



# Betsi Cadwaladr University Local Health Board

## Annual Report and Accounts

2011/12



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# Welcome from the Chairman



Welcome to the Betsi Cadwaladr University Health Board's Annual Report for 2011/12. I was delighted to be appointed by the Health Minister as the Chairman of the Health Board in April 2011 and am proud and privileged to be part of the largest Health Board in Wales, working to improve health and health services for the people of North Wales. As someone who was born and brought up in North Wales and who has lived in different parts of the region, I know the value of developing local knowledge and robust information about the needs and preferences of the diverse population we serve.

This year the Welsh Government issued the new five year vision for the NHS in Wales. "Together for Health" focuses on sustainability and action. Our collective aim is on delivery and making significant improvements to transform services to benefit local people. In some areas there is good practice but in others we could do better. The people of North Wales deserve more than this, so we have been looking at a number of our services. This work has been led by doctors and clinical staff who have been examining the facts and coming forward with ideas which will improve the quality and safety of our services as well as containing costs.

The pressure on public sector finances is well known and we have been working hard to make every penny count. We have developed systems which include greater clinical involvement in financial decision making and I believe this will help to deliver better outcomes for patients in the long term.

At the heart of all we do is the dedication and commitment shown by staff whether directly employed by the Health Board or contracted in primary care.

I would like to put on record my thanks to all who have worked tirelessly to bring value and benefits to the people they have cared for this year. It is much appreciated.

A handwritten signature in dark ink that reads "Merfyn Jones". The script is cursive and fluid.

**Professor Merfyn Jones CBE**  
**Chair**



# Chief Executive's Foreword

We came into this year determined to bring together people and services from the legacy organisations of the past. Our aim to improve and make sure standards are of the same quality wherever you might live or work has become reality in some places. There is more to do.



Doing this in an unprecedented financial climate has by no means been easy. It has challenged all professionals to make sure that the resource we have, given by the taxpayer, is used to best effect. Changing the mindset of staff and the public, that a decade of increased investment is gone, continues.

This year's report shows progress - reducing infection rates in hospitals, improving outcomes for people who have had a stroke and, importantly, introducing more care at home, led by GPs with health, social care and voluntary sector staff.

I'm particularly proud of GPs and other health and social care professionals that are leading service improvements in communities across North Wales. These are called Localities. They reinforce the importance of general practice as the co-ordinator of individual care, holding true to the values of the NHS when it was formed. We commend the quality of work they do.

The emphasis on driving up standards through review of evidence, advancements in medicine and our work through 1000 Lives + is starting to show benefit for the individual's quality of life. There is more to do. We still have variation in practice, including access to care when needed and of the standard expected.

As we grow older and live longer, which is a good thing, our health needs change. We plan for this and want to make sure that every person, irrespective of age, is treated with the same dignity and respect each deserves. Patient stories have been a powerful reminder of this. Where care has been exceptional we celebrate that. Where care has been frankly unacceptable we strive to stamp it out. We all have an obligation to put things right and our work this year is showing that we can change practice. There is more to do.

Saving the best for last are the achievements of individuals or teams illustrated in our section on Achievements and Awards. They are a snapshot of the quality of individuals that I'm proud to work with. We often forget that there is good in the NHS and it too should be recognised.

Finally, I'm delighted with the appointment of our Chairman, Professor Merfyn Jones CBE. He has brought a real strength to the organisation and provided the leadership to steer us through the next years. His academic background and keen interest in research and development has been very welcomed by clinicians and our partners. I look forward to working with the Chairman and the University Health Board on what is a worthwhile public duty.

A handwritten signature in dark ink, which appears to read 'Mary Burrows'.

**Mary Burrows MBE**  
**Chief Executive**

# Contents

<b>About the Health Board .....</b>	<b>4</b>	<b>Making it better.....</b>	<b>26</b>
<b>Achievements &amp; Awards.....</b>	<b>6</b>	• Improving the service-user experience ....	26
<b>Making it safe .....</b>	<b>8</b>	• Modernisation & Service Improvement ...	27
• Quality and Safety.....	8	• Responding to concerns.....	28
• Keeping people safe.....	10	• Welsh Language .....	29
• Keeping information safe.....	10	• Equality, Diversity & Human Rights .....	30
• Ready for an Emergency .....	12	• Research and learning.....	30
<b>Making it work.....</b>	<b>13</b>	• Monitoring & Healthcare Standards.....	31
• Our Workforce .....	13	• Public Health .....	31
• Caring for our staff.....	14	<b>Making it sound .....</b>	<b>34</b>
• Engaging and communicating with staff...	15	• Statement of Accounting Officer's	
• Investing for the future.....	16	Responsibilities .....	34
<b>Making it happen.....</b>	<b>18</b>	• Governance statement .....	34
• Operating & Financial Review.....	18	• Risk Management .....	35
• Our environmental and		• Our Board.....	35
social commitments.....	21	• Directors' declarations of interests .....	38
• Primary Care .....	22	• Primary financial statements and notes...	39
• Service reviews and public engagement ..	24	• Remuneration Report .....	44
• Working with our partners .....	24	• Auditors' Report.....	49
• Organisational Development .....	25		

## About the Health Board

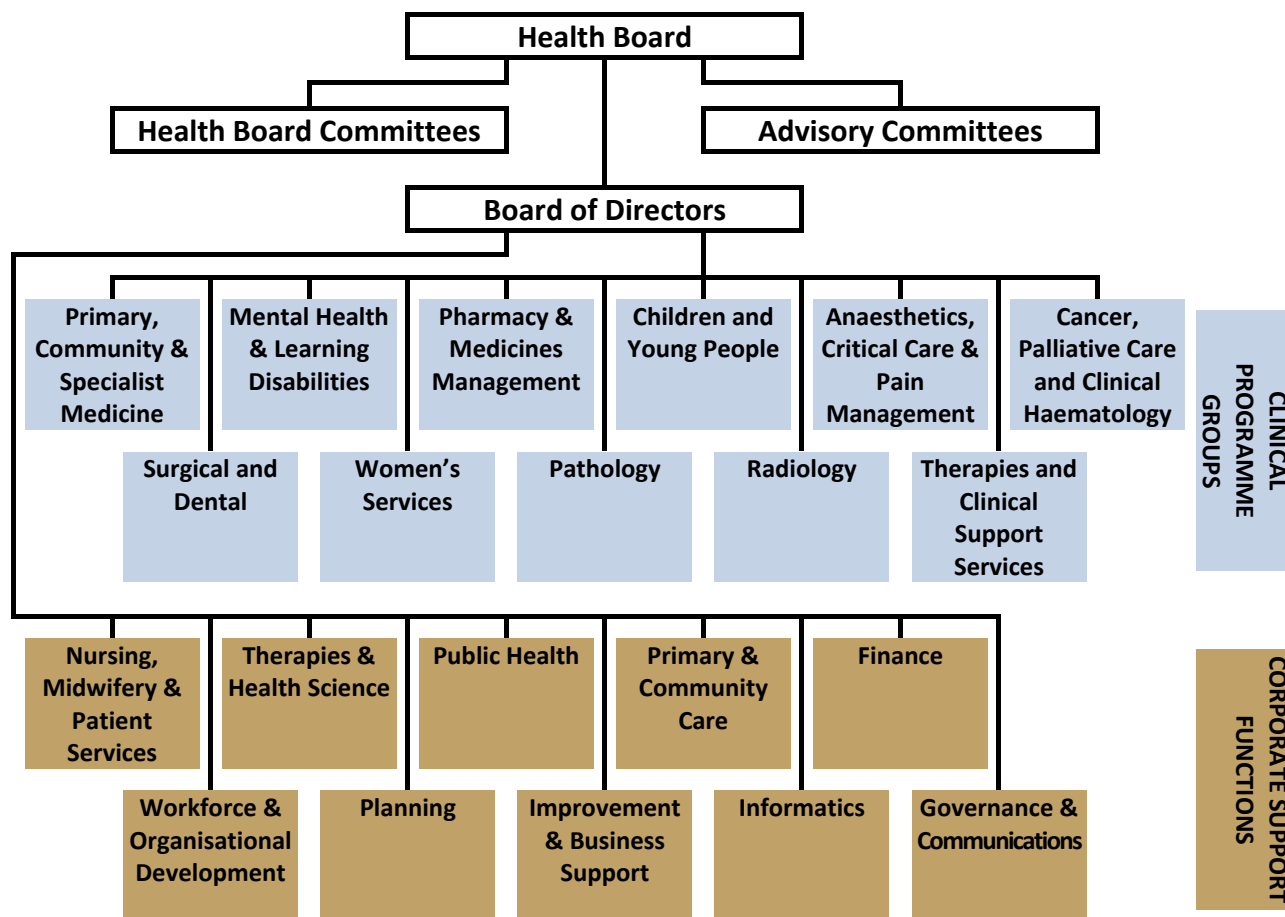
The Betsi Cadwaladr University Health Board was established on 1st October 2009 as a part of the Welsh Assembly Government One Wales reform programme for the NHS in Wales.

We are the largest health organisation in Wales, and are responsible for providing community, hospital and mental health services, and overseeing primary health care services, for a population of around 676,000 people in North Wales, and providing some services to residents of North Powys and parts of Cheshire and Shropshire.

Our services are provided from three acute hospitals (Ysbyty Gwynedd in Bangor, Glan Clwyd Hospital near Rhyl and Wrexham Maelor Hospital), along with a network of community hospitals, health centres, clinics, mental health units and community team bases.

We also coordinate the work of 191 GP practices, and the NHS services provided by dentists, opticians and pharmacists across the region.

We are a clinically-led organisation. Our services are managed through eleven Clinical Programme Groups (CPGs) that bring together related clinical disciplines. Each CPG is led by a Chief of Staff, who is either a Consultant or senior health professional. The CPGs are responsible for managing their own services and performance within a devolved management structure. They are assisted by the corporate support departments as shown in the diagram overleaf.



The Chiefs of Staff, together with the Executive Directors, form the Board of Directors which leads the operational management of the organisation. They are ultimately accountable to the Chief Executive of the Health Board. The Health Board itself comprises the Chairman, Independent Members and the Directors and sets the strategic direction for the organisation. Through its committee structures, the Board makes sure that we adhere to standards of good governance and achieve our performance targets.

Our overall strategic direction is expressed within five key, and interlinking, themes: Making it Safe, Making it Work, Making it Happen, Making it Better and Making it Sound.

Taken together, these themes make sure that safety is at the heart of all that we do, that we work as efficiently and effectively as possible, we stay focused on delivering the performance and standards demanded of us, we work with our partners to maximise what we deliver, that we strive to continually improve what we do and that we always work to high standards of integrity and professionalism.

# Achievements & Awards

During the year our staff and departments received national and international recognition for their innovation and the quality of their services.

The Memory Clinic Team (pictured below) from the Bryn Hesketh unit in Colwyn Bay received a Queen's Nursing Institute Award for their innovative project on "Supporting Relationships in Dementia", which helps couples cope when one of them has a new diagnosis of dementia.



Mr Philip Banfield, Consultant Obstetrician and Gynaecologist at Glan Clwyd Hospital (pictured below), was named as the BMA Cymru Wales/ BMJ Learning Group Clinical Teacher of the Year.



Specialist Podiatrist Annette Hibbert was runner up in the national Advancing Healthcare Awards for work to promote podiatry services within primary care.

The helpline services which we host and run (the all-Wales CALL Mental Health Helpline and DAN 24/7, the Welsh Drug and Alcohol Helpline) received the Helplines Association Quality Standard Award.

Health Visitor Ruth Thompson was named as the Community Practitioner of the Year by the Community Practitioner and Health Visitor Association (CPHVA) for her work on promoting breastfeeding.

Liana Shirly, Chief Clinical Physiologist with the Cardiology Investigations Department at Ysbyty Gwynedd, was awarded the University of Glamorgan 'Excellence in Learning, Teaching and Assessment' Award for Wales 2011.



**Liana Shirly with Clinical Physiology student Matthew Jones who nominated her for the award**

The Medicines Information Department in the Pharmacy at Ysbyty Gwynedd were winners at the 2011 Welsh Language in Healthcare Awards for their bilingual medicines helpline.

Angela Steen, Dermatology Clinical Nurse Specialist at Glan Clwyd Hospital, received the UK Dermatology Clinical Trials Network Nursing Prize for her research work.



Eilish Lund, the Health Board's Lymphoedema Clinical Nurse Manager, received the British Lymphology Society award for 'Life Time Achievement in Lymphoedema Management'.

Judith Roberts, Senior Healthy Schools Practitioner for Gwynedd was highly commended in the UK Brook Sexual Health Awards for developing bilingual interactive CDs that support sex and relationship education to primary and secondary schoolchildren.

Lindsey Roberts, a Macmillan Palliative Care Nurse Specialist based in Ysbyty Gwynedd, received a Lifetime Achievement Award in the Macmillan in Wales Centenary Awards for her work in developing the Macmillan hospital support services.



**The Macmillan Innovator Award went to Theresa Richards, Macmillan Palliative Care Nurse Specialist for her work to develop an End of Life Strategy improving the information and support given to patients and families**

## The Betsi Cadwaladr University Health Board Staff Achievement Awards



**The Most Outstanding Contribution to Improving the Life of Patients category was won by Carol Roberts, Team Leader, & the North East Wales Hospice at Home Team**



**Dr Mahdi Jibani, Consultant Nephrologist and winner of the Dr E C Benn Award for long-standing professional, clinical or academic achievement**

In November 2011 we held our second annual Achievement Awards ceremony. The Awards were set up to acknowledge and celebrate the work of staff and volunteers who have made an exceptional contribution to improving care for our patients and to the working life of staff.

The Awards are organised and administered by the Workforce and Organisational Development function and the 2011 Awards attracted over 200 entries, a large increase on the previous year. There was strong competition across each of the twelve award categories. Nominations came from across North Wales, from many different disciplines and professions, and highlighted the innovation, energy and commitment of our staff.

The shortlisted entries were of the highest quality and the eventual award winners each demonstrated that they had made a significant difference to our service users and their colleagues.

# Making it safe

Patient safety lies at the very heart of what we do. Although there will always be some risks associated with clinical intervention and running a service as complex as the NHS, we can limit these by taking the appropriate control measures. This need for safety extends to all areas of our work: the clinical safety of the care and treatment we provide, health and safety measures to protect patients and staff in our premises, keeping safe the information we hold about our patients so we can provide effective care and making sure we are ready to respond if we every face a major emergency.

## Quality and Safety

### 1000 Lives Plus campaign

Quality is about consistency – making sure that we do the right things, to the right standard, every time for each patient. This is one of the central themes of the national 1000 Lives Plus campaign that is running in Wales to reduce mortality and harm to patients.

We are an active member of the campaign, and are running over twenty improvement

collaboratives – projects that bring together a number of staff from different disciplines to work together on safety improvements for patients with specific conditions and for services including stroke, heart failure, maternity, fractured neck of femur, dementia, first onset psychosis, rapid response to acute illness and life support.



These groups use an evidence-based methodology to develop ‘care-bundles’ – a series of specific steps that should be carried out for every patient to make sure that each person is given consistent care that is in line with best practice.

By the end of the year we implemented the all Wales NHS Early Warning Score across the whole Health Board. This scoring

system helps with the early identification of patients whose condition is starting to deteriorate so that we can step in at an early stage, before their condition declines significantly.

This work is resulting in demonstrable improvements in outcomes such as reduced infection rates and a continual decline in our risk-adjusted mortality rates over the last three years.



## Infection control

We aim for “zero tolerance” of preventable healthcare associated infection and operate an infection prevention and control strategy that ensures we achieve all elements of the Annual Quality Framework (AQF) related to infection control.

These elements relate to *Clostridium difficile* (where we achieved a 31% reduction in the number of cases), orthopaedic and caesarean section surgical site infections, Ventilator Associated Pneumonias and Central Venous Catheter associated infection, all of which were achieved. We saw a slight increase in the number of resistant staph aureus bacteraemias (from 56 to 58 cases), but a reduction in the sensitive staph aureus cases.

We also have local targets for the cleanliness and condition of hospital buildings and equipment which are monitored each month. We were able to demonstrate 88% compliance with the standards; the main issues that require further attention relate to the condition of the fabric of the building and a need for additional storage space.

Hand hygiene standards are also good. However, there are significant challenges in educating a large and diverse workforce spread across a large area and we are looking at new ways to deliver infection control training and education.

The infection prevention and control team based in each main hospital supports the CPGs with implementing key strategies related to both infection control and decontamination, and provide expert advice and guidance when dealing with infectious outbreaks.



**Health Minister Lesley Griffiths received a lesson in correct hand hygiene techniques when she visited the Health Board to launch the Welsh Government's Healthcare Associated Infection (HCAI) Framework.**

The majority of outbreaks within the health board were related to viral gastroenteritis (norovirus) and during 2011/12 there was considerable improvement, with fewer cases and less service disruption than in previous years.

The overall success of our work to eliminate avoidable healthcare infections has been demonstrated by a recent European Point Prevalence Study into healthcare associated infections which showed our infection rate for 2011 was 4.6%, a reduction from 6.6% in the previous study carried out in 2006.

## Keeping people safe

We take our statutory responsibilities to protect the health, safety and wellbeing of patients, visitors and staff very seriously. As well as making sure we comply with relevant legislation, we carry out a programme of risk assessment and monitoring to identify opportunities for improvement. Key areas of work during 2011/12 were:

- developing a Corporate Health & Safety Planning Procedure;
- developing a suite of safety related guidance pages on our website for staff;
- continuing an ongoing programme of air monitoring for detecting asbestos throughout Glan Clwyd Hospital;
- regular safety walkabouts by members of the Hospital Management Teams to monitor safety compliance and look for unsafe conditions;
- appointing a Violence & Aggression Case Manager to support staff who are victims of violence or aggression in the workplace;
- taking part in the Welsh Government funded Scheme for Lone Worker Alert devices to protect our staff;
- developing the health and safety systems within Clinical Programme Groups & Corporate Functions.

## Keeping information safe

The Information Governance Committee provides assurance to the Board on the safe collection, storage and use of information by the Health Board. During the year the Committee approved policies and associated procedures for Records Management, Access to Information, IM&T Security, Data Protection and Confidentiality.

### Caldicott and Confidentiality

The Caldicott report along with the Data Protection Act 1998 set out key recommendations and principles to help make sure that “person identifiable information” (including that of patients, staff and service users) is adequately protected.

During the year we again completed the national online Caldicott self-assessment toolkit and used the results of this to develop an improvement plan.

### Information Sharing Protocols

All members of the Information Governance Team are now trained Facilitators to ensure that Information Sharing Protocols (ISPs), that govern how we share information with partner organisations, are developed using the new Wales Accord for Sharing Personal Information (WASPI) guidance and templates.

## Freedom of Information

The Freedom of Information Act is part of the Government's commitment to greater openness in the public sector. The underlying principle is that all non-personal information held by a public body should be easily available, unless there is a cost or an exemption applies.

We are committed to comply with this Act and endeavour to make information available to the public via our Publication Scheme:

<http://www.wales.nhs.uk/sitesplus/861/page/40808>.

We also receive requests for specific information from individuals and organisations. Between April 2011 and March 2012:

- 397 Freedom of Information and Environmental Regulation requests were received and all were acknowledged within 2 working days;
- 211 (53%) of requests received a full response within 20 working days, with more complex requests requiring further retrieval and collection of information;
- 3 complaints were received, requesting an Internal Review of our response;
- 1 Internal Review was referred to the Information Commissioners Office;
- 1 Information Commissioners Office Decision Notice, upholding the Health Board's decision to withhold the information, was received.

Full details of the requests can be obtained from the Disclosure Log on our website:

<http://www.wales.nhs.uk/sitesplus/861/page/41504>.

Work is continuing across the Health Board to ensure the compliance rates for responding within the twenty day target improves.

## Training

Across North Wales we delivered 19 formal and informal Information Governance training sessions to our staff.

## Serious Untoward Incidents

During the year we reported two serious incidents to the Information Commissioners Office. As we took immediate action, and as no sensitive personal information was lost or stolen, no further action was required.



## Ready for an Emergency

Emergency Preparedness is about ensuring that we are ready for any emergency or major incident that would put our services under increased pressure, resulting in them being unable to function as normal. We are a Category 1 Responder and therefore must comply with the duties set out in the Civic Contingencies Act 2004, as well as comply with guidance issued by the Welsh Government.

These duties include:

- sharing information with our partners in order to enhance civil protection;
- risk assessing our communities to develop proportionate arrangements;
- developing emergency plans that control and mitigate the Health Board response to an incident;
- co-operating with our partners to ensure a collective, co-ordinated response;
- developing business continuity management arrangements which mitigate disruption to core services;
- warning and informing the public.



**A casualty decontamination exercise at Glan Clwyd Hospital**

We have a Major Emergency Plan and site-specific plans for our three acute hospitals at Bangor, Bodelwyddan and Wrexham. These are integrated with our partners' plans, and describe the arrangements that would be put into place to ensure the effective management of a large scale, complex or evolving major incident. The plan sets out our strategic, tactical and operational responsibilities and the role we would take in the event of a large scale emergency / major incident.

# Making it work

To make everything work, we need to bring together the right skills and expertise of our staff around each patient or service user. We must make sure staff have the infrastructure and systems they need to do their jobs, and the right facilities and environment to deliver high quality care.

## Our Workforce

The Health Board is the largest employer in North Wales, employing nearly 1 in every 100 people of working age in Wales.

Over the past year our overall number of staff has remained broadly constant: a fall of 33.5 full time equivalent posts, which represents 0.24% of the overall workforce. However within this figure there has been an increase of 154.5 whole time equivalent staff in clinical posts (medical, nursing, midwifery, therapist, scientific and other health professionals) and a reduction of 186.1 posts in administrative, clerical, estate and ancillary positions.

We are moving towards consultant-delivered services in a number of specialities. This means we need to continue to attract high-calibre staff and we are introducing innovative approaches to help us do this, particularly in specialities where there can be difficulties in recruiting at a UK-wide level. In Emergency Medicine we have developed links with the Welsh Ambulance Service and the RAF Search and Rescue team at RAF Valley to give consultants opportunities to work with these teams. The Women's Services and Anaesthetic CPGs use clinical role play activities as part of their selection process, while service users play a part in staff recruitment by the Mental Health and Learning Disability CPG.

Staff in Post by Staff Group	31st March 2011		31st March 2012	
	FTE* (Contracted)	Assignment Count*	FTE* (Contracted)	Assignment Count*
Add Prof Scientific and Technical	578.12	705	641.58	752
Additional Clinical Services	2429.75	2949	2529.63	3055
Administrative and Clerical	2564.30	3083	2488.45	3009
Allied Health Professionals	844.03	1025	829.43	1013
Estates and Ancillary	1367.23	1763	1256.96	1622
Healthcare Scientists	278.05	305	259.78	285
Medical and Dental	1132.45	1250	1137.86	1253
Nursing and Midwifery Registered	4785.69	5678	4804.40	5685
Students	14.00	14	12.00	12
<b>Total</b>	<b>13993.63</b>	<b>16772</b>	<b>13960.08</b>	<b>16686</b>

\*FTE (Full Time Equivalent) counts the contracted hours equivalent to a full time employee; Assignment Count is the number of posts held by staff employed as some staff have more than one post with the Health Board.

## Caring for our staff

We work actively to promote the health and wellbeing of our staff. This isn't just about reducing sickness absence; we want to be a responsible employer that values our staff, we want to support colleagues with outside concerns that make it harder for them to provide a high standard of care, and as a healthcare organisation, we want to set a good example that others in our communities are encouraged to follow.



**Members of the health and wellbeing group receive the Corporate Health Standard Award from Health Minister Lesley Griffiths**

During the last year we have worked hard to demonstrate our commitment to staff welfare and wellbeing, which resulted in us achieving a strong Silver Award in the Welsh Government Corporate Health Standard. Over the next year we will continue working on this and aim to achieve the Gold standard.

In the run-up to winter we carried out a very effective programme to promote our 'flu vaccination programme for staff. 37.9% of staff with direct clinical contact with patients and 36.9% of operational staff received the vaccination. The uptake of vaccination within the Health Board was 6.7% higher than the all-Wales average, helping to reduce the incidence of 'flu within the community and protecting our ability to maintain services over the winter.

Giving up smoking is the single most important step that anyone can take to improve their health. We have agreed that colleagues who want to make a determined effort to give up smoking can now take up to 6 hours paid time off (pro rata for those working part-time) to attend smoking cessation sessions.

We have continued to provide training for managers in stress management and absence management and have implemented the All Wales Sickness Absence Policy. We provide monthly absence statistics, which provides data to assist managers and highlights the time lost and cost of sickness absence to the organisation.

In October we launched the CARE (Confidential Advice Relating to Employees) Scheme. This scheme was developed by the Occupational Health and Wellbeing Service to provide support and advice to staff from day one of a sickness absence period. This is helping them to recover more quickly or adapt to their personal or work situation, thus reducing absence levels, and has been well-received by those who have used the service.



**The CARE staff support team**



Despite such measures to support staff in work and improve attendance, unfortunately, the sickness absence rate slightly increased during the year. The sickness absence target set by the

Welsh Government for the Health Board was 4.55% and the overall absence rate achieved was 4.75%. A summary of the sickness absence for 2011/12 is shown below.

Average number of staff employed 1st April 2011 – 31st March 2012 (headcount)(*1)	16,157
Average Full Time Equivalent employed 1st April 2011 – 31st March 2012 (full time equivalent)(*2)	13,961.62
Total Days Lost	239,128.86
Average Days Lost (FTE)	17.1
Total staff employed in period with no absence (headcount)	6,664
Percentage of staff with no sick leave	41.25%

(\*1) Headcount is the number of staff employed and does not double count staff who have more than one post

(\*2) The Headcount and FTE in the table above are an average over a 12 month period and therefore cannot be compared to other staffing data contained within this report.

## Engaging and communicating with staff

We have close engagement with staff and strong partnership arrangements with our Trade Unions to help us to plan and deliver services effectively. Our Local Partnership Forum (LPF) brings Health Board senior management and Trade Union partner representatives together at bi-monthly meetings. Here they work in partnership to discuss and resolve issues involving staff, their wellbeing and working conditions, and receive updates in respect of finance, performance, planning and workforce & organisational development matters.

Engagement with medical staff is supported by partnership working through the Local Negotiating Committee. Trade Union partners are members of Clinical Programme Group Boards and attend a number of Board Committees.

We also provide a range of ways to communicate with, and receive feedback from, our staff. The internal intranet website contains a noticeboard of regularly updated news and operational information, and a bulletin board where staff members can post information that colleagues may need to know. Items from these two sources form the basis for a weekly bulletin that is circulated to all staff.

The on-line 'Mail to Mary' forum provides a venue for open debate and discussion with colleagues across the whole of North Wales, with the Chief Executive, Board members and other senior colleagues joining in the discussions and responding to queries that are raised. A rumour hotline also gives colleagues a chance to raise issues of concern and to get a definitive response to any questions that members of staff may have.

## Investing for the future

We deliver our services from a network of clinics, team bases, community hospitals, major acute hospitals, and offices across North Wales. There was significant investment in our estate during 2011/12, as well as planning on more development and improvement schemes that will move to the construction phase over the coming year.

### Primary Care

A number of Primary Care schemes have been completed, with new developments opening in Ruabon, Amlwch and Mold. The development in Llanrwst continues to progress and works are scheduled to complete in July 2012.

Further schemes which have been approved include developments that will take place in Felinheli, Harlech, Caia Park (Wrexham), Benllech and Buckley.

We continue to work in partnership with GP practices and local community services, and there are a further three business cases being developed for facilities in Hope, Borrass (Wrexham) and Chirk.

Improvement Grant Schemes for 2011/12 include Ffynngroyw (near Prestatyn) with a completion date scheduled for July 2012. Llay Health Centre was completed in March 2012.

### Glan Clwyd Hospital Redevelopment Project

In February 2012 we received Full Business Case approval for funding of £89.5million to redevelop Glan Clwyd Hospital. Work has continued to remove asbestos from the original Glan Clwyd Hospital building, in line with the programme agreed with the Health & Safety Executive.

The project provides a unique opportunity to improve patient care and achieve greater efficiency by reconfiguring wards and departments, in line with our Five Year Strategy. The programme of works will be completed in 2018, with all asbestos removed by the end of 2017.

The new operating theatres will be the first part of the redevelopment project to be completed. The original six theatres were closed in March 2011 for the removal of asbestos and are being replaced by five larger theatres which will open in May 2012.

### H M Stanley & Abergele Hospitals

During the year work took place at Abergele Hospital to create two theatres and recovery area, outpatients, day case, and specialist treatment accommodation for Ophthalmology. This enabled the transfer of the eye service from H M Stanley Hospital in April 2012.



**One of the new operating theatres at Abergele Hospital**

Corporate staff previously located at H M Stanley, including Finance, Estates & Planning, IM&T and Workforce and Organisation Development, have also all successfully relocated to the Abergele Hospital site.

## **Bryn Y Neuadd**

During the year we completed major works to upgrade and renew ageing infrastructure services, after which the water tower and central boiler flue were demolished.

In June we commissioned the Tan y Coed development on the Hospital site. This comprises three separate units with eight beds. It is designed for individuals with continuing health needs who need a homely environment to prepare them for community placements. It also provides beds for individuals requiring a repatriation package of care, before being discharged to the community.

### **Catheter Laboratory**

We submitted a case to create a second Catheter Laboratory at Glan Clwyd Hospital to the Welsh Government in April 2012, seeking capital investment of £2.9 million. If the scheme is approved it will mean we can offer comprehensive local cardiac services to the population of North Wales, ending the need for many patients to be treated in England. It will also open up the opportunity for us to develop Primary Percutaneous Coronary Intervention services in the future.

### **Ysbyty Gwynedd Emergency Department**

At the end of the year we submitted an Outline Business Case to the Welsh Government for capital investment of £8.4 million in the Emergency Department at Ysbyty Gwynedd. The project will enable us to:

- modernise and reconfigure emergency care services;
- make sure we have the capacity we need to meet national performance targets;
- achieve the key service principles and recommendations of the North Wales Clinical Service Strategy.

## **Llandudno Hospital Project**

A Services and Estate Strategy for developing Llandudno Hospital was submitted to the Welsh Government in December 2010. Planning for this has continued, and a case for capital investment of £2 million to develop a new Minor Injuries Unit is to be submitted to the Welsh Government in August 2012.

### **IT Developments**

We have implemented the first phase of the Welsh Clinical Portal in our western areas, making pathology test results more widely available. This development will eventually link the various systems in use in different departments, giving doctors and other staff direct information to key clinical information from a single location, close to the patient.

The Welsh Clinical Communications Gateway has been extended further in North Wales, giving more GPs the ability to send referrals for Consultant outpatient appointments directly to our Patient Appointment Booking Centres. Once all GP practices have been linked to this we will extend the system to cover referrals to other services.

We have also been working on our individual patient record systems, bringing together any multiple records that have been created for patients who have been cared for by separate services, and developing the Individual Health Record that will give the out of hours GP service access to patient records held on GP practice systems.



# Making it happen

**Making it happen is all about outcomes: our performance and what we actually achieve. This is measured across a number of areas, including the numbers of patients we treat, waiting times, financial targets and our environmental performance. But it's not just about looking back at what we have done; it's also looking forward at how we can deliver more in the future, by developing and adapting our services and by working more closely with our partners.**

## Operating & Financial Review

### Activity and waiting times

We understand that minimising waiting times is important for patients, both in terms of their physical health and their experience of the quality of our services.

We have reduced waiting times for patients in North Wales during this year. We have worked with patients, doctors, nurses, and other healthcare workers to re-design patients' journeys, from when they first see their GP to when their treatment starts either in hospital or with our community services. This has streamlined the referral process, making sure that the right course of treatment is agreed and patients are directed to the most appropriate service or specialist more quickly.

This process has been supported with additional investment in key areas to help us bring down waiting times more quickly, including new orthopaedic operating theatres at Ysbyty Gwynedd and Wrexham Maelor Hospital. These have been designed to run as efficiently as possible, minimising the time taken in between operations while one patient moves out of the theatre and the next person is prepared for surgery.

Clinical developments also mean we have been able to increase the number of patients who we can safely treat as day cases, with patients being admitted, having their treatment and returning home on the same day.

The British Association of Day Surgery identifies fifty key procedures that should usually be carried out as a daycase, and during 2011/12 we did this for 84.5% of these operations. With patients in hospital for a shorter time we can increase the number of people we treat, increasing our efficiency.

Similarly, our in-patients are experiencing shorter hospital stays, with the majority now being able to be admitted on the day of their procedure, and better after care and new medication meaning people can often return home sooner.

As a result of these developments we achieved all of our waiting time targets for 2011/12.

By the end of March 2012 no patient waited more than 36 weeks from when they were referred by their GP to when they started treatment; 95.58% of patients waited less than 26 weeks.

We also achieved our key targets for patients with cancer. 96.1% of patients who were referred with suspected cancer were treated within 62 days of their referral. Of the patients who were not at first suspected of having cancer, but were later diagnosed with the disease, 99.5% were treated within 31 days of their diagnosis.

In our therapy services we maintained a maximum waiting time of 14 weeks for all services.

Waiting times in our Emergency Departments were more challenging and will continue to be an area for improvement in 2012/13. 84.47% of patients were assessed, treated and then discharged, transferred or admitted to hospital

within four hours of arriving (compared to a target figure of 95%). 97.56% of patients had their care in the Emergency Departments completed within eight hours. We will be investing in more consultant shifts and more emergency nurse practitioners to increase senior level clinical support in these departments.

The numbers of patients seen in hospitals across North Wales continued to increase, with 1.2 million patient visits in total. These are shown in more detail in the table below. These figures do not include patient contacts in primary care (GP practices, community pharmacies, local dental practices and opticians) which account for over 90% of NHS activity.

	2010/11	2011/12
Elective admissions: in-patients and day cases	47,099	49,597
Emergency admissions: in-patients	83,982	83,257
New Outpatients (including Emergency department and Minor Injuries)	406,225	411,846
Emergency department: new attendances	213,051	217,421
Follow Up Outpatients (including Emergency department and Minor Injuries)	420,585	443,750
Regular day attenders	38,964	40,837
Minor Outpatient Procedures		2,221
Endoscopy		16,957

## Financial review

We are directly funded by the Welsh Government and receive annual allocations for both revenue expenditure (our running costs) and capital (investment in buildings, facilities and equipment). The revenue allocation for 2011/12 was £1.20 billion and the capital allocation was £30.2 million.

We are required to operate within these allocations and to achieve financial balance each financial year. We also receive some operating income in respect of additional services, including the provision of services to other NHS bodies, local authorities and education and research.

2011/12 was an extremely challenging year because of the wider pressures of the economy and public finances in general. Along with the rest of the NHS, we face an immensely difficult future as the demands on our services continue to grow but there will be no real terms funding growth for the foreseeable future.

To achieve a balanced financial position for 2011/12 we had to set a cash-releasing efficiency target of £71 million. We identified potential cash releasing savings, supported by detailed plans, of £49 million, and achieved £45 million of these within the year. Additional Welsh Government funding of £17 million was received in October 2011 and, together with a technical accounting adjustments associated with capital charges and other non-recurring benefits following a review of assets and liabilities, we were able to achieve financial balance.

For 2012/13, the funding allocations will remain broadly static compared with 2011/12. However expenditure is expected to be higher due to a number of pressures including pay

awards where they are applicable, the implications of National Institute of Clinical Excellence (NICE) guidance and the impact of rising demand on our services. We have therefore had to set a savings target of £64.6 million, which includes new inflationary and service pressures of £40.3 million.

We are making continual efforts to bridge this savings gap, without compromising the quality and safety of our services. All proposed savings schemes are scrutinised to assess any clinical or financial risks so that we can ensure that safety and quality of service are maintained. Key areas that we are looking at relate to workforce redesign as we develop and modernise services and the repatriation of work back into North Wales that we are currently paying for from external providers. We are also focusing on productivity and efficiency, setting and pursuing targets including length of stay in hospital, bed occupancy rates, making maximum use of operating theatre time and increasing the proportion of patients we can treat as day cases.

## **Financial Performance Targets**

We achieved all of the financial performance targets set by the Welsh Government. Our actual performance is summarised below:

### **Achieve operational financial balance against Revenue Resource Limit**

Target: do not exceed the revenue resource limit of £1.2 billion set by the Welsh Government. We achieved this, with a small underspend of £75,000.

### **Achieve operational financial balance against Capital Resource Limit**

Target: ensure that the capital programme does not exceed the capital resource limit of £30 million. We achieved this, with a small underspend of £17,000.

### **Public Sector Payment Policy**

Target: Pay 95% of non-NHS invoices (by number) within 30 days. We achieved this, paying 96.6% of invoices within 30 days.

### **Cash Management**

Target - Hold an end-of-year cash balance between zero and £4million. We achieved this, with an end-of-year cash balance of £735,000.

## Our environmental and social commitments

Our performance in 2011/12, measured by a set of key indicators, is summarised in the following table:

	2010/11 Performance	2011/12 Performance	Annual Comparison	Performance Target
Greenhouse Gas Emissions (Energy)	49,035 tonnes CO <sub>2</sub>	<b>46,235 Tonnes CO<sub>2</sub></b>	<b>-5.7%</b>	3% year on year reduction
Estate Energy Consumption	173,972,931 kwh	<b>164,111,341 kwh</b>	<b>-5.7%</b>	3% year on year reduction
Estate Waste	4,489 tonnes	<b>4,161 tonnes</b>	<b>-7.3%</b>	3% year on year reduction
Estate Water Consumption	556,541 m <sup>3</sup>	<b>530,375 m<sup>3</sup></b>	<b>-4.7%</b>	3% year on year reduction

As part of our corporate commitment towards the environment we are implementing a formal Environmental Management System (EMS), designed to achieve the following key principles:

- sustainable development;
- compliance with relevant legal and government requirements;
- prevention of pollution;
- mitigation against the impact of climate change;
- a culture of continuous improvement.

To make sure we have effective environmental management we:

- have an Environmental Steering Group that undertakes regular reviews of the effectiveness of the EMS;
- promote our environmental policy to all relevant stakeholders;
- identify all significant environmental aspects and associated legal requirements that arise from service developments, new legislation and other changes;
- establish and monitor objectives and targets aimed at reducing environmental and financial impacts, in line with those issued by the Welsh Government;
- provide appropriate training to all relevant personnel;
- carry out regular internal and external audits;
- work with local, regional and national partners to achieve a consistent public sector approach to environmental management and to make sure best practice procedures are identified and implemented.



## Wales for Africa

We are an enthusiastic contributor to the Wales for Africa programme, building on links originally set up between Glan Clwyd Hospital and Hossana Hospital in Ethiopia.



**Glan Clwyd Hospital staff training Ethiopian colleagues during a visit to Hossana Hospital**

The Wales for Africa programme is part of the Welsh Government's commitment to support the Millennium Development Goals, giving NHS staff the opportunity to share their expertise and time to help improve health in Africa. Our links have now been extended to include the Yirga Alem Hospital, also in Ethiopia and the Quthing Health District in Lesotho.

Our Director of Workforce and Organisational Development is the Executive lead for this programme which is recognised as an example of best practice. It enables our staff to visit Africa to help with training and education, equipment repairs and infrastructure projects. At the same we learn from the ingenuity and approach of our African counterparts, providing healthcare without the benefit of all the facilities that we take for granted in the UK.

## Primary Care

Although some patients do access health services through Emergency Departments (A&E) or Minor Injuries Units in hospitals, over 90% of patient's contacts with the health service take place in primary care: in GP practices, community pharmacies, local dental practices and opticians.

In North Wales we have just over 400 GPs, working from 119 practices and 52 branch surgeries as well as 153 pharmacies, 90 optometry outlets with 204 opticians and 243 dentists providing NHS services in 101 dental surgeries. Most of these are independent contractors or businesses that have contracts with the Health Board to provide services to NHS patients.

Although we do not directly employ the majority of primary care providers, as a Health Board we are responsible for making sure their services are available for patients and meet quality and safety standards and for coordinating their work with other parts of our community and hospital services.

This coordination is crucial if we are to achieve our aim of providing a greater range of safe, high quality services as locally as possible to where patients live, especially for patients living with long-term health conditions. As well as being more convenient for patients, this will help to relieve the growing demand on our acute hospitals. Therefore, during the year, we have focused on improving the communication and integration between services by developing our locality structure.

We have set up fourteen localities across North Wales. These now form the basis for planning and organising our local community health services and working with our social care and voluntary sector partners. Each locality has a GP Lead, Locality Matron, Pharmacist, Therapist, Social Worker and Voluntary Sector representative who meet to review and plan services within their local communities.

The localities are based around local authority boundaries, with some of these divided into two or three areas so that each locality is of comparable size, serving a population of between 30,000 and 50,000 people. These locality areas have been agreed with the North Wales local authorities.

Developments that have been introduced during the year include:

- extending the Enhanced Care at Home service;
- piloting Advance Care Planning for people who are in the last eighteen months of life so we can care for more people in their own homes, or other places of residence, towards the end of their lives;
- bringing health and social service team bases together in a number of localities, improving inter-agency communication and joint working;
- a telemedicine service for dermatology patients in central and south Denbighshire, with plans to roll this out to other parts of North Wales;
- obtaining funding of £8.9m from the Welsh Government for Continuing Health Care Strategic Schemes; working with our partners, these help us to support people within their own communities and help them to learn or recover the skills needed for daily living;
- continued development of intravenous antibiotic services and blood transfusions in the community.

A key part of the work in primary care is preventing illness and promoting good health. During the year we have had significant success with our childhood immunisation programmes and the winter influenza vaccination campaign, putting measures in place to support early identification and effective management of hypertension (which plays a key role in preventing cardiovascular disease) and initiatives to support patients who wish to stop smoking.

We are also working to give people easier access to GP and dental services and plans have been put in place that will increase the provision of NHS dentistry in areas of need in North Wales in the coming year.

We are required, by the Welsh Government, to produce a detailed report on primary care services; this is available to view on our website at: <http://www.wales.nhs.uk/sitesplus/861/opendoc/188339>

## Service reviews and public engagement

During 2011/12, the Health Board has been engaging with staff, our partners and communities to consider the future model for health services in North Wales. "Healthcare in North Wales is changing" is a comprehensive review of our services to make sure they meet national quality standards and are safe and sustainable into the future.

In November 2011 the Board considered a series of initial reports on service improvement and accepted the need for change. The reports focused upon the key areas of challenge, these were:

- Localities and Community Services;
- Paediatric services;
- Maternity, Gynaecology and Neonatal services;
- Non-elective General Surgery;
- Trauma and Orthopaedics.

A further report was considered on Older People's Mental Health in February 2012.

Since that time, the Board has been discussing future service models with patients, carers, staff, local authorities and the voluntary sector. This work is expected to conclude by July 2012 and, if the proposed new service models would mean substantial change, the Board will carry out formal public consultation during the summer and autumn of 2012.

## Working with our partners

To provide effective and good value services, we work in partnership with many statutory and voluntary organisations across North Wales. This enables us to make better use of our resources and add value to the services we provide by recognising interdependence, sharing expertise, risks and benefits and designing services around the needs of patients and citizens.

Our key partners are the Welsh Ambulance Service, North Wales Police, North Wales Fire & Rescue Service and the six local authorities of Anglesey, Gwynedd, Conwy County Borough, Denbighshire, Flintshire and Wrexham County Borough.

We sit as members of four statutory partnerships:

- Local Service Boards;
- Health, Social Care and Well Being Strategic partnerships;
- Children and Young People's Partnerships;
- Community Safety Partnership (including Substance Misuse).

In addition we work closely with many voluntary organisations who work in the field of health care and support. In 2011/12 we invested over £6 million commissioning 115 services from voluntary sector organisations.

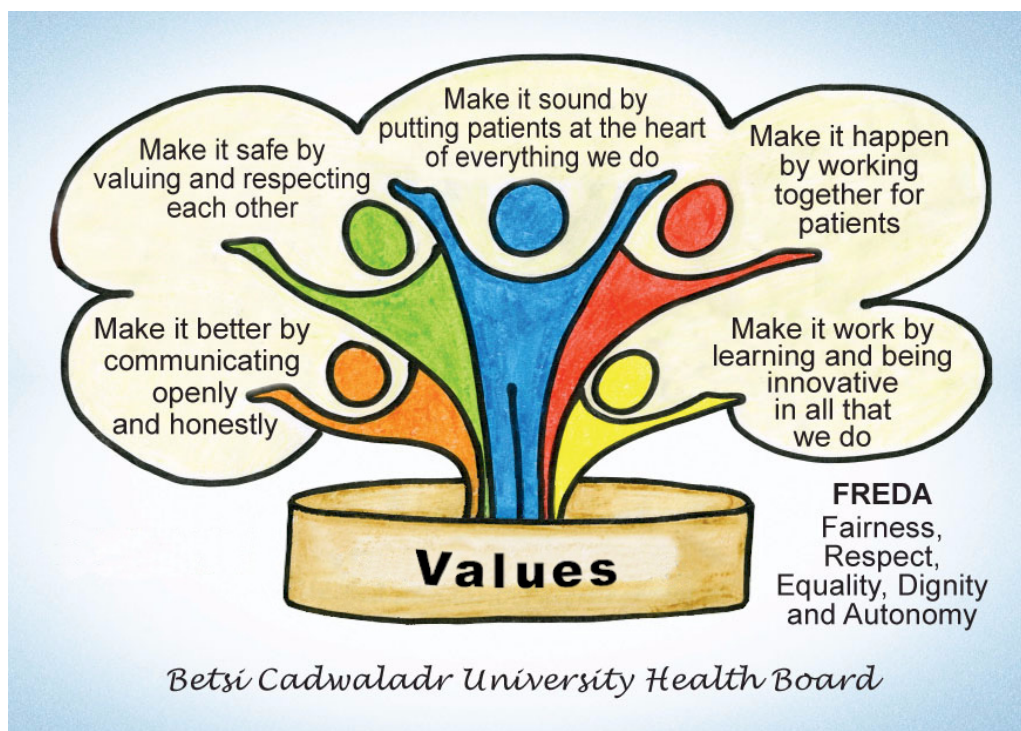
## Organisational Development

Organisational Development interventions play a vital part in ensuring that the Health Board develops as a high performing organisation. In particular, we are investing in leadership development to equip our medical and clinical staff with the skills and knowledge they need to lead our services.

We provide leadership development programmes for all levels of staff, from Chiefs of Staff and their Associate Chiefs of Staff through to more junior supervisory positions. During the year we launched the 'Supporting You' suite of management training programmes, designed to help managers deliver their roles fairly and effectively.

Another key area of work this year has been in relation to employee engagement. We have adopted an Employee Engagement Strategy to make sure that we value and use the commitment, enthusiasm and knowledge of our staff when we are planning and implementing developments and service improvements.

We also adopted an agreed set of values and behaviours which are expected of everyone who works for the Health Board. These values have been drawn up by members of our staff, through a series of engagement events called the 'Big Conversation' that took place across the Health Board area. Service users also took part in these discussions and helped to shape these values. Even though the vast majority of our staff already reflected these values in their attitudes and actions, evidence shows that a strong and clearly-defined value base helps to deliver a safer and higher quality service.





# Making it better

**We are always striving to improve the experience of each person who uses our services. As well as making sure we continue to improve our clinical care and practice, we must make sure we treat each person with respect, dignity and compassion, and support the health and wellbeing of individuals across North Wales.**

## Improving the service-user experience

We have continued to try and improve the experience of people who use our services.

We have extended the Robins ward volunteer scheme, increasing the number of acute and community hospital wards and departments where these volunteers provide much appreciated befriending and 'meet and greet' services.

We launched our Dignity Pledge, setting out the standards that our service users can expect to receive. This has been based on national research and feedback from local service users on what dignity means to them. We have revised our customer care training to reflect the Dignity Pledge and our work on compassion in care, which is being led by a psychiatrist.

To make sure that service users with sensory loss have equal access to services, we have developed a sensory loss action plan. This includes setting out standards for accessible information standards, introducing a dedicated e-mail to our appointment booking centre, and working to establish a Health Board-wide interpreting and translation service from 2012/13.

During the year spiritual care leaders and community members came together at a North Wales workshop that we held to give all stakeholders and faith groups a chance to influence and shape our new Spiritual Care Strategy. In order to provide a holistic and comprehensive spiritual care service we have appointed four additional chaplains.

We are also keen to make sure that we find out what patients and others think of our services, as a way of helping to direct future developments. During the year we launched a new comment card scheme to encourage people to give us informal feedback on their experiences in writing or by e-mail.

We also work with the 1000 Lives Plus campaign to gather individual patient's stories that can be used to provide user feedback and lessons that can help improve services. And we have commissioned The Picker Institute Europe to carry out a survey of Outpatient Services, following similar work they have already done on our inpatient services.

## Modernisation & Service Improvement

Our service improvement and modernisation team continue to help clinical services look at the way they work and introduce new ways of working.

We have been working with world class health providers to share learning and speed up the process of continuous improvement. Locally we are helping our staff to develop the skills they need to critically review their services, identify areas for improvement and come up with innovative solutions that improve care.

During the year we staged our first Improvement Conference, giving colleagues from across North Wales the chance to come together, hear about developments that are taking place across the Health Board, share ideas and discuss how services can be developed further.

We have improved the day-to-day care for people with diseases such as stroke, and worked with them so they can do more to manage their own conditions. We have introduced the National Early Warning Scoring system to spot the early signs when their condition starts to deteriorate so they get the treatment they need at an early stage. This means people become less ill, and is intended to reduce the number of people who need to be admitted to our critical care units.

Re-designing the way we provide our services also means more care can be delivered close to, or in, patients' own homes. As a result the admission rate for patients with long-term conditions like respiratory and cardiac problems has been reduced.

Another example of this is the Crisis Home Resolution Service for people living in Gwynedd and Anglesey. This service brings mental health care to the homes of people suffering an acute mental health episode, giving them the support they need without the added disruption of being admitted into hospital.

Our acute medical team, working with the University of Bangor, received a Health Foundation Shine Award, which has funded research on new methods of assessing frail elderly patients admitted to acute medical units to make sure they are placed quickly onto the right care pathway. This is the second year running that the Health Board has received a Shine Award, with the previous award enabling improvements to cardiology services and communication between GPs and hospitals over the management of patients with cardiac problems.

Another new development has introduced an extended community dental service, meaning patients can have some dental procedures, which used to need a hospital visit, in a community location. Other re-design schemes are making sure we deliver a consistent standard of service across North Wales, and include work on hearing loss, fractured neck of femur, stroke care and musculo-skeletal community services.

Our work on enhanced recovery after orthopaedic surgery has led to us being appointed as a European reference centre, providing advice and hosting visits from other health care providers who want to learn from our success.

The enhanced recovery programme puts the patient at the centre of their care and makes sure they are well educated about their treatment before surgery so they know what to expect and can make informed decisions about their care. They follow a care pathway which speeds up recovery so they can leave hospital after a shorter stay and rehabilitate much quicker than with traditional approaches to care. Patient satisfaction with this service is excellent and reported outcomes demonstrate significant improvement, making them comparable to the best in the UK.

## Responding to concerns

We receive comments, complaints, concerns and compliments from patients, their friends and relatives and from representatives including Members of Parliament, Assembly Members, Community Health Councils and advocates. The information we get from concerns and investigations is used to help us to improve our services and to better meet our patients' expectations.

From 1st April 2011, the way in which NHS organisations in Wales have dealt with complaints, claims and incidents (collectively known as concerns) has changed. The new arrangements are called Putting Things Right and have required us to change our approach to dealing with concerns. The focus of the new arrangements is to 'investigate once, investigate well' so that concerns are dealt with in the right way, the first time round.

Our staff have been provided with training on the new approach, and are encouraged and supported to try to sort out any problems when they arise and to be open if something has gone wrong.

Where investigations identify that there are lessons to be learnt, plans are put in place to respond to these and are regularly monitored until evidence is available to demonstrate that all actions have been completed.

During 2011/12:

- 11,116 compliments were received;
- 747 informal concerns were dealt with on the spot;
- 1,372 formal concerns were received; 91% of these were acknowledged within 2 working days;
- 447 (33%) of formal concerns received a full response within 30 working days; 754 (55%) of formal concerns involving more complex cases that took longer to investigate received a full response after more than 30 working days;
- 26 requests were received for an Independent Review;
- 76 concerns were referred to the Public Services Ombudsman for Wales to investigate;
- 12,651 patient safety incidents were reported by staff, of which 9,501 (80%) were categorised as causing no or minor harm; those incidents categorised as being possible, likely or very likely to cause harm are investigated to the appropriate level and lessons learnt where necessary;
- 221 new formal legal claims were received; 147 were clinical negligence claims and 54 were personal injury claims;
- 62 claims were concluded within the year with the total costs of claims settled being £13,640,033.

## Welsh Language

We are continuing to make significant progress on delivering services in both Welsh and English.

We have appointed a Welsh Language Champion in each Clinical Programme Group and they now meet together as a Champions' Working Group to share information and good practice.



**The Medicines Information Department in the Ysbyty Gwynedd Pharmacy received special recognition at the Welsh Language in Healthcare Awards for their bilingual Medicines Helpline.**

Our Welsh Language Officers attend GP practice manager meetings and are developing partnerships with a number of GP surgeries across North Wales.

We secured a 'Bilingual Workplaces Scheme' grant from the Welsh Language Board and have used the funding to improve the Welsh language skills of fifty members of staff.

We have set up a Welsh Language area on the Health Board's intranet site, giving staff easy access to information about the Welsh Language Scheme, the translation service and language resources and templates. A basic Welsh language course and audio tracks are also available online for colleagues who wish to develop their Welsh language skills.

In the summer we worked with our partners in the Welsh Ambulance Service, Public Health Wales and the Wales Medical Association on a health services stand at the National Eisteddfod in Wrexham. The stand was busy throughout the week and gave us the chance to promote a number of services and health promotion messages to the public.



**The Community Dental Services were on the Eisteddfod stand, showing parents and children the proper way to clean their teeth and giving out oral health packs**



## Equality, Diversity & Human Rights

This year we developed our first Strategic Equality Plan, as required by the Equality Act 2010. The Act simplifies and strengthens anti-discrimination law and removes inconsistencies, making it easier for organisations to understand and comply with.

The Plan builds upon the progress of the Single Equality Scheme we published in 2009. It will ensure that the equality values of fairness, respect, dignity and autonomy and human rights principles are properly considered within the organisation and influence decision-making at all levels. It will also promote knowledge and understanding of the general and specific equality duties amongst our employees and help shape the culture of our organisation. We work with our public sector partners on equality issues and to tackle issues on inequality, including collaborative work with Public Health Wales on matters relating to socio-economic deprivation and the inequalities in health that these can cause.

We have developed and published a set of equality objectives for the Health Board. We consulted with a range of stakeholders and took account of existing national and local reports (including the Equality and Human Rights Commission's key report 'How Fair Is Wales?')

along with other evidence, to make sure that these objectives are appropriate and meaningful. These objectives now form part of our planning guidance.

We have developed a strategy to make sure that we assess the impact of any planned service changes against the specific equality duties and this is now embedded in our service review and policy development processes.

Our equalities staff have worked with service users to develop a new e-learning package for Health Board staff on Equality and Human Rights. 'Fairness, Rights and Responsibilities' is now mandatory training for all staff and helps staff to recognise that the poverty, disadvantage and social exclusion that are experienced by many disabled people are not the inevitable result of their impairments or medical conditions, but can result from the attitudes of others and environmental barriers.

We have continued to monitor our own workforce and to meet the reporting requirements in respect of the protected characteristics within Equalities legislation.

## Research and learning

### Research and Development (R&D)

Research and Development provides an opportunity to explore innovative ways of delivering safer, more effective and more efficient healthcare. At any time we have around four hundred 'live' research projects taking place across the Health Board. These provide opportunities to recruit patients into clinical trials and for staff to develop new skills

by working in partnership with colleagues in academic institutions and industry. The NHS in North Wales has a long history of partnership working with the Universities in Bangor and Wrexham and as a University Health Board we are expanding our academic and research activities.

The National Institute for Social Care and Health Research (NISCHR) provides strategic direction for health service research and development in Wales. In 2011/12, we secured NISCHR grants to:

- increase the research infrastructure in imaging and pharmacy;
- purchase equipment in pathology, radiology, pharmacy, academic unit and the R&D offices which will support clinical trial activity;
- support the development of innovative technology in medical physics.

In January 2012 we were subjected to a MHRA Good Clinical Practice Inspection by the Medicines and Healthcare products Regulatory Agency, which focussed on clinical trials being sponsored by the Health Board. The inspectors spent four days speaking with clinical and management staff and visiting departments. They issued a positive report on our work, encouraging us to continue supporting clinical trial activity and to continue developing local quality management systems. This is now underway, working in conjunction with colleagues from Bangor and Glyndwr Universities.

At the end of the year our Independent Members and Executive Directors assessed our research and development work against the national NHS Wales Standards for Health Services (Standard 21). This demonstrated that the service has successfully embedded systems and structures into normal practice.

## **Clinical Audit**

Clinical Audit is the process of scrutinising our local practice against accepted standards to make sure that patients are receiving care that is in line with best practice. Our Clinical Audit Group includes a lay member who takes an active part in discussions and development of clinical audit processes. This helps to make sure that the patient's perspective is considered at all times.

Over the last year Clinical Programme Groups have reviewed their annual clinical audit plans and priorities to ensure resources are used appropriately. They have taken part in a number of national audit programmes and national confidential enquiries and 491 local clinical audit projects were registered across the Health Board.

The Clinical Audit department provide training in clinical audit procedures to staff members and clinical teams across the Health Board, and in November 2011 they hosted a Clinical Effectiveness Day which provided an opportunity for staff to showcase and share their work with colleagues from across North Wales.

Audit work has identified opportunities to improve staff awareness and education - for example to ensure appropriate shielding for patients undergoing pelvic x-rays and improving urological investigation and follow-up by junior doctors.

Audits have also demonstrated the benefits of changes to anaesthesia services, with better information to patients and the introduction of consultant-led acute pain service with daily ward rounds, changes to tonsillectomy assessment practices and increased compliance with guidance in relation to the use of sedation of patients over the age of 70 who are undergoing colonoscopy.

## Monitoring & Healthcare Standards

As a statutory public body, we are subject to a robust programme of assessment, inspection and review. This is to make sure that we meet our statutory and legislative duties, identify areas for improvement and ensure our internal systems and procedures are fit for purpose.

Some assessments are part of annual work plans by internal and external auditors, some are initiated by the Welsh Government and some are requested from within the Health Board.

Healthcare Standards are at the centre of continuous improvements in quality and experiences of services and care that the population of North Wales have a right to expect. As required by the Welsh Government, a Governance and Accountability Self-Assessment was completed.

This process has been subject to independent internal assurance by the Head of Internal Audit who has confirmed that the Health Board has demonstrated that we should be assessed as *“developing plans and processes and can demonstrate progress with some of their key areas for improvement”*. This places our stage of development on the third tier, out of five, for each of the assessment criteria of ‘setting the direction’, ‘enabling delivery’, ‘delivering results, achieving excellence’ and ‘overall maturity level’.

Further detail on the Healthcare Standards assessment can be found in our Annual Governance Statement, contained within the full annual accounts, which are available on application to Helen Simpson, Executive Director of Finance (see page 39 for contact details).

## Public Health

The health of the population of North Wales continues to improve. However there are still variations in health outcomes between different areas and communities, and in some cases such inequalities are increasing.

Factors such as income, education and housing have a major influence on levels of good health. People in communities that are worst off in these areas are also more likely to smoke, not take regular exercise, not eat healthy diets, and act in ways that can put their health at risk. This means that our poorer communities also have the worst health status, which affects the length and quality of their lives. They make the greatest use of healthcare services.

As part of our work to reduce these inequalities and inequities in health, our Director of Public Health focussed his Annual Report for 2011 on Early Years. It showed that there is strong evidence for trying to improve the health of mothers before, during and after pregnancy. This maximises children’s health, social and educational development, and has most effect when it is done as early as possible. There is also a strong economic case for investing in the early years as this gives more benefit than investing at any other stage of a person’s life.

To do this, we are focussing on helping pregnant women to give up smoking, promoting a healthy and safe weight for women during pregnancy, women’s mental health before and after giving birth, increasing the number of mothers who breastfeed, reducing teenage conceptions and improving immunisation uptake rates for children and pregnant women.

We have achieved notable success by providing training for midwives and health visitors to give advice on smoking cessation, along with ongoing support for the Stop Smoking Wales services and in pharmacies.



In January 2012 we launched our smoke free policy, confirming our commitment to reducing the number of people in North Wales who smoke and prohibiting smoking on any Health Board grounds. Our challenge is to reduce the proportion of people who smoke from 23% to 16% of the population by 2020.

Other Public Health priority areas for North Wales include tackling obesity by promoting physical activity and healthy nutrition, alcohol and mental wellbeing.

We are working with local authorities and other partner agencies to draw up and implement plans for each of these areas, which are part of our Local Public Health Strategic Framework (LPHSF). This focus on prevention and early intervention is also a key priority in our ongoing work to support the development of primary care and community services.

The Director of Public Health and his team have also provided evidence and independent specialist advice to our service reviews. The reviews are being done to make sure we can continue to provide safe and effective health services, to improve their quality, and give patients a better healthcare experience and improved outcomes. The evidence from the Public Health team has given us a framework to assess and prioritise services within the financial and other constraints that we face.

Protecting the population's health is one of our key functions. Last year we saw a continuing increase in the uptake of childhood and flu immunisations across North Wales. For the first time in 25 years 95% immunisation rates for one year olds were achieved in all six North Wales local authority areas. The 95% level was also reached in three areas for MMR immunisation for two year olds. However, outbreaks of preventable communicable diseases, such as measles in the Gwynedd area, reminded us of the need to continue to increase immunisation rates for all ages, particularly among the most vulnerable groups and Health Board staff.

During 2011/12, health protection support has also featured prominently in the Hanson Cement Investigation in Flintshire, and the proposed Nuclear Power Station developments in Wylfa, Anglesey.




# Making it sound

We are a public sector organisation, funded by the tax payer, and so it is essential that we operate to high standards of integrity, honesty, accountability, openness and professionalism. A strong management and assurance structure means the Board of Directors and Independent Members can make sure we demonstrate a high standard of governance.

## Statement of Accounting Officer's Responsibilities

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the LHB. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

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



Chief Executive

7th June 2012

## Governance statement

Our Governance Statement follows the standard format required by the Welsh Government and is completed from a variety of sources including Internal Audit reports. The statement describes our governance arrangements, committee structure and the system of internal control.

The Governance Statement also includes information about:

- the arrangements to manage risk;
- quality and assurance processes, including progress with implementing 1000 Lives Plus;
- corporate governance including progress on the implementation of Doing Well, Doing Better: Standards for Health Services in Wales;
- Welsh Health Specialist Services Committee (WHSSC);
- the opinion of the Head of Internal Audit;
- equality, diversity and human rights.

The full Annual Governance Statement is contained within the full annual accounts which are available on application to Helen Simpson, Executive Director of Finance (see page 39 for contact details).

## Risk Management

Due to the nature of healthcare, we know that sometimes things can go wrong. We manage this by understanding what the risks are, how we can reduce them and by having robust monitoring and review arrangements to ensure that we are doing all we can to avoid harm.

In November 2011 we reviewed our Risk Management Strategy and Policy. The elements of the risk and assurance framework include:

- creating a culture that puts the patient at the centre of everything we do;
- encouraging open reporting of errors and making sure that lessons are learned and measures to prevent recurrence are promptly applied;
- creating a full 'risk aware' approach;
- making sure that managing risk is everyone's responsibility.

During the year we also reviewed our risk management framework document and made a number of changes to clarify the risk assessment and risk escalation process.

## Our Board

The Board is responsible for the delivery of healthcare and improving the health and well-being of the population of north Wales. It is accountable to the Welsh Government through the Minister for Health and Social Services.

The Board comprises the Chairman, nine Independent Members, nine Executive Directors and two Directors who are Associate Members of the Board.

The Chairman and Independent Members are appointed from the local community for the specific expertise they can bring to the running of the Health Board. The Directors are full time employees responsible for the operational management of the Health Board.

There are also Associate Members representing the Healthcare Professionals Forum and Stakeholder Reference Group.

The Health Board has seven Committees which oversee specific aspects of Board business:

- Audit;
- Quality & Safety;
- Finance & Performance;
- Information Governance;
- Workforce & Organisational Development;
- Charitable Funds;
- Mental Health Act.

## Chairman



**Prof Merfyn Jones**

## Independent Members



**Dr Lyndon Miles**  
(Vice Chairman)



**Rev Hywel Davies**



**Ms Jenie Dean**



**Mr Keith McDonogh**



**Mr Harri Owen-Jones**



**Mrs Hilary Stevens**



**Dr Christopher Tillson**



**Mrs Marian Wyn Jones**

from 1st Dec 2011



**Mrs Liz Roberts**

from 1st Dec 2011

## Directors



**Mrs Mary Burrows**  
Chief Executive



**Mr Mark Scriven**  
Executive Medical  
Director & Director of  
Clinical Services



**Mrs Jill Galvani**  
Executive Director of  
Nursing, Midwifery &  
Patient Services



**Mr Geoff Lang**  
Executive Director of  
Primary, Community  
& Mental Health  
Services



**Dr Keith Griffiths**  
Executive Director of  
Therapies & Health  
Sciences



**Mr Andrew Jones**  
Executive Director of  
Public Health.



**Mrs Helen Simpson**  
Executive Director of  
Finance



**Mr Martin Jones**  
Executive Director of  
Workforce &  
Organisational  
Development



**Mr Neil Bradshaw**  
Executive Director of  
Planning



**Mr Mark Common**  
Director of  
Improvement &  
Business Support



**Mrs Grace Lewis-Parry**  
Director of  
Governance &  
Communications

The Audit Committee has the key role of advising and offering assurance to the Board that the organisation has effective governance arrangements in place and supporting sound decision-making in line with the standards of good governance required of the NHS in Wales.

The Committee's members are Dr Christopher Tillson (Chair), Rev Hywel M Davies, Ms Jenie Dean and Mr Keith McDonogh, all of whom are Independent Members of the Board. Executive Directors are not members of the Committee but are in attendance as are other officers including representatives from Internal Audit and Wales Audit Office and the Local Counter Fraud Service.

The Independent Members also act as 'champions' for specific areas of work within the Health Board:

Prof Merfyn Jones	Hygiene, Cleanliness and Infection Control
Dr Lyndon Miles	Older People
Mr Keith McDonogh	Children; Public Health
Mr Harri Owen-Jones	Complaints
Dr Christopher Tillson	Young People; Design
Rev Hywel M Davies	Welsh Language; Veterans
Mrs Hilary Stevens	Public & Patient Involvement
Ms Jenie Dean	Violence & Aggression; Equality

Three joint Advisory Committees (the Healthcare Professionals Forum, Stakeholder Reference Group and Local Partnership Forum) provide the Board with additional scrutiny, assurance, involvement and engagement.

During 2011/12 the Board carried out a review of its Committees' performance and functions. This was done to make the committees more effective, make better use of Independent Member time, increase the use of video-conferencing technology to reduce travel time and costs and to ensure that matters of quality and safety were considered as part of all Board business.



## Directors' declarations of interests

All Board members, along with senior officers, are required to declare any interest they have that could affect their impartiality with regard to their work within the Health Board.

The following Directors and Board Members have declared their interests for 2011/12 as listed below:

Dr Lyndon Miles	Partner, Bron Derw Medical Centre, Bangor
Rev Hywel Davies	Anglesey Crossroads
Mr Harri Owen-Jones	President of Age Concern, North East Wales Trustee, Flintshire Local Voluntary Council
Mrs Hilary Stevens	Spouse is Director of Unity Creative plc Ron & Margaret Smith Cancer Committee Board member / Executive Committee / Public Policy Committee, Wales Council for Voluntary Action Board Member NEWCIS Trustee Denbighshire Voluntary Services Council
Dr Christopher Tillson	Partner, Bodnant Surgery, Bangor
Mrs Marian Wyn Jones	Associate Director, Tower Media Training Director, Ganolfan Gerdd William Mathias Director, Bangor New Music Festival
Mrs Liz Roberts	Board Member, Conwy Voluntary Services Council Chair, Menter Siabod Community Action Group
Mrs Mary Burrows	Council Member, Bangor University Honorary Colonel, 208 Field Hospital, Liverpool
Mr Geoff Lang	Governor, Yale College, Wrexham
Dr Keith Griffiths	Henry Leach Associates
Mr Andrew Jones	Spouse is an employee of BCUHB

The following Board Members have declared that they do not have any potential conflicts of interest: Prof Merfyn Jones; Ms Jenie Dean; Mr Keith McDonogh; Mr Mark Scriven; Mrs Jill Galvani; Mrs Helen Simpson; Mr Martin Jones; Mr Neil Bradshaw; Mr Mark Common; Mrs Grace Lewis-Parry.

## Primary financial statements and notes

The Health Board is required to produce a set of annual financial statements using a format that is common to all NHS bodies in Wales. The annual statements are subject to audit and an audit opinion is provided by the Auditor General for Wales.

The Health Board's Financial Statements were prepared in accordance with the format and timetable set by the Welsh Government. The accounts were subject to external audit by the Wales Audit Office and an unqualified audit opinion was given on 12th June 2012.

During the financial year, the Health Board hosted a number of All Wales services and the transactions of these are consolidated into the Health Board's Financial Statements. These services are managed separately from those of the Health Board and do not present any additional financial risk to the Health Board.

The summary financial statements included in this report are those of the Health Board's activities only, and exclude the effect of services hosted on behalf of NHS Wales. The Auditor General for Wales' certificate confirms that these summary financial statements are consistent with the full accounts on which the audit opinion was given.

The summary financial statements shown include the following:

- Statement of Comprehensive Net Expenditure (including Achievement of Operational Financial Balance and Capital Resource Limit);
- Statement of Financial Position;
- Statement of Changes in Taxpayers' Equity;
- Statement of Cash Flows.

The summary financial statements do not contain sufficient information to provide a full understanding of the Health Board's financial position and performance. A full set of consolidated financial statements is available on request from Mrs Helen Simpson, Executive Director of Finance at the Finance Department, Wrexham Maelor Hospital, PO Box 860, Wrexham, LL13 7JL.

## Statement of Comprehensive Net Expenditure for the year ended 31st March 2012

	2011/12 £'000	2010/11 £'000 Restated
Expenditure on Primary Healthcare Services	287,423	287,965
Expenditure on healthcare from other providers	273,553	277,627
Expenditure on Hospital and Community Health Services	778,610	752,631
	<u>1,339,586</u>	<u>1,318,223</u>
Less: Miscellaneous Income	118,547	117,286
<b>LHB net operating costs before interest and other gains and losses</b>	<b>1,221,039</b>	<b>1,200,937</b>
Other gains	(12)	(148)
Finance costs	189	163
	<u>1,221,216</u>	<u>1,200,952</u>
<b>Net operating costs for the financial year</b>		

## Achievement of Operational Financial Balance

The Health Board's performance for the year ended 31st March 2012 is as follows:

	2011/12 £'000
Net operating costs for the financial year	1,221,216
Less Non-discretionary expenditure	1,792
<b>Net operating costs less non-discretionary expenditure and revenue consequences of PFI</b>	<b>1,219,424</b>
Revenue Resource Limit	1,219,499
Underspend against Revenue Resource Limit	<u>75</u>

## Capital Resource Limit

The Health Board is required to keep within its Capital Resource Limit:

	2011/12 £'000	2010/11 £'000
<b>Gross capital expenditure</b>	<b>31,900</b>	52,587
Less NBV of property, plant and equipment and intangible assets disposed	(522)	(1,755)
Less capital grants received	(303)	(855)
Less donations received	(888)	(993)
	<u>30,187</u>	<u>48,984</u>
<b>Charge against Capital Resource Limit</b>	<b>30,187</b>	48,984
Capital Resource Limit	30,204	49,015
Underspend against Capital Resource Limit	<u>17</u>	<u>31</u>

## Statement of Financial Position as at 31st March 2012

	31st March 2012 £'000	31st March 2011 £'000 Restated
<b>Non-current assets</b>		
Property, plant and equipment	512,821	515,656
Intangible assets	1,708	2,102
Trade and other receivables	25,853	32,673
<b>Total non-current assets</b>	<b>540,382</b>	<b>550,431</b>
<b>Current assets</b>		
Inventories	11,665	10,503
Trade and other receivables	49,773	41,884
Cash and cash equivalents	735	2,173
	62,173	54,560
Non-current assets classified as "Held for Sale"	501	380
<b>Total current assets</b>	<b>62,674</b>	<b>54,940</b>
<b>Total assets</b>	<b>603,056</b>	<b>605,371</b>
<b>Current liabilities</b>		
Trade and other payables	109,812	118,367
Provisions	31,819	24,378
<b>Total current liabilities</b>	<b>141,631</b>	<b>142,745</b>
<b>Net current liabilities</b>	<b>(78,957)</b>	<b>(87,805)</b>
<b>Non-current liabilities</b>		
Trade and other payables	1,386	1,446
Provisions	28,728	34,407
<b>Total non-current liabilities</b>	<b>30,114</b>	<b>35,853</b>
<b>Total assets employed</b>	<b>431,311</b>	<b>426,773</b>
<b>Financed by :</b>		
<b>Taxpayers' equity</b>		
General Fund	371,804	380,992
Revaluation reserve	59,507	45,781
<b>Total taxpayers' equity</b>	<b>431,311</b>	<b>426,773</b>



## Statement of Changes in Taxpayers' Equity for the year ended 31st March 2012

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
<b>Changes in taxpayers' equity for 2011/12</b>			
<b>Restated Balance at 1st April 2011</b>	380,992	45,781	<b>426,773</b>
Net operating cost for the year	(1,221,216)		<b>(1,221,216)</b>
Net gain/(loss) on revaluation of property, plant and equipment	0	15,551	<b>15,551</b>
Impairments and reversals	0	(1,729)	<b>(1,729)</b>
Transfers between reserves	96	(96)	<b>0</b>
<b>Total recognised income and expense for 2011/12</b>	<b>(1,221,120)</b>	<b>13,726</b>	<b>(1,207,394)</b>
Net Welsh Government funding	<b>1,211,932</b>		<b>1,211,932</b>
<b>Balance at 31st March 2012</b>	<b>371,804</b>	<b>59,507</b>	<b>431,311</b>

## Statement of Cash flows for year ended 31st March 2012

	2011/12 £'000	2010/11 £'000
<b>Cash Flows from operating activities</b>		
Net operating cost for the financial year	<b>(1,221,216)</b>	(1,200,952)
Movements in Working Capital	<b>86</b>	(9,478)
Other cash flow adjustments	<b>66,006</b>	51,936
Provisions utilised	<b>(17,139)</b>	(14,657)
<b>Net cash outflow from operating activities</b>	<b>(1,172,263)</b>	(1,173,151)
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(42,672)</b>	(42,383)
Proceeds from disposal of property, plant and equipment	<b>534</b>	1,903
Purchase of intangible assets	<b>(160)</b>	(324)
<b>Net cash outflow from investing activities</b>	<b>(42,298)</b>	(40,804)
<b>Net cash outflow before financing</b>	<b>(1,214,561)</b>	(1,213,955)
<b>Cash flows from financing activities</b>		
Welsh Government funding (including capital)	<b>1,211,932</b>	1,210,464
Capital grants received	<b>1,191</b>	1,848
<b>Net financing</b>	<b>1,213,123</b>	1,212,312
<b>Net decrease in cash and cash equivalents</b>	<b>(1,438)</b>	(1,643)
<b>Cash and cash equivalents (and bank overdrafts) at 1st April</b>	<b>2,173</b>	3,816
<b>Cash and cash equivalents (and bank overdrafts) at 31st March</b>	<b>735</b>	2,173

## Better Payments Practice Code

The Confederation of British Industry's Better Payments Practice Code requires that all trade creditors are paid within 30 days of receipt of goods or a valid invoice, whichever is later. The Welsh Government has set a target of 95% compliance for the number of invoices paid to non-NHS creditors. The Health Board exceeded this target and the performance details are shown below.

	2011/12 Number	2011/12 £000	2010/11 Number	2010/11 £000
<b>NHS</b>				
Total bills paid	6,499	214,856	5,507	215,784
Total bills paid within target	5,911	211,938	4,993	212,723
Percentage of bills paid within target	91.0%	98.6%	90.7%	98.6%
<b>Non-NHS</b>				
Total bills paid	235,988	293,443	233,936	284,261
Total bills paid within target	228,038	285,033	226,869	277,102
Percentage of bills paid within target	96.6%	97.1%	97.0%	97.5%
<b>Total</b>				
Total bills paid	242,487	508,299	239,443	500,045
Total bills paid within target	233,949	496,971	231,862	489,825
Percentage of bills paid within target	96.5%	97.8%	96.8%	98.0%

## Management Costs

The Health Board is committed to keeping management costs as low as is reasonably possible, in order to ensure financial resources are directed to frontline services. As such management posts and costs are continually reviewed.

As part of budget setting in March 2010 the Health Board agreed that management structures would be reviewed to maximise the gains arising from the integration of the Health Board. This strategy included establishing structures with an overall reduction in management costs of 20%. Following considerable efforts across CPGs and Corporate Departments, agreement has been reached on the changes to staff structures required to deliver the necessary cost reductions. This methodology has been rolled forward into 2011/12.

This work has been carried out under the organisational change policy and in consultation with staff and their staff side representatives to ensure that there is good staff engagement in agreeing a management structure that is fit for purpose and adds value to the Health Board.

Management Costs are reported to the Welsh Government against an agreed 2007/08 baseline, which is adjusted for inflation. The Health Board remains on target to reduce management costs to an appropriate level and in line with the target set.

## Pension Liabilities

Past and present employees are covered by the provision of the NHS Pensions Scheme.

The Scheme is a national unfunded, defined benefit scheme that covers all NHS employers, general practices and other bodies allowed under the direction of the Secretary of State. As a consequence it is not possible for the Health Board to identify its share of the scheme's underlying assets and liabilities.

Therefore, the Health Board's Statement of Accounts includes the employer's contributions of 14% of pensionable pay.

The total pension cost relating to 2011/12 was £57,472,000.

Further details on the pension scheme are available in the full annual accounts which are available on application to Helen Simpson, Executive Director of Finance (see page 39 for contact details).

## Remuneration Report

Remuneration for Executive Directors and other very senior members of the Health Board, along with other aspects of their terms and conditions of service, is determined by the Board's Workforce and Organisational Development Committee.

The Committee is chaired by the Health Board Chairman Prof Merfyn Jones and comprises Independent Members Dr Lyndon Miles, Ms Jenie Dean, Mr Keith McDonogh, Mr Harri Owen-Jones and Dr Christopher Tillson. The Chief Executive and Director of Workforce and Organisational Development also attend Committee meetings.

Remuneration of senior managers for the current and future financial years will follow directives issued by the Welsh Government. Salaries were determined by Welsh Government through the JESP Job Evaluation system as part of NHS Reform programme in 2009.

All posts are subject to performance management, but no specific element of the salary is linked to performance, either in the form of an addition to or retention of some of the core salary. The Individual Performance Management system follows that promulgated and mandated by Welsh Government as part of NHS Reform programme of 2009.

All contracts are permanent, with a 3-month notice period. Conditions were set by Welsh Government as part of NHS Reform programme of 2009.

The NHS Reform programme of 2009 led to the merger of eight health organisations into Betsi Cadwaladr University Health Board. Since 2009, three Senior Managers have left under redundancy, whilst others have left under a Voluntary Early Release scheme. These severance arrangements have been scrutinised by the Wales Audit Office in 2011 who concluded that, in all material respects, the payments were made in accordance with the Health Board's policy.

Details of Board Member and Very Senior Manager salaries, allowances and pension benefits are provided below.

## Salaries and allowances

Name and Title	2011/12				2010/11			
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to nearest £100) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to nearest £100) £000
<b>Prof R M Jones</b> Chairman	65-70	0	0	0	0	0	0	0
<b>Dr L Miles</b> Vice Chair	55-60	0	0	0	55-60	0	0	0
<b>Rev H Davies</b> Independent Member	15-20	0	0	0	15-20	0	0	0
<b>Ms J Dean (*1)</b> Independent Member	0	0	0	0	0	0	0	0
<b>Mr K McDonogh</b> Independent Member	15-20	0	0	0	15-20	0	0	0
<b>Mr H Owen-Jones</b> Independent Member	15-20	0	0	0	15-20	0	0	0
<b>Mrs H Stevens</b> Independent Member	15-20	0	0	0	15-20	0	0	0
<b>Dr C Tillson</b> Independent Member	15-20	0	0	0	15-20	0	0	0
<b>Mrs M W Jones</b> Independent Member (From 1 <sup>st</sup> December 2011)	5-10	0	0	0	0	0	0	0
<b>Mrs E M B Roberts</b> Independent Member (From 1 <sup>st</sup> December 2011)	5-10	0	0	0	0	0	0	0



Name and Title	2011/12				2010/11			
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (Rounded to nearest £100)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (Rounded to nearest £100)
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs M Burrows Chief Executive	200-205	0	0	3.7	200-205	0	0	5.6
Mr M Scriven (*2) Medical Director	135-140	30-35	0	5.3	120-125	50-55	0	5.8
Mrs J Galvani Director of Nursing	125-130	0	0	2.1	125-130	0	0	4.2
Mr G Lang (*3) Director of Primary, Community & Mental Health Services	125-130	0	0	0	125-130	0	0	2.3
Dr K Griffiths Director of Therapies & Health Sciences	100-105	0	0	0	100-105	0	0	0
Mr A Jones (*4) Director of Public Health	10-15	0	0	0	0	0	0	0
Mrs H Simpson Director of Finance	135-140	0	0	5.8	135-140	0	0	10.0
Mr J M Jones Director of Workforce & Organisational Development	125-130	0	0	1.4	125-130	0	0	0
Mr N Bradshaw Director of Planning	125-130	0	0	2.0	125-130	0	0	4.2
Mr M Common Director of Improvement & Business Support	110-115	0	0	4.3	110-115	0	0	7.5
Mrs G Lewis-Parry Director of Governance & Communications	95-100	0	0	4.8	95-100	0	0	4.6

- (\*1) Ms Dean is an employee of the Health Board and is the Trade Union Representative on the Board.
- (\*2) The “Other Remuneration” reported for Mr Scriven relates to salary received for clinical duties.
- (\*3) Between 1st February 2012 and 31st March 2012 Mr Lang was Acting Chief Executive.
- (\*4) The total salary reported for Mr Jones excludes costs which have been funded by Public Health Wales NHS Trust. The formal transfer of Mr Jones’ employment from Public Health Wales NHS Trust to Betsi Cadwaladr University Health Board was completed on the 1st July 2011.

## Hutton Fair Pay Ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation’s workforce.

The banded remuneration of the highest paid director in Betsi Cadwaladr University Local Health Board in the year 2011/12 was £205,000-£210,000 (2010/11 £200,000-£205,000). This was 7.81 times (2010/11: 7.89 times) the median remuneration of the workforce, which was £26,401 (2010/11: £26,376). The highest paid director was the same individual in both 2010/11 and 2011/12 and they did not receive a pay award in 2011/12.

The salary of the highest paid director is set by the Welsh Government.

The ratio has decreased during 2011/12 as pay awards were only made during the year to those staff earning an annual full-time equivalent salary of £21,000 or less, which has resulted in the median salary increasing.

In 2011/12 there were no employees that received remuneration in excess of the highest paid director. For 2010/11, there were two employees that received remuneration in excess of the highest paid director; the remuneration of these two employees ranged from £210,000 to £218,000. They were both senior clinicians, and both received pay arrears relating to 2009/10 in July 2010. The basic annual remuneration package for both is less than that of the highest-paid director.

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

## Pension Benefits

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2012 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2012 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2011	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs M Burrows Chief Executive	2.5-5.0	10-12.5	40-45	125-130	883	750	109	0
Mr M Scriven Medical Director	(2.5-5.0)	(7.5-10.0)	60-65	190-195	1,222	1,150	36	0
Mrs J Galvani Director of Nursing	0-2.5	0-2.5	50-55	150-155	922	817	80	0
Mr G Lang (*1) Director of Primary, Community & Mental Health Services	0-2.5	0-2.5	40-45	120-125	669	559	93	0
Dr K Griffiths Director of Therapies & Health Sciences	(0-2.5)	(0-2.5)	50-55	150-155	0	0	0	0
Mr A Jones (*2) Director of Public Health	0-2.5	0-2.5	35-40	110-115	616	517	83	0
Mrs H Simpson Director of Finance	0-2.5	0-2.5	40-45	130-135	760	643	97	0
Mr J M Jones Director of Workforce & Organisational Development	0-2.5	0-2.5	45-50	135-140	844	744	77	0
Mr N Bradshaw Director of Planning	0-2.5	2.5-5.0	25-30	85-90	580	513	51	0
Mr M Common Director of Improvement & Business Support	(0-2.5)	(0-2.5)	50-55	160-165	1,177	1,107	36	0
Mrs G Lewis-Parry Director of Governance & Communications	0-2.5	0-2.5	25-30	80-85	491	426	51	0

(\*1) Between 1st February 2012 and 31st March 2012 Mr Lang was Acting Chief Executive.

(\*2) Mr A Jones' salary was joint funded by the Health Board and Public Health Wales NHS Trust during the 2011/12 financial year. Figures provided by the NHS Pensions Agency and disclosed above relate to the Total Pensionable Pay for the whole period regardless of the paying health body.

## Auditors' Report

The Health Board's statutory External Auditor is the Auditor General for Wales, and the external audit work is undertaken on his behalf by staff of the Wales Audit Office (WAO).

Work undertaken by WAO included an audit of the Statement of Accounts for the period 1st April 2011 – 31st March 2012 as well as providing an opinion on the Health Board's arrangements for securing value for money.

The audit fee levied for 2011/12 was £521,000 which included an element relating to the audit of the Health Board's Welsh Risk Pool activities.

## Directors' statement on audit disclosures

The Directors have confirmed that they have taken all steps that ought to be taken, as Directors, to make themselves aware of any relevant audit information and to establish that the Health Board Auditors are aware of that information. As far as they are aware, there is no relevant audit information of which the Health Board's Auditors are unaware.



# Report of the Auditor General for Wales to the National Assembly for Wales on the Summary Financial Statements

I have examined the summary financial statements contained in the Annual Report of Betsi Cadwaladr University Local Health Board set out on pages 40 to 43.

## Respective responsibilities of the Directors, the Chief Executive and auditor

The Directors and the Chief Executive are responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the summary financial statements with the statutory financial statements, the Board members' report, management commentary and the remuneration report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

## Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

## Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements, the Board members report, management commentary and the remuneration report of Betsi Cadwaladr University Local Health Board for the year ended 31st March 2012 on which I have issued an unqualified opinion.

I have not considered the effects of any events between the date on which I signed my report on the full financial statements, 12th June 2012, and the date of this statement.

Huw Vaughan Thomas  
Auditor General for Wales  
26th September 2012

Wales Audit Office  
24 Cathedral Road  
Cardiff