with significant managerial and decision-making responsibilities affecting the whole organisation. Managers exclude the posts Nurse Consultant, Consultant Midwife and Clinical Scientist Consultant

The sickness absence data for 2019/20 is provided below:

	2018/19	2019/20
FTE Days lost (long term)* ¹	198,399	210,949
FTE Days lost (short term)* ¹	81,511	90,391
Total days lost	279,911	301,340
Average working days lost	11	12
Total staff employed in period (headcount)* ²	17,880	18,104
Total staff employed in period with no absence (headcount)* ²	5,642	5,416
Percentage staff with no sick leave	34.29%	32.65%

*1 - These figures are calculated on a Full Time Equivalent basis. Sickness absence is measured using calendar days on the Electronic Staff Record system, which includes all days from the start to end of a period of absence, including weekends or days when a member of staff would not have been rostered to work. Therefore the number of working days lost is lower than the days lost figure.

*2 - Average over 12 months

The overall percentage sickness absence in 2019/20 was 5.30% (2018/19, 4.99%).

Equalities and human rights

The Health Board is committed to advancing equality of opportunity and contributing to a more equal North Wales. We understand that taking account of the protected characteristics found amongst us all, it can have a profound impact on health and well-being outcomes for the people we serve. To meet the requirements of the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Public Sector Equality Duty, BCUHB seek to ensure that equality is properly considered within the organisation and influences decision making at all levels. A substantial review of our equality objectives and Strategic Equality Plan (SEP) has been undertaken this year, we have drawn on evidence from a range of sources including the Equality and Human Rights Commission research 'Is Wales Fairer?'. We have gathered and analysed relevant information and maintained engagement with communities, individuals and experts to inform our priorities and objective-setting.

The strong commitment to promoting equality and human rights is published within our long-term strategy for health, Living Healthier, Staying Well (LHSW) and Operational Plan. We have worked to identify opportunities to build delivery of the SEP into our planning and service delivery mechanisms and are supporting our health communities across North Wales in this regard. The strategic priorities are also supported by our Workforce Strategy, which identifies what the workforce needs to look and feel like and how it needs to operate as we strive to be a fair and inclusive employer, committed to tackling inequality. A number of initiatives have been progressed this year to increase employment opportunities for people from protected characteristic groups, and to better support people during their employment. Our equality and human rights work has received further recognition and, following an external assessment, we have been awarded Disability Confident Leadership status under the government's scheme to promote good practice in attracting, recruiting and retaining disabled people in the workplace. This recognised the work BCUHB is doing to ensure that disabled people are treated fairly when applying to work for us, and are supported throughout their employment. The Health Board has, for the second year, also been ranked the best Welsh health employer by the lesbian, gay, bi and trans equality charity Stonewall, in its Top 100 Employers list for 2020.

We continue to drive forward the equality agenda with pace and recognise the Welsh Government's commitment to further strengthening equality and rights protections for the people of Wales commencing with the Socio-economic Duty in April 2020. Further information is published and can be accessed via the equality internet pages.

Off payroll engagements and consultancy

The Health Board is required to disclose Off-payroll and Consultancy expenditure. The tables below outline the details of the Off Payroll Engagements that the Health Board has in place. It should be noted that HMRC introduced new rules in relation to compliance with tax regulations that took effect from 6th April 2017. These changes have widened the responsibilities of the Health Board in managing the Off Payroll engagements and most engagements will be subject to tax and National Insurance at source.

The Health Board has undertaken IR35 assessments for all relevant off-payroll engagements.

Number of existing engagements, for more than £245 per day and of over six months duration, as at 31 March 2020	154
<i>Of which...</i>	
Number that have existed for less than one year at time of reporting	22
Number that have existed for between one and two years at time of reporting	30
Number that have existed for between two and three years at time of reporting	102
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

Number of new off-payroll engagements for more than £245 per day and that will last for longer than six months, or that reached six months in duration between 1 April 2019 and 31 March 2020	22
<i>Of which...</i>	
Number assessed as covered by IR35	17
Number assessed as not covered by IR35	5
Number engaged directly (via PSC contracted to the department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR 35 status following the consistency review	0

Number of off-payroll engagements of board members and / or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020	2
(Number of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year, including both off-payroll and on-payroll engagements)	34*

*The Board Members and Senior Officials who are deemed to be Senior Managers are those individuals whose salary details are disclosed on pages 4 to 21 of this report. The off-payroll engagements refer to the Interim Chief Executive and the Recovery Director.

During the year the Health Board incurred expenditure of £2.651m on external consultancy services.

Appendix 1 – Remuneration packages in excess of £100,000

The Public Services Staff Commission has issued guidance on the transparency of remuneration packages for Public Sector bodies in Wales. This requires that packages in excess of £100,000 are disclosed in bands of £5,000. The table below provides a summary of those receiving in excess of £100,000 with further detail provided in the second table.

Staff Group	Number of Remuneration Packages over £100,000
Chief Executive and Executive Board Members	13
Directors and other Senior Managers	21
Clinical Staff	521
Agency clinical staff (net of estimated commission)	35

£'000	Chief Executive & Board Members	Directors & other Senior Managers	Clinical Staff	Agency
100-105		6	40	1
105-110	1	5	46	2
110-115		1	43	1
115-120	1	3	36	3
120-125		2	35	4
125-130	1		47	2
130-135	1	2	33	
135-140	4		37	5
140-145	1		37	1
145-150			22	
150-155	1		21	1
155-160		1	27	
160-165	1		17	1
165-170			16	1
170-175			9	2
175-180			8	
180-185		1	8	
185-190			14	1
190-195	1		4	
195-200			6	
200-205			2	
205-210			1	4
210-215	1		1	
215-220			1	
220-225			1	
225-230			1	1
230-235				
235-240			1	
240-245			2	1
245-250				1
250-255			2	
255-260			1	
260-265				
265-270				2
270-275				
275-280				
280-285			1	
285-290			1	
290-295				1
Total	13	21	521	35

Appendix 2 – Exit Packages and Severance Payments

Exit packages cost band (including any special payment element)	2019-20 Number of compulsory redundancies	2019-20 Cost of compulsory redundancies	2019-20 Number of other departures	2019-20 Cost of other departures	2019-20 Total number of exit packages	2019-20 Total cost of exit packages	2019-20 Number of departures where special payments have been made	2019-20 Cost of special element included in exit packages	2018-19 Total number of exit packages	2018-19 Total cost of exit packages
	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£
less than £10,000	0	0	1	7,608	1	7,608	0	0	2	10,108
£10,000 to £25,000	0	0	1	24,831	1	24,831	0	0	0	0
£25,000 to £50,000	0	0	3	126,446	3	126,446	0	0	0	0
£50,000 to £100,000	0	0	1	56,118	1	56,118	0	0	0	0
£100,000 to £150,000	0	0	0	0	0	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0	0	0	0	0	0
more than £200,000	0	0	0	0	0	0	0	0	1	209,701
Total	0	0	6	215,003	6	215,003	0	0	3	219,809