GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Annual Report and Accounts

2021/22

The Annual Report and Accounts are part of the Health Board's public annual reporting and set out our service delivery, environmental and financial performance for the year and describe our management and governance arrangements.

The Annual Governance Statement, which is provided as an Appendix to this document, forms part of the Accountability Report section of this Annual Report, and provides a detailed report on our governance, arrangements for managing risk and systems of internal control.

Copies of all these documents can be downloaded from the Health Board's website at https://bcuhb.nhs.wales/about-us/governance-and-assurance1/

or are available on application to the Health Board's Communications Team at BCUHB, Block 5, Carlton Court, St Asaph Business Park, St Asaph, LL17 0JG, by telephone on 01248 384776 or by e-mail to bcuhbpressdesk@wales.nhs.uk.

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PART ONE – Performance Report

Performance Overview

Chief Executive's Introduction

The past year has been another exceptional period for health services as we continued to respond to, and operate in the context of, the ongoing COVID-19 pandemic.

I must therefore start by expressing my, and the Board's, sincere gratitude to our staff for their immense efforts through such difficult times. Grateful thanks go also to our partners, for their support and cooperation as we have sought to ensure the health and wellbeing of the communities of north Wales, and to our patients and their families for their patience and understanding as the pandemic has continued to disrupt many aspects of our normal services and caused delays to treatment.

While 2021/22 has been no less challenging than the one before, the nature of that challenge has evolved.

COVID-19 continues to circulate in our communities and we have seen the emergence of different variants. However, twelve months on, we have learned much about effective ways to treat patients with COVID-19, and we are seeing the benefits of the mammoth effort to roll out the vaccination programme. Of course, every Covid-related loss is a tragedy and our thoughts are with all those who have suffered bereavement, but the number of people who are falling seriously ill and suffering major harm directly as a result of infection have been greatly reduced.

As the situation has improved, we have seen a gradual reduction of the precautionary measures that had been implemented across Wales. This is important progress as lockdown and other restrictions have had a significant impact on many aspects of society, including reducing economic activity, disruption to education and increasing social isolation for some, all of which can affect individuals' wellbeing and physical and emotional health. We continue to assess the effects of this, especially in respect of mental health and community services.

Another indication of the improving situation is that the Health Board has been able to close the three temporary hospital facilities that we set up in the early days of the pandemic, when there was a concern that health services might become overwhelmed. Thankfully, we never reached this positon and so the premises can be returned to their usual functions. In doing so, I would like to acknowledge the generous support of our partners, volunteers and all our staff who contributed to their implementation and use; in the case of Deeside initially to accommodate recovering patients and then, at all sites, as mass vaccination centres.

While these developments represent welcome progress, it is important to acknowledge that COVID-19 continues to affect the care experience that we have been able to deliver for patients.

Colleagues have made every effort to ensure that standards of clinical treatment and interventions have been maintained despite the difficult circumstances that we have faced. But we continue to be accountable to the people we serve and our wider stakeholders for the quality of our services. It is therefore important that we identify and understand where compromises have occurred say that we can satisfy ourselves, and our public, that these have been justified and reasonable, and that we have mitigated their impact as far as is realistically possible.

One area where I know that our patients and their families are anxious to see an easing of restrictions relates to hospital visiting and accompanying family members to appointments. I understand the difficulties that these measures have caused by denying inpatients access to the support of family and friends that visitors usually provide, and preventing people from being accompanied to appointments, especially those where they face the possibility of receiving bad news.

However, a significant proportion of patients in hospital are more susceptible to the effects of COVID-19, because of age or their other health conditions, and we have had to ensure that we protect the most vulnerable, as well as minimising the risk of disruption resulting from staff having to isolate.

At the time of writing in mid-June 2022, changes to national guidance have allowed us to relax many of the conditions for visiting and we hope that the wider COVID-19 situation will allow us to ease visiting restrictions further in the coming weeks.

We also recognise that some patients have been frustrated by the greater difficulty in accessing appointments with GPs and dentists over the past year, which reflects both the increased demand for services and the reduced availability of face to face consultations caused by COVID-19 infection prevention measures.

As we move forward, the Health Board's focus is now very much on addressing the impact that COVID-19 has had on the treatment of patients with other conditions. Our staff have made exceptional efforts to ensure that the treatment of patients diagnosed with cancers and other time-critical conditions have continued. To do this, whilst also responding to the increased emergency demands caused by the pandemic, has meant that we have had to pause our routine elective services for periods over the last two years. Social distancing, the need to establish segregated areas for patients with COVID-19 and the additional infection control procedures we have had to introduce have all reduced the capacity of our services for planned treatments.

As a result, the number of patients on our waiting lists, and the times they are waiting to be seen, have risen considerably. We recognise and understand that this means patients, and their families, are having to live with the effects of their conditions for longer, which can include reduced mobility, ongoing pain, difficulties working or perhaps needing increased care from other family members.

The organisation is working to re-establish capacity that was lost to COVID-19 restrictions so that patients who are waiting longest can receive supportive treatment. This work includes offering clinically-suitable patients the option of having their procedures within the independent sector, in particular within orthopaedics and ophthalmology. As COVID-19 restrictions are relaxed and lifted the organisation has re-start plans to deliver further activity over the coming years.

Our response to the pandemic stimulated considerable innovation and accelerated the adoption of new technologies and the implementation of changes, especially in the areas of remote and virtual consultations and multidisciplinary team working. Although done initially to support social distancing and reduce face to face contacts, these measures also enable clinicians to see larger numbers of patients more quickly.

We recognise that we need to continue to refine and improve these arrangements. However, where clinically safe and appropriate, these new ways of working will play a major part in recovering the ground we have lost and ensuring we can reduce the time that patients are waiting to be seen.

As we look to rebuild and expand our capacity and redesign services, it is crucial that we also ensure that the quality of our services are maintained and enhanced.

Because of the shift in emphasis and priorities caused by the pandemic, in March 2020 Welsh Government paused assessment against the Integrated Medium Term Plan (IMTP) process, and for 2021/22 Health Boards worked to an annual plan.

Performance through the year has been assessed against the measures in the national NHS Wales delivery framework. Overall, we saw an improvement against 39 of the measures, and a decline in performance for 35 of the measures. The areas of decline mostly related to elective care and unscheduled care. As already noted, these areas have been significantly impacted by the COVID-19 pandemic due to the pausing of routine elective activity, capacity constraints and the increased demand for emergency care. Importantly, our efforts to maintain services for patients with cancer have been broadly successful; although we did not achieve the 75% target rate against the 62 day measure our performance has remained amongst the best in Wales.

Of the 276 actions monitored by the Board through the Operational Plan Monitoring Report for 2021/22, 176 were completed within the period. Delays in completion of the rest were largely due to the continued impact of COVID-19 and recruitment timeframes.

Over the last two years the Board has worked within its annual financial allocations and reported a surplus of £0.3 million in 2021/22. Despite this, due to its overspend in 2019/20 the Health Board did not meet its statutory duty to achieve breakeven over the three year period that financial performance is assessed.

The Health Board has agreed a series of priorities for 2022/23, and indicative priorities for the following two years. The central philosophy in our planning is to take a whole systems approach. The pandemic response has again demonstrated the need for cooperation and partnership working, with all elements of the health and social care system working in a coordinated manner, if care is to be delivered in the most effective way.

Tackling health inequalities, supporting individuals living with long term health conditions and addressing the rising numbers of individuals experiencing mental health issues and living with dementia have been identified as particular priorities in the plan.

The service priorities are recovery of planned care activity, improved access to unscheduled care, improved integration of our mental health services in both adults (AMH) and children and adolescents (CAMHS), improved access to Neurodevelopmental services including assessment and support and improvements to the implementation of our vascular services model.

For 2022/23 our primary focus will be on restoring services and a full return to pre-pandemic levels of core activity and reducing the backlog of activity that has been caused by the pandemic. We will continue to address the areas of improvement identified in the Welsh Government Targeted Intervention Framework for the Health Board, including those announced on 7th June 2022 with regards to Ysbyty Glan Clwyd.

The plan identifies a series of priority actions areas, which are listed in the IMTP documentation available on our website at https://bcuhb.nhs.wales/about-us/governance-and-assurance/imtp/

Alongside our work on these IMTP priorities, we will also be finalising our Clinical Services Plan and our People Strategy and Plan, and progressing our organisational development programme through the implementation, in 2022, of our new integrated health communities operating model. The Health Board is also developing a new Quality Strategy for the period 2022 – 25, and has set a series of interim quality priorities while the strategy is being developed.

There is no doubt that the last two years have been the most difficult that the NHS has ever experienced. However, we have now reached the point where we can confidently look beyond the pandemic and focus on recovery, development and improvement. The plans that we are putting in place will provide us with clear focus and direction as we move forward, and enable us to tackle both the long standing and newly emerging challenges that the health service faces.

We know that the recovery phase will take time, and our plans for improvement are ambitious. As ever, our success will depend on the work of colleagues across north Wales. However, our staff have displayed extraordinary resilience, innovation, co-operation and enthusiasm over the last two years. This gives me every confidence for the future, and once again I offer my sincere thanks for the contribution that every colleague has made during such challenging times.

Jo Whitehead
Chief Executive

Areas of Responsibility

The Health Board is responsible for the delivery of health care services to more than 700,000 people across the six counties of north Wales (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham). We are also responsible, in partnership, for improving the health and wellbeing of local people, programmes, such as our successful vaccination programmes and school health activity.

The Health Board is responsible for the provision of primary, community and mental health as well as acute hospital services. It operates three main hospitals (Ysbyty Gwynedd in Bangor, Ysbyty Glan Clwyd in Bodelwyddan and Wrexham Maelor Hospital) along with a network of community hospitals, health centres, clinics, mental health units and community team bases, and also delivers prison health care services within HMP Berwyn, Wrexham. The Health Board coordinates the work of 97 GP practices, and NHS services provided by 82 dental and orthodontic practices, 72 optometry practices and opticians and 150 pharmacies in north Wales.

In 2021/22 the Health Board had a revenue income of £1.87 billion and employed approximately 19,350 people (16,850 whole time equivalents).

Integrated medium term planning arrangements were paused across NHS Wales in 2020/21 as the service responded to the COVID 19 pandemic, and this continued into 2021/22. Building upon the quarterly Operating Frameworks developed in 2020/21, the Health Board developed an annual plan in response to the unique challenges arising from the pandemic, which faced all public services and society at large. It reflected the challenges the Health Board had to address in delivering health services, whilst supporting and protecting staff. In March 2022 the Board approved a 3 year Integrated Medium Term Plan for the period 2022-25.

Work to tackle the COVID-19 pandemic served to further galvanise partnership working at a local, regional and national level where we were actively engaged in a number of all Wales programmes. Our plan recognised the work required in partnership to support vulnerable communities and protect the health and wellbeing of the population to support the principles of ‘A Healthier Wales’.

We continued our work towards improving how we work to the sustainable development principle in our everyday business, to meet the spirit and the intent of the Well-being of Future Generations Act. The Act sets out duties for the Health Board with the other public sector bodies in Wales to contribute towards achieving seven national well-being goals, to broaden our outlook and to think longer term in doing so.

The Health Board continues to work on strengthening its population health focus, working in partnership with a range of organisations across north Wales. During 2021/22 we worked on the refresh of the regional population health needs assessment which supports our planning activity alongside regional colleagues. We remain committed to tackling inequalities and our ‘Well North Wales’ programme continues to provide a focus for this work within the Health Board. We also work with national partners to ensure delivery of a range of national programmes such as screening, vaccination, and child health at the local level.

As well as improving health and delivering clinical and care services, the Health Board has a wider public sector duty to support national policy, for example in respect of matters such as promoting equality and human rights, the environment, sustainable development, the Welsh Language and in moving forward socio-economically disadvantaged groups.

To achieve our goals we work closely with partner organisations such as local authorities and the voluntary sector, to discuss and address health inequalities, promote community engagement and exploit joint working opportunities. The bodies include:

- County Voluntary Services Councils;
- Local Authorities (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham);
- Mid Wales Joint Committee;
- Neighbouring NHS bodies in England and Wales;
- North Wales Community Health Council;
- Public Health Wales;
- Public Service Boards / Regional Partnership Board;
- Regional Leadership Board;
- Regional Safer Communities Partnership;
- Third Sector partners;
- Welsh Ambulance Services NHS Trust.

Impact of COVID-19

The COVID-19 pandemic has continued to have a major impact on the services delivered by the Health Board through the year.

Although our services have coped well with the additional demands from patients with COVID-19, this has required the exceptional arrangements that were started in early 2020 to be maintained. This has included continuing to change the designation and purpose of some wards to enable the creation of segregated areas with sufficient capacity for patients with COVID-19.

We have had to maintain the measures needed to minimise the risks of transmission of infection, including increased physical spacing (including between beds and in waiting areas) and access controls to support social distancing and greater use of PPE (personal protective equipment) by staff. We have continued to redeploy staff to support areas of highest demand and ensure safe cover when colleagues have been absent due to illness and self-isolation, and to deliver the vaccination and booster programme. The flexibility displayed by our workforce in this regard has been truly commendable.

These factors have all contributed to reducing the overall capacity of our services. As a result, throughout the year it has been necessary to prioritise which services we could continue to deliver, including emergency care and treatments for conditions including cancer where speed of intervention can significantly affect outcomes. This has meant that, at times during the year, our routine planned services have had to be paused.

Inevitably, this has caused a considerable increase in the numbers of patients waiting for appointments and treatments. We are putting in place immediate and longer-term recovery plans to mitigate the ongoing constraints on our capacity and reduce the number of patients on our waiting lists.

These plans will build upon the innovation that has been driven by the pandemic. The ways that many services are delivered have had to evolve rapidly including much greater use of telephone, video and online systems to provide new ways for patients to contact services and to enable consultations to take place without the need for face to face contact.

The national NHS 111 Wales service, provided by the Welsh Ambulance Service, was rolled out in north Wales in June 2021. Building on the NHS Direct Wales service, this provides a single free to call telephone number that our population can use to obtain health advice and support. Where this is not sufficient to resolve patients' issues immediately, NHS 111 Wales can then direct individuals to the most appropriate service for their needs, including access to out of hours GP services and emergency dental care.

Primary and Community Care Services

GP practices

All GP practices remained open during the pandemic, developing local solutions, along with supporting a number of cluster 'hubs', to ensure compliance with Infection Prevention and Control (IP&C) guidance, with many implementing alternative access and treatment routes for their patients. Teamworking and collaboration between the Health Board and independent primary care contractors strengthened as everyone worked closely together to ensure that services remained available to meet the needs of the population and also look after the primary care workforce. In addition to their core services, GP practices have also contributed significantly to the delivery of the COVID-19 vaccination programme throughout 2021/22.

As part of this response, the Health Board supported the roll out of on line services, with the commissioning of digital platforms such as 'eConsult' and accuRx on behalf of GP practices. These enable patients to access self-help, on-line triaging services and digital consultations, which has increased access to the services that practices offer. Funding has been provided by the Health Board to support the continuation of online communication tools in 2022/23.

However, there has been significant growth in demand for consultations within primary care during the year. Although an indicative study concluded that activity in GP practices has increased by as much as 20%, which includes telephone, video and face-to-face appointments, there continue to be challenges in meeting the additional demand and we recognise that some patients have experienced difficulties accessing services.

In response to the growing demand a number of practices were able to provide additional opening times over the winter months, and in line with the national strategic programme for Primary and Community Care, our East and Central areas have established Urgent Primary Care Centres (UPCCs). Completing the work to establish UPCCs in strategic locations across north Wales is one of the Health Board's agreed prioritises for next year.

Urgent Primary Care Centres (UPCC)

The East Area centres, based in Wrexham Maelor Hospital and Mold Community Hospital, support the 39 GP practices across Wrexham and Flintshire, as well as the Wrexham Maelor Emergency Department, providing an urgent same day service for patients. The UPCC East is staffed by GPs and Advanced Nurse Practitioners (ANPs) who provide telephone consultations and face-to-face appointments with patients as appropriate.

The UPCC in the Central Area was designed on a single GP cluster model and was established in the North Denbighshire Cluster. The UPCC is hosted by the Healthy Prestatyn Iach practice, which is directly managed by the Health Board, and provides urgent on the day capacity for patients with the GP practices within the cluster. The service is led by Advanced Practitioners and patients are offered virtual and in person consultations as appropriate. A contract has also been established with the charity MIND to see people experiencing anxiety and depression.

The UPCCs, are being evaluated as part of the national UPCC pathfinder programme, which includes a patient survey to measure satisfaction

Clusters

Cluster working continues to develop, with teams working together within their cluster and in collaboration with other clusters to identify and address patient needs in their local communities through innovation and establishing new services.

During 2021/22, Lifestyle Programmes have been expanded with the appointment of additional staff. These programmes focus on factors such as activity levels and diet to reduce the risk of chronic conditions like Type 2 Diabetes and obesity in the population.

Clusters continue to support people in care homes, and have expanded the use of ANPs and trainees to develop an aligned home visiting service for cluster practices. This enables us to reduce the amount of polypharmacy (patients ending up taking unnecessary medication, which can occur especially with patients who have multiple conditions) in the homes and decrease the number of contacts to the Welsh Ambulance Services and emergency department presentations during out of hours.

Community Pharmacy leads took up their posts in 2021/22, which has enabled an increased contribution to the local cluster work.

The clusters in the West Area have recruited four trainee ANPs to work within primary care to help meet the increasing demands from the local population and also to build capacity for the future.

Social prescribing provision is going from strength to strength and has been extended on Anglesey to provide early intervention for any patients and their family experiencing isolation, loneliness or social issues.

Community pharmacists have been working with clusters in Dwyfor to support the increasing demand from temporary residents during peak times, when the local population increase three-fold. The Independent Prescriber Project provides increased capacity to deal with the influx of temporary residents, allowing practices to concentrate on caring for patients with more complex needs.

Family wellbeing practitioners have worked closely with clusters to develop a role supporting children and young people experiencing emotional health concerns and a direct access pathway for adults experiencing low level health and well-being concerns. They will link in with the iCAN occupational therapists within primary care and the iCAN community centres to provide a holistic approach.

In the East Area, clusters have significantly increased their use of technology with systems such as eConsult, Attend Anywhere and Microsoft Teams helping to add both capacity and resilience which has enabled a full range of medical advice to be provided whilst reducing the potential for COVID-19 transmission. They have also implemented an onsite practice based phlebotomy service, and worked with system partners including care homes to ensure advanced care plans are in place for all appropriate patients.

Occupational therapists have worked closely with clusters to develop a role within primary care providing early holistic assessment and intervention, and a personalised intervention plan to any patient who is experiencing symptoms affecting their function. Occupational therapists can optimise and enhance the multi-disciplinary skill set available within Primary Care Team, applying an anticipatory or stepped care approach as appropriate to improve patient outcomes.

Clusters are building on their successes, and the pacesetter work undertaken in Conwy West and Meirionnydd, has provided key learning to support the implementation of the national Accelerated Cluster Development (ACD) Programme.

This will be progressed next year with workshops being convened with partners to agree how the programme will be delivered in north Wales, and the value that it will add to existing Cluster arrangements. Pan Cluster Planning Groups (PCPGs) will be established to enable Clusters to take a more active role within the partnership space. Work is underway to engage with independent primary care contractors, including community pharmacy, dentistry and ophthalmology, and raise awareness of the ACD programme, as well as support the establishment of Professional Collaboratives.

Informatics and performance colleagues will be supporting the programme to understand the data required by Clusters when planning and commissioning developments, which will be incorporated in a digital data dashboard. This will utilise a range of data and intelligence, including demographics, population profiles, wider determinants of health and social care data in order to build comprehensive locality needs assessments.

The programme team are also working closely with colleagues in Public Health, as part of the Inverse Care Law project, to transform locality needs assessments, as well as community conversations, into a series of actionable insights that will support Clusters in making decisions about how best to meet the needs of their population.

Primary & Community Care Academy

The Primary & Community Care Academy has been established as part of the Health Board's mission to keep north Wales at the leading edge of primary and community care services.

During 2021/22 the Academy has led the development and roll out of the Physician Associates in Primary Care Internship across north Wales, with those participating awarded the Best Poster in the Service Design category at the RCGP Conference 2021.

Working in collaboration with the Welsh Ambulance Service, the Academy has also led the development of Rotational Models in Primary Care, with Advanced Practice Paramedics supporting the delivery of care in some GP practices. Abstracts and posters on this work have been accepted at the EMS 999 (Emergency Medical Services) and the International Round Table of Paramedicine national conferences.

Nia Boughton, Consultant Nurse – Primary Care, was announced as the Nurse of the Year in the Advanced and Specialist Nursing Category at the Royal College of Nursing Wales Awards in November 2021. This accolade recognised her work to improve the quality and consistency of training provided to nurses working in primary care settings across north Wales, including introducing an innovative training framework based on a social model of care which examines the range of factors that contribute to a person's health, rather than just their medical presentation. Practitioners using Nia's framework have reported a significant improvement in their training experience, while an initial evaluation suggests it has improved patient outcomes and led to greater consistency in the quality of consultations carried out by Advanced Nurse Practitioners.

Pharmacy

Over 2021/22, community pharmacies in north Wales continued to provide a full range of services throughout successive waves of the COVID-19 pandemic, although they faced significant staffing issues exacerbated by illness and self-isolation requirements which caused some short term closures.

Surges in demand, coupled with the ongoing social distancing requirements that limit the number of patients allowed to enter a pharmacy at the same time, have caused some pharmacies to experience queues of patients waiting to be seen. However, for the most part pharmacy teams have been able to meet demand and continue to provide excellent services to their customers.

Enhanced service provision has returned to pre-pandemic levels and services have increased over the year, helping address the pressures on general practice and other unplanned care services so that these services can respond to the demands of patients with more complex needs. This has included the further roll out of the Pharmacy Independent Prescribing Service, with twenty pharmacies in north Wales now commissioned to provide this service. In the autumn of 2021, we relaunched the Sore Throat Test and Treat Service, allowing pharmacists to support patients with sore throats and provide antibiotics where appropriate.

In October 2021 the Health Board approved the Pharmaceutical Needs Assessment for north Wales, providing assurance to contractors to enable them to invest in their premises and services.

In December 2021, Welsh Government, Community Pharmacy Wales, and Health Board representatives agreed and published a new Community Pharmacy Contractual Framework. This new framework provides an excellent platform for the development of the sector and significantly shifts focus to balance the dispensing/supply services offered by pharmacies with the clinical services they can offer. This presents a number of opportunities in north Wales and builds on the work that has been done over the past few years around developing services, such as those using pharmacist independent prescribers, to improve access and move care closer to home.

During the year there has been much less use of the flexibilities introduced by Welsh Government at the start of the pandemic that permitted reduced opening hours and services to be provided remotely by telephone or video calls. As the flexibilities come to an end, at the end of March 2022, the Health Board is working with contractors to amend their operating hours to support staff wellbeing and ensure the sustainable delivery of safe and effective services.

The year has seen a loss of staff from pharmacies with retirements and people moving to other sectors of work. This has led to pharmacy workforce issues across the UK and has made it more difficult to replenish staff to fill the gaps arising. The Health Board has worked closely with pharmacy providers to boost recruitment, with a dedicated, cross sector recruitment campaign being led by the Health Board pharmacy team with pharmacy companies offering recruitment enhancements and joint posts being developed across community pharmacy, primary care, and secondary care settings.

Dentistry

COVID-19 has had a major impact on services provided by both general dental practitioners and the Health Board's Community Dental Service. Dental care involves close face-to-face contact, and many dental procedures are deemed to be aerosol generating, and thus present an increased risk of transmission of the virus that causes COVID-19.

As a result, dental practices had to cease most treatments in the initial phase of the pandemic, although most remained open to provide telephone consultations and advice, for prescribing and to provide simple, non-aerosol generating, emergency treatment. The Health Board established designated urgent dental centres that were equipped to treat patients requiring more significant emergency treatment.

Since July 2020, practices have been able to restore services on a staged basis, in line with guidance from the Chief Dental Officer for Wales. Practices in north Wales are now providing comprehensive dental services, although at reduced capacity to allow for enhanced infection control procedures including social distancing within practice premises, increased ventilation and fallow periods between patients to allow time for ventilation and cleaning.

This reduced capacity, following the initial pause on treatment, means that dental practices have faced a backlog of patients and so have had to prioritise patients according to clinical need, with routine check-ups waiting until patients needing active treatment have been seen.

The Health Board has commissioned, on a non-recurrent basis, additional capacity with High Street dentists to help meet the demand for urgent and emergency care. This will be in place until March 2022, when a further review will take place.

The Community Dental Service continues to provide a service to vulnerable people, but faces significant challenges to enhance the ventilation arrangements in its premises. These will need to be addressed in order to bring capacity back towards pre-pandemic levels.

The Health Board has started a transformation project in north Wales dental services, involving both Health Board staff and independent contractors, to address the significant challenges we face as we move out of the COVID-19 pandemic measures. This relates to all services and is intended to ensure that dental services in north Wales are fit for purpose, standardising working practices, adopting continuous improvement methodology to processes, IT, training and patient pathways and ensuring appropriate equipment, strategy and support is in place to deliver quality services to our population.

We have developed a dental commissioning direction and commissioning priorities for the five year period 2022/23 to 2027/28. These relate to access to services at all levels – general dental services (including more complex Tier 2 services), community dental services, urgent treatment services, and orthodontics.

The Contract Reform Programme restarts on 1st April 2022 and discussions have been taking place with practices to understand if they will choose to join the Programme, revert back to UDA (units of dental activity) based contracts or hand their contracts back to the Health Board.

Optometry

The pandemic has had a major impact on services provided by Community Optometrist Practices.

Routine eye examinations recommenced from July 2020, with the majority of practices reopening subject to following strict COVID-19 guidelines. These guidelines include patient distancing and enhanced cleansing of equipment between patients, limiting capacity in all practices.

Following the resumption of routine services, there has been high and increasing demand for routine and extended eye care examinations and practices have been asked to continue to prioritise urgent patients when necessary.

Integrated Partnership Pathways between Primary and Secondary Care, initiated in 2020, have had their continuation secured through a successful June 2021 Eye Care Transformation business case. These pathways continue to provide care closer to home and timelier access to care for both glaucoma and diabetic retinopathy patients.

Optometry contractual reform, led by Welsh Government, is to progress from April 2022: with the aim being to increase opportunities for all-Wales integrated pathways, through skills development of the primary care optometry workforce and reform of national optometry contracts.

District Nursing

During the year, our District Nursing Teams have further adapted their ways of working so that they can continue to provide services to patients on a 24-hour basis in their own homes.

Teams have worked tirelessly and been flexible with leave in order to maintain service cover. This, coupled with additional investment in Healthcare Assistants, has enabled more people to be cared for at home, including the provision of step up care and step down care on discharge; as well supporting local authorities and care homes in filling gaps due to the lack of domiciliary care staff and nursing and residential care home staff. This has helped us to address delayed transfers of care from hospitals and enabled people to be supported, and cared for in their place of choice.

In addition to caring for the housebound, there has been a significant increase in the number of people choosing to die at home and the District Nursing Service has been at the forefront of the provision of this end of life care, maintaining dignity and respect for those patients and their families.

The District Nursing Teams have also played an important role providing teaching and education to patients, relatives and carers to help them manage their condition and treatment in their own homes and in care homes, avoiding unnecessary admission or readmission to hospital.

Alongside its usual activity, the District Nursing Service has also delivered thousands of vaccinations across north Wales, both flu and COVID-19 boosters, particularly to our housebound population.

2021-22 saw improvements in IT access and provision for the District Nursing Teams across north Wales, enabling staff to work more flexibly and effectively. Further impact has been made by the provision of Smartphones to each District Nurse and HCSW in north Wales, supporting the implementation of the Malinko scheduling system and giving District Nurses mobile access to emails, MS TEAMS, and on line resources.

There has been further progress in implementing the Welsh Government's District Nursing Principles with the development of Assistant Practitioner roles, and they are making an increasing contribution to the teams.

A Single Point of Contact (SPOC) for District Nursing has been trialled in one of the teams as part of a Queen's Nursing Institute project. The benefits of effective communication and more efficient working have had a positive impact on the patients and the scheme is to be rolled out further.

The Tuag Adref (Homeward Bound) service in the West Area has continued throughout the year with all referrals being co-ordinated through a single base. As well as ensuring that palliative care patients could still be cared for at home, they have provided increased support to avoid unnecessary admissions and facilitate early discharge from hospital, helping to reduce pressure on inpatient beds. The team support between 40 and 50 patients in their own home at any one time.

Children and Young People's Services

Health Visiting has been an essential service throughout the pandemic; families have experienced isolation and limited social support systems, making it even more important for Health Visitors to provide support to parents and children. Maintaining the programme of contacts set out within Healthy Child Wales has been challenging but deemed a priority. Health Visitors have worked closely with colleagues in social care to provide additional support to those vulnerable families needing wrap around care. The teams have had to adapt delivery of support to families; with increased telephone contact and home visits being risk assessed.

School Nursing Teams have worked incredibly hard during the pandemic to support children, particularly while schools were closed. The teams have immunised children in alternative venues and during the school holidays to ensure that they are protected against diseases including HPV (human papillomavirus). The extended rollout of flu immunisation to all secondary school children was delivered in addition to the primary school programme, with good take up. Safeguarding referrals have increased, including domestic abuse cases and children needing to be looked after, and School Nurses and Community Paediatricians have played a significant role in responding to this need.

Community Paediatricians and Disability Teams have seen a challenging year with an increase in referrals for support and assessment. The stresses caused by the pandemic have led to an increase in family and foster placements breaking down and the teams have had a critical role in supporting families and safeguarding children.

Acute Paediatrics and Neonates saw a rise in admissions due to respiratory conditions related to COVID-19 and young people self-harming due to their distress levels. The service has seen an increase in the number and complexity of children with significant needs and have supported many with life limiting conditions through the end of life pathway. One notable development has been the appointment of a Consultant Paediatrician for End of Life Care. Supporting parents as care givers while working within COVID-19 protection measures has been challenging for the service.

Child and Adolescent Mental Health Services (CAMHS) - The pandemic has had a significant impact on children and young people, especially those who have been bereaved or experienced other trauma during this time. Isolation has been difficult for young people, with concerns about school, college or university work and a breakdown in routine. Since the initial lockdown period there have been increased number of young people presenting in crisis who are deeply anxious, self-harming or are losing hope for the future.

The Health Board has developed a Regional Targeted Improvement Programme to lead transformation and improvement across the service and COVID-19 recovery planning. Twelve work streams have been established, including Access to Services, Crisis Response, Patient Experience, Workforce and Recruitment, with work stream leads identified from within CAMHS services and stakeholders, including service users.

New ways of working have been required to respond to the increased complexity of referrals into the service during the pandemic, including virtual appointments and commissioning of private provision for assessments and therapy to reduce the waiting list backlogs for routine care.

Increased demand for Crisis Services during the pandemic have led to examination of new ways of working to identify measures to prevent escalation to crisis. This includes the Safe Space / Sanctuary Project which is being piloted in the Wrexham locality and which offers an alternative physical space as an alternative to admission. Plans have been drawn up for a pilot scheme in 2022/23 to provide education and training to social residential care home staff to support young people in crisis. There is also a pilot for an app to help young people reduce self-harming behaviours.

CAMHS services received significant investment in 2021/22 to support delivery of the improvement programme, along with the Together for Mental Health Programme delivery plan. Additional funding has been provided for Crisis Services, Specialist CAMHS, Eating Disorders, Psychological Therapies and the full roll-out of the Schools In-Reach project which provides each school in north Wales with professional consultation to support children and young people. The funding is enabling the creation of over 120 additional new posts within these services across north Wales.

Patient Experience Leads have been working towards embedding a joint CAMHS and Neurodevelopmental strategy to improve engagement and the experience of children, young people, parents and carers. Key work includes a leadership training pilot for young people, development of social media presence and the roll out of Children's Rights training.

A No Wrong Door Strategy to bring multi agency services together across social care, health and education to meet the needs of children and young people has been co-produced with partner agencies. Implementation of the strategy will be led by the Children's Sub Group of the North Wales Regional Partnership Board supported by the CAMHS Improvement Programme. Further investment in our early intervention and prevention services will be given priority for Welsh Government mental health funding during 2022/23.

Community Hospitals

As part of embedding and refining our D2RA (Discharge to Recover then Assess) pathways, which are intended to allow more accurate assessment of patients' longer term care needs once they have returned from hospital to their usual living environment, we have remodelled how we care for patients in our community hospitals and strengthened our rehabilitation and reablement (recovery) approaches. We have implemented new processes based on national best practice to reduce delays for patients and improve their experiences and outcomes. This has included the rapid development and implementation of an electronic whiteboard solution that improves how we review patients' status each day, enabling better discharge assessment and planning and providing improved information on discharge delays.

Home First Bureaux

Home First Bureaux (HFBs) were first set up in 2020 in accordance with the COVID-19 Hospital Discharge Service Requirements. The Home First Team use a multidisciplinary and multiagency approach in the community setting to reduce the need for patients to be admitted to hospital and to support early discharge of patients out of acute and community hospital beds. This is in line with the ethos that, as long as it is clinically safe and appropriate, the best place for a patient to be is at home, or as close to home as possible.

Over the last year we have learned from our initial experiences to refine processes in the HFBs to further reduce delays, enable more efficient processing of referrals and make best use of available community care capacity. We have recruited extra staff and amended protocols in preparation for the launch of an electronic Transfer of Care (TOC) referral form for discharges, which will provide better quality information to the Home First team and care homes. This will help reduce discharge delays and ensure best use is made of available health and social care capacity.

Therapy Services

The decision to pause non-essential services in March 2020 continued to have a significant impact on therapy services into 2021/22 with the redeployment of therapy staff and the reallocation of rehabilitation space to support hospital surge capacity. Some therapists moved to work in unfamiliar environments to support existing staff in critical care and on other wards. Other staff volunteered to work in the Test, Trace and Protect Service and to participate in the vaccination programme.

This had an inevitable impact on waiting times for non-essential therapy services. Physiotherapy services remain most challenged, partly due to loss of space and partly due to their clinical skills being required in unscheduled care rather than in continued planned care. Waiting times for patients in our Central and East Areas were over 40 weeks at the year-end, with similar challenges for Occupational Therapy services in the West Area.

The loss of access to space for rehabilitation services remains the key constraint for a full recovery in 2022 and we are investigating options to tackle this, including whether space can be found in primary care or community facilities, and the possibility of adapting staffing arrangements to enable weekend working. In our East area we have been able to secure additional accommodation, Plas Gororau close to Wrexham Maelor Hospital, which will be adapted to provide additional clinical accommodation, including for therapy services.

Recruitment of staff has also been challenging, reflecting the Wales and UK wide situation with regard to the number of therapists.

Rehabilitation remains a central component of the Health Board's recovery process and therapy staff are actively involved in programmes of work to support our population affected by the pandemic. These include both patients presenting with symptoms of Long Covid and patients who are experiencing long waiting times to access services such as orthopaedics.

COVID-19 Testing and Vaccination

Local Delivery of Test, Trace, Protect

The Welsh Government Test, Trace and Protect (TTP) Strategy was initially published in May 2020 and updated in June 2020. The TTP Strategy aimed to enhance health surveillance in the community, undertake effective and extensive contact tracing, and support people to self-isolate where required to do so.

Following the initial announcement, the Health Board, Public Health Wales and Local Authority partners across north Wales worked collaboratively to establish an integrated and resilient response, and established a multi-partner, multi-layer tracing service. This has been underpinned by national guidance.

To meet the demand, around 450 staff have been employed in the contact tracing service across the region, with 70 working in the Community Testing Units, Local Testing Sites and Mobile Testing Units operated by the Health Board, supplemented by many more in the mass testing units in north Wales that were funded and managed through UK Government arrangements.

More than two million tests have been processed for north Wales residents since January 2020, contact tracing activity is noted in the table below:

Period	Index cases	Contacts traced
April – June 2021	3,751	21,737
July – Sept 2021	34,771	82,733
Oct – Dec 2021	64,368	103,825
Jan – March 2022	86,913	98,591

Throughout the year, front line Health Board staff have been subject to regular lateral flow testing to identify asymptomatic carriers of the virus.

During 2021/22, the Health Board led the way in supporting local communities, establishing COVID-19 Support Hubs in each county to provide additional access to testing, along with advice on energy bills, finances and debt, food poverty and mental wellbeing.

Given the fluctuating nature of COVID-19 transmission, TTP services have had to adapt to an ever-changing situation, to ensure services are sufficiently agile to meet the community demands.

COVID-19 Vaccination

The COVID-19 vaccination programme in north Wales was launched in December 2020. The first phase was completed by 31st August 2021 and was followed by the booster programme which began in the autumn. Administration of further doses in line with national guidance from the Joint Committee on Vaccinations & Immunisations (JCVI) began in March 2022.

Total Vaccinations (as at 11/04/22)	1st Primary Doses	2nd Primary Doses	3rd Primary Doses	Booster Doses	Healthy 5-11s	12-15 year olds	16-17 year olds
1,573,748	584,571	541,555	19,747	427,875	1704	29,414	20,081

The booster phase of the programme coincided with approval of the Moderna vaccine, which added flexibility to the programme. In December 2021 the delivery of the programme was accelerated rapidly to respond to the emergence of the highly transmissible 'Omicron' variant. Redeployment of staff and a colossal effort by all involved saw the number of doses administered hit a peak of 113,000 in the week commencing 13th December 2021.

We have delivered the programme through a variety of routes, including larger scale Vaccination Centres, GP practices, community pharmacies and mobile drive through sessions, as well as providing vaccination in care homes and the homes of patients who are housebound. We continue with regular reviews of progress, especially in low uptake areas and communities to ensure that all individuals receive the offer of vaccination.

In March 2022 we started to offer further boosters to older adults, who remain the most vulnerable to the effects of COVID-19 infection. Many of these people would have received their previous dose in September or October 2021 and so would have been reaching the period when the level of protection provided by vaccination may start to reduce.

The Health Board could not have achieved this rate of progress without the support and assistance of many agencies and individuals, for which we are most grateful, including:

- Conwy and Flintshire County Councils and Bangor and Glyndwr Universities whose facilities have been the base for our mass vaccination centres;
- our primary care contractors;
- military services personnel;
- local authority and North Wales Fire and Rescue staff who have assisted with the running of the vaccination centre booking telephone lines;
- volunteer vaccinators; and
- volunteers guiding and assisting those attending the vaccination centres.

Wider Immunisation Future Planning

Vaccination against other illnesses continues to be a key part of our work to protect our communities and our childhood vaccination programme has been maintained through the pandemic period.

Over the winter period of 2021/22 the seasonal 'flu vaccination programme took on additional importance as we also faced the risks presented by the highly transmissible Omicron variant of COVID-19. In common with Wales overall, we achieved a further increase in uptake of the flu vaccine amongst those aged over 65, but saw a reduction in uptake amongst the clinically vulnerable group and in the 2-3 year old group. Uptake rates in north Wales exceeded the all Wales average for each category.

	2020/21		2021/22	
	BCUHB	All Wales	BCUHB	All Wales
65 years and over	**78.2%**	76.5%	**79.8%**	78.0%
Under 65 at clinical risk	**54.2%**	51.0%	**51.0%**	48.2%
2 & 3 year olds	**59.9%**	56.3%	**51.3%**	47.6%

The Health Board is developing a strategic plan for future immunisation activity, including any requirements for further COVID-19 booster vaccinations, to ensure that we are able to deliver an effective and efficient, comprehensive, coherent immunisation programme that is appropriately resourced.

Redesign of Acute Services to Provide COVID-19 Care

Planned Care

The emergence of COVID-19 presented significant challenges to our acute and other hospital services.

From experiences elsewhere we knew that we could expect to see large numbers of emergency admissions, with a significant proportion of acutely ill patients who would require respiratory support and critical care facilities. It was also clear that some of these patients would experience slow recoveries that required extended hospital stays.

In addition, the high infectivity of the coronavirus meant that segregating patients with COVID-19 from the rest of the hospital, and limiting movement of staff between areas, would be essential in minimising the opportunities for the disease to spread.

The impact on planned care was significant, with routine activity severely curtailed so we could prioritise treatment of cancer and other urgent conditions.

The Health Board is now implementing a six-point recovery plan. This includes a strategic intention to pursue regional treatment centres de-coupled from unscheduled care and initiatives such as the 'Once for north Wales' approach. The latter helped maintain cancer services within north Wales during the pandemic, even if this meant moving patients and redeploying clinical staff to other hospitals so we could continue to provide treatment when sites were significantly affected by COVID-19.

The recovery plan adopts principles from the all Wales cancer pathways and the Getting It Right First Time approach and will include a review of booking and administrative services.

Following the initial waves of the pandemic, our ambition was to attain at least 80% of the activity levels of 2019/20 (the last full year unaffected by the pandemic) and to treat all patients who had been waiting for longer than 12 months for treatment as at March 2020.

Many specialities were able to achieve both objectives, despite the further disruption caused by the Omicron COVID-19 variant. However some areas, such as Orthopaedics, have been unable to achieve this due to constraints on physical capacity and ongoing pressures on beds and staffing levels. In response a number of outsourcing contracts have been established, offering clinically suitable patients requiring in-patient orthopaedic procedures or cataract surgery the opportunity to have their operation with another health provider. Further contracts, particularly based on insourcing where another health provider uses the health board's own facilities, for example utilising weekend capacity, will be procured for 2022/23.

The pandemic has led to changes in the way some planned care services are delivered, for example with the roll out of tele-medicine in outpatient services and the introduction of 'see on symptoms' approaches to some follow up activity. Although initially introduced to reduce footfall in our hospitals and clinics, these measures are also helping promote patients' self-care and monitoring of their conditions.

Critical Care and Anaesthetics

From the outset, critical care has been heavily involved in the response to the pandemic, and the planning and delivery of a much extended service has involved an unprecedented degree of collaboration between sites and close working with services in the wider hospital, particularly respiratory medicine. That the Health Board's usual establishment of 36 critical care beds could be extended to 62 at peak demand is testament to the commitment of critical care clinical staff and colleagues providing support outside of their usual clinical areas.

During 2021/22, critical care has continued to manage multiple competing demands, including an autumn COVID-19 wave, support for non-COVID urgent and emergency care, and the re-establishment of planned care pathways. Setting up new Post-Anaesthetic Care Units on each of the acute sites during 2021 has been extremely timely and has helped to minimise cancellation of intermediate risk surgical cases.

Work is underway at Wrexham Maelor Hospital and planned at Ysbyty Gwynedd to build new critical care units by adapting existing ward areas; these will be better suited to service demands and ready for the implementation of the Welsh Intensive Care Information System during 2023/24. The need for an appropriately resourced multi-disciplinary critical care team on each site to support recovery from critical illness has only become more apparent during the pandemic. Furthermore, ICU consultant clinical commitments have remained significantly above pre-pandemic levels and both these elements will be addressed within the context of a wider service review taking place during 2022/23.

Temporary Hospitals

The three temporary hospitals that were set up in early 2020 continued to support our pandemic response into 2021/22, being used as mass vaccination centres. This continued until July 2021, in the case of the facilities in Bangor and Llandudno, after which they were handed back to their owners, while the vaccination programme continued at alternative local sites. In Deeside, there was a partial handing over of the site to the owners during the year, with the vaccination centre remaining operational until March 2022.

Hospital Emergency Care

Demand for unscheduled care has been at a very high level throughout the year, both in terms of the numbers being seen in primary care and the severity of illness being treated in our Emergency Departments (EDs). The pressures on GPs are discussed elsewhere in this report, and we appreciate their work in helping limit the numbers seeking assistance at hospital emergency units.

The number of attendances at the three EDs in north Wales, which fell significantly at the start of the COVID-19 pandemic, saw a continued and steady increase from March 2021 onwards. This coincided with the lifting of the tier 4 restrictions that had come into force in December 2020, and by July 2021 activity levels were comparable to the same period prior to the lockdown. The number of attendances then declined over the rest of 2021 and the numbers of admissions and attendances of patients with suspected coronavirus has reduced through the year.

However, there was a notable increase in the acuity of patients presenting at the EDs during the year, as measured by the numbers triaged as category 1 and 2 (very urgent/urgent), although the number of high acuity patients presenting to EDs did reduce during Quarter 4.

GP Out of Hours Services, which were previously co-located in our three EDs, were moved off the acute sites in 2020 due to the need for capacity in EDs to enable social distancing, and they remained off site through 2021/22. The impact of the services being off site was low due to the higher acuity of patients attending the EDs.

The infection prevention and control measures first introduced in 2020 remained in place on all hospital sites throughout 2021/22. These measures included screening patients for COVID-19 before they entered an ED and segregating any patients who displayed potential COVID-19 symptoms.

During the year the ongoing social distancing measures continued to constrain bed availability and a slower flow of patients out of the hospitals caused by reduced availability of domiciliary care provision and care home places. These factors, along with increased staff absence due to COVID-19 and self-isolation, compounded the difficulties the unscheduled care system was already experiencing to deliver timely, quality care for patients arriving at the EDs.

New guidance issued after the year in end, in May 2022, has subsequently opened the way for us to gradually reduce restrictions on hospital visiting and social distancing requirements.

The performance for ambulance handovers within 15 minutes fell during 2021/22, from 23% in April 2021 to 15% in March 2022, and there were occasions when the Welsh Ambulance Service escalated into their Clinical Safety Plan (CSP), which resulted in a 'no send' to certain criteria of 999 calls. This subsequently increased the number of patients self-presenting and triaged as category 1 and 2, which in turn impacted on the ability to offload ambulances due to the need to bring in those from the waiting room due to clinical deterioration. We are very grateful to our colleagues in the Ambulance Service for their support in ensuring that patients continued to be cared for whilst waiting to be brought into the EDs and, as noted below, we will continue to work on measure to minimise such delays.

During 2021/22, ED performance across the Health Board has reported at an average of 64% of patients seen, treated and discharged or admitted to hospital within four hours of arrival, compared to a target of 95% of patients.

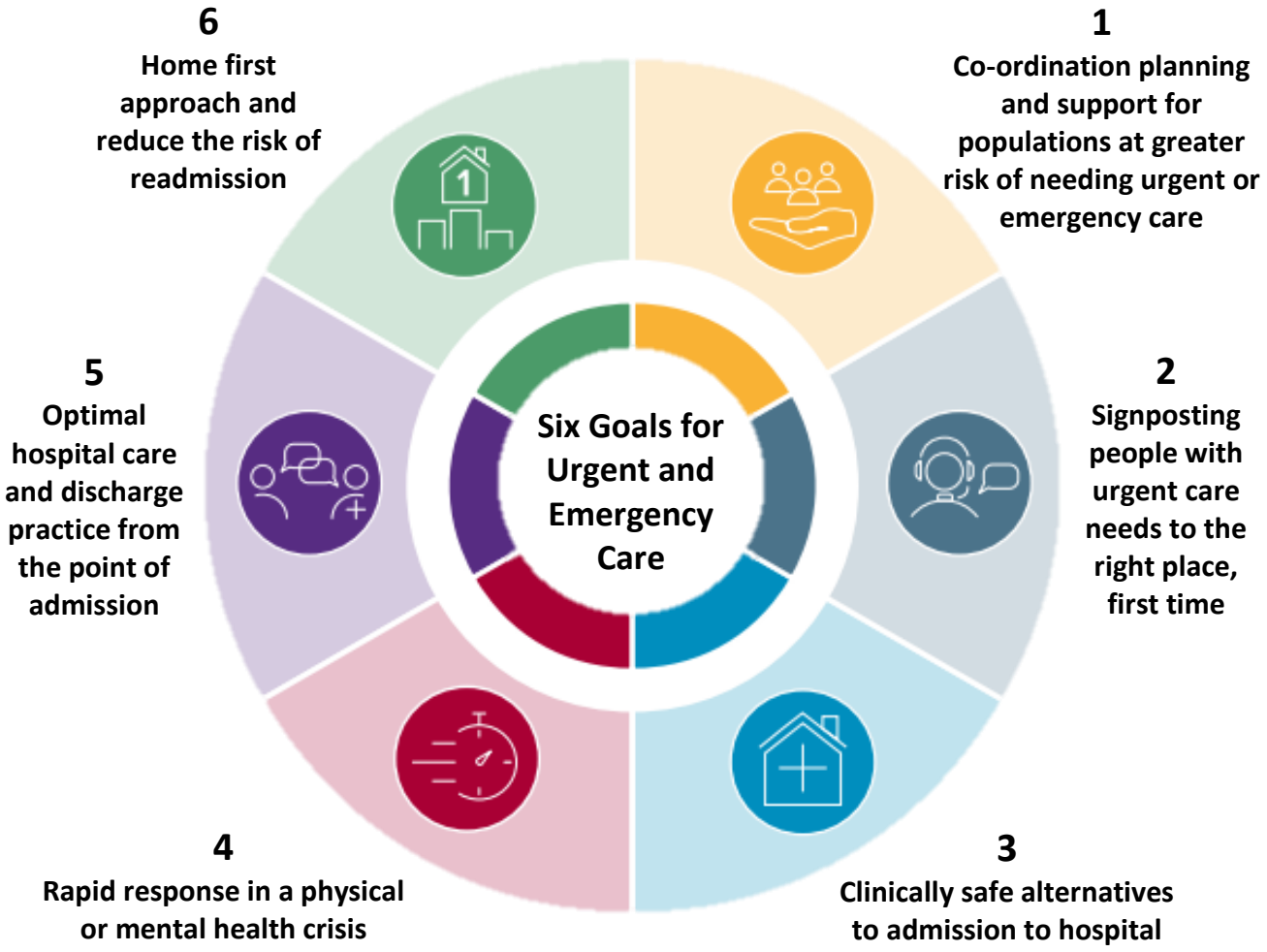
A revised Unscheduled Care Improvement Programme was implemented during 2021/22 with phase 1 commencing in July. This saw the establishment of four work-streams comprising a range of projects with key deliverables set out in 90 day cycles, which are aligned to the Welsh Government's Six Goals for Urgent and Emergency Care Programme (see below). Priority projects were identified for each work-stream and are the subject of fortnightly reviews.

The four work-streams are:

- Community Step up: priority focus - Minor Injury Units;
- Front Door / Emergency Department: priority focus - Same Day Emergency Care (SDEC);
- Inpatient Care: priority focus - Flow Improvement and Board Rounds;
- Community Step Down: priority focus - Discharge to Recover and Assess pathways (D2RA).

A number of additional schemes were also aligned to the programme to assist with increased capacity over the winter months, with funding identified to support delivery of improvements to emergency care.

Work-to standardise the scope and service provision of minor injury units is underway, with a training programme to upskill Emergency Practitioners that will continue into 2022/23.



Welsh Government Six Goals for Urgent and Emergency Care.

Work-to standardise the scope and service provision of minor injury units is underway, with a training programme to upskill Emergency Practitioners that will continue into 2022/23.

A key part of the programme is the development and expansion of the SDEC model at each site to enable the quicker turnaround, on the day, of lower acuity, ambulatory patients who currently attend ED, reducing overcrowding in the department and avoiding unnecessary admissions. Welsh Government funding has been confirmed to enable the recruitment of additional clinical, nursing and other staff and to support minor estates and software requirements. By year end the majority of nursing and other staff posts had been appointed to, although recruitment to the medical and consultant workforce has been more challenging.

Under the third work-stream there has been significant focus on implementing and strengthening board rounds on all acute and community hospital wards, to reduce delays for treatment and intervention and avoiding longer than necessary stays in hospital. Work is ongoing to implement criteria led discharge to facilitate the effective and efficient discharges of patients once designated as medically fit by a senior doctor.

Phase 2 of the Unscheduled Care Improvement Programme will review learning from 2021/22, and identify new priority areas for the work-streams to progress for 2022/23, with a focus on achieving a zero tolerance for ambulance handover delays and improvement in performance on the ED 4 hour target.

Training and Deployment of Staff

At the outset of the pandemic additional arrangements were put in place to enable the re-deployment of staff, to support services facing increased pressures and to help areas facing staff shortages as a result of colleagues needing to isolate or shield, or who were unwell.

Infection Control Measures and Personal Protective Equipment (PPE)

Personal Protective Equipment (PPE)

The situation around supply of PPE, which was a major cause of concern at the start of the pandemic, improved throughout 2020, and the Health Board has not experienced any significant supply issues in 2021/22. We have continued to provide training to staff on the correct use of PPE, updating local practices in line with any changes to national guidance, and to undertake individual fit-testing for all members of staff who need to use respirator masks.

Estate Redesign and Physical Adaptations

Many of the estate adaptations that were put in place at the start of the pandemic, including installation of protective screens and partitioning, adaptations to workspaces and signage to support social distancing and the introduction of one way systems and additional access controls have been maintained through 2021/22. Further work has been carried out over the last year to improve ventilation and air exchange arrangements in a number of premises to help reduce infection risks as we work to reinstate and restore capacity within our clinical services.

Communication

Communication with the public has been a key element of our response to the pandemic. This has been needed to support public health messages to help promote behaviours that assist with limiting the spread of infection, to explain changes to the way services are being delivered during the pandemic period and to advise patients how they can continue to access the care they require.

Throughout the pandemic we have worked with partners, including Welsh Government, Public Health Wales, local authorities and the third sector to ensure that our messages are timely, accurate, consistent and clear.

Multiple communication routes have been used, including the Health Board's social media channels, updates on our website, through local press and media and via stakeholders.

A daily report of media activity is sent to the Board each weekday and a full report of all communications activity and impact is distributed each Friday.

Over the last year a major element of the communication work has been around the vaccination programme and, especially, the delivery of the accelerated booster programme towards the end of 2021.

Our website now includes a section on our work to restart services and address the backlog of patients waiting for appointments and treatment, with details from each of our services which are updated regularly.

Our digital team have also established a suite of information to support patients with Long Covid, including online information and advice, links to Long Covid self-management courses and the recovery app and a link for patients to refer themselves into the Health Board's Long Covid service.

A dedicated COVID-19 section has been created on the Health Board's new internal intranet service that brings together, and keeps updated, all the key guidance and information for staff on COVID-19.

Delivery of Non-COVID-19 Care and Treatment

As has already been noted, the pandemic has had a considerable impact on health services for conditions unrelated to COVID-19. Many routine services were suspended to enable staff and facilities to be redeployed to ensure we had capacity to treat emergency admissions and to support the vaccination programme. We have also had to reduce the capacity of services as a result of the additional infection prevention measures needed to operate safely while the coronavirus continues to circulate in the population.

However, it has been essential that we continue to deliver health services for patients with conditions other than COVID-19 that require emergency care or where delaying treatment could have an adverse impact on a patient's eventual outcome. We have prioritised available capacity for elective surgery, and radiology and endoscopy services, for patients with cancer on a network basis across north Wales to maintain service provision.

Cancer

Throughout the pandemic our staff and services have striven to keep waiting times to a minimum for all patients referred to us with a potential cancer diagnosis.

As Wales came out of lockdown at the beginning of 2021/22 we saw a significant increase in the number of patients referred with possible cancer symptoms. In March 2021, the Health Board received approximately 150% of our usual number of suspected cancer referrals (an additional 1000 referrals); this number reduced as the year went on but at year end the referral rate was still at around 120% of pre-COVID-19 levels. In order to meet this demand, we have set up additional capacity where possible at outpatient, diagnostic and treatment phases of the cancer pathway. This has been a challenge due to the physical constraints of social distancing and the impact on our workforce, but is essential in order to ensure we diagnose and treat cancer as early as possible.

Waiting times for patients in Wales with cancer are monitored against the unified Suspected Cancer Pathway target. This requires us to start a patient's treatment within 62 days of the first suspicion of cancer emerging, wherever that arose - for example it could be a GP referral for suspected cancer, an emergency admission to hospital, following an unexpected finding on a scan, from a screening programme, or during an outpatient review of a routine patient.

During 2021/22, our monthly performance against the target has ranged from 61% to 74%, making us the best performing Health Board in Wales for most months. However, we are still not achieving the Welsh Government target of 75% patients treated within 62 days of suspicion of cancer, and so we have introduced a number of initiatives with the aim of achieving and exceeding this target in 2022/23. These include investment in one stop diagnostic clinics, straight to test pathways and additional cancer clinical nurse specialist support for patients who have a cancer diagnosis.

Elective Surgery - Waiting Lists and Risk Stratification

A referral to treatment (RTT) pathway covers the four stages of a patient will pass through after being referred to hospital treatment in the NHS in Wales. These are time spent waiting for any initial hospital appointments (outpatient - stage 1), tests, scans or other procedures that may be needed before being treated (diagnostics - stages 2 and 3) and then the wait for treatment to start (inpatient or daycase -stage 4).

The target is that at least 95% of patients should wait less than 26 weeks from referral to treatment. Urgent referrals take priority with any patient referred as urgent, or urgent suspect cancer, being put on a two-week outpatient pathway. The second stage of the pathway allows up to 8 weeks for a diagnostic test, however those on an urgent or urgent suspected cancer pathway would again be prioritised onto a two week pathway.

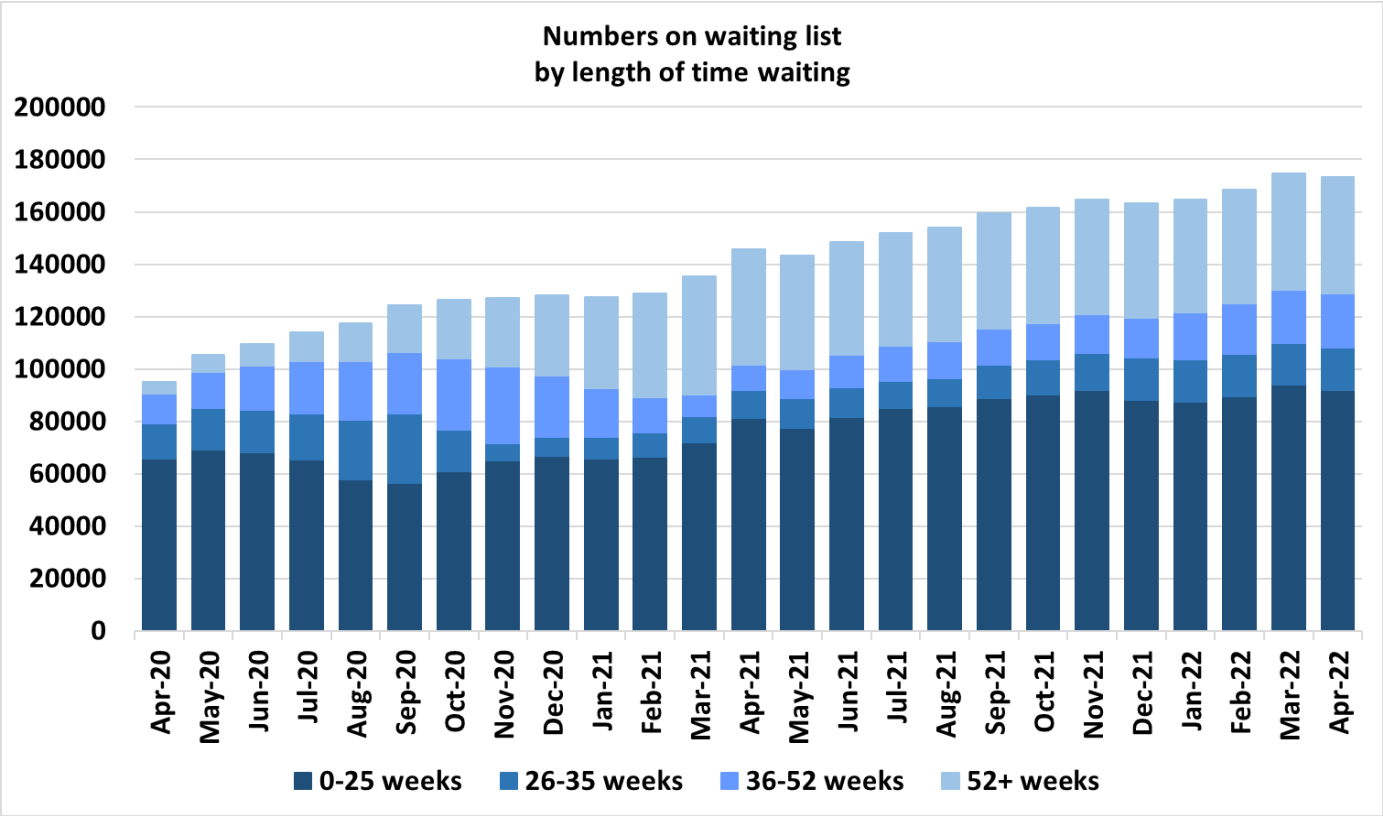
The COVID-19 pandemic has reduced our capacity to deliver planned care services within our hospitals and this has led to a significant increase in both the number of patients on our waiting lists and the length of time those patients are waiting for treatment. This has necessitated a new approach to monitoring and managing our waiting lists.

Along with all Health Boards in Wales and with support from Welsh Government and the Royal Colleges, the Risk Stratification model has been adopted. This is a clinically driven approach where each patient case on the waiting list is reviewed by a clinician and allocated a clinical risk value of between one (P1) and four (P4) based on the clinical consequences of waiting for treatment for different conditions, except in ophthalmology where three rather than four priority groups are used.

The highest priority (P1) are those cases where treatment is needed to prevent loss of life or serious and irreversible harm. The lowest priority cases (P4) are those where the eventual outcome of surgery should not be affected by an extended delay, although we recognise that these lower priority patients may be experiencing adverse effects from their condition, such as pain or restrictions on their mobility, while they wait.

The continuation of the risk stratification approach ensured that patients in the P1 and P2 categories were still treated during the Omicron variant wave of the COVID-19 pandemic, when clinical staff were required to support the vaccination programme and routine planned care activity (outpatients, day case and inpatient treatments) was paused for a period of nearly two months.

As illustrated below, the numbers waiting for treatment and the lengths of time patients are waiting have increased significantly compared to the pre-pandemic position.



While the majority of patients waiting over 52 weeks are routine cases, we recognise that it is unacceptable that patients are waiting that length of time to be assessed, diagnosed and treated, and the length of the delay can be detrimental to health and overall well-being.

In the specialities with the greatest challenges (particularly orthopaedics and ophthalmology) we have established successful arrangements with the independent health sector, and have been sending 100 patients per month requiring hip and knee replacements (and some upper limb surgery) and 400 patients per month requiring cataract surgery to providers in Cheshire and Merseyside. We recognise that the distance can be an issue for some patients, and have provided support for travel where appropriate.

Although these figures are small compared to the overall numbers waiting they are allowing us to accelerate the treatment of patients who have experienced the longest waits and additional arrangements to expand treatment capacity are being put in place for 2022/23. We will continue with these measures until our planned Regional Treatment Centres open in 2025.

We continue to expand our support to patients while they are waiting for treatment, such as the use of prehabilitation. This is an evidence-based preventative medicine package of supervised high intensity exercise training, dietary optimisation and psychology intervention, which is primarily designed to ensure that patients are as fit as possible for surgery, especially in advance of major complex procedures that carry a higher risk of post-operative complications. Using prehabilitation packages while patients are waiting for surgery helps keep patients fit and active, improves mobility and may help reduce day-to-day symptoms and pain levels. This should help reduce the stress and anxiety that can result from waiting a long time for treatment, and ultimately improve treatment outcomes.

We are also developing support processes more generally, using both our own staff and those in partner organisations, such as the British Red Cross, which has an extensive network of volunteers who can make contact with individuals to ensure that mental health needs in particular are being addressed.

Looking forwards, 2022/23 will be the beginning of a sustained period of recovery, although we anticipate that in some specialities it will take three to four years to regain the ground that has been lost due to the pandemic.

Eye Care

At the start of the pandemic non-urgent eye care treatments were suspended, although we continued to treat emergency cases and to run clinics for age-related macular degeneration (AMD).

Elective activity restarted in August 2021, but the need to maintain distancing within our ophthalmology departments, which are of limited size, mean that the capacity of our services is significantly reduced. As a consequence, there has been a severe impact on waiting times.

Ophthalmology teams continue to categorise patients into risk and greatest need groups: with longest waiting patients with greatest risk from treatment delay prioritised for care.

Under the Welsh Eye Care Measure, patients deemed to be in the highest risk category are assigned an individual target date to be seen, which prioritises those with greatest clinical need to minimise potential risk. The intention is that their actual wait should not be more than 25% beyond their personal target date.

As at March 2022, the Health Board had just over 35,000 patients in the highest risk category waiting for an appointment, 45% of whom were within the 'target date +25%' timescale, the same proportion as in March 2021. This compares to the all-Wales figure of 50%.

The Ophthalmology service has worked with primary care and outsourcing partners to develop care pathways and initiatives to provide greater sustainability. Training of additional Non-Medical Injectors and the provision of extra staffing and evening and weekend clinics is providing timelier access to intravitreal treatments.

Cataract patients are being streamed into greatest need and those who benefit from daycase treatment. This enables progression of high volume, low complexity pathways that reduce the number of hospital visits for pre-operative patients. In addition, partnership working with primary care has enabled more than 85% of patients to have their post-operative review in their local Optometry practice, releasing capacity within hospital services. Cataract outsourcing started in December 2021, treating around 400 patients each month and thereby reducing the numbers waiting for treatment.

Our ophthalmology services have also worked in partnership with primary care to introduce new care pathways for patients with diabetes and glaucoma which means they are reviewed in primary care and a report then sent to the clinician to identify the next treatment steps.

Diagnostics - Radiology

Radiology continued to provide a service during the pandemic and saw the number of referrals fall within some areas as a result of some healthcare services and providers operating at a reduced capacity. This allowed Radiology to focus on the urgent referrals and reduce waiting lists significantly in most areas of the service whilst maintaining infection control and social distancing measures.

As the demand continues to increase as services are restarted, we are starting to see this outstripping activity and have put measures in place to manage the increased demand through insourcing of additional capacity.

Radiology is moving into a transformation phase with equipment replacements across all three main sites, and some community sites, and work is ongoing to look at developing a sustainable plan for the next five years to accommodate changes to pathways / referral patterns, staffing levels and the increasing demand expected.

Diagnostics – Endoscopy

Endoscopy is currently in the recovery and transformation phase, and has developed a short to medium term plan to ensure that we are maximising capacity on our existing estate, including through insourcing contracts in each of the three hospitals.

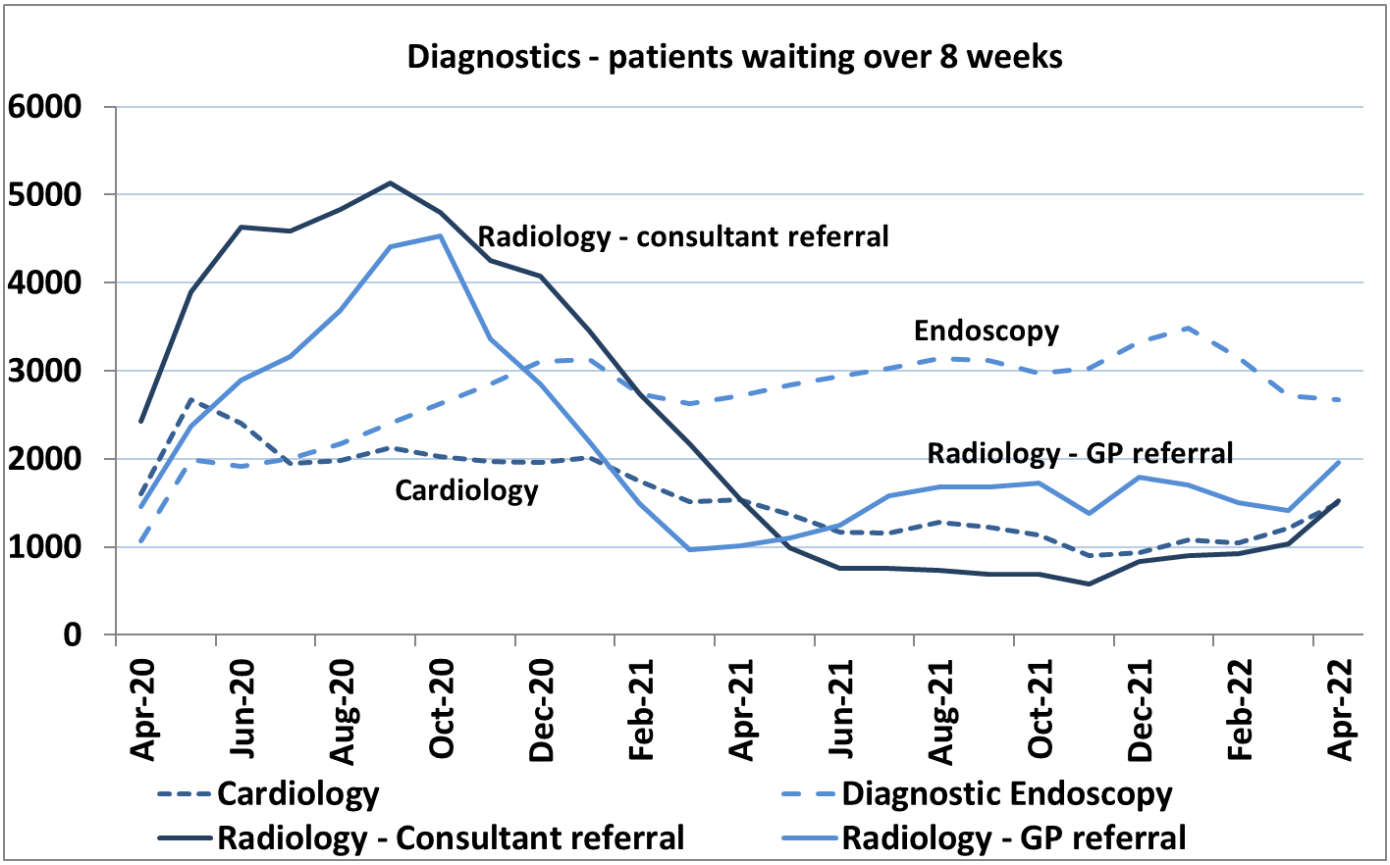
There still remains a backlog of patients waiting over 8 weeks for a procedure in 2022/23, and our plan will help reduce the backlog and mitigate against the risk of longer waiting times from now until the opening of two Regional Treatment Centres in summer 2025.

Diagnostics - Cardiology and the North Wales Cardiac Centre

Throughout the pandemic the North Wales Cardiac Centre has continued to provide treatment and care for patients with acute coronary syndromes. The primary percutaneous coronary intervention service (PCI), which reopens blocked arteries at the time of a heart attack, has functioned 24 hours/day throughout this period. However, throughout 2021/22, ensuring people with chest pain are transferred to hospital in a timely manner has been a challenge for the Cardiac Centre. Work is continuing with colleagues in the Welsh Ambulance Service to ensure patients receive care within an appropriate timescale.

All three sites in north Wales are increasing face-to-face capacity while ensuring adherence to infection control guidance to keep patients and staff safe. However, there remains a backlog of patients waiting to be seen. Pathway redesign and improvements, especially expansion of nurse-led pathways and increased provision of diagnostics and treatment closer to home, will improve patient flow and access to tests while ensuring that patients see an appropriate clinician.

Wait times for echocardiograms (ECGs) remain challenging due to a national shortage of clinicians. The Service is looking to work with Welsh Government to provide additional training and permanent roles for students finishing the cardiac physiology course.



Screening

The Health Board continues to work with Public Health Wales and partners to ensure screening services are in place. During 2021/22, the national programmes focussed on their recovery plans following pauses to services due to the pandemic.

Since October 2021, the Bowel Screening Wales programme has been extended to cover those aged 58 and 59 years for the first time, in addition to the 60-70 year olds who were already being invited for Bowel Screening. The aim of this is to pick up more bowel cancers at an earlier stage when treatment is likely to be more effective and survival chances improved.

In January 2022 Cervical Screening Wales extended its routine cervical screening interval (for those aged 25-49 years) from three to five years if Human papillomavirus (HPV) is not found in their screening (smear test). This follows the UK National Screening Committee recommendation.

Outpatients

Social distancing, the impact of COVID-19 on our workforce and the pausing of routine appointments at certain times to ensure that urgent appointments and cancer pathways could continue have resulted in a significant increase in the number of patients across north Wales waiting for appointments. Towards the end of March 2022, over 150,000 patients were waiting for an appointment, over half of whom were waiting for a first appointment.

Our teams have been working hard to address the backlog and build on developments that can provide better and more accessible care to our patients, such as virtual consultations by telephone or video, and improved communication. As COVID-19 restrictions across Wales are relaxed we are carrying out risk assessments to assess how far the changes mean we can safely increase the number of appointments we can hold in our clinics.

We continue to reach out to patients that are experiencing long waits to reassure them that their pathways continue to be managed and to ensure that we are only offering appointments to patients who still need, and wish to be seen. We are using social media and the Health Board's website to provide information on progress as we restart our services.

Group clinics provide a positive experience for patients through shared experiences, supporting self-care and working towards a common goal. Building on these benefits, we have launched a 'Virtual Joint School' in Ysbyty Gwynedd and are on track to make this available to patients across north Wales.

Where it is appropriate and clinically safe to do so, we are offering patients the option to be discharged from routine follow up, with the option for either 'See on Symptom' (SoS) or 'Patient Initiated Follow Up' (PIFU). This enables patients to request follow up if their condition requires this, without the need to first see their GP to be re-referred, rather than being automatically offered future follow up appointments.

We are also seeing an increasing number of GPs using virtual technology to contact secondary care colleagues for speciality advice and guidance, enabling patients to have their needs met in primary care without the need for a hospital visit.

Mental Health & Learning Disabilities Services

Referrals into our Mental Health and Learning Disabilities Services dropped significantly at the start of the pandemic period before recovering to pre-pandemic levels in the summer of 2020. During 2021/22 referral levels increased further, averaging 1142 referrals per month, compared to 985 per month in 2020/21.

Services continued to see patients throughout the year, whilst working within the ongoing restrictions of COVID-19 and the complexities this brings to the environment and circumstances within which patients can be seen. These limitations, coupled with the increased number of referrals during the year, have had an impact on our ability to deliver services in line with Welsh Government targets.

Compliance with targets is carefully monitored, and balanced against the Health Care Associated Infection requirements that define how we must work with patients who have tested positive for COVID-19. In order to deliver our care safely and effectively, the services adopted a blended approach of virtual and face-to-face methods of service delivery. The teams intend to build on this approach going forward into 2022/23 under the digital element of their clinical strategy.

Despite the pressures of delivering services during the pandemic, this has been a year for review of how we deliver mental health services. We acknowledge the shortfall in our ability to achieve some key targets, including Mental Health Measure Part 1, the Psychological Therapies 26 week waiting time target and, most importantly, the areas highlighted in recent HIW inspections. We have been working with service users and partners looking at ways to improve and enhance care for our patients, developing new models of care, different ways of working, and seizing opportunities to improve systems, pathways and processes. We are developing an improvement plan based on HIW recommendations, patient and staff feedback to address our need for improved delivery in standards of care.

Within our inpatient environments, we have been working to improve the fundamentals of care with the implementation of ward accreditation across our sites. All but two of our wards have been awarded Bronze status, or higher, by the end of March 2022. Work will continue to ensure all wards have a minimum standard of Bronze in 2022 and we will seek to progress beyond Bronze in the future.

We have agreed a model for an enhanced Early Intervention Psychosis Service and secured funding for this transformative opportunity to improve patient care across north Wales. We have already begun recruiting into our new model.

Our existing perinatal service is already providing care to expectant mothers with known mental health problems or those who develop mental health issues during or post pregnancy. We have assessed our perinatal services against Welsh Government guidance and agreed a model that is aligned to Royal College of Psychiatrist Mental Health standards. Our specialist midwife has successfully introduced the Institute of Health Visiting training programme across the service and will continue to deliver and maintain this training, which is undertaken by staff across mental health services, obstetrics, midwifery and health visitor services.

Our iCAN services have grown to include a range of online self-help guides and videos, and input from Occupational Therapists into some of our GP practices and community hubs that offer a range of services and support without the need for a referral. Our iCAN work is co-produced with service users, a range of specialist input from across the health board and third sector partners, and has seen significant success since inception. We have received positive feedback from both services users and GPs and will continue to extend and enhance the iCAN resources.

Mental Health Services to support our older adult community have been enhanced this year following a quality review of Community Hospitals. This resulted in a number of pieces of improvement work led by the Heath Board's Consultant Nurses for Dementia. This work dovetails into the work of our Memory Assessment Service and includes improved care pathway development and improved in-house training for staff across physical and mental health services. Collaborative work with Bangor University will support the evaluation of the work done to date and future training opportunities for pre and post registration continuing professional development.

Work in 2021/22 has resulted in significant improvement in the delivery of complex psychological therapies. The West and Central areas have achieved and maintained compliance against the 80% target throughout the year, and strengthening work continues in East with recruitment planned in 2022. We are extending our psychology input into other services, and this work will continue in the year ahead. We are now able to offer psychological therapy to stroke patients thanks to the establishment of a new service and work will continue to increase psychology input into other neuroscience areas to ensure a comprehensive service. Psychology input into multidisciplinary Primary Care Mental health services has increased and will continue to do so as recruitment into posts continues.

We have used feedback, partner discussions and the outcomes of a demand and capacity exercise to evaluate our current mental health rehabilitation services and identify areas of improvement. A three-year transformational plan has been agreed that will define our bed based, community and therapeutic care models ensuring our patients get the right care, at the right time in the right place.

Our Substance Misuse Services have continued to provide services throughout the pandemic whilst also seeking enable early interventions and improve recovery outcomes for our patients. In addition, this year we have reviewed our need for pharmacy support and the electronic means by which we do our prescribing which will be key in further improving patient safety and outcomes.

This year we have addressed the significant deficit in provision of adult Eating Disorder services in north Wales. The model for the service has been agreed and we have been successful in recruiting to a number of key posts. The improvement in provision will mean our patients get quality care, with early intervention and treatments closer to home.

Recognising the significant impact delivering services throughout the pandemic has had on staff, the Mental Health Division has continued to roll out its Wellness Work and You strategy that enables and supports staff to maintain optimum wellbeing.

Treating People as Individuals

Our patients, carers, relatives and other service users have a diverse range of needs and meeting these is integral to achieving effective care outcomes and delivering a positive patient experience.

Feedback from our patients and other service users enables us to learn and innovate and clearly indicates that communicating openly and honestly contributes to safe, effective care, a positive experience, as well as a sense of being valued and respected.

The limitations on visiting which have been needed to help protect patients, and visitors, from the risk of COVID-19 infection have meant that inpatients have been less able to keep in touch with, and benefit from the support of, family and friends. This has been particularly difficult for our more vulnerable patients, including the elderly and those with dementia and cognitive impairment. To mitigate the effects of this we have supplied iPads and supported patients with video calling to friends and extended our letter to loved ones service.

We have also been very aware of the particular impact of restrictions on visiting in respect of antenatal and maternity services and the effect that this has had on the experience of women and their partners. Although protecting individuals from the risks of COVID-19 has always been a key consideration, we have sought to accommodate the needs of individuals with specific needs on an exceptional case basis.

During 2021/22 we continued to face challenges in ensuring that the communication needs of patients and service users with sensory loss were being met on the same basis as all other service users in the context of the ongoing COVID-19 pandemic. Central to meeting these challenges has been continued collaborations with the Centre for Sign Sight and Sound and the North Wales Hearing Loss Collaborative for the provision of the Accessible Health Care programme, funded by the Health Board.

The Health Board's Patient Advice and Liaison Service (PALS) provides support for individuals with communication needs in order to provide responses to enquiries and early resolution of concerns without the need to resort to the formal complaints procedure. The PALS service is available to all patients and service users, across all care sectors, and is supported by Patient and Carer Experience Champions.

Other initiatives by the Health Board to ensure that patients and other service users with sensory loss can still independently access and receive care of the same standard as other services users include:

- provision of British Sign Language interpretation under the national WITS (Wales Interpreter and Translation Service) scheme, including the provision of remote interpretation services;
- redevelopment of the Sensory Loss Toolkit guidance for staff; and
- development of e-learning materials to support increased awareness and self-evaluation again the requirements of the all Wales standards for information and communication for people with sensory loss.

The Patient Experience Team utilises a variety of real time and retrospective feedback mechanisms to ensure that the views of patients, carers and other service users are forwarded on a regular basis to service managers and can be utilised to support patient centric service improvement.

The Civica digital feedback system the Health Board uses enables segmentation of feedback via a sub-set of protected characteristics. Despite the measures that are in place, blind and partially sighted, and deaf or hearing impaired service users do generally report lower levels of satisfaction compared with other service users, particularly with regard to the ease of accessing and participating in services.

Nonetheless, once they have accessed care, the qualitative feedback on individuals' experiences of our services is generally positive. Representative comments received during 2021/22 from service users who identify as being deaf or hearing impaired, or blind or sight impaired, included:

- *This is a lovely and friendly ward, with an emphasis on the patient's comfort and wellbeing;*
- *The nursing staff could not be more helpful and caring, I really felt in safe hands here;*
- *Brilliant as usual, all the staff were very respectful;*
- *Fantastic service, thank you for looking after me, the staff were caring;*
- *Totally professional care at every step.*
- *Everyone did all they could to make me relaxed. Every need catered for. Lovely snack and coffee. Extremely courteous and respectful.*
- *The amazing skill of the clinical staff to do what they did is overwhelmingly wonderful;*
- *I am overcome with gratitude for the care I am receiving.*

Hospital and community teams, with additional support from specialist palliative care services, have worked closely together to support the palliative and end of life care needs of patients and families, including those affected by COVID-19. A number of services also worked together to provide access to bereavement support.

Putting Things Right

Under the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 (known as Putting Things Right or 'PTR') the Health Board is required to provide assurance and evidence to the organisation's community and stakeholders that we are continuing to deal with and learn from concerns.

During the year, the following concerns were recorded by the Health Board:

- complaints 4,723 received;
- incidents 41,150 reported;
- claims 314 new clinical negligence and personal injury claims opened.

The COVID-19 pandemic had an impact on the number of complaints and claims received and the number of incidents recorded. . In the last year we have seen a return to more normal pre-pandemic reporting levels. Most of the complaints received relate to secondary care services, with the majority of formal complaints in relation to clinical treatment and assessments, poor communication and appointment waiting times. Other recurring themes were in relation to patient discharges from hospitals, prescribing and treatments not providing the expected outcomes.

Every complaint received is initially acknowledged and, subsequently, provided with a response that addresses the matters raised. There are a small number of these complaints where the failing is considered to be a breach of our duty of care. Any such case that has, or may have, caused actual harm is investigated robustly, to identify root causes or potential risks so that we can eliminate or mitigate the opportunity for any similar breach of care in the future.

Under the PTR regulations, where the Health Board is undertaking an investigation of a concern in accordance with Regulation 23 and it is determined that a qualifying liability exists or may exist, the Health Board must determine, in accordance with the provisions, whether or not an offer of redress should be made.

Redress relates to situations where the patient has been harmed and that harm was caused by the Health Board.

During 2021/22, the following number of cases were concluded following consideration of Redress:

- 20 offers of financial compensation as redress were accepted;
- 5 written apologies were made;
- 28 cases were advised to pursue a clinical negligence claim as any offer of financial compensation made would exceed the £25,000 limit allowed under PTR Regulations;
- 3 were advised to pursue a personal injury claim;
- 11 proceeded to become a clinical negligence claim;
- 1 was referred to Primary Care;
- 47 other responses were sent during the period which had been reviewed for redress but deemed to have no qualifying liability;
- 5 were advised that there was no qualifying liability following interim responses being sent.

Complaints

Most complaints received are managed as 'early resolution', meaning that they are resolved within two days of receipt and to the satisfaction of the complainant. Those that have not been resolved within this timescale, or that are more complex, often with allegations of harm having been caused, have been managed under PTR.

Of the total complaints received, 1,815 were managed under PTR and 2,908 were Early Resolutions. Complaints managed under PTR are graded against nationally set levels of severity and this breakdown is detailed below:

Grading	Number of complaints managed under PTR
Grade 5 (catastrophic harm)	17
Grade 4 (severe harm)	94
Grade 3 (moderate harm)	409
Grade 2 (low harm)	921
Grade 1 (no harm)	374

It is recognised that complaints may bring a number of different aspects of care to our attention, and these are treated individually within our response. The substance of the concerns are categorised in relation to the principal subject, in accordance with Welsh Government reporting requirements, to support the identification of emerging themes and specific areas of concern which result in focussed improvement work.

The three subjects most frequently identified from complaints received during the year were:

- clinical treatment/assessment (across all services);
- communication issues (across all services);
- appointments (mainly in relation to surgical services).

A new complaints procedure was implemented in April 2021. The process has contributed to better quality of investigation reports and reduced the number of second responses. The procedure ensures that the services understand their responsibility and accountability in investigating their complaints whilst exploring harm and breach of duty, and that robust action plans are implemented as part of the process to ensure positive changes are made to improve patient safety, care and experience.

A thematic analysis is conducted on a weekly basis to identify areas of concern and any regular recurrences are shared with the senior management within the services to investigate and identify opportunities for improvement.

Communication is a broad theme within complaints; 459 complaints were particularly in relation to aspects of communication; 431 directly related to communication issues and 28 directly related to confidentiality issues.

As a Health Board we continue to strive to improve all aspects of communication. The following actions were undertaken last year:

- the Patient Advice and Liaison Service (PALS) is working directly with the Medical Examiner Office to ensure families have an opportunity to have any unanswered questions around the loss of a loved one answered and to share their experiences;
- purchase of additional iPads and iPad stands for use in acute and community hospital areas so that patients can have video calls with their relatives and carers during restricted visiting;
- targeted work on hospital wards to look at ways to improve communication between staff and unpaid carers/families;
- continuing to offer a 'letters to loved ones' service whereby relatives and carers can send a message via phone, letter or email and it will be delivered to the patient;
- capturing patient stories around communication both positive and negative to share learning and good practise at meetings across the Health Board.

It is recognised that not every concern expressed is a complaint but may be a question, expression of opinion or enquiry. A focus of the new ways of working is on early resolution of concerns such as access to services and waiting times for appointments and procedures, which is one of the themes that result in a large volume of complaints for the Health Board. As part of the new arrangements, the Health Board's Complaints Team is now working more closely with the Patient Advice and Liaison Service (PALS) to focus on first contact and early resolution of complaints and enquiries.

The Public Services Ombudsman for Wales (PSOW)

The Public Services Ombudsman for Wales (PSOW) has legal powers to look into complaints about care providers in Wales.

During 2021/2022, the Health Board has received at total of 213 contacts from the Ombudsman. This figure includes those cases where the Ombudsman had decided not to investigate or enquire into a matter, as well as actual enquiries and investigations. This figure has been obtained from the Ombudsman and cross checked to internal data and is correct at the time of writing.

In previous years, the Hearth Board has reported the number of cases where the Ombudsman has raised enquiries and investigations, but not those where the Ombudsman decided not to investigate. The Health Board has therefore reported a different, and lower, figure in its PTR Annual Reports to that reported by the Ombudsman in their Annual Letter.

It is acknowledged the difference in reporting criteria may cause confusion. Going forward, the Health Board and Ombudsman will work together to ensure alignment of the reporting criteria across the two reports. The differences in the prior year disclosures are:

Reporting Period	**BCUHB disclosure** (those cases where Ombudsman decided to investigate or enquire into a matter)	**Ombudsman disclosure** (total contacts, includes cases where Ombudsman decided not to take action and those where Ombudsman decided to investigate or enquire into a matter)
2020/21	122	184
2019/20	166	227
2018/19	137	184

Occasionally, the Ombudsman may produce a 'public interest report', making the public aware of a particular type of case. During this period the Health Board received two public interest reports under Regulation 23, the first related to urology services and the second related to the care of a patient at Ysbyty Glan Clwyd.

Incidents

Most incidents that are recorded are classed as 'negligible' in that no harm was caused by the event that occurred.

The three most common types of incident recorded on the Health Board's incident reporting system in the year 2021/22 are:

- pressure sore/decubitus ulcer;
- slips, trips and falls;
- exposure to hazardous substance / infection.

During the year the Health Board saw a rise, then a fall and a rise again, of incidents raised in relation to COVID-19 in line with the spread of new variants across Wales. Incidents reported included outbreaks and individual cases of the virus (amongst both staff and patients). The Health Board continues to utilise the all Wales standard approach to investigating these cases under the PTR regulations.

The Health Board's strategic oversight group continues to scrutinise falls incidents. This approach enables the group to identify any emerging themes and trends or hotspots and to make recommendations for improvements.

At the beginning of the period, the continuation of national changes to reporting arrangements because of the COVID-19 pandemic meant that the number of serious incidents reported to Welsh Government was limited to a small number of categories. Internal processes ensured all serious incidents were reviewed using a proportionate investigation approach.

As of 14 June 2021, NHS Wales' responsible bodies were required to implement Phase 1 of the Welsh Government's National Incident Reporting Policy. The most obvious change in policy direction is a change in terminology with the removal of the word "serious" from the term "serious incident". The intention in removing the word serious is to support a more just and learning culture where reporting incidents does not feel punitive.

The NHS Wales Delivery Unit lifted any reporting restrictions that were put in place because of COVID-19 as of 14 June 2021, and provided a list of Specific National Incident Categories as well as Specific Reporting Arrangements. As a result of these changes, the numbers of incidents remain far lower than those reported pre-pandemic. However, since October 2021 there has been a steady increase in the number of Nationally Reportable Incidents.

In 2021/22, 12 ‘never events’ have been reported. These are serious adverse incidents that our systems and processes should ensure are never able to happen. Seven of the reported never events occurred in theatres and common themes are failure to use a LocSSIPs (Local Safety Standard for Invasive Procedures), and failure to use the World Health Organisation surgical checklist in its entirety. Our approach to LocSSIPs and NatSSIPs (National Safety Standard for Invasive Procedures) is currently being re-designed to address the failings found during the investigations into these events. The Health Board is also working to develop a human factors approach to investigations, recognising the importance of the role of human behaviours when working in a highly complex and challenging system with a focus on practices within the operating theatre. A Clinical Quality Improvement Fellow has also been appointed to deliver a programme of improvement work in regards to surgical safety.

As part of the new incident process, “Rapid Learning Panels” (RLP) take place between the senior management team and clinical executives approximately 24 hours following a Never Event and/or when an adverse incident where significant harm or death of a patient has occurred. The role of these meetings is to update on immediate learning and actions being taken (including any cross-Health Board immediate learning), identify key risks and provide support where required. This compliments the Make it Safe (MIS) Rapid Review that is completed within 72 hours by the appropriate service.

Datix Cymru is an all-Wales electronic concerns management system which the Health Board received in September 2021. It has multiple modules (e.g. claims, incidents, complaints) and each module has an individual implementation plan. The incident module has been tested, training is ongoing and will be in use for incidents from April 2022.

Claims

In the first quarter of 2021/22, the number of claims received were back to the pre-pandemic level. Throughout most of the rest of this financial year, the numbers received have fluctuated just below pre-pandemic level.

238 cases have been opened this financial year, which is a slight reduction on those opened last year (255). The reduction can most likely be attributed to a lag in receiving new claims from the pandemic period when many claims were delayed.

It is also felt that the significant amount of work on the Learning from Events reports, alongside the Welsh Risk Pool’s new procedures invoked in October 2019, may have been a contributory factor to a slight reduction.

The Health Board had 749 clinical negligence and personal injury claims open at the end of the year. The Health Board also had four judicial review matters open that largely relate to the Healthcare Services in HMP Berwyn. In addition, the Healthcare Law Team support the wider clinical staff with general legal advice queries including reviewing statements for police matters and family law proceedings.

The Health Board is still expecting to see a significant rise in all claims as result of the COVID-19 pandemic, although the full extent of this is not yet known. Such claims will likely relate not only to the direct effects of COVID 19 (i.e. potential nosocomial infections), but also the indirect effects (i.e. patients with longer wait times for surgery as a result of the stepping down of services through 2020-22). Openness, transparency, improving patient safety and learning lessons remain key for the Health Board.

Throughout 2021/22, the Health Board has noticed trends emerging in claims in the following areas:

- The use of Transvaginal Tension Free Tape (TVT) Mesh in gynaecology cases. This follows a larger group claim, which has been brought against the manufacturers of the TVT Mesh Devices and publicity in the news nationally regarding this issue. Generally, the allegations are based on whether consent was properly obtained prior to implanting the device and whether care, management and treatment received was of the appropriate standard.
- A slight rise in claims relating to North Wales Community Dental Services, particularly in the East area. These claims are likely to be linked to emergency dental work following fall out from appointments cancelled/unavailable due to COVID-19. This will continue to be monitored in the next financial year.
- Slips and trips, data protection and violence/aggression matters in personal injury claims.

Actions and improvements made following investigation of claims include:

- Many specialities within the Health Board are continuing to work on procedure specific consent forms to support informed consent being taken for interventions. The EIDO platform has been rolled out to support the all-Wales consistent standard developed by the Welsh Risk Pool. EIDO is a platform that offers standardised, nationally approved patient information leaflets about a range of procedures and ensures that the appropriate risks and benefits are explained to patients to support the consent process.
- PROMPT training (a maternity safety programme funded by the Welsh Risk Pool and supported by the PROMPT Maternity Foundation – see https://nwssp.nhs.wales/a-wp/prompt-wales/) was implemented in Wales in 2018 and continues to be in place in relation to Obstetrics/Midwifery with staff undergoing frequent refresher training. Compliance rates are high.
- In mental health, admission policies for acute care and home treatment have been updated and embedded, and an updated Therapeutic Engagement and Observation Policy is now in use.
- The booking centres now use a centralised printing and posting system which ensures letters are dated and filed appropriately ensuring there is a system for auditing and reducing the risk that administration and communication issues cause disruption to patients attending appointments.

Delivering in Partnership

The COVID-19 pandemic has demonstrated the importance of the Health Board's partnerships and joint working with other organisations.

We have continued to collaborate with colleagues across other health bodies, local authorities, academic institutions, third sector organisations and the military, amongst others, to deliver an effective response to the challenges presented by COVID-19. The Health Board is a member of the North Wales Strategic Coordination Group which coordinates the cooperative working between statutory agencies across the region.

We are immensely grateful to all of the organisations who have supported the Health Board over the past year, especially in relation to the delivery of the vaccination programme, by allowing us to make use of their premises and facilities, sharing their knowledge and expertise and providing staffing support.

As noted earlier, collaborative working was central to establishing arrangements to deliver the Test Trace and Protect (TTP) Strategy in north Wales.

Working with the Local Resilience Forums

The Health Board is categorised within the Civil Contingencies Act (2004) as a "Category 1 Responder" and is therefore required to meet the full legislated duties under the Act. In addition to these legal responsibilities, the Health Board must meet the requirements set out within the NHS Wales Emergency Planning Core Guidance (April 2015). Furthermore, as best practice, we have adopted and conform to the NHS England Core Standards for Emergency Preparedness and Resilience (EPRR).

A governance structure provides oversight and coordination of the Health Board's emergency preparedness arrangements. This structure links into the North Wales Resilience Forum, which provides the coordinated planning and preparedness across all agencies involved in civil protection activities.

On a national basis, the Resilience Team are part of the Emergency Planning Advisory Group, a Welsh Government led forum which brings health resilience managers and practitioners together to ensure consistency in preparedness and shared knowledge relating to response. Furthermore, the Board liaises with the NHS England resilience planning structure and a number of all-Wales specific working groups such as those relating to the management of mass casualties and the pre-hospital medical response to major incidents.

To support cross-border working, the Resilience Team also attend the Health Resilience Partnership Team Meetings in Cheshire and Merseyside and a representative from Cheshire is invited to attend the Health Board's Civil Contingencies Group to support cross-border working.

Supporting Social Care – Ensuring Safe Discharge

During the pandemic, it became evident that the existing methodology for managing and monitoring Delayed Transfers of Care (DToC) out of our hospitals was no longer sufficient to ensure the safe and timely discharge of our patients in the continuing context of COVID-19. In 2018, a new methodology called 'Discharge to Recover then Assess' (D2RA) was developed in partnership between Welsh Government and all the health boards and local authorities across Wales and in April 2020 the COVID-19 Hospital Discharge Service Requirements refocussed the need to embed D2RA pathways across the system.

D2RA brings multiple agencies together, working in partnership to enables the timely discharge of patients from acute hospital beds into their own home or place of care in a swifter and safer manner, ensuring that all the right care packages and support required by social care colleagues are available.

Over the last year, we have been working with Local Authority partners to co-design and develop new, and to formalise the existing, discharge pathways and referral processes in order to improve the type and quality of patients we refer. This will enable social care to effectively prioritise referrals and respond appropriately, instead of spending time triaging and reviewing inappropriate referrals. We have also mapped and refined our D2RA pathways with our Local Authority (LA) partners to enable proactive assessment of patients out of an acute hospital setting. This enables a more accurate assessment, reduces over-prescription of care and supports people to retain and/or maximise their independence.

This approach is helping us to reduce the time that patients stay in hospital while waiting for care arrangements to be put in place, helping us to release bed capacity for those requiring urgent acute hospital care, whilst supporting recovery and minimising the risks for those who no longer need to be in an acute hospital bed. However, capacity within the care sector, staffing and infection control measures put in place to manage COVID-19 continue to affect the overall pace of discharges from hospital.

Supporting Nursing Homes

Throughout the COVID-19 pandemic it was recognised that there was an increased risk for residents of care homes to be susceptible to the rapid spread of COVID-19. A robust partnership approach was taken to ensure our response and support to care homes was timely, effective, and consistent, focusing on the implementation of the key actions within the Welsh Government Single Care Home Action Plan.

Areas of joint working and support to care homes involving the Health Board, Public Health Wales and local authority colleagues have included COVID-19 testing, infection prevention and control, outbreak incident management and vaccination of staff and residents.

This work identified that many care homes and providers had only limited business continuity plans in place and were not equipped to prevent or manage an infection outbreak effectively. The Health Board is continuing to provide support to ensure better resilience in the future. It has also confirmed the importance of ‘eyes on’ quality visits to identify when more pro-active support is required, as well as assurance that safe, effective care is being provided.

In addition we have engaged with the care home sector to review the quality of our discharge from hospital referrals and as a result are developing an electronic Transfer of Care (TOC) referral form for discharges to the care home sector within the D2RA model.

This form will provide better quality information to the care homes (resulting in better experience and outcomes for people) and reduce discharge delays for a very vulnerable group of patients, and in time will itself provide an additional method of trusted assessment. The implementation of the new TOC referral will also strengthen the focus and function of our Home First Bureaus by providing better quality referral information about our patients, enabling us to better stream patients into the right community care capacity to meet their needs, and thus make best use of the health and social care capacity we have available.

Workforce Management and Wellbeing

Ensuring Safe Staffing Levels

Throughout the pandemic, we have worked closely with medical, nursing and other clinical colleagues to ensure that staffing levels have been maintained so we can continue to deliver the most effective care across all our services. We have been flexing the workforce in an agile manner to provide support where needed, whether to meet increased emergency demands on our services, to accelerate our vaccination programme or for the mobilisation of our planned care recovery programme.

These challenges are still ongoing and it is recognised that it will require the Health Board to provide ongoing support for staff and look at new ways of working as we have done throughout the pandemic to meet the staffing challenges ahead. This is especially relevant in looking at existing staffing levels across traditional service models which are predominantly medically led and bed based, and in considering how we address those areas where shortages of suitably qualified staff at a national level make recruitment particularly difficult. As part of ongoing service reviews clinical skills mix is looked at and, where possible, new ways of service delivery are included and adopted.

Planning to address each of these scenarios was a key priority for the Health Board. Workforce surge plans that were developed at the start of the pandemic were revisited and mobilisation infrastructure was tested and refined to ensure that the plans could be rolled out as and when required at any point through the year. This approach has continued and is built into our forward planning to ensure the learning and experience gained over the last period is not lost as we face ongoing workforce challenges.

Building on the previous years' work to ensure that our staff were kept safe in the work environment, we mobilised dedicated support programmes to make sure staff had appropriate training and understanding of the roles they were asked to take on as part of the ongoing pandemic response. This was particularly focused around the vaccination booster programme to allow us to bring in the required staffing in a very short timescale to support the rapid rollout across December 2021 and January 2022.

Ongoing provisions for safe staffing in the COVID-19 environment, including refreshing individual COVID-19 risk assessments, monitoring measures to support social distancing and maintaining physical adaptations to the work environment, alongside ensuring that staff were supplied with, and trained in the use of, appropriate personal protective equipment, were kept in place in line with Welsh Government guidance.

Wellbeing Initiatives for Staff

We recognise that delivering care during the pandemic has placed additional pressures on our staff. The Health Board provides a range of services to support staff mental health and wellbeing. These include an in-house coaching service, counselling and support from the Health Board's Occupational Health and Wellbeing service, supported by a network of local wellbeing champions and ensuring that staff have access to national services such as Silver Cloud and the Health for Health Professionals support service.

Early in the pandemic an additional staff wellbeing support service (SWSS) was set up and led by the Health Board's Clinical Psychology service. This provided psychological support and interventions for staff working across the Health Board through a combination of drop-in, face to face and virtual sessions.

Over the last year, this service has been further developed with additional fixed term appointments and access to psychological therapy being made available through an external provider. We have provided further emotional resilience training opportunities for staff and put plans in place to introduce facilitator training from June 2022 to develop a network of trainers within the Health Board. Through the year much work has been done to raise awareness of, and facilitate access to, the service, through the Health Board's intranet, payslip messages and newsletters.

The focus of SWSS to date has been largely to support the emotional health and psychological wellbeing of individual members of staff. As awareness of SWSS has grown, requests for support and help for groups/teams of staff and line managers have been received, reflecting the need to support the collective as well as individual wellbeing of staff. This is something we will look to address in the next year.

Further development of the service aims to establish five tiers of support, ranging through self-care and emotional resilience training, access to the Wellbeing Blitz and Taking Care and Giving Care initiatives that have been successfully piloted during 2021/22, counselling support, support from a Clinical Psychologist and a new pathway agreed with the Mental Health and Learning Disability Division for staff who may be experiencing an acute crisis. The intention is also to align the wellbeing aspects of the Wellness, Work and You service that the Mental Health and Learning Disabilities division already offer their staff service with SWSS to ensure provision of a consistent range of individual, team and line manager support across the Health Board.

Additionally, we have established a team of Speak Out Safely Guardians. These individuals are available to listen to staff and support them in raising, in confidence, any concerns they may wish to raise in connection with their work, whether to protect patient safety and quality of care, to improve the experience of staff within the organisation or to support ongoing improvement and learning.

Risk Assessments and Shielding of Staff

The Health Board has issued regular updates to all staff during the COVID-19 pandemic to provide details of current advice and support, including in relation to health and safety and shielding of those deemed clinically extremely vulnerable (CEV). The guidance is regularly updated in line with Welsh Government advice to ensure the safety of our staff and the patients we serve.

The national workforce risk assessment tool has been used for all staff to ensure their health and safety at work. This has included identifying where staff needed to be supported to work from home, or where adjustments were needed in the workplace to protect their safety in which case a site-specific risk assessment was undertaken.

The risk assessments have been discussed with our Trade Union colleagues, and expert advice was provided by Health and Safety, Occupational Health, and clinical colleagues to ensure that those staff at particular risk were deployed appropriately. We also provided additional PPE through the fit test programme to support psychological wellbeing of staff returning to work. The redeployment portal supported redeployment of staff where required, including shielding staff, ensuring that the majority of staff could continue working on adjusted / alternative duties.

Review of COVID-19 Staff Deaths

Tragically, one member of Health Board staff passed away with COVID-19 during 2021/22.

Each death is reviewed through internal and external investigations to establish whether there may be a link to work related activity and if further controls need to be implemented in the workplace. All incidents have been appropriately reported to the HSE through the Reporting of Injuries and Coroner.

The NHS and social care coronavirus life assurance scheme has been applied in each case where a member of staff passed away during the pandemic.

Role of Employee and Professional Advisory Groups

As the Health Board progressively returned to “business as usual” all formal meetings were reinstated. We continue to hold weekly meetings with our Trade Union partners to discuss general and health and safety issues, as well as continuing the more informal meetings.

Local Partnership Forum (LPF)

The Local Partnership Forum met four times during the year. In addition a monthly Workforce Partnership Group was held as well as weekly meetings with senior Trade Union partners.

The weekly meetings enable regular updates on key issues, as well as an ability to ensure that emerging issues are dealt with at an early stage. In addition regular meetings are held on specific topics including policy development, Occupational Health and Safety and job evaluation.

A key focus of the LPF meeting was the organisational development work, as well as sharing information on a range of issues including corporate planning, agile working and the work of the subgroups.

Our Digital Future

The Health Board has a digital services strategy, details of which can be found on our website at https://bcuhb.nhs.wales/about-us/governance-and-assurance/digital-strategy/. This sets out how we intend to use technology to transform the experience of our patients, improve outcomes and ensure safety. In the longer term our vision is for a Digital Health and Social Care Strategy across North Wales, supporting and enhancing collaborative working with our partner agencies.

Throughout this report there are references to how information technology and systems are being increasingly used to support the delivery of healthcare. The adoption of these new technologies has been given additional impetus over the past two years as the Health Board has responded to the challenges of the COVID-19 pandemic.

Digital platforms are enabling patients to request and receive advice and consultations from their GP practices, and the use of online or telephone consultations is being increased across many health services. Mobile information systems are giving colleagues who work in the community, such as district nurses, direct access to emails, scheduling systems and online resources. The development of electronic referral systems ensure that clinical teams receive better referral information and can direct patients to the most appropriate services.

Our website has been developed to enable direct booking COVID-19 vaccination appointments, and for patients to refer themselves directly to our Long Covid service, as well as providing regularly updated information related to the pandemic, including changes to visiting restrictions and our work to restart services

During the year we have implemented the 'Symphony' information system across all our emergency departments and the Wellsky Pharmacy & Medicines Management system for drug procurement, stock management and dispensary, and have completed the transition to the Welsh Patient Administration System across north Wales.

We have introduced an online Patient Experience System to capture patient and carer feedback to help us understand how the services we are providing are working, and to hear where members of the public think we can improve services to provide a better experience.

Looking forward, work has started on a range of further developments including electronic referrals from GP's to consultants (Includes e-Advice), Medicines Transcribing & Electronic Discharge (MTeD), the Welsh Community Care Information System (WCCIS) and the Eyecare Programme, and planning is underway for the introduction of electronic prescribing and the Welsh Intensive Care Information System.

Conclusion and Forward Look

2021/22 has been another extraordinarily difficult year and there has been no respite for our staff who have faced a further twelve months working within the constraints arising from the COVID-19 pandemic. These included covering for colleagues who have been absent from work when ill or isolating, or who were redeployed to support the vaccination programme, the inconvenience of having to use additional personal protective equipment and trying to provide additional support to patients who have been unable to have visits from partners and family.

The ongoing measures needed to counter the risk of transmission and the further waves of infection have continued to constrain capacity, placing additional pressure on front line staff trying to deliver emergency care and causing considerable disruption to planned care. As a consequence, our waiting times position continued to deteriorate, and we now face a massive challenge to bring services back up to full capacity and to address the backlog of patients needing consultations and treatment.

Pressures on primary care continued to grow, in part reflecting the need to support the growing cohort of patients awaiting secondary care, as well as a backlog of patients who had delayed seeking advice and treatment during the earlier stages of the pandemic. At the same time, GP recruitment and vacancies remain an area of difficulty, reflecting the national situation. This has been countered in part through the adoption of technology to support virtual consultations conducted by telephone or video, which enable a greater number of patients to be seen, and expansion of multi-disciplinary working within primary care teams. However we are aware that access to primary care is a significant concern in some parts of north Wales.

A similar position exists within primary dental services, where a number of practices in north Wales have closed, or withdrawn from NHS provision in recent years. Again, difficulties in recruitment have been a major factor and, coupled with the effects of the pandemic, this has led to increased difficulties for citizens seeking to access routine dental care and treatment.

However, we have gained greater experience and understanding of COVID-19 and how to manage it and vaccination and the evolution of new variants has reduced the incidence of serious illness arising from the virus. As a result, in 2022/23 we expect to see further relaxation of the restrictions that have had to be in place for the past two years, which should provide the opportunity for us to return to more normal ways of working.

The Health Board's agreed priorities for the year ahead include a series of both overarching and service-specific developments that will help us progress the journey of recovery from the impact of the pandemic. As examples of these:

- We will complete the establishment of the network of Urgent Primary Care Centres in strategic locations to release capacity within our hospital Emergency Departments and GP practices.
- Review workforce numbers and skill mix in emergency departments and Same Day Emergency Care Services and introduce a new working model to improve speed and quality of care.
- Transformation and improvement work in specific specialities and services, including ophthalmology, vascular, audiology, urology, gynaecology, stroke services, radiology, emergency departments and same day emergency care (SDEC) services and cancer pathways. with the aim of making services safer and more sustainable, improving access and creating increased capacity to help address the activity backlog.

- We will undertake improvement activity across many aspects of our mental health services for children and adults, including additional recruitment into CAMHS, improved transition arrangements for individuals moving from children's to adult services, establishing an early intervention service for people experiencing psychosis, new eating disorder teams and developing crisis care support for older adults and individuals with dementia.
- By the end of 2022 we aim to have commissioned suppliers to design and develop the first of our planned Regional Treatment Centres, which should be operational by 2025. These will support our work to reduce waiting times by improving the hospital element of planned care, through the transformation of clinical pathways with a focus on diagnostics, assessment and treatment to deliver a sustainable service for the population of north Wales.
- There will be further development of our primary care academy and the implementation of a recruitment and retention strategy for primary care in north Wales. This will increase the workforce capacity within Primary and Community care and the number and range of education and training programmes for staff working in these settings, and support the development and evaluation of new ways of working to support the sustainability of services and to bring care closer to home.
- Work in partnership with Bangor University towards establishing an independent North Wales Medical Education Programme by 2025.
- We will improve the support provided to the care home sector and Continuing Healthcare arrangements.

Many of these development areas will deliver wider benefits, reflecting the interconnected nature of health and social care. For example, improvement in continuing care will assist with the flow of patients out of hospital, ultimately easing the pressures at the front door of our emergency departments. Reducing waiting times for surgery should ease some of the additional demands on GP practices.

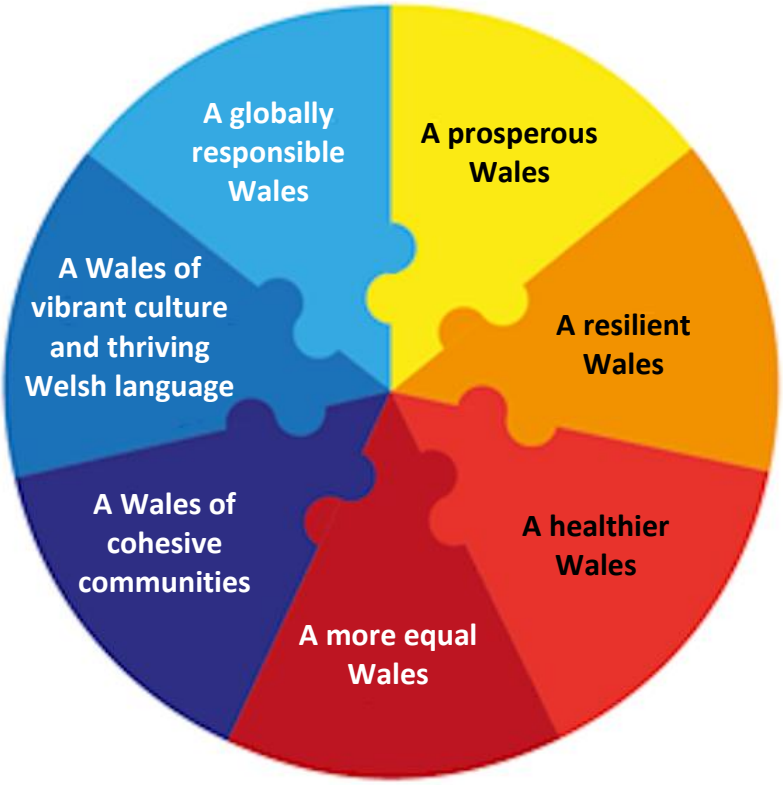
During the year, we will also complete the transition to our health communities operating model. This will see us bringing the majority of our services into three area based Health Communities, that encompass primary, community and acute care services. This will improve the integration and coordination of services and enable an increased focus on population health. Four services (women's' services, cancer, mental health and learning disability, diagnostics and specialist clinical support) will continue to be managed on a pan-north Wales basis.

Further details of our plans for the future can be found on our website at: https://bcuhb.nhs.wales/about-us/our-plans/.

Well-being of Future Generations (Wales) Act

The Well-being of Future Generations (Wales) Act gives us the opportunity to think differently and to give new emphasis to improving the well-being of both current and future generations.

The Well-being of Future Generations Act requires us to think more about the long-term, work better with people, communities and other organisations, seek to prevent problems and take a more joined-up approach. The Act puts in place seven well-being goals, and we need to maximise our contribution to all seven:



The Health Board, along with the other public bodies in Wales, is required to set and publish well-being objectives and to adopt the sustainable development principle. Sustainable development should be embedded within existing corporate processes and not treated as a separate exercise to the setting of objectives that guide the actions and decisions of the organisation.

Our initial long term strategy for health, well-being and healthcare (*Living Healthier, Staying Well* – published in March 2018) engaged with thousands of people to help design the strategy and give us their views on our well-being objectives. During 2021/22, as three years had passed and in the light of experiences during the COVID-19 pandemic, we undertook a light touch engagement exercise to test with our staff, partner organisations and the public whether the objectives were still relevant. The overwhelming majority either strongly agreed or agreed with this. Many people identified that the first goal – improving health and well-being for all – was most important, although a similar number felt all the goals should be of equal priority. There were concerns expressed regarding our delivery against the objectives, and as a result we worked to develop a clearer set of priorities for action as we developed our plans for 2022 onwards, with SMART actions, and identified outcomes we expect to achieve.

The full outcome of the engagement exercise has been submitted to our Partnerships, People and Population Health Committee and is available on our website within the committee papers at https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/partnerships-people-and-population-health-committee/ppphc-agenda-20522-v10/

Our wellbeing objectives are:

- to improve physical, emotional and mental health and well-being for all;
- to target our resources to those with the greatest needs and reduce inequalities;
- to support children to have the best start in life;
- to work in partnership to support people - individuals, families, carers, communities - to achieve their own well-being;
- to improve the safety and quality of all services;
- to respect people and their dignity;
- to listen to people and learn from their experiences.

In achieving these objectives we will:

- use resources wisely , transforming services through innovation and research;
- support, train and develop our staff to excel.

The well-being objectives will provide the foundation for ongoing work on improving how we work as an integrated Health Board to improve health and well-being and address inequalities.

During 2021/22 we also worked to develop a decarbonisation plan for the Health Board, consistent with the Welsh Government's NHS Wales decarbonisation strategic delivery plan. Our plan will be published early in 2022/23.

Adopting the Five Ways of Working

There are five ways of working set out in the Act that support the Sustainable Development principle:

Throughout the development of our Annual Plan for 2021/22 we sought to use the five ways of working to inform our decisions and help us prioritise the actions we will take to work towards our own well-being objectives and in turn, contribute to the seven national well-being goals.

Further work with partners has been taken forward through the formal partnership boards – the North Wales Regional Partnership Board and the four Public Services Boards (Gwynedd & Anglesey, Conwy & Denbighshire, Flintshire, and Wrexham).

Regional Partnership Board (Part 9 Board)

The Regional Partnership Board (RPB) is established under the Social Services and Well-being Act and works as a partnership to strategically plan, manage and develop effective care and support services that best meet the needs of the local population.

Under the long term national plan for health and social care, the six local authorities in north Wales and the Health Board, along with GPs, work together to establish and improve integrated community based services. Whilst the Community Services Transformation programme has achieved some success in digital transformation and working with partners to increase the range of homecare and support options for local people, the programme as a whole has not achieved its aim of transforming community health, well-being and care services in north Wales. The COVID-19 pandemic and disconnect with operational leaders and teams were just some of the issues that contributed to this.

'Community Transformation' funding and 'Healthier Wales' funding has, however, been successfully used by RPB partners to establish a range of projects and strategic plans. Examples include:

- developing interventions for children and families to improve emotional well-being and health, as well as providing 'early help' services and 'rapid response' (crisis outreach) services;
- improving the lives of people living with learning disabilities by helping to reduce social isolation, increasing the use of technology and enabling greater access to community activities;
- implementing iCAN (Independent, Connected, Active, Networked) mental health and well-being services. This includes providing employment support and developing community hubs to offer easily accessible support, signposting, counselling and advice in GP primary care settings.

Other achievements include establishing a Children's Sub Group to provide strategic direction in supporting families across the region with health and social care needs, and developing the 'No Wrong Door Strategy' to support the emotional resilience and mental health of children and young people, aged up to 25 years old, who are experiencing mental health problems.

New recurrent Integrated Care Funding (ICF) was confirmed in 2021 to provide safe accommodation for children with complex, high end emotional and behavioural needs and to improve memory assessment services for people with dementia and their carer's.

Moving forward, in 2022/23, a regional plan for implementation of the Integrated Autism Service Code of Practice will be submitted to Welsh Government and a regional strategy to consider how agencies can best work together to respond to the full spectrum of needs of children and young people who are experiencing mental health problems will be developed

The North Wales Research, Innovation and Improvement Hub has continued to work with RPB partners to improve the coordination of research, innovation and improvement activity in health and social care. Achievements in 2021/22 include mapping the research innovation and improvement activity taking place across the region and establishing online resources so that information is easier for everyone to access. The Hub has collated the help available to solve health and care challenges and develop ideas for innovation and improvement, which they promote through events, social media and their website: www.northwalescollaborative.wales/research-innovation-and-improvement-coordination-hub/

In response to Welsh Government requirements set out in the Social Services and Well-being (Wales) Act 2014, the six north Wales local authorities and the Health Board worked in partnership to assess the care and support needs of the local population and the services that are required to meet those needs as part of the Regional Population Needs Assessment (PNA). The PNA aims to improve our understanding of the local population and how it might change over the coming years in order to help us provide better public services.

A Regional Steering Group was established to lead the work, membership of which included the six local authorities, the Health Board, local Public Health Team and other parties with an interest such as officers of the Public Services Boards. The PNA was published in April 2022 after being formally approved by the Regional Partnership Board, the Health Board and the six local authorities (www.northwalescollaborative.wales/north-wales-population-assessment).

Whilst the PNA takes a regional focus, a local vision and plan for services will be produced in each local authority area. Moving forward, the local and regional partnerships will seek to continue the work of the PNA to ensure that assessing the needs of our population is an on-going process.

There is a further requirement for local authorities and the Health Board to assess the sufficiency of care and support provided to meet the needs of the population in the form of a regional Market Stability Report (MSR). The MSR will be published in 2022.

Public Services Boards

Public Service Boards (PSBs) are promoted by Welsh Government as the key bodies collectively responsible for improving the well-being of communities across Wales.

The Health Board actively participates in the work of the PSBs to ensure that our strategic plans are aligned with, and support achievement of, local well-being objectives.

During 2021/22, the four north Wales PSBs have focussed on drafting their Well-being Assessments, which must be produced every 5 years as a requirement of the Well-being and Future Generations (Wales) Act 2015 (in a similar timescale to the Regional Population Needs Assessment). The Well-being Assessments will assess local well-being across four pillars: social, economic, environment and culture and will be used to inform well-being objectives within the local Well-being Plans. PSBs have received support with their engagement approach from the Co-production Network for Wales (to ensure seldom heard voices are given the opportunity to contribute) and the North Wales Insight and Research Partnership.

Each PSB must publish a Well-being Plan within 12 months of publishing the Well-being Assessments. Work to develop the Well-being Plans will take place in 2022/23.

Gwynedd and Anglesey PSB has two major well-being objectives:

- communities which thrive and are prosperous in the long-term;
- residents who are healthy and independent with a good quality of life.

Progress made in 2021/22 includes:

- a more integrated system for mental health services with a focus on preventative work;
- working with partners to further develop Community Resource Teams (co-located health and social care services that provide a single of contact for the local population);
- providing guidance for all public sector reception staff in Gwynedd and Anglesey to promote the use of the Welsh Language when communicating with members of the public;
- establishing a Climate Change Group that enables partners to respond to climate change challenges.

In Conwy and Denbighshire, the PSB continue to work towards the identified priority areas as detailed in their Well-being Plan:

- supporting good mental well-being for all ages;
- supporting community empowerment;
- supporting environmental resilience.

Areas of progress in 2021/22 include:

- improving digital infrastructure in Conwy and Denbighshire by investing in two digital officer posts;
- establishing a sub group to address mental well-being in farming, rural communities and children in educational settings.

Moving forward, the PSB is keen to progress the Environmental Resilience priority, including relaunching the 'community green pledges' (a scheme to help communities to reduce their environmental impact) and the carbon reduction agenda. They have also identified new focus areas for maximising green and blue spaces, which is hoped will support recovery from the pandemic.

Whilst Flintshire and Wrexham have separate Public Service Boards, they have decided to join together to share knowledge and resources in order to tackle common challenges - specifically those around community resilience and COVID-19 recovery. The joint PSBs have agreed four cross cutting themes: children and young people, poverty and inequality, environment / carbon and mental health. Each of the themes is being led by a different PSB partner.

In 2021/22 the joint Wrexham and Flintshire PSBs have made progress in the following areas:

- establishing a Children and Young People's network and a Poverty and Inequality network, involving practitioners from the public and third sector; the networks are working to challenge existing practices and exchange ideas;
- identifying a series of actions to improve accessibility to 'green spaces' and reduce carbon;
- developing community resilience projects in Flint, the Holway and Gwersyllt.

In 2021/22, Flintshire PSB retained their five priorities as described in the five year Well-being Plan (2017 – 2023):

- community safety;
- economy and skills;
- environment;
- resilient communities;
- healthy and independent living.

Progress made in 2021/22 includes:

- opening the extended Older People's Care Home and Discharge to Assess facility at Marleyfield House, Buckley;
- promoting and supporting independent living through the 'What Matters' approach, with a focus on the expressed needs of service users;
- providing alternatives to hospital based care, through the provision of intermediate care options including step up and step down beds;
- supporting the development of an extension to increase capacity at the Arosfa respite home for children, managed by Action for Children.

During the COVID-19 pandemic Wrexham PSB have placed the majority of their strategic planning work to one side to enable public sector organisations and communities to focus their efforts in providing a co-ordinated response to delivering critical services. The PSB has however maintained its focus on children's rights. During 2021/22 they have:

- fostered a special relationship with Senedd Yr Ifanc (Wrexham Youth Parliament) who have actively shaped the way in which the PSB engages and consults with young people;
- supported the Welsh Government Early Years Integration Programme and produced evidence on how COVID-19 has impacted on the mental health and resilience of children and young people;
- worked with the Children's University to develop opportunities for Wrexham.

Regular updates were given throughout the year to the Strategy, Partnerships and Population Health Committee (to October) and to its successor committee, the Partnerships, People and Population Health Committee subsequently. Fuller details can be found on the Public Service Boards webpages:

- Gwynedd and Anglesey: https://www.llesiantgwyneddamon.org/en/
- Conwy and Denbighshire: https://conwyanddenbighshirelsb.org.uk/
- Flintshire: https://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Flintshire-Public-Services-Board.aspx
- Wrexham: https://www.wrexhampsb.org/

Sustainability

In its activities, the Health Board is a substantial user of energy and consequently has a material carbon footprint. The Health Board is also a significant consumer of water and generates a volume of waste each year.

Details of this are published on our website at https://bcuhb.nhs.wales/about-us/our-plans/

Figures for 2021/22 will be available from mid July 2022.

Welsh Language

Delivering services to patients and service users in their preferred language is a key factor in delivering high quality care, and is particularly important for our more vulnerable patients. In 2018, *The Welsh Language Standards No 7 Regulations* set out the standards that the NHS in Wales must meet in facilitating and promoting use of the Welsh Language, becoming operational in May 2019.

The Health Board's Welsh Language Services consists of four areas that support the organisation to address our patients' language needs to provide the best possible care and to meet these legislative requirements:

- Our Welsh Language Standards Compliance Team ensures that we have robust mechanisms in place to deliver legislative compliance under the Welsh Language (Wales) Measure 2011.
- Our Welsh Language Officers initiate projects and schemes that support services and divisions to be in a better position to provide care to our most vulnerable patients in their language of need, in line with the operational elements of 'More than just words', the Welsh Government's Strategic Framework for Welsh Language Services in Health, Social Services and Social Care.
- Our dedicated Welsh Language Training Programme offers a variety of courses, tailored to service needs, to new and current staff by our in-house Welsh Language Tutor. Additional training support is provided by a Support Officer, funded by the Welsh Government's Work Welsh Scheme, who provides operational support once staff return to the workplace. Developing the workforce on a strategic level is essential to ensure we have the best possible skill mix within the organisation. This work is based on our Bilingual Skills Policy and Procedure that focuses on our commitment to mainstream Welsh language requirements into workforce planning and recruitment.
- The Translation Team ensures that the Health Board is able to provide information to patients in their preferred language, in accordance with the legislation. During 2021/22 reporting year, the team has seen the highest ever number of requests, with over 4.3 million words translated. The Translation Team also offers a comprehensive translation service to the Welsh Ambulance Service NHS Trust based on a successful service level agreement, which is set to continue next year.

In addition, all members of the Welsh Language Services team support activities to highlight the importance of, and promote the use of, the language by all colleagues.

Developing the Workforce

The COVID-19 pandemic is still impacting on the work of the Welsh Language Training Team who continue to adapt their teaching resources, models and styles to ensure they can still support our extremely busy and dedicated staff. During the year the Tutor has offered a variety of courses, at different levels, to over 670 members of staff, with extremely positive feedback confirming that this level of in-house support provides a unique training infrastructure to increase our capacity and ability to deliver services in Welsh.

A highlight of the year was the Health Board's Welsh Language Learner of the Year ceremony, held on St David's Day. A shortlist of five finalists was chosen by the judges (Linda Tomos, Independent Board Member, Teresa Owen, Executive Director of Public Health and guest judge and key speaker, Bethan Gwanas, author and TV personality) who went head to head for the title of Welsh Learner of the Year. Prizes donated by sponsors were presented to the five finalists before the worthy winner, Manuela Niemetscheck, an Art Psychotherapist at the Hergest Unit in Ysbyty Gwynedd, had the honour of lighting up Ysbyty Glan Clwyd in the Welsh flag colours of red white and green to celebrate St David's Day. The ceremony was a prestigious event that gave recognition to the efforts of all of our learners and reflected the success of the Welsh Language Training team's endeavours in building a training infrastructure to support our staff.

Promotional Activities

The Health Board takes every opportunity to celebrate the Welsh language, including on St David's Day and through the Santes Dwynwen celebration. However, the highlight this year was the re-launch of the Welsh Language Team's 'Use Your Welsh' campaign. The focus of the campaign is to encourage staff to use whatever Welsh language skills they have at work, with colleagues, patients and / or visitors. Research shows that Welsh speaking patients feel more comfortable when they hear and can use their first language, and if staff use the Welsh language, patients will feel more confident and are more likely to use their Welsh with staff. Reintroducing this campaign across the Health Board has raised awareness internally among staff of the Welsh language and its importance within the health sector and, as a result, has a positive impact on the opportunities patients have to use the language.

Statutory Compliance

As part of the development of an all-Wales training module on consent, the Health Board identified the need to highlight the importance of language need in the consent process. The Welsh Language Team have developed a section for inclusion in the training package focusing on informed consent. The content highlights this area as a legal requirement, and will also support all other Health Boards in Wales to not treat the Welsh language less favourably than the English language.

Governance and Performance

Internal governance continues to be a focus point for the Health Board, with the Bilingual Services Monitoring / 'Mystery Shopper' surveys offering a self-regulatory approach to governance. Because of the visiting restrictions on our sites due to COVID-19, the inspection work this year focused on telephone services, rather than a whole-service review.

After each round of inspections, relevant service leads are provided with bespoke reports which include a breakdown of the pertinent findings and suggestions for possible / required actions, and they are subsequently invited to work alongside members of the Welsh Language Team to ensure that any necessary changes or improvements are put in place as quickly as possible.

All Health Board community hospitals and managed GP practices have now been included within the Bilingual Service Monitoring Scheme on at least two occasions since it was first introduced in 2018, and our most recent surveys have allowed us to gauge what progress has been made at each site since its introduction.

Despite the pandemic, recent Monitoring Scheme findings have confirmed that previously recorded standards are still being maintained at many Health Board locations, whilst some practice and service managers have even been able to implement improvements. The ongoing 'mystery shopper' surveys continue to uncover numerous examples of existing good practice in relation to the Welsh language and these are subsequently shared with other services or areas, as appropriate. To ensure increased accountability, general findings are still shared with Area / Hospital Management Teams and the Health Board's Welsh Language Strategic Forum members on a quarterly basis.

The Active Offer

Work continues to progress in acute and community settings with regard to the "Active Offer", namely offering patients a service through their language of choice, without them having to request it. The Language Choice Scheme, which sees orange 'speaking Welsh' identifier magnets being placed above patients' beds, continues to be operational at ward level to ensure Welsh language is still being considered as an integral element of care. A Monthly Audit Form has been created to facilitate the process of gathering relevant data, providing a relatively comprehensive snapshot of the Language Choice Scheme's delivery and success and, most prominently, its popularity amongst service users.

Under the Welsh Language Standards, a full report on compliance is produced for each year, and these are published at:
https://bcuhb.nhs.wales/about-us/governance-and-assurance/welsh-language/

Signed:

Jo Whitehead
Chief Executive and Accountable Officer Dated: 24th August 2022

PART TWO – Accountability Report

Corporate Governance Report

Directors' Report

The Board

The Health Board's Chairman is Mark Polin. The Chief Executive is Jo Whitehead. Both were in post throughout the year.

During the year we welcomed Dr Nick Lyons as Executive Medical Director and Richard Micklewright and John Gallanders, Independent Members, to the Board.

The full membership of the Board is detailed within Appendix 2 of the Annual Governance Statement (pages 32B-38B), and in the Remuneration Report on pages 71 to 79 of this document.

The Annual Governance Statement also sets out details of the Board's supporting committee structure (Section 3.10 page 3B) and their membership (Appendix 2 pages 32B-38B).

Audit Committee

In line with the standards of good governance required of the NHS in Wales, 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. Its membership during the year comprised:

Chair	Cllr Medwyn Hughes	Independent Member
Vice Chair	Lyn Meadows	Independent Member
Members	Jacqueline Hughes	Independent Member
	Eifion Jones	Independent Member (to 31 August 2021)
	Richard Micklewright	Independent Member (from 11 November 2021)
In attendance (Lead Director)		
	Louise Brereton	Board Secretary

Additionally, in attendance are:

- Executive Director of Finance;
- Chief Executive;
- Deputy Chief Executive/Executive Director of Nursing and Midwifery;
- Director/Head of Governance;
- Head of Internal Audit;
- Head/individual responsible for Clinical Audit;
- Local Counter Fraud Specialist;
- Representative of Auditor General (External Audit).

Register of Directors' Interests

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

The declarations made by Directors and Board Members for 2021/22 are published in Note 30 of the Annual Accounts, on pages 65A-66A of this document, and are available on the Health Board's website at https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/

Data Security

During 2021/22, lead responsibility for information governance in the Health Board rested with the Deputy Chief Executive Officer, with the Assistant Director of Information Governance and Assurance undertaking the designated role of the Health Board's Data Protection Officer in line with the Data Protection Act 2018. The Medical Director is the Health Board's appointed Caldicott Guardian, and the Executive Finance Director is the Senior Information Risk Owner (SIRO). These arrangements will change during 2022/23 as a result of organisational restructuring.

The Health Board self-reported five data security breaches that triggered referral to the Information Commissioner's Office (ICO) and Welsh Government. Three of these self-reported incidents have been closed by the Information Commissioner's Office with no further action required by them due to the immediate actions and improvements put in place by the Health Board. The remaining two were still open and awaiting a response from the ICO at year end. The ICO made one recommendation to check that policies and procedures are still fit for purpose and that all staff who handle personal data should receive regular data protection training which the Health Board has implemented. The Health Board did not incur any financial penalties during the year. Information relating to our information governance performance is included in section 21.4 of the Annual Governance Statement (page 27B).

Compliance with Cost Allocation Requirements

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 any associated Welsh Government guidance and endeavour to make information available to the public via our Publication Scheme: https://bcuhb.nhs.wales/use-of-site/publication-scheme/

Statement of the Chief Executive's Responsibilities as Accountable Officer of the LHB

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Health Board.

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

The Accountable Officer is required to confirm that, as far as he or she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accountable Officer is responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

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.

Signed:

Jo Whitehead
Chief Executive and Accountable Officer **Dated: 24th August 2022**

Statement of Directors' Responsibilities in respect of the Accounts

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

In preparing those accounts, the directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by Welsh Ministers.

By Order of the Board, signed

Mark Polin	**Jo Whitehead**	**Sue Hill**
Chairman	**Chief Executive**	**Director of Finance**
24th August 2022	**24th August 2022**	**24th August 2022**

Annual Governance Statement

Our Annual Governance Statement describes our governance arrangements, committee structure and the system of internal control. It also includes information about:

- The role and composition of the Board;
- Our arrangements to manage risk and the key risk areas identified by the Health Board;
- Quality and Governance processes;
- The opinion of the Head of Internal Audit;
- Independent external reviews of Health Board services and issues identified;
- Our planning arrangements;
- How the Health Board is responding to having services and functions placed into Targeted Intervention.

The full Annual Governance Statement is provided as an annex to the Annual Report and Accounts.

Remuneration Report

Policies for the Remuneration of Staff and Senior Managers

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

From October 2004, the NHS Agenda for Change process was introduced to achieve consistency in contracts and terms and conditions across NHS Wales. An all-Wales contract is issued to all staff and managers (excluding directors) upon appointment.

With effect from 1 April 2021, the structural reform which was part of the 3 year pay arrangements to all pay bands has been completed. Each pay band now has either a two or three pay-step structure. There are however a small number of final elements of reform which take effect from 1 April 2021 and the need to continue the transitional arrangements for some of the pay points in bands 8a – 9. As part of this, the revised pay scales for 2021/22 included an increase by 3.0%.

NHS Wales has adopted the Living Wage. Therefore, the pay of staff below the Living Wage minimum figure is adjusted to meet the Living Wage hourly rate. For 2021/22, the pay of staff in Agenda for Change Band 1 (pay points 1 to 3) and Band 2 (pay points 1 to 2) was adjusted to meet the minimum hourly rate of £9.50 per hour.

Medical and dental staff are governed by medical and dental terms and conditions which apply across NHS Wales. These employees received a 3.0% uplift to basic pay for 2021/22.

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

Directors are not part of this process and a very senior manager pay scale has been introduced by the Welsh Government. Pay awards are determined nationally and applied locally based upon instructions from Welsh Government. For 2021/22, a 3.0% consolidated increase was applied to all pay scales for individuals holding executive and senior posts. The Health Board does not operate a performance related pay system for very senior managers. All contracts for substantive roles are permanent and notice periods for very senior managers are three months.

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

The Remuneration and Terms of Service Committee

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

The Committee was routinely scheduled to meet four times during the reporting period and otherwise as the Chair deemed necessary. During the reporting period, it met on nine occasions.

These meetings were held in public, which were followed by a private section of the agenda when sensitive or confidential information was discussed. In addition, three extraordinary private meetings were convened.

The key substantive agenda items considered during the 2021/22 reporting period were as follows:

- Review of Terms of Reference of the Committee;
- National Terms and conditions, policy and pay update;
- Options paper on the harmonisation of pay for managed practices;
- GP Out of Hours Equalisation of GP Pay rates across north Wales;
- Tribunal Report and proposal on parameters for high profile disciplinary cases and employment tribunals;
- Senior Interim Manager Update;
- Senior Agency Interim Manager Update;
- Medical and Dental Conduct, Capability and Health;
- Upholding Professional Standards in Wales (UPSW) Designated Board Member Report;
- NHS (Performers Lists) (Wales) Regulations 2004;
- Professional Standards Case Management Update Report – long standing case numbers;
- Executive Director Appointments and Changes including Portfolio changes;
- Performance and Development Review – Executive Directors;
- Performance and Development Review – Chief Executive;
- All Wales Policy Update;
- Pay Protection Report;
- Speak Out Safely Progress Update;
- Pension Recycling;
- Operating Model and Voluntary Early Release Update;
- Healthcare Professions Council and General Pharmaceutical Council Wales (GPhC) Professional Registration Report 2020-21;
- Uplift of Pay for Employees and Workers on ad hoc pay rates;
- Draft Remuneration & Staff Report 2021/22;
- The R&TS Committee Annual Report 2020/21;
- The General Medical Council revalidation update 2020;
- The Nursing & Midwifery Council Registration, Revalidation and Fitness to Practice Annual Report 2020.

Full details of the issues considered and discussed by the Committee are documented within the agenda and minutes which are available on the Health Board's website and can be accessed from the following page:
https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/

The Committee members during the year were:

Chair	Mark Polin	Health Board Chair
Members	Lucy Reid	Health Board Vice Chair
	Cllr Medwyn Hughes	Chair of Audit Committee
	Jacqueline Hughes	Independent Member
In attendance	Jo Whitehead	Chief Executive
	Arpan Guha	Acting Executive Medical Director (to 22 August 2021)
	Nick Lyons	Executive Medical Director (from 23 August 2021)
	Sue Green	Executive Director of Workforce and Organisational Development
	Louise Brereton	Board Secretary

In addition to the above core membership, other Directors and Officers from the Health Board regularly attend meetings of the Committee. For a full list of attendance, please see the approved minutes which can be accessed on the Health Board's website via the following page: https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/

Remuneration Relationships

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director / employee in their organisation and the median remuneration of the organisation's workforce. This information can be found in Note 9.6 to the Annual Accounts, on pages 34A-35A of this document.

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

The highest paid director post during 2021/22 was the Chief Executive . In 2020/21 this was the Executive Medical Director. In 2021/22 sixteen employees received remuneration in excess of the highest-paid director (compared to ten employees in 2020/21).

Remuneration Packages in Excess of £100,000

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

Staff Group	Number of Remuneration Packages over £100,000
Chief Executive and Executive Board Members	10
Directors and other Senior Managers	34
Clinical Staff	562
Agency clinical staff (net of estimated commission)	63

£'000	Chief Executive & Board Members	Directors & other Senior Managers	Clinical Staff	Agency
100 - 105	-	4	25	5
105 - 110	1	9	39	9
110 - 115	1	6	32	3
115 - 120	-	-	42	3
120 - 125	-	7	49	5
125 - 130	-	1	30	3
130 - 135	1	1	32	4
135 - 140	-	2	39	5
140 - 145	2	1	27	2
145 - 150	2	-	41	-
150 - 155	1	-	32	4
155 - 160	-	-	27	3
160 - 165	-	-	23	4
165 - 170	-	-	23	1
170 - 175	-	-	10	-
175 - 180	1	-	17	1
180 - 185	-	-	14	2
185 - 190	-	1	11	1
190 - 195	-	-	7	3
195 - 200	-	1	5	-
200 - 205	-	1	10	1
205 - 210	-	-	4	-
210 - 215	-	-	2	2
215 - 220	-	-	3	-
220 - 225	1	-	4	2
225 - 230	-	-	2	-
230 - 235	-	-	5	-
235 - 240	-	-	2	-
240 - 245	-	-	-	-
245 - 250	-	-	1	-
250 - 255	-	-	-	-
255 - 260	-	-	1	-
260 - 265	-	-	-	-
265 - 270	-	-	-	-
270 - 275	-	-	1	-
275 - 280	-	-	-	-
280 - 285	-	-	1	-
285 - 290	-	-	-	-
290 - 295	-	-	-	-
295 - 300	-	-	-	-
300 - 305	-	-	-	-
305 - 310	-	-	-	-
310 - 315	-	-	-	-
315 - 320	-	-	-	-
320 - 325	-	-	-	-
325 - 330	-	-	-	-
330 - 335	-	-	-	-
335 - 340	-	-	-	-
340 - 345	-	-	-	-
345 - 350	-	-	-	-
350 - 355	-	-	-	-
355 - 360	-	-	-	-
360 - 365	-	-	-	-
365 - 370	-	-	1	-
Total	10	34	562	63

Exit Packages and Severance Payments

Details of all severance payments agreed during the year can be found in Note 9.5 to the Annual Accounts, on page 33A of this document.

Senior Manager Salary and Pension Disclosures and Single Total Figure of Remuneration

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

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

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

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
S Dean Interim Chief Executive 01/04/20 – 31/08/20 *(note 1)*							95-100	--	--	60-65	**160-165**	*215-220*
Jo Whitehead Chief Executive 01/04/21 – 31/03/22	220-225	5,700	20	0-5 *(note 2)*	**245-250**	--	50-55	1,000	1	--	**55-60**	*210-215*
G Harris Executive Director of Nursing and Midwifery & Deputy Chief Executive 01/04/21 – 31/03/22	175-180	--	*(note 3)*	--	**175-180**	--	110-115	--	*(note 3)*	--	**110-115**	*165-170*
Acting Chief Executive 01/09/20 – 31/12/20	--	--	--	--	**--**	--	65-70	--	*(note 3)*	--	**65-70**	*195-200*

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
D Hickman Acting Executive Director of Nursing and Midwifery 01/09/20 – 31/12/20							40-45	--	*(note 4)*	--	**40-45**	*130-135*
Dr D Fearnley Executive Medical Director 01/04/20 – 30/09/20							110-115 *(note 5)*	--	51 *(note 6)*	--	**165-170**	*225-230*
Prof A Guha Acting Executive Medical Director 01/04/21 – 22/08/21	95-100 *(note 5)*	--	*(note 3)*	--	**95-100**	*230-235*	110-115 *(note 5)*	--	*(note 3)*	--	**110-115**	*225-230*
Dr N Lyons Executive Medical Director 23/08/21 - 31/03/22	120-125	--	*(note 7)*	5-10 *(note 2)*	**130-135**	*200-205*						

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
A Thomas Executive Director of Therapies and Health Sciences 01/04/21 – 31/03/22	110-115	--	53	--	**160-165**	--	105-110	--	30	--	**135-140**	--
S G Evans Acting Executive Director of Therapies and Health Sciences 01/03/22 – 31/03/22	5-10	*(note 8)*	*(note 8)*	--	**5-10**	*110-115*						
Dr J C Stockport Executive Director of Primary Care and Community Services 01/04/21 – 31/03/22	145-150	6,000	*(note 3)*	--	**150-155**	--	140-145	6,000	*(note 3)*	--	**145-150**	--

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
T Owen Executive Director of Public Health 01/04/21 – 31/03/22 Acting Deputy Chief Executive 01/09/20 – 31/12/20	140-145	--	90	--	**230-235**	--	130-135	--	67	--	**200-205**	--
S Hill Executive Director of Finance 01/04/21 – 31/03/22 (Acting into post 01/04/20 – 31/12/20)	145-150	--	40	--	**185-190**	--	140-145	--	39	--	**180-185**	--
M Wilkinson Executive Director of Planning and Performance 01/04/21 – 24/08/21	60-65	--	*(note 9)*	--	**60-65**	*145-150*	140-145	--	49	--	**190-195**	--

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total** **(bands of £5,000)** **£'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total** **(bands of £5,000)** **£'000**	*Full year equivalent salary (if part year)* **£'000**
S Green Executive Director of Workforce and Organisational Development 01/04/21 – 31/03/22	145-150	--	42	--	**185-190**	--	140-145	--	48	--	**190-195**	--
L D Sharp Acting Board Secretary 01/04/20 – 10/01/21							85-90	--	*(note 10)*	--	**85-90**	*100-105*
E Jones Acting Board Secretary 01/04/20 – 03/04/20							0-5	--	*(note 11)*	--	**0-5**	*70-75*
J Parry Acting Board Secretary 01/04/20 – 27/04/20							5-10	100	*(note 12)*	--	**5-10**	*75-80*
A L Brereton Board Secretary 01/04/21 – 31/03/22	100-105	--	55	--	**155-160**	--	20-25	--	7	--	**25-30**	*100-105*

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
A Roach Associate Board Member Director of Mental Health and Learning Disability 01/04/20 – 30/11/20							50-55	--	28	30-35 *(note 13)*	**110-115**	*120-125*
L Singleton Acting Associate Board Member Director of Mental Health and Learning Disability 01/04/20 – 01/06/20							15-20	--	*(note 14)*	--	**15-20**	*90-95*

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
M Polin Chairman 01/04/21 – 31/03/22	65-70	--	--	--	**65-70**	--	65-70	--	--	--	**65-70**	--
L Reid Vice Chair 01/04/21 – 31/03/22	55-60	--	--	--	**55-60**	--	55-60	--	--	--	**55-60**	--
Cllr C Carlisle Independent Member 01/04/21 – 31/03/22	15-20	--	--	--	**15-20**	--	15-20	--	--	--	**15-20**	--
J Cunliffe Independent Member 01/04/21 – 31/03/22	15-20	--	--	--	**15-20**	--	15-20	--	--	--	**15-20**	--
Cllr R M Hughes Independent Member 01/04/21 – 31/03/22	15-20	--	--	--	**15-20**	--	15-20	--	--	--	**15-20**	--
L Meadows Independent Member 01/04/21 – 31/03/22	15-20	--	--	--	**15-20**	--	15-20	--	--	--	**15-20**	--

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
H Wilkinson Independent Member 01/04/20 – 23/11/20 (includes a period of voluntary leave of absence)							5-10	--	--	--	**5-10**	*15-20*
H E Jones Independent Member 01/04/21 – 31/08/21	5-10	--	--	--	**5-10**	*15-20*	15-20	--	--	--	**15-20**	--
E L Tomos Independent Member 01/04/21 – 31/03/22	15-20	--	--	--	**15-20**	--	5-10	--	--	--	**5-10**	*15-20*
J Hughes Independent Member 01/04/21 – 31/03/22	*(note 15)*	--	--	--	**--**	--	*(note 15)*	--	--	--	**--**	--
Prof N Callow Independent Member 01/04/21 – 31/03/22	*(note 16)*	--	--	--	**--**	--	*(note 16)*	--	--	--	--	--
R Micklewright Independent Member 01/11/21 – 31/03/22	5-10	--	--	--	**5-10**	*15-20*						

	2021/22						2020/21					
Name and Role	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**	Salary (bands of £5,000) **£'000**	Benefit in kind (to nearest £100) **£**	Pension benefit (to nearest £1,000) **£'000**	Other payments (bands of £5,000) **£**	**Total (bands of £5,000) £'000**	*Full year equivalent salary (if part year)* **£'000**
J Gallanders BEM Independent Member 01/11/21 – 31/03/22	5-10	--	--	--	**5-10**	*15-20*						
Ff Williams Associate Board Member 01/04/21 – 30/04/21	*(note 17)*	--	--	--	**--**	--	*(note 17)*	--	--	--	**--**	--
S G Evans Associate Board Member 01/04/21 – 28/02/22	*(note 18)*	--	--	--	**--**	--	*(note 18)*	--	--	--	**--**	--
M Edwards Associate Board Member 01/04/21 – 31/03/22	*(note 17)*	--	--	--	**--**	--	*(note 17)*	--	--	--	**--**	--
C Budden Associate Board Member 01/06/21 – 31/03/22	*(note 17)*	--	--	--	**--**	--						

Notes

1. S Dean was seconded from the Welsh Government as the Interim Chief Executive with effect from the 10th February 2020 to the 31st August 2020. During the period of secondment, S Dean's substantive employers were the Welsh Government. Costs totalling £162,326 were incurred in 2020/21 in relation to the secondment. These included salary of £97,403 (of which £6,711 was back pay from 2019/20), pension costs of £21,314, National Insurance costs of £11,649, expenses of £4,906 and non-recoverable VAT of £27,054. (2019/20: costs of £50,495 in relation to the secondment, which included salary of £29,592, pension costs of £8,571, National Insurance costs of £3,917 and non-recoverable VAT of £8,415).
2. The values represented under other payments in 2021/22 are for relocation expense packages. In 2020/21 J Whitehead received relocation expenses within the £0-£5,000 banding and N Lyons received relocation expenses within the £5,000-£10,000 banding.
3. These employees chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
4. These employees chose not to be covered by the NHS pension arrangements during the prior reporting year.
5. Dr D Fearnley's and Prof A Guha's salaries include payment for their nationally awarded Clinical Excellence Awards.
6. Revised figures have been used for opening pension values due to an amendment to the Mental Health Officer (MHO) doubling calculation.
7. These employees chose not to be covered by the NHS pension arrangements during the current reporting year.
8. S G Evans is the Acting Executive Director of Therapies and Health Sciences from the period 1st March 2022. Outside of this period S G Evans was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits and benefit in kind that relate solely to the role as Acting Executive Director of Therapies and Health Sciences.
9. M Wilkinson was the Executive Director of Planning and Performance for the period 1st April 2021 to 24th August 2021. Outside of this period M Wilkinson was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Executive Director of Planning and Performance.
10. L D Sharp was the Acting Board Secretary for the period 1st September 2019 to 10th January 2021. Outside of this period L D Sharp was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Acting Board Secretary.
11. E Jones was the Acting Board Secretary for the period 18th December 2019 to 3rd April 2020. Outside of this period E Jones was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Acting Board Secretary.

12. J Parry was the Acting Board Secretary for the period 6th February 2020 to 27th April 2020. Outside of this period J Parry was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Acting Board Secretary.
13. A Roach stepped down from the role as Director of Mental Health and Learning Disability on the 30th November 2020. Other remuneration reported for A Roach relates to a contractual payment.
14. L Singleton was the Acting Director of Mental Health and Learning Disability for the period 20th November 2019 to 1st June 2020. At this date, the Executive Lead for Mental Health was confirmed as the Executive Medical Director. L Singleton continued as Acting Divisional Director of Mental Health and Learning Disability until 20th September 2020, at Divisional Director level not Board level. It has not been possible to calculate the element of pension benefits that relate solely to the role as Acting Director of Mental Health and Learning Disability.
15. J Hughes is an employee of the Health Board and is an Independent Member drawn from a Trade Union background. J Hughes is not paid for the role as an Independent Member.
16. Professor N Callow is the University representative on the Board and is not paid by the Health Board.
17. Ff Williams, M Edwards and C Budden are not employees of, and are not paid by, the Health Board.
18. S G Evans is an employee of the Health Board and is an Associate Board Member and Chair of the Healthcare Professional Forum. S G Evans was not paid for the role as an Associate Board Member. From 1st March 2022, S G Evans commenced in the role as Acting Executive Director of Therapies and Health Sciences.

	Real Increase In Accrued Pension (bands of £2,500) **£'000**	Real Increase In Lump Sum (bands of £2,500) **£'000**	Total accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Lump sum related to accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Cash Equivalent Transfer Value as at 31 March 2021 **£'000**	Cash Equivalent Transfer Value as at 31 March 2022 **£'000**	Real Increase in Cash Equivalent Transfer Value **£'000**	Notes
J Whitehead Chief Executive 01/04/21 – 31/03/22	0-2.5	--	10-15	--	154	176	18	
G Harris Executive Director of Nursing and Midwifery & Deputy Chief Executive 01/04/21 – 31/03/22	--	--	--	--	--	--	--	*note 1*
Prof A Guha Acting Executive Medical Director 01/04/21 – 22/08/21	--	--	--	--	--	--	--	*note 1*
Dr N Lyons Executive Medical Director 23/08/21 - 31/03/22	--	--	--	--	--	--	--	*note 2*

	Real Increase In Accrued Pension (bands of £2,500) **£'000**	Real Increase In Lump Sum (bands of £2,500) **£'000**	Total accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Lump sum related to accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Cash Equivalent Transfer Value as at 31 March 2021 **£'000**	Cash Equivalent Transfer Value as at 31 March 2022 **£'000**	Real Increase in Cash Equivalent Transfer Value **£'000**	Notes
A Thomas Executive Director of Therapies and Health Sciences 01/04/21 – 31/03/22	2.5-5.0	2.5-5.0	50-55	130-135	1,082	1,169	66	
S G Evans Acting Executive Director of Therapies and Health Sciences 01/03/22 – 31/03/22	--	--	--	--	--	--	--	*note 4*
Dr J C Stockport Executive Director of Primary Care and Community Services 01/04/21 – 31/03/22	--	--	--	--	--	--	--	*note 1*
T Owen Executive Director of Public Health 01/04/21 – 31/03/22	5.0-7.5	5.0-7.5	55-60	115-120	951	1,065	88	

	Real Increase In Accrued Pension (bands of £2,500) **£'000**	Real Increase In Lump Sum (bands of £2,500) **£'000**	Total accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Lump sum related to accrued pension at 31 March 2022 (bands of £5,000) **£'000**	Cash Equivalent Transfer Value as at 31 March 2021 **£'000**	Cash Equivalent Transfer Value as at 31 March 2022 **£'000**	Real Increase in Cash Equivalent Transfer Value **£'000**	Notes
S Hill Executive Director of Finance 01/04/21 – 31/03/22	2.5-5.0	--	20-25	--	259	310	28	
M Wilkinson Executive Director of Planning and Performance 01/04/21 – 24/08/21	--	--	--	--	--	--	--	*note 3*
S Green Executive Director of Workforce and Organisational Development 01/04/21 – 31/03/22	2.5-5.0	0-2.5	25-30	35-40	406	449	33	
A L Brereton Board Secretary 01/04/21 – 31/03/22	2.5-5.0	--	10-15	--	110	149	24	

Notes

1. These employees chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
2. These employees chose not to be covered by the NHS pension arrangements in the current reporting year.
3. M Wilkinson was the Executive Director of Planning and Performance for the period 1st April 2021 to 24th August 2021. Outside of this period M Wilkinson was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Executive Director of Planning and Performance.
4. S G Evans is the Acting Executive Director of Therapies and Health Sciences from the period 1st March 2022. Outside of this period G Evans was employed by the Health Board in a substantive post and it has not been possible to calculate the element of pension benefits that relate solely to the role as Acting Executive Director of Therapies and Health Sciences.

Staff Report

The average number of full time equivalent (FTE) staff employed by the Health Board during 2021/22 is reported below.

Professional Group	Average FTE 2021/22
Professional, Scientific and Technical	656
Additional Clinical Services	3,451
Administrative and Clerical	3,292
Allied Health Professionals	1,065
Estates and Ancillary	1,249
Healthcare Scientists	259
Medical and Dental	1,611
Nursing and Midwifery Registered	5,248
Students	27
Total	**16,858**

The actual number of staff in post as at 31st March 2022 was 19,355 and the gender composition is provided in the table below.

Staff Composition	Female	Male	Total
Director	6	4	10
Manager (Band 8C and above)	122	83	205
Staff	15,421	3,719	19,140
Total	**15,549**	**3,806**	**19,355**

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

The sickness absence data for 2021/22 is provided below:

	2020/21	2021/22
FTE Days lost (long term)*1	230,669	259,713
FTE Days lost (short term)*1	91,138	118,023
Total days lost	**321,808**	**377,736**
Average working days lost	12	14
Total staff employed in period (headcount)*2	19,261	19,066
Total staff employed in period with no absence (headcount)*2	8,136	5,457
Percentage staff with no sick leave	**43.19%**	**30.48%**

*1 - These figures are calculated on a Full Time Equivalent basis. Sickness absence is measured using calendar days on the Electronic Staff Record system, which includes all days from the start to end of a period of absence, including weekends or days when a member of staff would not have been rostered to work. Therefore the number of working days lost is lower than the days lost figure.
*2 - Average over 12 months
*Please note this includes starters within the reporting period as recommended by All Wales data standards.

The overall percentage sickness absence in 2021/22 was 6.3% (2020/21, 5.48%). Factors such as social distancing, working from home, recording of shielding and self-isolation leave as special leave have impacted on the percentage of staff without sick leave.

Off Payroll Engagements and Consultancy

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

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

Number of existing engagements, for more than £245 per day-as at 31 March 2022	**296**
Of which...	
Number that have existed for less than one year at time of reporting	127
Number that have existed for between one and two years at time of reporting	43
Number that have existed for between two and three years at time of reporting	43
Number that have existed for between three and four years at time of reporting	80
Number that have existed for four or more years at time of reporting	3

Number of new off-payroll engagements for more than £245 per day between 1 April 2021 and 31 March 2022	**128**
Of which...	
Number assessed as covered by IR35	120
Number assessed as not covered by IR35	8
Number engaged directly (via PSC contracted to the department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR 35 status following the consistency review	0

Number of off-payroll engagements of board members and / or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022	**0**
(Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year, including both off-payroll and on-payroll engagements)	27*

*The Board Members and Senior Officials who are deemed to be Senior Managers are those individuals whose salary details are disclosed on pages 71 to 79 of this report.

During the year the Health Board incurred expenditure of £0.605m on external consultancy services.

Equality and Human Rights

Our Strategic Equality Plan (SEP) for the period 2020-2024 was agreed and published in March 2020. It is published on our website at https://bcuhb.nhs.wales/use-of-site/publication-scheme/class-five-our-policies-and-procedures/equality-and-human-rights/strategic-equality-plans/

During the second year of this plan we have continued to respond to the challenges that the COVID-19 pandemic has presented and the health inequality it has highlighted and exacerbated, while also refocusing on our intention to strengthen the performance management of the SEP across all functions of the Health Board. We have also prioritised the implementation of the Socio-economic Duty to raise awareness and understanding of the duty across all our services in north Wales.

We have continued to engage with communities, individuals and groups, our staff and experts to inform our equality work and have been grateful for the insight and support of so many as we work together across north Wales. Further detail on our progress is published in our Equality Annual Report 2021/22, available at https://bcuhb.nhs.wales/use-of-site/publication-scheme/class-five-our-policies-and-procedures/equality-and-human-rights/equality-and-human-rights-reports/

Signed:

Jo Whitehead
Chief Executive and Accountable Officer Date: 24th August 2022

Welsh Parliament Accountability and Audit Report

The Health Board is required to compile and publish an Accountability Report, the content of which is prescribed by the Welsh Government.

Regularity of Expenditure

HM Treasury defines regularity as the requirement for all items of expenditure to be dealt with in accordance with the legislation authorising them, any applicable delegated authorities and rules of Government Accounting.

The Health Board is empowered to incur expenditure by the National Health Service (Wales) Act 2006 and receives revenue and capital resource allocations from the Welsh Government.

The Health Board's budget setting process aims to ensure that resources are allocated across the organisation for legitimate purposes. The Health Board has delegated arrangements with budget holders who must operate in accordance with their Accountability Agreements and the Standing Financial Instructions (SFIs) of the Health Board.

Arrangements are in place to monitor compliance with the SFIs and these are reported to each Audit Committee through the Conformance Report. In addition to a comprehensive Internal Audit programme the Health Board has a Local Counter Fraud Team.

The Health Board complies with recognised reporting standards to the extent that they are applicable to the Public Sector and the accounts are produced in accordance with the Manual for Accounts produced by the Welsh Government. Monthly financial monitoring returns are submitted to the Welsh Government with explanations for variances.

The Health Board reported a surplus of £0.289m against its Revenue Resource Limit for the year. The Health Board has not met its statutory target to achieve breakeven over the three year period 1 April 2019 – 31 March 2022 and has recorded a cumulative deficit of £37.917m.

Fees and Charges

Fees and charges are not routinely charged to NHS patients unless the Health Board is permitted under the legislation to make a charge. Examples would include dental work and access to health records. It is confirmed that, to the best of our knowledge, the Health Board complies with Welsh Government directives in respect of charge rates.

Remote Contingent Liabilities

The Health Board is required to account for all remote contingencies in accordance with International Accounting Standard 37 (IAS37). These are fully disclosed in Note 21 in the Statement of Accounts.

Other remote contingencies not accounted for within IAS37 would include letters of comfort and third party guarantees given by management. To the best of our knowledge, the Health Board does not have any such liabilities that require disclosure.

The Certificate and Independent Auditor's Report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Betsi Cadwaladr University Local Health Board for the year ended 31st March 2022 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion on the financial statements section below, the financial statements:

- give a true and fair view of the state of affairs of Betsi Cadwaladr University Local Health Board as at 31st March 2022 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for qualified opinion on the financial statements

As set out below, I have been unable to obtain sufficient appropriate audit evidence that all payables and accruals existed at 31 March 2022; that all expenditure occurred in the year; or, that all expenditure has been properly accounted for in the correct accounting period.

Consequently, I have been unable to determine whether any adjustments to these amounts were necessary. As I have been unable to assess the full extent of the error and uncertainty in the financial statements, I am qualifying my audit opinion on the grounds that the Health Board has been unable to provide sufficient appropriate audit evidence that:

- Non-NHS payables and accruals of £73.2 million in Note 18 'Trade and Other Payables' existed at 31 March 2022; and
- expenditure of £122.2 million in Note 3.3 'Expenditure on Hospital and Community Health Services' occurred in the year or has been properly accounted for in the correct accounting period.

Further detail is set out in my attached report.

Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion on Regularity section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinion on regularity

I have qualified my opinion on the regularity of Betsi Cadwaladr University Local Health Board's financial statements because:

- those statements include a provision of £2.3 million relating to the Health Board's estimated liability arising from the Ministerial Direction dated 18 December 2019 on senior clinicians' pensions. In my view, this expenditure is irregular and material by its nature.
- The Betsi Cadwaladr University Local Health Board has breached its resource limit by spending £37.9 million over the amount that it was authorised to spend in the three-year period 2019-2020 to 2021-22. This spend constitutes irregular expenditure.

Further detail is set out in my attached report.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report or the Governance Statement.

In respect solely of the matters referred to in my basis for qualified opinions on the financial statements section above:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; and
- I have not received all the information and explanations I require for my audit.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns; and
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities on pages 64 and 65, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Betsi Cadwaladr University Local Health Board's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and
- Obtaining an understanding of Betsi Cadwaladr University Local Health Board's framework of authority as well as other legal and regulatory frameworks that the Betsi Cadwaladr University Local Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Betsi Cadwaladr University Local Health Board.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Betsi Cadwaladr University Local Health Board's controls, and the nature, timing and extent of the audit procedures performed.

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

Responsibilities for regularity

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

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

Report

Please see my Report attached.

Adrian Crompton
Auditor General for Wales
26 August 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Betsi Cadwaladr University Local Health Board (the Health Board) financial statements. I am reporting on these financial statements for the year ended 31 March 2022 to draw attention to four key matters for my audit, as follows:

- qualification of my opinion on whether the accounts give a true and fair view owing to an inability to obtain sufficient appropriate evidence relating to specific accruals, payables and expenditure recognised in the financial statements;
- qualification of my regularity opinion relating to expenditure recognised as a result of the Ministerial Direction on senior clinicians' pensions;
- qualification of my regularity opinion owing to the Health Board's failure to meet its first financial duty; and
- the Health Board's failure to meet its second financial duty.

Qualified opinion due to inability to obtain sufficient evidence about accruals and expenditure

My initial audit testing identified significant levels of error and uncertainty about whether payables and accruals of £9.1 million existed at 31 March 2022 and whether expenditure of £9.4 million occurred in the year or has been properly accounted for in the correct accounting period. The errors and uncertainties identified by my initial testing of £9.4 million represent 7.8% of the sample tested of £121.2 million.

Given the level of identified error and uncertainty initially identified, I indicated to the Health Board that I needed to undertake additional testing to assess the further extent of any error in the financial statements.

The Health Board responded to the effect that it would be unable to support me in undertaking any further testing owing to 'limited resources within the finance team and the additional work they have had to manage since April; the significant impact any further delay would have on the Welsh Government Summarised Accounts and Annual Governance Statement and the resulting implications for the production of the Welsh Government Resource Accounts, as well as the requirement for the finance team to focus on the Health Board delivering its objectives for 2022-23'. Consequently, I have been unable to complete the necessary further testing to assess the full extent of the error and uncertainty in the financial statements.

I note that section 21.6 of the Health Board's Annual Governance reflects the significant internal control failures around the recognition of accruals, payables and expenditure in year, the mis-classification of capital spend as revenue, and the failure to obtain Welsh Government and Board approval for an accrued contract valued over £1 million, contrary to Standing Orders and the NHS (Wales) Act 2006. The Health Board has reported that it is implementing a range of actions to strengthen its financial control environment to address the deficiencies identified.

As I have been unable to assess the full extent of the error and uncertainty in the financial statements, I am qualifying my audit opinion on the grounds that the Health Board has been unable to provide sufficient appropriate audit evidence that:

- Non-NHS payables and accruals of £73.2 million existed at 31 March 2022; and
- expenditure of £122.2 million occurred in the year or has been properly accounted for in the correct accounting period.

As the Health Board has not supported me in undertaking any further testing, I have been unable to assess where the Non-NHS payables and accruals of £73.2 million is recognised in expenditure. All or part of the £73.2 million could be included within expenditure of £122.2 million referred to above or recognised elsewhere within the financial statements.

I recommend that:

- the Health Board undertakes a comprehensive exercise to identify, and correct for, the errors in its accounting records;
- identifies the corrections it needs to make to ensure that its 2022-23 accounts give a true and fair view; and
- undertakes a review to understand why these issues occurred and to strengthen its controls accordingly.

I request that the Health Board writes to me by 30 September 2022 setting out how it proposes to respond to the above recommendations.

Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and / or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were: 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (i.e. settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in…tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

The Health Board has received sufficient information during the year to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result expenditure has been recognised as a provision as shown in Note 20 of the financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction, however in my opinion the transactions included in the Health Board's financial statements to recognise this liability are irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting. As a result, I have qualified my 'regularity' opinion for 2021-22.

Financial duties

Local Health Boards are required to meet two statutory financial duties – known as the first and second financial duties.

For 2021-22 the Health Board failed to meet both the first and the second financial duty.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to Health Boards by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2019-20 to 2021-22.

As shown in Note 2.1 to the Financial Statements, the Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £5.3 billion by £37.9 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the Health Board's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Failure of the second financial duty

The **second financial duty** requires Health Boards to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium term plan. This duty is an essential foundation to the delivery of sustainable quality health services. A Health Board will be deemed to have met this duty for 2021-22 if it submitted a 2019-20 to 2021-22 plan approved by its Board to the Welsh Ministers who then approved it by the 30 June 2019. This duty is unchanged from 2019-20 as the duty to prepare a new three-year plan for the period 2021-22 to 2023-24 was paused due to the pandemic, leaving the previous year's duty in place.

As shown in Note 2.3 to the Financial Statements, the Health Board did not meet its second financial duty to have an approved three-year integrated medium term plan in place for the period 2019-20 to 2021-22.

Adrian Crompton
Auditor General for Wales
26 August 2022

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PART THREE – Annual Accounts

Foreword

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

Statutory background

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

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

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

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 ‘Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards’ and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2021-22. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Expenditure on Primary Healthcare Services	3.1	**340,935**	331,772
Expenditure on healthcare from other providers	3.2	**428,395**	398,786
Expenditure on Hospital and Community Health Services	3.3	**1,260,458**	1,230,631
		2,029,788	1,961,189
Less: Miscellaneous Income	4	**(156,644)**	(152,515)
LHB net operating costs before interest and other gains and losses		**1,873,144**	1,808,674
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**219**	34
Finance costs	7	**(10)**	11
Net operating costs for the financial year		**1,873,353**	**1,808,719**

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on pages 23A-24A.

The notes on pages 7A to 74A form part of these accounts.

Other Comprehensive Net Expenditure

	2021-22 £000	2020-21 £000
Net (gain) / loss on revaluation of property, plant and equipment	**(16,545)**	(9,116)
Net (gain) / loss on revaluation of intangibles	**0**	0
(Gain) / loss on other reserves	**0**	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	**0**	0
Net (gain)/loss on revaluation of financial assets held for sale	**0**	0
Impairment and reversals	**0**	0
Transfers between reserves	**0**	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	**0**	0
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Other comprehensive net expenditure for the year	**(16,545)**	(9,116)
Total comprehensive net expenditure for the year	**1,856,808**	1,799,603

The notes on pages 7A to 74A form part of these accounts.

Statement of Financial Position as at 31 March 2022

	Notes	31 March 2022 £000	31 March 2021 £000
Non-current assets			
Property, plant and equipment	11	**617,716**	588,095
Intangible assets	12	**988**	848
Trade and other receivables	15	**63,074**	33,047
Other financial assets	16	**0**	0
Total non-current assets		**681,778**	621,990
Current assets			
Inventories	14	**19,106**	18,365
Trade and other receivables	15	**105,783**	77,254
Other financial assets	16	**0**	0
Cash and cash equivalents	17	**6,678**	3,242
		131,567	98,861
Non-current assets classified as "Held for Sale"	11	**0**	185
Total current assets		**131,567**	99,046
Total assets		**813,345**	721,036
Current liabilities			
Trade and other payables	18	**(257,141)**	(222,922)
Other financial liabilities	19	**0**	0
Provisions	20	**(52,031)**	(41,733)
Total current liabilities		**(309,172)**	(264,655)
Net current assets/ (liabilities)		**(177,605)**	(165,609)
Non-current liabilities			
Trade and other payables	18	**(841)**	(900)
Other financial liabilities	19	**0**	0
Provisions	20	**(61,998)**	(34,272)
Total non-current liabilities		**(62,839)**	(35,172)
Total assets employed		**441,334**	421,209
Financed by :			
Taxpayers' equity			
General Fund		**298,002**	288,642
Revaluation reserve		**143,332**	132,567
Total taxpayers' equity		**441,334**	421,209

The Health Board has delegated authority for approval of the 2021-22 financial statements to the Audit Committee, which is a sub-committee of the Board. The financial statements on pages 2A-6A were approved by the Committee on 24th August 2022 and signed on its behalf by:

Chief Executive and Accountable Officer: Jo Whitehead Date: 24th August 2022

The notes on pages 7A to 74A form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2021-22			
Balance as at 31 March 2021	288,642	132,567	**421,209**
Adjustment	0	0	**0**
Balance at 1 April 2021	288,642	132,567	**421,209**
Net operating cost for the year	(1,873,353)		**(1,873,353)**
Net gain/(loss) on revaluation of property, plant and equipment	0	16,545	**16,545**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other Reserve Movement	0	0	**0**
Transfers between reserves	5,780	(5,780)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2021-22	(1,867,573)	10,765	**(1,856,808)**
Net Welsh Government funding	1,841,350		**1,841,350**
Notional Welsh Government Funding	35,583		**35,583**
Balance at 31 March 2022	298,002	143,332	**441,334**

The notes on pages 7A to 74A form part of these accounts.

Transfers between reserves represents the balance held in the revaluation reserve for non-current assets disposed during the year (£153,000) and additional depreciation charged on assets that had been subject to an upward revaluation (£5,627,000).

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2020-21			
Balance at 1 April 2020	356,698	128,513	**485,211**
Net operating cost for the year	(1,808,719)		**(1,808,719)**
Net gain/(loss) on revaluation of property, plant and equipment	0	9,116	**9,116**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	5,062	(5,062)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2020-21	(1,803,657)	4,054	**(1,799,603)**
Net Welsh Government funding	1,701,908		**1,701,908**
Notional Welsh Government Funding	33,693		**33,693**
Balance at 31 March 2021	288,642	132,567	**421,209**

The notes on pages 7A to 74A form part of these accounts.

Transfers between reserves represents the balance held in the revaluation reserve for non-current assets disposed during the year (£142,000) and additional depreciation charged on assets that had been subject to an upward revaluation (£4,920,000).

Statement of Cash Flows for year ended 31 March 2022

	Notes	2021-22 £000	2020-21 £000
Cash Flows from operating activities			
Net operating cost for the financial year		**(1,873,353)**	(1,808,719)
Movements in Working Capital	27	**(28,644)**	115,166
Other cash flow adjustments	28	**136,299**	55,545
Provisions utilised	20	**(29,640)**	(30,511)
Net cash outflow from operating activities		**(1,795,338)**	(1,668,519)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(43,644)**	(34,789)
Proceeds from disposal of property, plant and equipment		**294**	67
Purchase of intangible assets		**(390)**	(165)
Proceeds from disposal of intangible assets		**0**	0
Payment for other financial assets		**0**	0
Proceeds from disposal of other financial assets		**0**	0
Payment for other assets		**0**	0
Proceeds from disposal of other assets		**0**	0
Net cash inflow/(outflow) from investing activities		**(43,740)**	(34,887)
Net cash inflow/(outflow) before financing		**(1,839,078)**	(1,703,406)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**1,841,350**	1,701,908
Capital receipts surrendered		**0**	0
Capital grants received		**1,221**	1,590
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		**(57)**	0
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**1,842,514**	1,703,498
Net increase/(decrease) in cash and cash equivalents		**3,436**	92
Cash and cash equivalents (and bank overdrafts) at 1 April 2021		**3,242**	3,150
Cash and cash equivalents (and bank overdrafts) at 31 March 2022		**6,678**	3,242

The notes on pages 7A to 74A form part of these accounts.

Cash outflows relating to the capital element of payments in respect of finance leases and on-SOFP PFI Schemes have been reported separately for the first time in the 2021-22 annual accounts. The equivalent figure of (£57,000) for 2020-21 was included within Movements in Working Capital.

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2021-22 Manual for Accounts. The accounting policies contained in that manual follow the 2021-22 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1st April 2022; to the extent that they are meaningful and appropriate to the NHS in Wales.

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

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

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

1.3 Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4 Employee benefits

1.4.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. Whilst the LHB does not ordinarily permit the carry forward of annual leave from one period to another it is recognised that Covid-19 has significantly impacted on the ability to take annual leave during both 2020-21 and 2021-22.

As part of the additional pay settlement agreed in December 2021, NHS organisations and Trade Union colleagues worked in partnership to develop a scheme to allow individuals to sell up to a maximum of ten days unused annual leave within their current leave year.

The scheme also allows staff to carry forward up to ten days leave into 2022-23 (pro rata for part time staff) along with flexibility in exceptional circumstances for managers to approve a further ten days above this level providing that there is an agreed plan regarding how an individual intends to use this leave during the next leave year.

The cost of leave earned but not taken by employees at the end of the financial period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.4.2 Retirement benefit costs

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

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

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

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

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

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

1.4.3 NEST Pension Scheme

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

1.5 Other expenses

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

1.6 Property, plant and equipment

1.6.1 Recognition

Property, plant and equipment is capitalised if:

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

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

1.6.2 Valuation

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

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

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

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

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

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

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

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

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

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

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

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

1.6.3 Subsequent expenditure

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

1.7 Intangible assets

1.7.1 Recognition

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

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

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

1.7.2 Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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

1.9 Research and Development

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

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale, within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

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

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

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1 The NHS Wales organisation as lessee

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

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

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

1.11.2 The NHS Wales organisation as lessor

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

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

1.12 Inventories

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

1.13 Cash and cash equivalents

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

1.14 Provisions

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

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

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

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

1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in 2019-20, 2020-21 and 2021-22. The WRP is hosted by Velindre NHS Trust.

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

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

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

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

1.15 Financial Instruments

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

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

1.16 Financial assets

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

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

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

1.16.1 Financial assets are initially recognised at fair value

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

1.16.2 Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4 Available for sale financial assets

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

1.16.5 Loans and receivables

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

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

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

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

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

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

1.17 Financial liabilities

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

1.17.1 Financial liabilities are initially recognised at fair value

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

1.17.2 Financial liabilities at fair value through the SoCNE

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

1.17.3 Other financial liabilities

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

1.18 Value Added Tax (VAT)

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

1.19 Foreign currencies

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

1.20 Third party assets

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

1.21 Losses and Special Payments

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

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

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

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

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

1.22 Pooled budgets

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

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

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24 Key sources of estimation uncertainty

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

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

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

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

During 2020-21 the LHB made significant estimates of liabilities relating to untaken annual leave at the end of the financial year (1.4.1 refers).

1.24.1 Provisions

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

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

1.24.2 Probable & Certain Cases – Accounting Treatment

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

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

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

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

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

1.25 Discount Rates

The LHB applies discount rates provided by H M Treasury's Public Expenditure System (PES) to provisions for post employment benefits reported in Note 20 Provisions on pages 52A and 53A. The relevant discount rate for 2021-22 is -1.3% (2020-21 -0.95%)

The impact of unwinding of discounts is reported in Note 7 Finance Costs on page 30A.

1.26 Private Finance Initiative (PFI) transactions

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

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

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.26.1 Services received

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

1.26.2 PFI asset

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

1.26.3 PFI liability

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

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

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

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

1.26.4 Lifecycle replacement

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

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

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

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

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

1.26.6 Other assets contributed by the NHS Wales organisation to the operator

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

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

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

1.27 Contingencies

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

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

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

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

1.28 Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29 Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM:

- IFRS 14 Regulatory Deferral Accounts
  Applies to first time adopters of IFRS after 1st January 2016. Therefore not applicable.
- IFRS 16 Leases is to be effective from 1st April 2022.
- IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1st January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30 Accounting standards issued that have been adopted early

During 2021-22 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1st April 2013, the LHB has established that as it is the corporate trustee of the linked charity "Betsi Cadwaladr University Health Board and Other Related Charities", it is considered for accounting standards compliance to have control of the Charity as a subsidiary. It is therefore required to consolidate the results of the Charity within the statutory accounts of the LHB.

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

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

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

2. Financial Duties Performance

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

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2019-20	2020-21	2021-22	**Total**
	£000	£000	£000	**£000**
Net operating costs for the year	1,660,768	1,808,719	1,873,353	**5,342,840**
Less general ophthalmic services expenditure and other non-cash limited expenditure	84	538	637	**1,259**
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	**0**
Total operating expenses	1,660,852	1,809,257	1,873,990	**5,344,099**
Revenue Resource Allocation	1,622,156	1,809,747	1,874,279	**5,306,182**
Under/(over)spend against Allocation	(38,696)	490	289	**(37,917)**

Betsi Cadwaladr University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2019-20 to 2021-22.

The Health Board did not receive any additional cash-only support from Welsh Government during the year. Cumulative cash-only support of £149.694 million was received in previous financial periods to assist the Health Board with making payments to staff and suppliers; there is no requirement for this balance to be repaid to Welsh Government.

2.2 Capital Resource Performance

	2019-20	2020-21	2021-22	**Total**
	£000	£000	£000	**£000**
Gross capital expenditure	25,714	35,587	47,598	**108,899**
Add: Losses on disposal of donated assets	0	0	0	**0**
Less NBV of property, plant and equipment and intangible assets disposed	(38)	(100)	(513)	**(651)**
Less capital grants received	0	(782)	(779)	**(1,561)**
Less donations received	(1,591)	(808)	(442)	**(2,841)**
Charge against Capital Resource Allocation	24,085	33,897	45,864	**103,846**
Capital Resource Allocation	24,109	33,958	45,886	**103,953**
(Over)/Underspend against Capital Resource Allocation	24	61	22	**107**

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2019-20 to 2021-22.

2.3 Duty to prepare a 3 year integrated plan

Due to the Covid-19 pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and temporary planning arrangements were implemented. As a result the extant planning duty for 2021-22 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

Betsi Cadwaladr LHB did not submit a 2019-22 integrated plan in accordance with the planning framework as the Health Board was operating under an Annual Plan in agreement with Welsh Government.

The Minister for Health and Social Services extant approval

Status	Not Approved
Date	Not applicable

Betsi Cadwaladr LHB has not therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

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

	2021-22	2020-21
Total number of non-NHS bills paid	**348,666**	301,116
Total number of non-NHS bills paid within target	**332,630**	289,037
Percentage of non-NHS bills paid within target	95.4%	96.0%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2021-22 Total £000	2020-21 Total £000
General Medical Services	148,642		**148,642**	144,643
Pharmaceutical Services	34,964	(7,303)	**27,661**	27,475
General Dental Services	37,914		**37,914**	32,992
General Ophthalmic Services	2,082	6,666	**8,748**	8,066
Other Primary Health Care expenditure	5,668		**5,668**	4,583
Prescribed drugs and appliances	112,302		**112,302**	114,013
Total	**341,572**	**(637)**	**340,935**	331,772

Note 3.1 Expenditure on Primary Healthcare Services includes £25,219,000 (2020-21 £24,955,000) expenditure in respect of pay costs as follows:

General Medical Services	£22,964,000	(2020-21	£23,395,000)
Pharmaceutical Services	£178,000	(2020-21	£83,000)
General Dental Services	£732,000	(2020-21	£423,000)
Other Primary Health Care expenditure	£1,345,000	(2020-21	£1,054,000).

3.2 Expenditure on health care from other providers

	2021-22 £000	2020-21 £000
Goods and services from other NHS Wales Health Boards	**5,563**	5,363
Goods and services from other NHS Wales Trusts	**11,588**	10,402
Goods and services from Welsh Special Health Authorities	**0**	0
Goods and services from other non Welsh NHS bodies	**70,709**	66,743
Goods and services from WHSSC / EASC	**203,522**	189,594
Local Authorities	**11,141**	0
Voluntary organisations	**10,553**	8,826
NHS Funded Nursing Care	**8,515**	8,473
Continuing Care	**101,897**	106,173
Private providers	**4,907**	3,212
Specific projects funded by the Welsh Government	**0**	0
Other	**0**	0
Total	**428,395**	398,786

Local authorities expenditure of £11,141,000 (2020-21 £6,450,000) relates to expenditure incurred on healthcare in response to the Covid-19 pandemic, including the Test, Trace, Protect (TTP) Regional Cell and support in Mass Vaccination Centres. This expenditure was included in Note 3.3 Expenditure on Hospital and Community Health Services - Supplies and services - general in 2020-21. Prior year figures have not been restated.

3.3 Expenditure on Hospital and Community Health Services

	2021-22 £000	2020-21 £000
Directors' costs	**2,058**	2,330
Operational Staff costs	**894,959**	880,195
Single lead employer Staff Trainee Cost	**18,156**	6,844
Collaborative Bank Staff Cost	**0**	0
Supplies and services - clinical	**162,508**	147,059
Supplies and services - general	**63,345**	58,143
Consultancy Services	**605**	59
Establishment	**11,252**	9,057
Transport	**5,110**	6,210
Premises	**56,294**	78,811
External Contractors	**0**	0
Depreciation	**36,704**	34,635
Amortisation	**284**	278
Fixed asset impairments and reversals (Property, plant & equipment)	**(2,934)**	(3,156)
Fixed asset impairments and reversals (Intangible assets)	**0**	0
Impairments & reversals of financial assets	**0**	0
Impairments & reversals of non-current assets held for sale	**0**	0
Audit fees	**402**	388
Other auditors' remuneration	**0**	0
Losses, special payments and irrecoverable debts	**5,868**	5,225
Research and Development	**434**	519
Other operating expenses	**5,413**	4,034
Total	**1,260,458**	1,230,631

Fixed asset impairments and reversals (Property, plant & equipment) in Note 3.3 includes a credit of £6,379,000 (2020-21 £3,662,000) in respect of the reversal of impairments charged to expenditure in previous periods. The value of impairment reversals is also reported in the Cost or valuation section of Note 11.1 Property, plant and equipment on page 38A of these accounts.

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

	2021-22	2020-21
Increase/(decrease) in provision for future payments:	**£000**	£000
Clinical negligence;		
Secondary care	**64,671**	1,658
Primary care	**(6)**	0
Redress Secondary Care	**236**	68
Redress Primary Care	**0**	0
Personal injury	**336**	123
All other losses and special payments	**2,848**	3,019
Defence legal fees and other administrative costs	**2,127**	1,704
Gross increase/(decrease) in provision for future payments	**70,212**	**6,572**
Contribution to Welsh Risk Pool	**0**	0
Premium for other insurance arrangements	**0**	0
Irrecoverable debts	**849**	(314)
Less: income received/due from Welsh Risk Pool	**(65,193)**	(1,033)
Total	**5,868**	5,225

	2021-22	2020-21
	£	£
Permanent injury included within personal injury £:	**107,000**	171,000

4. Miscellaneous Income

	2021-22	2020-21
	£000	£000
Local Health Boards	5,284	4,927
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	45,189	44,170
NHS Wales trusts	6,520	5,934
Welsh Special Health Authorities	17,355	15,443
Foundation Trusts	1,222	723
Other NHS England bodies	18,084	14,770
Other NHS Bodies	672	349
Local authorities	15,728	12,835
Welsh Government	10,500	8,899
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	19	24
Dental fee income	3,902	1,876
Private patient income	310	369
Overseas patients (non-reciprocal)	71	102
Injury Costs Recovery (ICR) Scheme	840	896
Other income from activities	12,743	10,706
Patient transport services	0	0
Education, training and research	6,518	4,709
Charitable and other contributions to expenditure	1,027	1,333
Receipt of NWSSP Covid centrally purchased assets	0	15,740
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	442	808
Receipt of Government granted assets	779	1,712
Non-patient care income generation schemes	293	260
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	65	90
Contingent rental income from finance leases	0	0
Rental income from operating leases	314	319
Other income:		
Provision of laundry, pathology, payroll services	167	106
Accommodation and catering charges	2,847	2,282
Mortuary fees	377	299
Staff payments for use of cars	968	1,073
Business Unit	0	0
Scheme Pays Reimbursement Notional	2,256	0
Other	2,152	1,761
Total	**156,644**	152,515
Other income Includes;		
Staff recharges not included in other lines	780	716
Movement in Expected Credit Losses (ECLs) on invoiced income	225	(160)
Ad-Trac income	0	258
Total	**1,005**	814

Injury Cost Recovery (ICR) Scheme income

	2021-22	2020-21
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	22.43

Covid-19 income sources

The Welsh Government line in Note 4 includes £81,000 (2020-21 £58,000) of miscellaneous income relating to Covid-19. All other Welsh Government Covid-19 revenue income in 2021-22 was received as Revenue Resource Allocations (Note 34.2 page 70A).

Receipt of Government granted assets of £779,000 (2020-21 £1,712,000) relates to capital items provided to the Health Board by the Department of Health and Social Care at no cost.

Injury Cost Recovery (ICR) Scheme

Whilst Injury Cost Recovery (ICR) Scheme income is generally subject to a provision for impairment of 23.76% to reflect expected rates of collection, the Health Board has further increased the provision impairment rate on specific aged cases in order to reflect the additional risk of potential non-recovery.

5. Investment Revenue

	2021-22	2020-21
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2021-22	2020-21
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(219)	(34)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	(219)	(34)

7. Finance costs

	2021-22	2020-21
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts		
main finance cost	33	35
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	33	35
Provisions unwinding of discount	(43)	(24)
Other finance costs	0	0
Total	(10)	11

8. Operating leases

LHB as lessee

As at 31st March 2022 the Health Board had 1,643 operating leases agreements in place for the leases of 52 premises, 365 items of equipment and 1,226 vehicles.

Lease arrangements in respect of 2 premises, 98 items of equipment and 420 vehicle expired during the 2021-22 financial year.

Payments recognised as an expense	**2021-22**	2020-21
	£000	£000
Minimum lease payments	**8,119**	5,690
Contingent rents	**0**	0
Sub-lease payments	**0**	0
Total	**8,119**	5,690

Total future minimum lease payments		
Payable	**£000**	£000
Not later than one year	**6,647**	5,282
Between one and five years	**11,065**	10,406
After 5 years	**24,028**	24,211
Total	**41,740**	39,899

LHB as lessor

Rental revenue	**£000**	£000
Rent	**317**	292
Contingent rents	**0**	0
Total revenue rental	**317**	292

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**317**	292
Between one and five years	**316**	134
After 5 years	**809**	357
Total	**1,442**	783

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2020-21
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	677,452	3,131	34,512	14,460	0	21,494	**751,049**	740,885
Social security costs	68,548	0	0	1,734	0	0	**70,282**	63,401
Employer contributions to NHS Pension Scheme	114,857	0	0	1,962	0	0	**116,819**	110,605
Other pension costs	522	0	0	0	0	0	**522**	421
Other employment benefits	2,256	0	0	0	0	0	**2,256**	0
Termination benefits	1,923	0	0	0	0	0	**1,923**	55
Total	**865,558**	**3,131**	**34,512**	**18,156**	**0**	**21,494**	**942,851**	915,367

Charged to capital	**535**	843
Charged to revenue	**942,316**	914,524
	942,851	915,367
Net movement in accrued employee benefits (untaken staff leave total accrual included in note above)	**5,396**	19,585
The net movement in accrued employee benefits footnote above includes Covid 19 Net movement in accrued employee benefits	**5,383**	21,784

The "Other" staff column includes temporary and contract staff such as short-term direct engagement contracts, IR35 applicable staff, Out of Hours GPs and GMS Locum Doctors. Social Security costs relating to these groups of staff for the 2021-22 financial year are included within the Permanent Staff column of the above note.

Other employment benefits relate to the initial cost of establishing provisions for 2019-20 Scheme Pays arrangements. Further details are provided in Note 34.5 on page 74A.

The increase in accrued employee benefits reported above mainly relates to annual leave entitlements that employees were unable to take during 2021-22 due to the impact of the Covid-19 pandemic. Information on the arrangements in place for staff to carry forward untaken annual leave is provided in Accounting Policy Note 1.4.1 Short-term employee benefits on page 8A.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2020-21
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	3,180	15	97	0	0	0	**3,292**	3,065
Medical and dental	1,182	19	26	283	0	101	**1,611**	1,561
Nursing, midwifery registered	5,023	2	224	0	0	0	**5,249**	5,029
Professional, Scientific, and technical staff	644	12	(0)	0	0	0	**656**	734
Additional Clinical Services	3,447	0	4	0	0	0	**3,451**	3,292
Allied Health Professions	1,026	0	39	0	0	0	**1,065**	949
Healthcare Scientists	258	0	1	0	0	0	**259**	250
Estates and Ancilliary	1,241	0	8	0	0	0	**1,249**	1,296
Students	27	0	0	0	0	0	**27**	106
Total	**16,028**	**48**	**399**	**283**	**0**	**101**	**16,858**	16,282

9.3. Retirements due to ill-health

	2021-22	2020-21
Number	15	15
Estimated additional pension costs £	755,168	705,980

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year.

These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

9.4 Employee benefits

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

9.5 Reporting of other compensation schemes - exit packages

	2021-22	2021-22	2021-22	2021-22	2020-21
Exit packages cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures**	**Total number of exit packages**	**Number of departures where special payments have been made**	Total number of exit packages
	Whole numbers only	**Whole numbers only**	**Whole numbers only**	**Whole numbers only**	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	5	5	0	1
£100,000 to £150,000	0	7	7	0	0
£150,000 to £200,000	0	4	4	0	0
more than £200,000	0	0	0	0	0
Total	0	17	17	0	1

	2021-22	2021-22	2021-22	2021-22	2020-21
Exit packages cost band (including any special payment element)	**Cost of compulsory redundancies**	**Cost of other departures**	**Total cost of exit packages**	**Cost of special element included in exit packages**	Total cost of exit packages
	£	**£**	**£**	**£**	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	49,640	49,640	0	0
£50,000 to £100,000	0	350,406	350,406	0	55,078
£100,000 to £150,000	0	869,708	869,708	0	0
£150,000 to £200,000	0	652,916	652,916	0	0
more than £200,000	0	0	0	0	0
Total	0	1,922,670	1,922,670	0	55,078

Exit costs paid in year of departure	**Total paid in year 2021-22**	Total paid in year 2020-21
	£	£
Exit costs paid in year	0	55,078
Total	0	55,078

This disclosure reports the number and value of exit packages agreed during the year. The actual date of departure may be in a subsequent period and the expense in relation to departure costs may have been accrued in a previous period. Total exit costs paid during 2021-22, the year of departure, were £0 (2020-21 £55,078).

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

Ill-health retirement costs are met by the NHS Pension Scheme and are not included in the table.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director / employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

	2021-22	**2021-22**	**2021-22**	2020-21	2020-21	2020-21
	£000	**£000**	**£000**	£000	£000	£000
Total pay and benefits	**Chief Executive**	**Employee**	**Ratio**	Chief Executive	Employee	Ratio
25th percentile pay ratio	**223**	**23**	**9.67**	213	22	9.66
Median pay	**223**	**32**	**6.95**	213	31	6.94
75th percentile pay ratio	**223**	**42**	**5.30**	213	40	5.31
Salary component of total pay and benefits						
25th percentile pay ratio	**223**	**20**	**11.13**	213	19	11.18
Median pay	**223**	**26**	**8.56**	213	25	8.50
75th percentile pay ratio	**223**	**39**	**5.71**	213	38	5.59

	Highest Paid			Highest		
Total pay and benefits	**Director**	**Employee**	**Ratio**	Paid Director	Employee	Ratio
25th percentile pay ratio	**223**	**23**	**9.67**	228	22	10.34
Median pay	**223**	**32**	**6.95**	228	31	7.43
75th percentile pay ratio	**223**	**42**	**5.30**	228	40	5.69
Salary component of total pay and benefits						
25th percentile pay ratio	**223**	**20**	**11.13**	228	19	11.97
Median pay	**223**	**26**	**8.56**	228	25	9.10
75th percentile pay ratio	**223**	**39**	**5.71**	228	38	5.99

In 2021-22, 16 employees (2020-21, 10) received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,576 to £365,000 (2020-21, £18,005 to £310,000). The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Financial year summary

The Remuneration Relationship in 2021-22 has, on average, remained largely consistent with minor increases and decreases across the pay ratios.

The median pay of the workforce increased by £1,000 (rounded) during the year. This is reflected as a result of the highest paid Director having a similar pay band in both 2020-21 and 2021-22. The median pay change for 2020-21 to 2021-22 was £1,549 (2019-20 to 2020-21 £1,061).

Staff covered by the Agenda for Change agreement received an average 3% inflationary pay increase during 2021-22. Medical Staff received an inflationary pay award of 3%.

9.6.2 Percentage Changes

	2020-21 to 2021-22	2019-20 to 2020-21
% Change from previous financial year in respect of Chief Executive	**%**	**%**
Salary and allowances	**5**	0
Performance pay and bonuses	**0**	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	**(2)**	0
Performance pay and bonuses	**0**	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	**5**	3
Performance pay and bonuses	**0**	0

These calculations do not include the NHS Bonus Payment that was agreed in 2020-21 and paid to all eligible staff during the year. The highest paid director during 2021-22 was the Chief Executive. During 2020-21 the highest paid director was the Executive Medical Director.

The Health Board did not pay any performance pay or bonuses in 2021-22.

9.7 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31st March 2022, is based on valuation data as 31st March 2021, updated to 31st March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7th October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,000 for the 2021-2022 tax year (2020-2021 £6,240 and £50,000).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

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

	2021-22	**2021-22**	2020-21	2020-21
NHS	**Number**	**£000**	Number	£000
Total bills paid	**3,978**	**345,781**	5,195	317,540
Total bills paid within target	**3,440**	**341,403**	4,587	310,282
Percentage of bills paid within target	**86.5%**	**98.7%**	88.3%	97.7%
Non-NHS				
Total bills paid	**348,666**	**760,657**	301,116	710,788
Total bills paid within target	**332,630**	**737,940**	289,037	695,683
Percentage of bills paid within target	**95.4%**	**97.0%**	96.0%	97.9%
Total				
Total bills paid	**352,644**	**1,106,438**	306,311	1,028,328
Total bills paid within target	**336,070**	**1,079,343**	293,624	1,005,965
Percentage of bills paid within target	**95.3%**	**97.6%**	95.9%	97.8%

During 2021-22 the Health Board paid 95.4% of non-NHS invoices by number within 30 days (2020-21 96.0%) and therefore achieved the Welsh Government performance measure.

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

	2021-22	2020-21
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**6**	58
Compensation paid to cover debt recovery costs under this legislation	**115**	1,595
Total	**121**	**1,653**

11 Property, plant and equipment

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2021	45,748	505,312	19,501	18,394	124,427	832	28,556	7,556	750,326
Indexation	507	17,951	906	0	0	0	0	0	19,364
Additions									
- purchased	70	0	0	34,232	4,579	324	6,441	290	45,936
- donated	0	44	0	0	321	65	0	0	430
- government granted	0	0	0	0	779	0	0	0	779
Transfer from/into other NHS bodies	29	0	0	0	(466)	0	0	0	(437)
Reclassifications	100	15,202	822	(21,235)	3,857	0	1,254	0	0
Revaluations	(47)	(2,158)	0	0	0	0	0	0	(2,205)
Reversal of impairments	485	5,880	14	0	0	0	0	0	6,379
Impairments	(81)	(3,364)	0	0	0	0	0	0	(3,445)
Reclassified as held for sale	185	0	0	0	0	0	0	0	185
Disposals	(220)	0	0	0	(10,447)	(165)	(4,562)	(869)	(16,263)
At 31 March 2022	46,776	538,867	21,243	31,391	123,050	1,056	31,689	6,977	801,049
Depreciation at 1 April 2021	0	63,355	2,268	0	74,518	679	17,561	3,850	162,231
Indexation	0	2,988	107	0	0	0	0	0	3,095
Transfer from/into other NHS bodies	0	0	0	0	(173)	0	0	0	(173)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,481)	0	0	0	0	0	0	(2,481)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(10,447)	(165)	(4,562)	(869)	(16,043)
Provided during the year	0	20,541	704	0	10,679	47	4,066	667	36,704
At 31 March 2022	0	84,403	3,079	0	74,577	561	17,065	3,648	183,333
Net book value at 1 April 2021	45,748	441,957	17,233	18,394	49,909	153	10,995	3,706	588,095
Net book value at 31 March 2022	46,776	454,464	18,164	31,391	48,473	495	14,624	3,329	617,716
Net book value at 31 March 2022 comprises :									
Purchased	46,776	446,819	18,164	31,391	42,989	435	14,616	3,035	604,225
Donated	0	6,698	0	0	4,136	60	8	294	11,196
Government Granted	0	947	0	0	1,348	0	0	0	2,295
At 31 March 2022	46,776	454,464	18,164	31,391	48,473	495	14,624	3,329	617,716
Asset financing :									
Owned	46,776	453,500	18,164	31,391	48,473	495	14,624	3,329	616,752
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	964	0	0	0	0	0	0	964
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2022	46,776	454,464	18,164	31,391	48,473	495	14,624	3,329	617,716

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	514,603
Long Leasehold	4,801
Short Leasehold	0
	519,404

11.1 Property, plant and equipment (continued)

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	**Total £000**
Cost or valuation at 1 April 2020	46,961	482,553	18,620	10,966	114,534	842	24,576	7,493	**706,545**
Indexation	(507)	14,042	542	0	0	0	0	0	**14,077**
Additions									
- purchased	0	0	0	19,953	12,269	0	1,611	69	**33,902**
- donated	0	95	0	0	708	0	0	0	**803**
- government granted	0	0	0	0	782	0	0	0	**782**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	8,838	339	(12,525)	820	0	2,528	0	**0**
Revaluations	0	(3,651)	(11)	0	0	0	0	0	**(3,662)**
Reversal of impairments	0	3,651	11	0	0	0	0	0	**3,662**
Impairments	(506)	0	0	0	0	0	0	0	**(506)**
Reclassified as held for sale	(185)	(152)	0	0	0	0	0	0	**(337)**
Disposals	(15)	(64)	0	0	(4,686)	(10)	(159)	(6)	**(4,940)**
At 31 March 2021	45,748	505,312	19,501	18,394	124,427	832	28,556	7,556	**750,326**
Depreciation at 1 April 2020	0	43,111	1,561	0	69,177	646	13,609	3,184	**131,288**
Indexation	0	4,905	56	0	0	0	0	0	**4,961**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(3,651)	(11)	0	0	0	0	0	**(3,662)**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	(152)	0	0	0	0	0	0	**(152)**
Disposals	0	(13)	0	0	(4,651)	(10)	(159)	(6)	**(4,839)**
Provided during the year	0	19,155	662	0	9,992	43	4,111	672	**34,635**
At 31 March 2021	0	63,355	2,268	0	74,518	679	17,561	3,850	**162,231**
Net book value at 1 April 2020	46,961	439,442	17,059	10,966	45,357	196	10,967	4,309	**575,257**
Net book value at 31 March 2021	45,748	441,957	17,233	18,394	49,909	153	10,995	3,706	**588,095**
Net book value at 31 March 2021 comprises :									
Purchased	45,748	434,379	17,233	18,394	44,253	153	10,957	3,349	**574,466**
Donated	0	6,676	0	0	4,941	0	38	356	**12,011**
Government Granted	0	902	0	0	715	0	0	1	**1,618**
At 31 March 2021	45,748	441,957	17,233	18,394	49,909	153	10,995	3,706	**588,095**
Asset financing :									
Owned	45,748	440,968	17,233	18,394	49,909	153	10,995	3,706	**587,106**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts	0	989	0	0	0	0	0	0	**989**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2021	45,748	441,957	17,233	18,394	49,909	153	10,995	3,706	**588,095**

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	**500,026**
Long Leasehold	**4,912**
Short Leasehold	**0**
	504,938

11.1 Property, plant and equipment (continued)

Disclosures:

(i) Donated Assets

Donated asset additions during 2021-22 included schemes funded by:

- Betsi Cadwaladr University Health Board and Other Related Charities - £0.199m
- Other hospital based voluntary bodies - £0.231m
- Department of Health and Social Care - £0.799m

(ii) Valuations

The Health Board's land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

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

(iii) Asset Lives

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

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

(iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up that is included in the income statement.

(v) Write Downs

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

(vi) Open Market Value

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

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

The Health Board did not hold any non-current assets for sale at 31st March 2022.

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2021	185	0	0	0	0	**185**
Plus assets classified as held for sale in the year	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	(185)	0	0	0	0	**(185)**
Balance carried forward 31 March 2022	0	0	0	0	0	**0**
Balance brought forward 1 April 2020	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	185	0	0	0	0	**185**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2021	185	0	0	0	0	**185**

12. Intangible non-current assets

2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	**4,314**	**0**	**0**	**0**	**0**	**4,314**
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	412	0	0	0	0	412
Additions- internally generated	0	0	0	0	0	0
Additions- donated	12	0	0	0	0	12
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	(9)	0	0	0	0	(9)
Gross cost at 31 March 2022	**4,729**	**0**	**0**	**0**	**0**	**4,729**
Amortisation at 1 April 2021	**3,466**	**0**	**0**	**0**	**0**	**3,466**
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	284	0	0	0	0	284
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	(9)	0	0	0	0	(9)
Amortisation at 31 March 2022	**3,741**	**0**	**0**	**0**	**0**	**3,741**
Net book value at 1 April 2021	**848**	**0**	**0**	**0**	**0**	**848**
Net book value at 31 March 2022	**988**	**0**	**0**	**0**	**0**	**988**
At 31 March 2022						
Purchased	948	0	0	0	0	948
Donated	40	0	0	0	0	40
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2022	**988**	**0**	**0**	**0**	**0**	**988**

12. Intangible non-current assets (continued)

2020-21

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	**Total**
	£000	£000	£000	£000	£000	**£000**
Cost or valuation at 1 April 2020	4,236	0	0	0	0	**4,236**
Revaluation	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Additions- purchased	95	0	0	0	0	**95**
Additions- internally generated	0	0	0	0	0	**0**
Additions- donated	5	0	0	0	0	**5**
Additions- government granted	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	**0**
Disposals	(22)	0	0	0	0	**(22)**
Gross cost at 31 March 2021	**4,314**	**0**	**0**	**0**	**0**	**4,314**
Amortisation at 1 April 2020	3,210	0	0	0	0	**3,210**
Revaluation	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
Impairment	0	0	0	0	0	**0**
Provided during the year	278	0	0	0	0	**278**
Reclassified as held for sale	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	**0**
Disposals	(22)	0	0	0	0	**(22)**
Amortisation at 31 March 2021	**3,466**	**0**	**0**	**0**	**0**	**3,466**
Net book value at 1 April 2020	**1,026**	**0**	**0**	**0**	**0**	**1,026**
Net book value at 31 March 2021	**848**	**0**	**0**	**0**	**0**	**848**
At 31 March 2021						
Purchased	805	0	0	0	0	**805**
Donated	43	0	0	0	0	**43**
Government Granted	0	0	0	0	0	**0**
Internally generated	0	0	0	0	0	**0**
Total at 31 March 2021	**848**	**0**	**0**	**0**	**0**	**848**

Additional disclosures re Intangible Assets

Explanatory Notes: Note 12 Intangible non-current assets

(i) Software intangible assets are amortised over a standard life of five years, subject to an annual review by the relevant department. The Health Board does not hold any intangible non-current assets where the useful lives are considered to be indefinite.

(ii) The gross carrying amount of fully depreciated intangible assets still in use as at 31st March 2022 was £3,076,000 (31st March 2021 £2,971,000).

(iii) Donated intangible asset additions of £12,000 during 2021-22 were funded by Betsi Cadwaladr University Health Board and Other Related Charities.

13. Impairments

	2021-22 Property, plant & equipment £000	2021-22 Intangible assets £000	2020-21 Property, plant & equipment £000	2020-21 Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	3,445	0	506	0
Others (specify)	0	0	0	0
Reversal of Impairments	(6,379)	0	(3,662)	0
Total of all impairments	(2,934)	0	(3,156)	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	(2,934)	0	(3,156)	0
Charged to Revaluation Reserve	0	0	0	0
	(2,934)	0	(3,156)	0

Impairments charged to the Statement of Comprehensive Net Expenditure during 2021-22 were conducted by the District Valuer in accordance with the requirements of IFRS.

Analysis of impairments during 2021-22	**£000**
Impairment on revaluation of Bryn Beryl Hospital	757
Impairment on revaluation of Substance Misuse, Shotton	994
Impairment on revaluation of Substance Misuse, Holyhead	430
Impairment on revaluation of Ruthin Community Hospital	741
Impairment on revaluation of Denbigh Community Hospital	523
Reversal of impairments previously charged to SoCNE due to 5% increase in indexation on buildings and dwellings	(5,894)
Reversal of impairments previously charged to SoCNE due to 2% increase in indexation on land	(485)
	(2,934)

14 Inventories

14.1 Inventories

	31 March 2022 £000	31 March 2021 £000
Drugs	8,948	8,472
Consumables	9,686	9,664
Energy	447	213
Work in progress	0	0
Other	25	16
Total	**19,106**	18,365
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2022 £000	31 March 2021 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	**0**	**0**

Note 14.2 relates to NHS organisation that purchase inventories for resale as part of their activities and as such does not apply to the Health Board.

15. Trade and other Receivables

	31 March 2022 £000	31 March 2021 £000
Current		
Welsh Government	**8,097**	2,628
WHSSC / EASC	**2,943**	4,688
Welsh Health Boards	**1,257**	769
Welsh NHS Trusts	**3,394**	2,953
Welsh Special Health Authorities	**444**	462
Non - Welsh Trusts	**0**	0
Other NHS	**1,990**	2,341
2019-20 Scheme Pays - Welsh Government Reimbursement	**17**	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	**69,360**	45,827
NHS Wales Primary Sector FLS Reimbursement	**19**	3
NHS Wales Redress	**440**	414
Other	**0**	0
Local Authorities	**8,350**	7,953
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**6,722**	6,820
Provision for irrecoverable debts	**(2,167)**	(2,237)
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**3,567**	3,288
Other accrued income	**1,350**	1,345
Sub total	**105,783**	77,254
Non-current		
Welsh Government	**0**	0
WHSSC / EASC	**0**	0
Welsh Health Boards	**0**	0
Welsh NHS Trusts	**0**	0
Welsh Special Health Authorities	**0**	0
Non - Welsh Trusts	**0**	0
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**2,239**	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	**58,461**	30,522
NHS Wales Primary Sector FLS Reimbursement	**0**	0
NHS Wales Redress	**0**	0
Other	**0**	0
Local Authorities	**0**	0
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**0**	0
Provision for irrecoverable debts	**(273)**	(288)
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**272**	56
Other accrued income	**2,375**	2,757
Sub total	**63,074**	33,047
Total	**168,857**	110,301

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2022 £000	31 March 2021 £000
By up to three months	**1,153**	1,019
By three to six months	**950**	1,154
By more than six months	**957**	1,593
	3,060	3,766

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

Balance at 1 April	**(2,525)**	(2,249)
Transfer to other NHS Wales body	**0**	0
Amount written off during the year	**21**	174
Amount recovered during the year	**0**	0
(Increase) / decrease in receivables impaired	**64**	(450)
Bad debts recovered during year	**0**	0
Balance at 31 March	**(2,440)**	(2,525)

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

Receivables VAT

Trade receivables	**1,717**	1,973
Other	**0**	0
Total	**1,717**	1,973

16. Other Financial Assets

	Current		Non-current	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	£000	£000	**£000**	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Deposits	**0**	0	**0**	0
Loans	**0**	0	**0**	0
Derivatives	**0**	0	**0**	0
Other (Specify)				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Total	**0**	**0**	**0**	**0**

17. Cash and cash equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	**3,242**	3,150
Net change in cash and cash equivalent balances	**3,436**	92
Balance at 31 March	**6,678**	3,242
Made up of:		
Cash held at GBS	**6,557**	3,180
Commercial banks	**0**	0
Cash in hand	**121**	62
Cash and cash equivalents as in Statement of Financial Position	**6,678**	3,242
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**6,678**	3,242

The cash and cash equivalents balance as at 31st March 2022 comprised funding for revenue expenditure of £1,130,000 (2020-21 £744,000) and funding for capital projects of £5,548,000 (2020-21 £2,498,000).

In response to the IAS 7 - Statement of Cash Flows requirement for additional disclosure, the changes in liabilities arising for financing activities during 2021-22 were as follows:

Lease liabilities	£	0
PFI liabilities	£	356,000

The movement relates to cash, no comparative information is required by IAS 7 in 2021-22.

18. Trade and other payables

Current	**31 March 2022**	31 March 2021
	£000	£000
Welsh Government	**10**	19
WHSSC / EASC	**2,539**	3,101
Welsh Health Boards	**325**	86
Welsh NHS Trusts	**3,336**	2,326
Welsh Special Health Authorities	**0**	0
Other NHS	**20,429**	16,277
Taxation and social security payable / refunds	**0**	0
Refunds of taxation by HMRC	**0**	0
VAT payable to HMRC	**0**	0
Other taxes payable to HMRC	**6,939**	1,603
NI contributions payable to HMRC	**9,411**	9,837
Non-NHS payables - Revenue	**26,735**	18,612
Local Authorities	**20,738**	22,050
Capital payables- Tangible	**9,346**	5,816
Capital payables- Intangible	**34**	0
Overdraft	**0**	0
Rentals due under operating leases	**0**	0
Obligations under finance leases, HP contracts	**0**	0
Imputed finance lease element of on SoFP PFI contracts	**59**	57
Pensions: staff	**0**	0
Non NHS Accruals	**166,202**	153,369
Deferred Income:		
Deferred Income brought forward	**1,813**	1,922
Deferred Income Additions	**109**	(19)
Transfer to / from current/non current deferred income	**0**	0
Released to SoCNE	**(65)**	(90)
Other creditors	**187**	1,967
PFI assets –deferred credits	**0**	0
Payments on account	**(11,006)**	(14,011)
Sub Total	**257,141**	222,922
Non-current		
Welsh Government	**0**	0
WHSSC / EASC	**0**	0
Welsh Health Boards	**0**	0
Welsh NHS Trusts	**0**	0
Welsh Special Health Authorities	**0**	0
Other NHS	**0**	0
Taxation and social security payable / refunds	**0**	0
Refunds of taxation by HMRC	**0**	0
VAT payable to HMRC	**0**	0
Other taxes payable to HMRC	**0**	0
NI contributions payable to HMRC	**0**	0
Non-NHS payables - Revenue	**0**	0
Local Authorities	**0**	0
Capital payables- Tangible	**0**	0
Capital payables- Intangible	**0**	0
Overdraft	**0**	0
Rentals due under operating leases	**0**	0
Obligations under finance leases, HP contracts	**0**	0
Imputed finance lease element of on SoFP PFI contracts	**841**	900
Pensions: staff	**0**	0
Non NHS Accruals	**0**	0
Deferred Income :		
Deferred Income brought forward	**0**	0
Deferred Income Additions	**0**	0
Transfer to / from current/non current deferred income	**0**	0
Released to SoCNE	**0**	0
Other creditors	**0**	0
PFI assets –deferred credits	**0**	0
Payments on account	**0**	0
Sub Total	**841**	900
Total	**257,982**	223,822

18. Trade and other payables (continued)

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

Amounts falling due more than one year are expected to be settled as follows:	**31 March 2022 £000**	31 March 2021 £000
Between one and two years	**125**	121
Between two and five years	**134**	129
In five years or more	**582**	650
Sub-total	**841**	900

19. Other financial liabilities

	Current		**Non-current**	
Financial liabilities	**31 March 2022 £000**	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Financial Guarantees:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Derivatives at fair value through SoCNE	**0**	0	**0**	0
Other:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Total	**0**	0	**0**	0

20. Provisions

Current	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-									
Secondary care	28,371	0	(2,920)	17,000	16,519	(13,417)	(4,910)	0	40,643
Primary care	0	0	0	0	84	(24)	(38)	0	22
Redress Secondary care	266	0	(10)	0	493	(225)	(257)	0	267
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	471	0	0	327	312	(539)	(113)	0	458
All other losses and special payments	1,067	0	(2,868)	0	3,251	(543)	(403)	0	504
Defence legal fees and other administration	1,412	0	0	542	1,671	(944)	(594)		2,087
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	155			154	0	(154)	0	0	155
2019-20 Scheme Pays - Reimbursement	0			0	17	0	0	0	17
Restructuring	0			0	0	0	0	0	0
Other	9,991		0	0	4,171	(3,202)	(3,082)		7,878
Total	41,733	0	(5,798)	18,023	26,518	(19,048)	(9,397)	0	52,031
Non Current									
Clinical negligence:-									
Secondary care	29,421	(11,033)	(129)	(17,000)	67,827	(10,241)	(3,784)	0	55,061
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,880	0	0	(327)	137	(22)	0	(40)	3,628
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	800	0	0	(542)	1,162	(329)	(112)		979
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	171			(154)	78	0	(1)	(3)	91
2019-20 Scheme Pays - Reimbursement	0			0	2,239	0	0	0	2,239
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	34,272	(11,033)	(129)	(18,023)	71,443	(10,592)	(3,897)	(43)	61,998
TOTAL									
Clinical negligence:-									
Secondary care	57,792	(11,033)	(3,049)	0	84,346	(23,658)	(8,694)	0	95,704
Primary care	0	0	0	0	84	(24)	(38)	0	22
Redress Secondary care	266	0	(10)	0	493	(225)	(257)	0	267
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,351	0	0	0	449	(561)	(113)	(40)	4,086
All other losses and special payments	1,067	0	(2,868)	0	3,251	(543)	(403)	0	504
Defence legal fees and other administration	2,212	0	0	0	2,833	(1,273)	(706)		3,066
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	326			0	78	(154)	(1)	(3)	246
2019-20 Scheme Pays - Reimbursement	0			0	2,256	0	0	0	2,256
Restructuring	0			0	0	0	0	0	0
Other	9,991		0	0	4,171	(3,202)	(3,082)		7,878
Total	76,005	(11,033)	(5,927)	0	97,961	(29,640)	(13,294)	(43)	114,029

Expected timing of cash flows:	In year to 31 March 2023	Between 1 April 2023 31 March 2027	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	40,643	55,061	0	95,704
Primary care	22	0	0	22
Redress Secondary care	267	0	0	267
Redress Primary care	0	0	0	0
Personal injury	458	1,154	2,474	4,086
All other losses and special payments	504	0	0	504
Defence legal fees and other administration	2,087	979	0	3,066
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	155	88	3	246
2019-20 Scheme Pays - Reimbursement	17	34	2,205	2,256
Restructuring	0	0	0	0
Other	7,878	0	0	7,878
Total	52,031	57,316	4,682	114,029

Provisions included within the "Other" categories above relate to:	£'000
Continuing Healthcare claims subject to further review	6,933
VAT on payments to NHS Fleet Solutions	368
Staff regrading appeals and pay arrears	277
Relocation expenses	192
Final Pay Control provisions for retired staff	64
GP managed practices premises costs	44
Total	7,878

20. Provisions (continued)

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

The expected timing of cashflows is based on best available information for each individual provision as at 31st March 2022 and may be subject to changes in future periods.

	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	37,234	(11,774)	(1,236)	3,062	21,050	(15,909)	(4,056)	0	**28,371**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	284	0	(86)	0	456	(295)	(93)	0	**266**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	838	0	0	369	431	(644)	(523)	0	**471**
All other losses and special payments	1	0	(1,325)	0	3,027	(628)	(8)	0	**1,067**
Defence legal fees and other administration	1,215	0	0	251	1,435	(1,026)	(463)		**1,412**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	155			155	0	(155)	0	0	**155**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	7,119		0	0	5,616	(1,860)	(884)		**9,991**
Total	**46,846**	**(11,774)**	**(2,647)**	**3,837**	**32,015**	**(20,517)**	**(6,027)**	**0**	**41,733**
Non Current									
Clinical negligence:-									
Secondary care	46,408	(9,566)	(403)	(3,062)	9,901	(9,665)	(4,192)	0	**29,421**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	0	0	0	0	**0**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	4,056	0	0	(369)	226	0	(11)	(22)	**3,880**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	648	0	0	(251)	782	(329)	(50)		**800**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	237			(155)	93	0	(2)	(2)	**171**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	0		0	0	0	0	0		**0**
Total	**51,349**	**(9,566)**	**(403)**	**(3,837)**	**11,002**	**(9,994)**	**(4,255)**	**(24)**	**34,272**
TOTAL									
Clinical negligence:-									
Secondary care	83,642	(21,340)	(1,639)	0	30,951	(25,574)	(8,248)	0	**57,792**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	284	0	(86)	0	456	(295)	(93)	0	**266**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	4,894	0	0	0	657	(644)	(534)	(22)	**4,351**
All other losses and special payments	1	0	(1,325)	0	3,027	(628)	(8)	0	**1,067**
Defence legal fees and other administration	1,863	0	0	0	2,217	(1,355)	(513)		**2,212**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	392			0	93	(155)	(2)	(2)	**326**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	7,119		0	0	5,616	(1,860)	(884)		**9,991**
Total	**98,195**	**(21,340)**	**(3,050)**	**0**	**43,017**	**(30,511)**	**(10,282)**	**(24)**	**76,005**

21. Contingencies

21.1 Contingent liabilities

	2021-22 £'000	2020-21 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	125,408	169,143
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,147	2,124
Continuing Health Care costs	0	25
Other	0	3,003
Total value of disputed claims	127,555	174,295
Amounts (recovered) in the event of claims being successful	(124,322)	(170,915)
Net contingent liability	3,233	3,380

In accordance with IAS 37, the Health Board is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. The contingent liabilities included in Note 21.1 for 2021-22 relate to legal claims for alleged negligence (net of amounts recoverable from the Welsh Risk Pool in the event of claims being successful).

21.2 Remote Contingent liabilities

	2021-22 £000	2020-21 £000
Guarantees	0	0
Indemnities	16,972	353
Letters of Comfort	0	0
Total	16,972	353

The 2021-22 balance for remote contingent liabilities relates to 10 litigation claims (2020-2021 11 claims). In the event of these claims being successful £16,767,000 (2020-21 £124,000) would be recoverable from the Welsh Risk Pool.

21.3 Contingent assets

	2021-22 £000	2020-21 £000
The Health Board did not hold any contingent assets at the balance sheet date	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March	2021-22	2020-21
	£000	£000
Property, plant and equipment	1,860	3,524
Intangible assets	0	271
Total	**1,860**	3,795

Note 22 includes capital commitments in respect of All Wales funded schemes with the balance as at 31st March 2022 relating to the Wrexham Continuity Project. Commitments in respect of discretionary capital schemes are not included in the note.

23. Losses and special payments

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

Gross loss to the Exchequer

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

	Amounts paid out during period to 31 March 2022	
	Number	£
Clinical negligence	164	23,738,360
Personal injury	46	560,966
All other losses and special payments	233	542,827
Total	443	24,842,153

Analysis of cases in excess of £300,000

	Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
		Number	£	Number	£
Cases in excess of £300,000:					
02RT9PI0004	Personal Injury	1	28,942	1	440,309
03RT8PI0015	Personal Injury	1	23,178	1	373,212
04RT9PI0001	Personal Injury	1	19,331	1	329,019
09RT8MN0039	Clincial Negligence		-	1	1,153,000
10RT9MN0034	Clincial Negligence		-	1	765,000
117A1MN0019	Clincial Negligence	1	41,000	1	1,039,304
117A1MN0038	Clincial Negligence	1	5,393,442	1	5,699,442
11RT8MN0004	Clincial Negligence	1	229,000	1	505,500
11RT8MN0019	Clincial Negligence	1	3,250,000	1	3,707,800
127A1MN0030	Clincial Negligence	1	225,000	1	7,858,797
127A1MN0103	Clincial Negligence		-	1	335,000
127A1MN0107	Clincial Negligence	1	1,237,856	1	1,567,856
147A1MN0009	Clincial Negligence		-	1	657,500
147A1MN0215	Clincial Negligence		-	1	5,345,297
147A1MN0225	Clincial Negligence	1	170,000	1	370,000
157A1MN0023	Clincial Negligence	1	35,000	1	2,912,013
157A1MN0101	Clincial Negligence		-	1	386,261
157A1MN0232	Clincial Negligence	1	140,000	1	315,000
157A1MN0273	Clincial Negligence	1	24,500	1	1,490,488
167A1MN0309	Clincial Negligence	1	719,297	1	1,008,858
177A1MN0091	Clincial Negligence	1	925,000	1	925,000
177A1MN0256	Clincial Negligence	1	899,851	1	1,081,851
177A1MN0274	Clincial Negligence	1	60,000	1	435,000
177A1MN0276	Clincial Negligence	1	185,000	1	1,215,000
177A1MN0321	Clincial Negligence	1	450,753	1	522,993
177A1PI0025	Personal Injury		-	1	624,961
177A1PI0068	Personal Injury	1	38,320	1	344,013
187A1MN0041	Clincial Negligence	1	385,000	1	385,000
187A1MN0170	Clincial Negligence	1	510,000	1	525,000
197A1MN0161	Clincial Negligence	1	585,000	1	585,000
197A1MN0278	Clincial Negligence	1	387,921	1	387,921
207A1MN0048	Clincial Negligence	1	900,000	1	900,000
98RT9MN0006	Clincial Negligence	1	1,537,983	1	1,625,000
Sub-total		**26**	**18,401,374**	**33**	**45,816,395**
All other cases		417	6,440,779	410	5,343,778
Total cases		**443**	**24,842,153**	**443**	**51,160,173**

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Health Board did not hold any finance lease obligations as a lessee at the balance sheet date.

Amounts payable under finance leases:

Land	**31 March 2022 £000**	31 March 2021 £000
Minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.1 Finance leases obligations (as lessee) (continued)

Amounts payable under finance leases:

Buildings	**31 March 2022**	31 March 2021
Minimum lease payments	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other	**31 March 2022**	31 March 2021
Minimum lease payments	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.2 Finance leases obligations (as lessor)

The Health Board did not hold any finance lease receivables as a lessor at the balance sheet date.

Amounts receivable under finance leases:

	31 March 2022	31 March 2021
Gross Investment in leases	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board did not have any PFI Schemes that were deemed to be off-statement of financial position at the balance sheet date.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2022	31 March 2021
	£000	£000
Total payments due within one year	**0**	0
Total payments due between 1 and 5 years	**0**	0
Total payments due thereafter	**0**	0
Total future payments in relation to PFI contracts	**0**	0
Total estimated capital value of off-SoFP PFI contracts	**0**	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**
	964
Contract start date:	**1st September 2004**
Contract end date:	**1st September 2034**

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

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

	On SoFP PFI Capital element	**On SoFP PFI Imputed interest**	**On SoFP PFI Service charges**
	31 March 2022	**31 March 2022**	**31 March 2022**
	£000	**£000**	**£000**
Total payments due within one year	**59**	**31**	**369**
Total payments due between 1 and 5 years	**259**	**103**	**1,620**
Total payments due thereafter	**582**	**88**	**4,069**
Total future payments in relation to PFI contracts	**900**	**222**	**6,058**

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2021	31 March 2021	31 March 2021
	£000	£000	£000
Total payments due within one year	57	33	390
Total payments due between 1 and 5 years	250	112	1,709
Total payments due thereafter	650	110	4,899
Total future payments in relation to PFI contracts	957	255	6,998

	31/03/2022
	£000
Total present value of obligations for on-SoFP PFI contracts	5,824

25.3 Charges to expenditure

	2021-22	2020-21
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	356	376
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	356	376

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	356	376
Total	356	376

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

25.4 Number of PFI contracts

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

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

PFI Contract	
	On

25.5 Public Private Partnerships

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

26. Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit risk

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

Liquidity risk

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

27. Movements in working capital

	2021-22 £000	2020-21 £000
(Increase)/decrease in inventories	(741)	(963)
(Increase)/decrease in trade and other receivables - non-current	(30,027)	18,449
(Increase)/decrease in trade and other receivables - current	(28,529)	2,412
Increase/(decrease) in trade and other payables - non-current	(59)	(58)
Increase/(decrease) in trade and other payables - current	34,219	79,289
Total	(25,137)	99,129
Adjustment for accrual movements in fixed assets - creditors	(3,507)	(633)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	16,670
	(28,644)	115,166

28. Other cash flow adjustments

	2021-22 £000	2020-21 £000
Depreciation	36,704	34,635
Amortisation	284	278
(Gains)/Loss on Disposal	219	34
Impairments and reversals	(2,934)	(3,156)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	(15,740)
Donated assets received credited to revenue but non-cash	(442)	(808)
Government Grant assets received credited to revenue but non-cash	(779)	(1,712)
Non-cash movements in provisions	67,664	8,321
Other movements	35,583	33,693
Total	136,299	55,545

Other movements of £35,583,000 in Note 28 Other cash flow adjustments (2020-21 £33,693,000) relate to notional expenditure for additional staff employer pension contributions. Further information is provided in Note 34.1 on page 69A.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 26th August 2022; the date the financial statements were certified by the Auditor General for Wales.

30. Related Party Transactions

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

Health Bodies and Welsh Government	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	1	1,856,049	10	8,097
Aneurin Bevan University LHB	87	945	12	358
Cardiff & Vale University LHB	1,042	236	127	54
Cwm Taf Morgannwg University LHB	191	67	37	9
Digital Health and Care Wales (DHCW)	6,579	815	0	356
Health Education and Improvement Wales (HEIW)	23	16,716	0	88
Hywel Dda University LHB	5,170	242	58	0
Powys Teaching LHB	489	5,519	76	722
Public Health Wales NHS Trust	5,576	5,012	968	693
Swansea Bay University LHB	132	337	49	114
Velindre NHS Trust	39,833	6,456	2,134	2,613
Welsh Ambulance Services NHS Trust	6,794	475	234	88
Welsh Risk Pool	0	0	0	128,280
WHSSC / EASC	203,625	45,200	2,539	2,943
Total	**269,542**	**1,938,069**	**6,244**	**144,415**

Other Organisations	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Conwy County Borough Council	11,856	1,853	3,815	706
Denbighshire County Council	10,633	6,166	5,539	3,404
Flintshire County Council	21,923	2,625	5,791	2,003
Gwynedd County Council	10,521	1,699	1,976	819
Isle of Anglesey Council	5,365	1,341	1,488	281
Wrexham County Borough Council	10,163	4,132	1,998	1,127
Other Welsh Local Authorities (Including Police & Crime Commissioners and Fire Authorities)	525	914	124	10
Total	**70,986**	**18,730**	**20,731**	**8,350**

Charitable Funds

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

The Health Board received revenue and capital grants totalling £1,237,000 from the charitable fund during the year (2020-21 £1,818,000).

30. Related Party Transactions (continued)

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

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

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

The following tables details all interests declared by Board Members during the 2021-22 financial year including any material transactions with related parties.

Name	Details of positions held during the financial year (or part thereof)	Dates positions held	Declarations made
Directors / Executive Directors			
J Whitehead	Chief Executive	01.04.21 - 31.03.22	Spouse is on the GP Perfomers List and works as a locum in GP practices and the Health Board's GP Out of Hours Service
Prof A Guha	Interim Executive Medical Director	01.04.21 - 22.08.21	Chair of the Wirral Asian Association, that promotes the culture and heritage of people of Asian heritage. The Charity also works for the community at large Sits on a number of key committees at Health Technology Assessment Wales, All Wales Medical Strategy Group and Health Education and Improvement Wales
N Lyons	Executive Medical Director	23.08.21 - 31.03.22	Spouse is employed by Macmillan Cancer Charity and works with the Health Board
A Thomas	Executive Director Therapies and Health Sciences	01.04.21 - 31.03.22	Spouse is employed by Boots UK as an Accuracy Checking Technician Son is employed by the Health Board (nature of the role has not been disclosed)
G Evans	Acting Executive Director of Therapies and Health Sciences	01.03.22 - 31.03.22	Member of the Welsh Allied Health Professions Committee (WAHPC) Member of the National Joint Professional Advisory Committee Spouse is employed as a nurse by the Health Board
M Wilkinson	Executive Director Planning and Performance	01.04.21 - 24.08.21	Associate at Mtech Access
Independent Members			
M Polin OBE QPM	Chair	01.04.21 - 31.03.22	Spouse is employed by the Health Board as a Health Visitor
L J Reid	Independent Member and Vice Chair	01.04.21 - 31.03.22	Committee Chair for the Primary Care Appeals Service, NHS Resolution Specialist advisor for the Care Quality Commission Justice of the Peace for HMCTS, North Wales Central Director of Anakrisis Ltd which provides specialist training and advisory services to NHS England
Prof N Callow	Independent Member	01.04.21 - 31.03.22	Pro Vice-Chancellor Learning and Teaching and Head of College of Human Sciences, Bangor University
Cllr C Carlisle	Independent Member	01.04.20 - 31.03.21	County Councillor for Colwyn Ward, Conwy County Borough Council Cabinet Member for Children Families and Safeguarding (to May 2021) Cabinet Member for Social Care and Safeguarding (from May 2021) Deputy Chairman (political) Clwyd West Conservatives Governor at Ysgol Bryn Elian Member of the Conwy and Denbighshire Joint Adoption Panel Panel member of Conwy and Denbighshire Public Services Board
J Cunliffe	Independent Member	01.04.21 - 31.03.22	Director of Abernet Ltd Member of the Joint Audit Committee, North Wales Police and Crime Commissioner
J F Hughes	Independent Member	01.04.21 - 31.03.22	Daughter is employed by the Health Board's District Nursing team at Plas Pawb Caernarfon
Cllr R Medwyn Hughes	Independent Member	01.04.21 - 31.03.22	Director of Meditel Limited Local Authority member for Plaid Cymru, Gwynedd County Council Member of the Care Scrutiny Committee and the Audit and Governance Committee at Gwynedd County Council Councillor - Bangor City Community/Town Council
L Meadows	Independent Member	01.04.21 - 31.03.22	Trustee of Wirral Hospice St John's, in a voluntary capacity
L Tomos CBE	Independent Member	01.04.21 - 31.03.22	Trustee for Cyngor Llyfrau Cymru/Books Council of Wales
J Gallanders BEM	Independent Member	01.11.21 - 31.03.22	Former Chief Officer at the Association of Voluntary Organisations in Wrexham (AVOW)

Name	Details of positions held during the financial year (or part thereof)	Dates positions held	Declarations made
Associate Board Members			
M Edwards	Associate Board Member	01.04.21 - 31.03.22	Corporate Director and Statutory Director of Social Services at Gwynedd Council Lead Director for ADSS Cymru on the Welsh Language Member of the Welsh Language Partnership Board Chair of the Regional Integrated Commissioning Board Member of the Regional Partnership Board
G Evans	Associate Board Member	01.04.20 - 28.02.22	See above
Ff Williams	Associate Board Member	01.04.20 - 30.04.21	Chief Executive of Adra (Tai) Cyfyngedig/Housing Association
C Budden	Associate Board Member	01.04.20 - 30.04.21	Chief Executive of Clwyd Alyn Housing Association

No other Health Board members who served during the 2021-22 financial year disclosed any related party interests.

Material transactions between the Health Board and related parties during 2021-22 were as follows (unless already reported on page 64A).	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Adra (Tai) Cyfyngedig/Housing Association	9	0	0	0
Association of Voluntary Organisations in Wrexham (AVOW)	149	0	0	0
Bangor University	1,469	546	777	130
Boots the Chemist	4,620	0	0	0
Clwyd Alyn Housing Association	1,014	0	167	0
MacMillan Cancer	0	15	0	5

31. Third Party assets

As at 31st March 2022, the Health Board held £195,807 cash at bank and in hand on behalf of third parties (31st March 2021 £225,031) comprising:

	2021-22	2020-21
	£	£
Monies held on behalf of patients - savings accounts	70,320	70,313
Monies held on behalf of patients - current accounts and cash in hand	101,637	118,918
Deposits for staff residential accommodation	23,850	35,800
	195,807	225,031

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

The Health Board also holds a quantity of consignment stock that remains the property of suppliers until it is used and is therefore considered as a third party asset. The value of consignment stock as at 31st March 2022 was £3,364,898 (2020-21 £2,731,248).

32. Pooled budgets

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

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

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

Memorandum notes on pages 72A-74A of these accounts provide details of the joint income and expenditure transactions for each of these arrangements.

Integrated Care Fund

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

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

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

Total ICF funding, including Winter Planning Allocations, allocated through the North Wales Regional Partnership Boards for 2021-22 was £23.4m (2020-21 £25.8m) of revenue funding plus ICF capital grant funding of £10.5m (2020-21 £9.4m). These funding flows are managed through the Health Board's Statement of Comprehensive Net Expenditure and reported in Note 3.3 Expenditure on Hospital and Community Health Services and Note 4 Miscellaneous Income.

33. Operating segments

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

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

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

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

Area Teams - Operating Costs less Miscellaneous Income	**2021-22**	**2020-21**
	£'000	**£'000**
Area Teams *	739,995	720,381
Commissioner Contracts *	234,773	215,606
Provider Income	(20,709)	(16,811)
Total Area Teams	**954,059**	**919,176**
Secondary Care - Operating Costs less Miscellaneous Income		
Secondary Care - District Hospital Services *	376,856	350,097
North Wales Hospital Services	119,579	108,176
Womens Services	42,354	42,075
Total Secondary Care	**538,789**	**500,348**
Mental Health & Learning Disabilities	**145,189**	**139,040**
Corporate Functions and Other Expenditure	**167,285**	**185,982**
6.3% Staff employer pension contributions notional expenditure (See Note 34.1)	**35,583**	**33,693**
Depreciation, Impairments and Finance Costs	**34,087**	**32,574**
Donated/Granted Capital Income	**(1,221)**	**(1,590)**
(Profit)/Loss on disposal of capital assets	**219**	**34**
Operating Costs sub-total	**1,873,990**	**1,809,257**
Revenue Resource Limit	**1,874,279**	**1,809,747**
Under/(over) spend against Revenue Resource Limit	**289**	**490**

* Operating segments which meet the standard criteria for reporting as per para 1.426 of the Welsh Government Manual for Accounts 2021-22.

34. Other Information

34.1 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2021 to 31st March 2022. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2021 and February 2022 alongside Health Board data for March 2022.

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

	2021-22	2020-21
Statement of Comprehensive Net Expenditure for the year ended 31 March 2022	**£000**	**£000**
Expenditure on Primary Healthcare Services	**883**	907
Expenditure on healthcare from other providers	**0**	5
Expenditure on Hospital and Community Health Services	**34,700**	32,781
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2022		
Net operating cost for the year	**35,583**	33,693
Notional Welsh Government Funding	**35,583**	33,693
Statement of Cash Flows for year ended 31 March 2022		
Net operating cost for the financial year	**35,583**	33,693
Other cash flow adjustments	**35,583**	33,693
2.1 Revenue Resource Performance		
Revenue Resource Allocation	**35,583**	33,693
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	**795**	845
Pharmaceutical Services	**8**	4
General Dental Services	**27**	17
Other Primary Health Care expenditure	**53**	41
3.2 Expenditure on healthcare from other providers		
Continuing Care	**0**	5
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	**45**	68
Staff costs	**34,655**	32,713
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	**35,583**	33,693
Charged to capital	**0**	0
Charged to revenue	**35,583**	33,693
18. Trade and other payables		
Current		
Pensions: staff	**0**	0
28. Other cash flow adjustments		
Other movements	**35,583**	33,693

34. Other Information (continued)

34.2 Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2021-22 £000	2020-21 £000	
Capital			
Capital Funding Field Hospitals		18	
Capital Funding Equipment & Works	6,901	9478	
Capital Funding other (Specify)	0	0	
Welsh Government Covid 19 Capital Funding	**6,901**	**9,496**	
			As previously reported in 2020-21
Revenue			
Sustainability Funding			66,100
C-19 Pay Costs Q1 (Future Quarters covered by SF)			5,379
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)			23,819
Bonus Payment			20,778
Independent Health Sector			0
Stability Funding	65,198	116,076	
Covid Recovery	18,517	0	
Cleaning Standards	1,282	0	
PPE (including All Wales Equipment via NWSSP)	3,519	5,581	
Testing / TTP- Testing & Sampling - Pay & Non Pay	4,007	1,570	
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	13,088	6,251	
Extended Flu Vaccination / Vaccination - Extended Flu Programme	1,585	1,097	
Mass Covid-19 Vaccination / Vaccination - COVID-19	14,643	5,544	
Annual Leave Accrual - Increase due to Covid	5,383	20,200	
Urgent & Emergency Care	1,407	4,078	
Private Providers Adult Care / Support for Adult Social Care Providers	3,427	5,663	
Hospices	0	0	
Other Mental Health / Mental Health	343	1,176	
Other Primary Care	0	2,038	
Social Care	2,360	0	
Other	318	3,792	
Welsh Government Covid 19 Revenue Funding	**135,077**	**173,066**	

The Other Welsh Government Covid 19 Revenue Funding for 2021-22 relates to Covid Therapeutic Medicines (Treatment).

The Health Board received a further £81,000 (2020-21 £58,000) Welsh Government Covid-19 Revenue funding as miscellaneous income, which is included in Note 4 on page 28A. All other income detailed above was received through the Health Board's Revenue and Capital Resource Allocations.

Additional Covid-19 funding of £779,000 was received in the form of capital assets provided to the Health Board by the Department of Health and Social Care at no cost. This funding is included in Note 4 Miscellaneous Income on page 28A and Note 11.1 Property, plant and equipment.

34. Other Information (continued)

34.3 Changes to accounting standards not yet effective - IFRS 16 Impact

IFRS 16 Leases supersedes IAS 17 Leases and is effective in the public sector from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term more than 12 months unless the underlying value is of low value. The FReM makes two public sector adaptions

- The definition of a contract is expanded to include intra UK government agreements that are not legally enforceable;
- The definition of a contract is expanded to included agreements that have nil consideration.

IFRS 16 gives a narrower definition of a lease that IAS 17 and IFRIC 4 by requiring that assets and liabilities will be recognised initially at the discounted value of minimum lease payments After initial recognition, right of use assets will be depreciated on a straight line basis and interest recognised on the liabilities. Except where modified for revaluation where material, the cost model will be applied to assets other than peppercorn leases which will be measured on a depreciated replacement cost basis. The right of use asset in a peppercorn lease is accounted for similarly to a donated asset.

As required by the FReM IFRS 16 will be implemented using the accumulated catch up method.

The right of use assets and leasing obligation have been calculated and indicated that the total discounted value of right of use assets and liabilities under IFRS 16 is higher than the value of minimum lease commitments under IAS 17. Review of lease criteria revised the inclusion to only include pool cars. In addition Managed Service Contracts have been reviewed and included as appropriate. The impact of implementation is an

- increase/decrease in expenditure £63,000;
- increase/decrease in assets and liabilities of £637,000.

These figures are calculated before intercompany eliminations are made, these will/will not have a material impact on the figures.

Right of Use (RoU) Assets Impact

		Property	Non Property	Total
		£000	£000	£000
Statement of financial Position				
RoU Asset Recognition				
+	Transitioning Adjust	£26,426	£21,133	£47,559
+	As at 1 April 2022	£26,426	£21,133	£47,559
+	Renewal / New RoU Assets 2022-23	£195	£442	£637
-	Less (Depreciation)	(£1,808)	(£3,865)	(£5,673)
+	As at 31 March	**£24,813**	**£17,710**	**£42,523**

RoU Asset Liability		Property	Non Property	Total
		£000	£000	£000
-	Transitioning Adjust	(£26,426)	(£21,133)	(£47,559)
-	As at 1 April 2022	(£26,426)	(£21,133)	(£47,559)
-	Renewal / New RoU Liability 2022-23	(£195)	(£442)	(£637)
+	Working Capital	£1,948	£4,011	£5,959
-	Interest	(£216)	(£186)	(£402)
-	As at 31 March	**(£24,889)**	**(£17,750)**	**(£42,639)**

Charges	Property	Non Property	Total
Expenditure	£000	£000	£000
RoU Asset DEL depreciation (1)	1,756	3,865	5,621
RoU Asset AME depreciation (1)	52	0	52
Interest on obligations under RoU Asset leases (2)	216	186	402
	2,024	4,051	6,075

LHB

1 Expenditure on Hospital and Community Health Services

2 Finance Costs

34. Other Information (continued)

34.4 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

North East Wales Community Equipment Service Memorandum Accounts 2021-22

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

	2021-22	2020-21
Pooled Budget contributions	**£ 000**	**£ 000**
Flintshire County Council	306	302
Wrexham County Borough Council	290	287
Betsi Cadwaladr University Local Health Board	430	424
Other	225	153
Total Pooled Budget contributions for the year	**1,251**	**1,166**
Expenditure		
Equipment Purchases	506	362
Operating Expenditure	789	713
Non Operating Expenditure	0	0
Total Expenditure for the year	**1,295**	**1,075**
Net Surplus/(Deficit) on the Pooled Budget for the Year	**(44)**	**91**

Denbighshire Community Equipment Service Memorandum Accounts 2021-22

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

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

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

	2021-22	2020-21
Pooled budget contributions	**£ 000**	**£ 000**
Denbighshire County Council	219	219
Betsi Cadwaladr University Local Health Board (Core)	138	138
Betsi Cadwaladr University Local Health Board (Bed Service)	51	51
Other - HEC / CHC / Intermediate Care	225	205
Total Pooled Budget contributions for the year	**633**	**613**
Expenditure		
Equipment purchases (Core and CHC)	150	140
Operating Expenditure	437	442
Total Expenditure for the year	**587**	**582**
Net Surplus/(Deficit) on the Pooled Budget for the Year	**46**	**31**
Cumulative net Surplus/(Deficit) on the Pooled Budget	**92**	**46**

34. Other Information (continued)

34.4 Pooled Budgets (continued)

Memorandum Note - Note 32 - Pooled Budgets

Denbighshire Health and Social Care Support Workers Service - Memorandum Accounts 2021-22

The Denbighshire Health and Social Care Support Workers Service Pool is hosted by Denbighshire County Council. A memorandum account for the pooled budget arrangement is provided below.

	2021-22	2020-21
Pooled Budget contributions	**£ 000**	**£ 000**
Denbighshire County Council	50	50
Betsi Cadwaladr University Local Health Board	50	50
ICF Grant Allocation	53	53
ICF Grant Allocation - from slippage	0	0
Total Pooled Budget contributions for the year	**153**	**153**
Expenditure		
Employee Expenses	151	145
Other Operating Expenditure	6	12
Total Expenditure for the year	**157**	**157**
Net Surplus/(Deficit) on the Pooled Budget for the Year	**(4)**	**(4)**
Cumulative net Surplus/(Deficit) on the Pooled Budget	**38**	**42**

Bryn-y-Neuadd Community Equipment Store Memorandum Accounts 2021-22

The Bryn-y-Neuadd Community Equipment Store Pool is hosted by Betsi Cadwaladr University Local Health Board in partnership with Ynys Môn Council, Conwy County Borough Council and Gwynedd County Council. A memorandum account for the pooled budget arrangement is provided below.

	2021-22	2020-21
Contributions	**£ 000**	**£ 000**
Ynys Môn County Council	156	156
Conwy County Council	183	183
Gwynedd County Council	196	196
Betsi Cadwaladr University Local Health Board	497	484
Special Orders	90	90
Total Pooled Budget Contributions	**1,122**	**1,109**
Expenditure		
Operating Expenses	688	743
Equipment Purchases (incl. Special Orders)	512	366
Total Expenditure	**1,200**	**1,109**
Net Surplus/(Deficit) on the Pooled Budget for year	**(78)**	**0**
Cumulative Net Surplus/(Deficit) on the Pooled Budget	**(171)**	**(93)**

34. Other Information (continued)

34.4 Pooled Budgets (continued)

Memorandum Note - Note 32 - Pooled Budgets

North Wales Older People Accommodation Pooled Budget Memorandum Accounts 2021-22

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

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

Income and expenditure for these pooled budget arrangements for the year ending 31st March 2022 is shown below. Payments in respect of the contributions for Quarter 4 2021-22 will be made in arrears during 2022-23 in accordance with the Partnership Agreement:

	2021-22	2020-21
Contributions	**£ 000**	**£ 000**
Denbighshire County Council	9,340	8,626
Conwy County Borough Council	14,221	13,106
Flintshire County Council	10,095	9,397
Wrexham County Borough Council	15,317	12,203
Gwynedd Council	9,143	8,641
Isle of Anglesey County Council	5,209	5,049
Betsi Cadwaladr University Local Health Board	35,657	36,013
Total Pooled Budget Contributions	**98,982**	**93,035**
Expenditure		
Care Home Costs	98,982	93,035
Total Expenditure for the year	**98,982**	**93,035**
Net Surplus/(Deficit) on the Pooled Budget for the Year	**0**	**0**

34.5 Pensions tax annual allowance - Scheme Pays arrangements 2019-20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government has taken action to support circumstances where pensions tax rules may impact on clinical staff who want to take on additional work and sessions. It has been determined that clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

The impact of these tax charges on individual's pensions will be met by NHS employers on their retirement with the scheme being fully funded by Welsh Government at no net cost to NHS organisations. Clinical staff had until 31st July 2021 to opt for this scheme with the ability to make changes up to 31st July 2024.

The Scheme Pays facility only applies to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5th April 2020.

At the end of the 2021-22 financial year 138 clinical staff had opted for this scheme and the Government Actuary's Department (GAD) has calculated the potential future discounted liability as £2,256,000.

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

LOCAL HEALTH BOARDS

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

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

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

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

FORM AND CONTENT

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

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

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

MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

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

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ANNEX – Annual Governance Statement

1. Scope of Responsibility

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

1.2 The annual report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and assurance has been sought and provided. Where necessary additional information is provided in the Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

1.3 I am also responsible for ensuring that the Health Board is administered prudently, economically and with propriety, and that resources are applied effectively and efficiently.

1.4 In fulfilling my responsibilities to the Chief Executive of NHS Wales, I am directly accountable to the Chairman of the Health Board and the Independent Members of the Health Board for the operation of the Health Board and for the implementation of the Board's decisions.

2. Capacity to Manage Risk

2.1 As Chief Executive, I have overall responsibility for risk management within the Health Board for meeting all statutory requirements and adhering to the guidance issued by NHS Wales and the Department of Health and Social Care in respect of governance. The Executive Team has the remit to ensure the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to discussion at the Board.

2.2 The Board has considered its risk appetite annually. This clearly articulates the Health Board's view that it does not tolerate unmitigated/unacceptable risks to the quality of service provision.

2.3 The Board held a risk management workshop on 8 March 2022 to review the risk appetite statement, which was aligned to a Board Assurance Framework (BAF) refresh workshop in April 2022 to review the strategic risks as at the end of 2021/22, and identify new ones, taking into account the objectives outlined in the Living Healthy, Staying Well strategy.

2.4 Day to day management of risks is undertaken by individual operational managers and management teams, who are charged with ensuring that risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where risks are identified. There is a process of escalation to Executive Directors, Risk Management Group and Quality, Safety and Experience Committee (which undertakes the role of Risk Committee of the Health Board), as well as the other Health Board Committees who review risks that fall within their remit, for the purposes of providing assurance that risks are robustly mitigated in a timely manner.

2.5 To ensure all staff are aware of their responsibilities for risk management, training is provided incorporating aspects of risk management and senior staff have been trained in the identification and management of clinical risk. In particular the training provides guidance for staff on the actions they can take once they identify a risk from tolerating a risk through to deciding it is so significant that immediate action is required.

2.6 Within the 2021/22 period a total of 1000 staff were provided with risk management training across the full range of staff groups.

2.7 Staff are advised on how to escalate risks but are also reminded that this does not lessen their personal ownership of the risk. The development of local risk registers has served also to promote awareness and understanding of the identification of risks and their management across the Health Board.

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

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

3 Our Governance Framework

3.1 The Board of Directors is the key decision-making body within the Health Board, with responsibility for ensuring the organisation achieves its objectives.

3.2 During the 2021/22 period, Board membership changed, with the addition of two Independent Board members Richard Micklewright and John Gallanders, who joined the Health Board in November 2021 and Lyn Meadows's term of office ended on 31 March 2022.

3.3 In addition, Dr Nick Lyons joined the Board as Executive Medical Director in August 2021 on a substantive basis, having taken over from Professor Arpan Guha, who had undertaken the role of acting Medical Director until August 2021.

3.4 Mark Wilkinson left the Board at the end of August 2021

3.5 The turnover of the Board was embraced by the organisation as an opportunity to refresh and re-energise efforts, whilst taking the Health Board forward, aided by a Kings Fund supported Board Development programme.

3.6 As part of the Board Development programme, Kings Fund facilitated evaluation of effectiveness, through an analysis of work carried out against work planned, attendance, quoracy, and annual member surveys covering strategy, performance, risk and assurance, Committee and collective Board performance. The process is designed to comply with best practice requirements such as the Audit Committee Handbook, the UK Corporate Governance Code, the Healthy NHS Board and the Taking It on Trust study, where appropriate.

3.7 The Health Board has incorporated the best practice requirements of the UK Corporate Governance Code in the committee terms of reference and associated infrastructure.

3.8 The Board carries out its roles and responsibilities with the aid of a structured and focussed Annual Board cycle of business, which takes into account the setting of strategy and the monitoring of key risks, performance, governance, and culture and quality issues. Service user and carer engagement is incorporated in the Annual Board cycle.

3.9 Board attendance for the 2021/22 period is set out in more detail within appendix 3. In the reporting period, this averaged a rate of 89% and formal Board meetings were held 9 times during the 2021/22 financial year.

3.10 During the 2021/22 period the Committees of the Board were:

- Audit Committee;
- Quality, Safety and Experience Committee;
- Remuneration and Terms of Service Committee;
- Digital and Information Governance Committee, until October 2021, when it was merged with the Performance, Finance and Information Governance Committee;
- Performance, Finance and Information Governance Committee, from October 2021;
- Strategy, Partnerships and Population Health Committee, until October 2021;
- People, Partnerships and Public Health Committee, from October 2021;
- Mental Health Act Committee, until July 2021;
- Mental Health Capacity and Compliance Committee from, from July 2021;
- Charitable Funds Committee.

3.11 The Health Board Committees and relevant sub committees maintain oversight of the Health Board's statutory and regulatory arrangements with authority delegated from the Board.

3.12 There is crossover of Independent Membership, to enhance the effectiveness of Committee business. Independent Members of the Quality and Finance Committees are also members of the Audit Committee.

3.13 The Board Committees have enabled the Board to focus on its core business whilst receiving regular assurance through written Committee Chair Assurance reports, in line with best practice.

3.14 The effectiveness of the Committees is enhanced by comprehensive work plans as well as the alignment of the Board's meetings and that of its Committees. This ensures timely monitoring of areas of responsibility delegated by the Board to the Committees through receipt of Chair assurance reports and minutes, with an escalation mechanism to the Board, where appropriate. During the 2021/22 period, the Board and its Committees maintained compliance with the UK Corporate Governance Code pertaining to Board Composition, Board Effectiveness and Risk Management.

3.15 The Audit Committee supports the Board in reviewing the effectiveness of the system of internal control, through a structured annual work plan, compliant with the Audit Committee Handbook issued by Welsh Government. The main role of the Committee is to seek assurance that the Health Board's governance and risk management systems are fit for purpose, adequately resourced and effectively deployed.

3.16 To aid this assurance, the Committee's work plan incorporates the review of the organisation's risk management processes, and the corporate risk register. The Audit Committee takes assurance from the Internal and External Audit functions, by setting the annual Internal Audit plan and monitoring its delivery regularly, as well as overseeing the implementation of audit recommendations. The Audit Committee maintains oversight of the work of other committees in respect of the system of internal control.

3.17 The members of the Audit Committee play a key role by independently scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Health Board's risk register. In addition, the Committee's role includes:

- Monitoring management progress in the implementation of Internal and External Audit recommendations;
- Scrutinising the effectiveness of the counter fraud arrangements, and tracking progress of delivery of the annual work plan of the Local Counter Fraud Specialist's plan;
- Formally reviewing the system of internal control regularly at meetings, by taking assurance on the management of detailed risks on a rotational basis.

3.18 During the 2021/22 period, the Committee received internal audit reports covering a broad range of the Health Board's governance and risk management systems.

3.19 The Audit Committee's 2021/22 annual self-assessment incorporates the views of the internal and external auditors, and the counter fraud function. The overall assessment results indicate that the Committee is discharging its terms of reference and meeting best practice guidelines, as set out in the NHS Audit Committee Handbook.

3.20 Further narrative on the Health Board's quality governance arrangements is in section 10 of this document.

4. Data Quality Assurance

4.1 The Health Board is improving its data quality arrangements to enhance the quality and accuracy of elective waiting time data and other metrics. The Planned Care Transformation Group reviews and monitors live waiting list data for accuracy, performance and targets. The Planned Care Transformation Group also has a system to validate and audit its elective waiting time data weekly and monthly, with random specialty checks carried out to quality-assure the validation process. These arrangements were reviewed by the Internal Auditors during 2021/22 and a 'limited assurance' audit opinion was given. Action Plans are in place to address the gaps identified at pace.

4.2 The risks to the quality and accuracy of this waiting time data is examined weekly to ensure activity is recorded accurately and timely; if issues do arise, remedial action is agreed, implemented and monitored immediately.

4.3 Annual validation of waiting lists also takes place through internal audit and a range of live data quality reports which are being developed to monitor the data quality key performance indicators weekly and monthly.

5. The Purpose of the System of Internal Control

5.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

5.2 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

6. Risk Assessment

6.1 The organisation has processes to identify and assess risks.

6.2 The risk register is populated at a local/operational level and at a corporate level. The risk register informs the business planning process and is a key consideration in general operational management at service line, clinical business unit and corporate level.

6.3 Strategic risks are identified and assessed in relation to their threat to achievement of the Health Board's strategic objectives. 'Bottom up' risks are identified through local staff incident reporting and risk assessments whilst organisational risks will be identified through business planning, Serious Incidents and People processes, such as recruitment. 'Top down' risk assessment is undertaken through the development and review of the Board Assurance Framework, strategic business planning and contract management.

6.4 Progress was achieved in the year to mitigate key risks relating to the principal objectives of the Health Board. Based on the residual risk score, the top remaining significant risks to the organisation in the 2021/22 period with a significant impact on the system of internal control were:

6.4.1 BAF 21-09 – Infection Prevention and Control: current risk rating: 20

6.4.1.1 Significant progress was made during the course of the year to mitigate this risk, In relation to strengthening the infrastructure to support the prevention of infections.

6.4.1.2 Key examples include the mitigation pertaining to the introduction of appropriate ventilation and 3.6m bed spacing has been completed by the Estates Department as part of Safe Clean Care programme. Assurance for the rest of the mitigations continues to be monitored through the Quality and Safety Experience Committee on an ongoing basis as part of the cycle of business.

6.4.2 BAF 21-10 – Listening and learning: current risk rating: 20

6.4.2.1 Actions around training have been deferred recognising current pressures over the winter period and the directive to prioritise essential clinical services during the pandemic.

6.4.2.2 Internal Audit reviewed the organisation's arrangements for listening and learning and awarded a reasonable assurance audit opinion during the 2021/22 period.

6.4.3 BAF 21-12 – Security Services and BAF 21-13 – Health and Safety: current risk rating: 20

6.4.3.1 The Health Board has in place key mitigations to address these risks, with detailed assurance updates feeding into the Quality and Safety Experience Committee, including detailed Health and Safety Assurance updates during the financial year, including a progress update on policies (such as The Management of Violence and Aggression) as well as detailed measures to ensure the health and safety of lone workers.

6.4.3.2 In addition, plans are in place to remediate compliance gaps identified by the Health and Safety Executive during the course of the 2021/22 financial year. The details of these can be found in section 19 of this document.

6.4.3.3 The Health Board put in place a series of controls, including working towards compliance with Protect legislation Martyn's Law by 31st March 2022 as well as a Security Policy with appropriate mitigations.

6.4.4 BAF 21-03 – Primary Care sustainable health service: current risk rating: 20

6.4.4.1 Progress has been made in relation to some of the key mitigations aligned to this risk, with a specific focus on the roll out of Urgent Primary Care Centre pathfinders, with the business case being approved in November 2021. Work is underway to progress the implementation of the Dental Training unit in Bangor. The Partnerships, People and Population Committee continues to maintain oversight of the mitigations aligned to this risk.

6.4.5 BAF 21-04 – Timely Access to Planned Care: current risk rating: 20

6.4.5.1 Manual validation continues across the three sites alongside the completion of the recommendations arising from the Waiting List Management Audit. This risk continues to be monitored by the Performance, Finance and Information Governance Committee.

6.4.6 BAF 21-16 – Digital Estates and Assets :current risk rating: 20

6.4.6.1 The implementation of the Digital Strategy continues, following its launch in 2021, with detailed assurances being monitored by the Partnerships, People and Population Committee via the digital dashboard.

6.4.7 BAF 21-01 – Emergency Care: current risk rating: 20

6.4.7.1 The Quality, Safety and Experience Committee approved the increase of the current rating for this risk from 16 to 20 in November 2021, due to increased pressures on unscheduled care.

6.4.7.2 Implementation of the Unscheduled Care improvement plan continues, including ongoing ward based improvement work with a specific focus on improving patient flow and timely discharges.

6.4.7.3 Key mitigations against this risk continue to be monitored by the Quality Safety and Experience Committee with additional bi-monthly reports submitted to the Performance, Finance and Information Governance Committee for the purposes of providing assurance on unscheduled care strategic developments.

7. The Risk and Control Framework

7.1 The Health Board has in place a process for the identification, assessment, and management of risks. This is a systematic approach which assesses the consequences and likelihood of each risk event, associated mitigations and allows for the identification of risks which could be considered unacceptable to the organisation.

7.2 The Health Board has a dynamic, agile, comprehensive and structured approach in place to identify, assess, control, mitigate and effectively manage risks to the achievement of its operational and strategic objectives. The Health Board`s approach to risk management is informed by a robust risk management framework, architecture, including processes and systems which draw inspiration from best practice and ISO 3100:2018 in supporting staff to continuously scan the horizon for emerging risks, mitigate and appropriate manage them. The Health Board`s Board agreed a new Risk Management Strategy for the organisation in 2020 which was launched on 1st October 2020.

7.3 During the 2021/22 period, the Risk Management Group continued to strengthen its core business activities in order to leverage better advice, assurance and provide effective recommendations to the Executive Team on appropriate escalation and management of risks. The Group also has responsibility to ensure that the Health Board has robust systems, processes and governance arrangements in place to facilitate effective mitigation, management and embedding of best practice in risk management across the organisation. As of October 2021, this group is chaired by the Executive Medical Director; prior to this, the role was undertaken by the Executive Director of Nursing and Midwifery/Deputy CEO.

7.4 Whilst the Risk Management Strategy sets out a framework for underpinning the Health Board`s overarching approach, vision and arrangements for management at all levels across all its Services, Departments and Divisions, it also informs the appropriate management of Covid-19 related risks, thereby ensuring prompt and timely escalation and de-escalation of risks. A simplified Covid-19 Response Guidance on Risk Management was designed to facilitate the timely identification, assessment, mitigation, management and escalation/de-escalation of Covid-19 risks. This guidance included the requirements under the Civil Contingencies Act 2004 (as amended) (CCA) and Good practice guidance for Category 1 responders individually and collectively as part of a Local Resilience "Community" to adopt a proactive, dynamic risk-based approach to managing Covid-19 and related risks.

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

7.6 The risk and control framework incorporates a range of supporting systems and associated policies that provide a structured and consistent approach to the management of risk.

7.7 These include, amongst others:

- Risk Management Strategy and policy;
- Standards of Business Conduct;
- Waiting list management;
- Raising Concerns Policy and Procedure (Whistleblowing);
- Incidents and Serious Incident Management Policy;
- Complaints and Concerns Resolution Policy;
- Claims Management Policy;
- Being Open Policy;
- Standing Financial Instructions, Standing Orders and Scheme of Reserved Delegation.

7.8 During the course of the 2021/22 period, the Standing Orders and Scheme of Reserved Delegation were applied in the manner that acknowledged that in unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and it has not therefore been possible to allow the public to attend meetings of the Board and committees in person for the duration of the financial period As part of efforts to conduct business in an open and transparent manner during this time, the following actions were taken:

- Use of technology in order to hold virtual meetings, including the provision of Welsh / English translation. From May, Board meetings were recorded and made available to the public online, with subsequent meetings being live-streamed;
- Publication of agendas and papers as far in advance as possible with reference to Standing Orders;
- Increased use of verbal reporting captured in the meeting minutes;
- Publication of a set of minutes from the meeting (a draft approved by the Chair) to the public website as soon as possible – ideally within 3 working days.

7.9 Assessments were made regarding decisions deemed to be time critical, that could not be held over until such time that it is possible to allow members of the public to attend meetings. In addition, increased use of Chair's action (supported by enhanced processes as set out in the maintaining good governance papers) has been necessary to avoid delays to essential business. Although at the time of writing, the COVID-19 situation has greatly improved, due in no small part to the success of the vaccination programme, at the time of writing it was still unknown when face-to-face Board meetings will resume. It will be necessary to keep this under review.

7.10 The Health Board has overarching responsibility for risk management.

7.11 As Accountable Officer, I ensure that sufficient resources are invested in managing risk and I am supported in undertaking this role by the Medical Director.

7.12 At an operational level, risks are captured on the Datix risk management system and maintained on local and/ or corporate risk register level depending on the risk rating.

7.13 Local risk registers are monitored and mitigated in local and service risk registers and monitored at Executive Director Level where they are scored at 15 or more.

7.14 The corporate risk register is reviewed by each of the Board Committees individual to maintain oversight of their respective risks. The Audit Committee independently scrutinises the process to effectively maintain the risk register.

7.15 Where risk ratings are sufficiently high that they are likely to significantly impact the delivery of strategic objectives, they are added to the Board Assurance Framework, which is reviewed by the Board on a quarterly basis, and by Board Committee as a standing item.

7.16 The members of the Audit Committee play a key role in the internal control assurance processes by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Health Board risk register, as well as corporate functions and service line risk registers, on a rolling basis.

7.17 The Board Committees all have responsibility for elements of the risk management system, with the Audit Committee providing assurance on overall effectiveness, taking into account the annual review carried out by the Internal Audit Function.

7.18 The Health Board Risk Management Strategy provides the framework for the continued development of the risk management process, building on the principles and plans linked to the Health Board's Assurance Framework, the Risk Register, the requirements of Healthcare Inspectorate Wales and national priorities.

7.19 Detailed narrative on deterrents to risks arising, and fraud deterrents is incorporated in section 15 (Counter Fraud and Anti-bribery arrangements) of this document.

8. Elements of the Assurance Framework

8.1 The key elements of the Board Assurance Framework include:

- Board agreed organisational objectives and identification of the principal risks that may threaten the achievement of these objectives;
- Identifying the design of key controls intended to manage these principal risks;
- Setting out the arrangements for obtaining assurance on the effectiveness of key controls across all areas of principal risk;
- Identifying assurances and areas where there are gaps in controls and/or assurances;
- Putting in place plans to take corrective action where gaps have been identified in relation to principal risks;
- Maintaining dynamic risk management arrangements including a well-founded risk register.

8.2 Based on my assessment of the Board Assurance Framework and the Annual Governance Statement, (and taking into account the findings of the 2021/22 internal audit review risk management) I have identified three key priorities to be implemented in 2022/23 in order to enhance the internal control arrangements.

8.3 The implementation of these actions will further strengthen Board visibility of mitigating significant risks

8.4 These priorities are:

- Scrutiny and review of assurances about risk mitigations by the Board or relevant committees, where appropriate;
- Strengthen the process of achieving target risk ratings, as captured on the Board Assurance Framework;
- Align the Board and Committee cycle of business to significant BAF risks to ensure timely and effective review of risks.

8.5 The Board will oversee the implementation of these priorities, whilst receiving assurance from the work of relevant Board Committees.

9. Internal Audit

9.1 The Health Board has established processes for managing risks that impact on the quality and safety of information, staff and patients.

9.2 In 2021/22, Internal Audit carried out organisational reviews of the following areas with assurance ratings summarised below:

Review Title	Assurance Rating
Capital Funded Systems	Substantial
Statutory Compliance – Asbestos Management	Reasonable
Upholding Professional Standards in Wales	Reasonable
Maternity Cross - Border Arrangements	Reasonable
Procurement: Contract Management and Single Tender Waivers	Reasonable
Targeted intervention	Reasonable
Learning Lessons	Reasonable
Voluntary Early Release Scheme (VERS)	Reasonable
Financial Management, Reporting and Budgetary Control	Reasonable
Network and Information Systems (NIS) Directive	Reasonable
Cluster working – Governance	Reasonable
Recruitment – Employment of medical locum doctors	Reasonable
Waste Management	Reasonable
Impact Assessments	Reasonable
Risk Management	Reasonable
Establishment Control: Leaver Management	Limited
Standards of Business Conduct	Limited
Integrated Service Boards Governance	Limited
Waiting List Management: Review of the Welsh Government initiated Patient Validation Exercise, Risk Stratification and patient removal from lists	Limited
Nursing Roster Management: Introduction of e-timesheets for Agency staff	Limited
Clinical Audit	Limited
On-Call arrangements	Limited
Business Continuity Plans	Limited
Security Invoice Review	Assurance Not Applicable
HASCAS & Ockenden external reports: Recommendation progress and reporting	Assurance Not Applicable
Secondary Care Division – Ysbyty Glan Clwyd	Assurance Not Applicable
Follow up - Progress against Healthcare Inspectorate Wales (HIW) recommendations: Mental Health and Learning Disabilities	Assurance Not Applicable
Temporary Hospitals: Follow up of KPMG recommendations	Assurance Not Applicable
HASCAS & Ockenden external reports: Recommendation progress and reporting – Workforce	Assurance Not Applicable
Decommission of Ysbyty Enfys Temporary Hospitals	Assurance Not Applicable

9.3 During the course of the year, action plans have been agreed with Internal Audit for all audits, with a particular focus on limited assurance audit outcomes.

9.4 As part of my review I also place reliance on the 2021/22 Head of Internal Audit's independent opinion of limited assurance, which substantiates this disclosure. The opinion is based on a review of the systems and processes underpinning the Assurance Framework and the internal audit risk–based plans reported during the 2018/19 period. The Health Board is implementing actions arising from internal audit reviews and providing assurances on progress to the Audit Committee.

9.5 For 2021/22, the Head of Internal Audit's Opinion reads as follows:

"The scope of my opinion is confined to those areas examined in the risk-based audit plan which has been agreed with senior management and approved by the Audit Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

Limited assurance		*More significant matters require management attention.* ***Moderate impact*** *on residual risk exposure until resolved.*

"This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were eight audits in 2021/22)."

10. Quality Governance and Healthcare Inspectorate Wales

10.1 The Health Board has a quality governance framework which enables the monitoring of risks to quality of services, through the Quality Safety and Experience Committee. The Board Assurance Framework also provides a mechanism for monitoring, where these risks are significant to the delivery of the organisation's strategic objectives.

10.2 Systems and controls are in place to ensure the delivery of Quality Statements (when applicable), and the associated evidence also informs my assessment of the effectiveness of the risk management and internal control framework, in relation to risks to quality.

10.3 The performance management framework provides a structured approach to monitoring the delivery of the Health Board's contractual and national obligations, and associated mitigations of risks to safety.

10.4 Healthcare Inspectorate Wales (HIW) is the independent inspectorate and regulator of all health care in Wales. HIW reviews and inspects NHS services in Wales, and regulates healthcare providers against a range of standards, policies and regulations to ensure they comply with regulations and meet the healthcare standards, highlighting areas of improvement. HIW also monitor the use of the Mental Health Act and review the Mental Health service to ensure that vulnerable people receive good quality of care in mental health services. HIW are also requested by HM Inspectorate of Prisons to provide a clinical review of a prisoner's healthcare if they die in custody.

10.5 There are systems and controls in place to ensure the Healthcare Inspectorate Wales (HIW) standards continue to be embedded within the Health Board. The Health Board has continued its positive working relationship with HIW through monthly engagement meetings with a designated relationship lead and through regular ongoing dialogue.

10.6 Due to the continuing COVID-19 pandemic, HIW continued to use a three-tiered model of assurance and inspection during the 2021/22 financial year, that reduces the reliance on onsite inspection activity as the primary method of gaining assurance:

- **Tier 1** - activity will be conducted entirely offsite and will be used for a number of purposes but, at this stage, primarily where issues cannot be resolved via their standard concerns process and where the risk of conducting an onsite inspection remains high;
- **Tier 2** will introduce a combination of offsite and limited onsite activity, whilst
- **Tier 3** will represent a more traditional onsite inspection.

10.7 As would be expected, the majority of inspections in the period April 2021 - March 2022 were carried out off-site by a process identified as a 'Tier 1 – Quality Check'. This process included the completion of a self-assessment form and a call with the local manager/lead of the area under inspection. The approach seeks assurance around four key areas of service. These are arrangements for dealing with COVID-19; environment; infection prevention and control (IPC); and governance.

Summary of Healthcare Inspectorate Wales Inspections April 2021-March 2022

10.8 Review of Patient Safety, Privacy, Dignity and Experience whilst Waiting in Ambulances during Delayed Handover, April 2021

10.8.1 As part of their annual programme HIW undertook a remote review of the Welsh Ambulance Service NHS Trust (WAST). The focus of the review was to consider the impact of ambulance waits outside Emergency Departments (ED) on patient safety, privacy, dignity and their overall experience. The Health Board contributed to this national review. As a result of their findings from this review HIW made a number of national recommendations around patient flow through ED, escalation and staff handover and improving patient experience. The Health Board has proactively developed a local action plan.

10.9 National Review of Mental Health Crisis Prevention in the Community, April 2021

10.9.1 HIW undertook a remote national review of Mental Health Crisis Prevention in the Community. The focus of this review was to identify how people at risk, or facing a mental health crisis are supported in the community, and how timely support can be accessed.

10.9.2 As part of this review, HIW engaged with professionals in the Mental Health Community Services and Primary Care along with a national public survey to capture the views of people. As a result of their findings, HIW made a number of recommendations around accessing services and receiving timely care. At the time of writing, an action plan was submitted to the Patient Safety & Quality Group in May 2022.

10.10 Mesen Fach Ward, Bryn y Neuadd Hospital, May 2021

10.10.1 HIW undertook a remote quality check of Mesen Fach ward, Bryn y Neuadd Hospital. Mesen Fach provides assessment and treatment, and therapeutic support services for up to nine patients with learning disabilities.

10.10.2 The quality check identified one recommendation for improvement around the discharge planning progress for patients admitted for lengths of stay. Overall HIW found evidence of a dedicated staff team that were committed to providing a high standard of care to patients. There was evidence of strong and supportive leadership and HIW found the service provided safe and effective care.

10.11 IR (ME) R Compliance Inspection of the Diagnostic Imaging Department – Wrexham Maelor Hospital, October 2021

10.11.1 HIW is responsible for monitoring service compliance with the Ionising Radiation (Medical Exposure) Regulations 2017. HIW completed an announced IR (ME) R inspection of the Diagnostic Imaging Department and identified areas of improvements in governance and leadership, delivering safe and effective care and workforce processes.

10.12 Hergest Unit, Ysbyty Gwynedd, September 2021

10.12.1 Healthcare Inspectorate Wales (HIW) completed two unannounced mental health inspections of Ysbyty Gwynedd, Hergest Unit within Betsi Cadwaladr University Health Board. The first starting the evening of 6 September 2021, the second starting the evening of 20 September 2021. During the inspection commencing 6 September, HIW identified a number of areas of concern particularly around Infection Prevention and Control, and Governance and Leadership. Due to concerns about patient safety, HIW issued an immediate assurance letter, where they wrote to the service immediately after the inspection with their findings requiring urgent remedial action. They then returned to undertake a further unannounced inspection on 20-22 September to ensure the Hergest Unit was providing safe and effective care. Overall, they found evidence that the Health Board had started to implement systems and processes to address areas identified in the immediate assurance issued. However, further improvements were identified in the inspection on the 20-22 September 2021.

10.12.2 The inspection found a dedicated staff team that were committed to providing a high standard of care to patients and treating patients with dignity and respect. From their findings improvements needed around infection prevention measures, governance and leadership, and patient safety of which an immediate assurance letter was issued. Staffing issues were also escalated during the inspection along with communication and engagement. Improvements were also required in the completion of patient care plans and staff rotas.

10.12.3 The published report has been presented at the Quality, Safety and Experience Committee where updates have been monitored in relation to action plans.

10.13 Tan Y Coed, Bryn Y Neuadd, 19 October 2021

10.13.1 HIW undertook an unannounced inspection of Tan y Coed on 19-20 October 2021. Tan y Coed provides a rehabilitation service for people with learning disabilities. HIW found evidence that overall the service provided a positive patient experience, with a good level of safe and effective care delivered to patients. HIW found evidence of a well-established management team, which was supported by a committed workforce and sound local governance arrangements. The inspection identified a small number of improvements to strengthen the service model and promote a quality patient experience.

10.14 National Review of Patient Flow, December 2021

10.14.1 As part of their annual review programme, HIW are undertaking a national review of Patient Flow. The focus of the review is to gain a greater understanding of the challenges that healthcare services face in relation to how patients flow through healthcare systems, and to test if arrangements for patient flow are robust. In order to assess the impact of patient flow challenges on quality and safety of care for patients awaiting assessment and treatment, HIW decided to focus our review on patients travelling through the stroke pathway. This will include the point of requesting an ambulance (or someone self-presenting at an Emergency Department), through to their discharge from hospital or transfer of care to other services. Following the submission of a self-assessment and an update on discharge processes (against national recommendations) HIW will undertake onsite visits, which will focus on case studies of people travelling through the stroke pathway. HIW have confirmed they will be visiting YGC on 9 – 11 August 2022.

10.14.2 Terms of Reference for the review are available on the HIW website.

10.15 Emergency Department, Ysbyty Gwynedd, February 2022

10.15.1 HIW undertook a two stage remote quality check of the ED department, which focused on infection prevention, environment, governance and staffing. The inspection found immediate assurance improvements were needed around timely access, discharge planning and record keeping and identified improvements needed for patient accessing facilities in the department and staff oversight of the waiting areas. An Immediate Assurance Improvement Plan was submitted and accepted by HIW; we are currently waiting for the final report to be published.

10.16 Foelas Ward, Bryn y Neuadd, February 2022

10.16.1 HIW undertook a remote quality check of Foelas Ward, which is an eight bedded learning disability ward. The focus of the quality check was on infection prevention, environment, governance and staffing and the Mental Health Act. The inspection found a dedicated staff team that were committed to providing a high standard of care to patients. There was evidence of strong and supportive leadership and HIW found the service provided safe and effective care. The quality check identified one recommendation for improvement around the risk assessments for mechanical restraint to be included in risk assessments. An Improvement Plan was submitted and accepted by HIW.

10.17 Vascular Services – Service requiring significant improvement status, March 2022

10.17.1 Further to the publication of the Royal College of Surgeons Clinical Record Review of Vascular Services, HIW issued Service requiring significant improvement status to the service, due to indications of significant risks to patients using the vascular service.

10.17.2 This process will enable HIW to gain assurance around specific issues outlined in the RCS report, including poor Multi-Disciplinary Team (MDT) working, poor documentation and record keeping, and the quality of clinical care, all of which may pose a risk to patient safety and outcomes. Furthermore, as a consequence of the findings of the RCS report, HIW has concerns over quality governance arrangements within vascular services.

10.17.3 The implementation of these remedial actions is being overseen by the QSE Committee, through Chair Assurance reports from the Vascular Steering Group as well as regular reports at Board meetings.

10.17.4 During the 2021/22 period an independent Vascular Panel was set up for the purposes of scrutinising the individual case reviews and determining which cases may need to enter the Putting Things Right process.

10.18 Emergency Department, Ysbyty Glan Clwyd, March 2022

10.18.1 HIW undertook a two stage remote quality check of the ED department, in response to intelligence received from a significant incident reported to Welsh Government, and information provided by the Health Board. The quality check focused on patients receiving safe and effective care. Following the quality check HIW found immediate assurance improvements were required around timely access, discharge planning, record keeping, managing risk, and governance and leadership. An Immediate Assurance Improvement Plan has been submitted and accepted by HIW.

10.18.2 HIW subsequently carried out an unannounced on-site inspection between the 3rd and 5th of May 2022, resulting in the issue of a Service of Requiring significant improvement status due to limited evidence of improvement in relation to the Immediate Assurance issues identified during the March quality check. In addition, HIW identified additional areas of concern relating to patient safety. At the time of writing, the Health Board had completed an improvement plan which was considered by the Quality, Safety and Experience Committee on the 26th of May 2022.

11. Regulation 28 (Prevention of Future Deaths)

11.1 The Health Board responded to 3 Regulation 28 (PFD) Notices in the last full year (April 2021 to March 2022) addressing the following points:

- The implementation of the SNAP procedure – whereby N Acetylcysteine (NAC – the standard paracetamol antidote) may, from 31/01/2022, be safely given over a shorter period of time than previously;
- Confirmation that the process for escalation of abnormal Pathology results has been approved and implemented across the Health Board;
- Details on the new Incident Management Process;
- The implementation of an end of day safety huddle in community mental health teams to ensure safety plans are in place for vulnerable patients and handed over to out of hours teams.

11.2 The QSE Committee maintained oversight of the implementation of the associated action plans during the course of the 2021/22 period. In addition, a review of previously closed PFDs is currently underway in order to identify any gaps in implementation and effectiveness.

12. Data Security

12.1 The Executive Director of Finance is the Senior Information Risk Owner (SIRO) of the organisation, providing information risk management expertise at Board level. The SIRO oversees the consistent implementation of the information risk assessment process by Information Asset Owners, as described in the Information Risk Management framework and policy.

12.2 Lead responsibility for information governance in the Health Board rests with the Deputy Chief Executive Officer, with the Assistant Director of Information Governance and Assurance undertaking the designated role of the Health Board's Data Protection Officer in line with the Data Protection Act 2018.

12.3 The Medical Director is the Health Board's appointed Caldicott Guardian. Formal assurance to the Board on data quality is provided through an annual report to the Partnerships, People and Population Health Committee. Throughout the course of the 2021/22 period the assurance fed into the Digital and Information Governance (DIG) Committee, and onto the PPPH Committee from October 2021.

12.4 During the reporting period, the Committee received assurance on compliance with key performance indicators in relation to the quality and effectiveness of information and information systems against which the Health Board's performance will be regularly assessed.

12.5 The Health Board self-reported six data security breaches that triggered referral to the Information Commissioner's Office (ICO) and Welsh Government. Three of these self-reported incidents have been closed by the Information Commissioner's Office with no further action required by them due to the immediate actions and improvements put in place by the Health Board.

12.6 The remaining three were still open and awaiting a response from the ICO at year end. The ICO made one recommendation to check that policies and procedures are still fit for purpose and that all staff who handle personal data should receive regular data protection training which the Health Board has implemented. The Health Board did not incur any financial penalties during the year. Information relating to our information governance data breaches are included in section 21.4 of the Annual Governance Statement.

13. The NHS Pension Scheme Arrangements

13.1 As an employer with staff entitled to membership of the NHS Pension Scheme, the Health Board has control measures in place to ensure we comply with all employer obligations of the Scheme regulations. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

13.2 These systems and processes are subject to regular audit and review by Audit Wales as part of the annual audit of the financial statements, and internal audit of the payroll systems.

14. Climate Change Adaptation

14.1 During the 2021/22 period significant efforts were made to implement NHS Wales requirements in relation to sustainability.

14.2 The Board reviewed and agreed recommendations on 5th August 2021, regarding the Health Board's response to Welsh Governments NHS Wales Decarbonisation Plan, the details of which are summarised within this report.

14.3 The Partnerships, People and Population Health Committee, at a meeting on 9th December 2021, supported the recommendations to appoint the Carbon Trust to assist the Health Board with developing a five-year decarbonisation plan in response to Welsh Governments decarbonisation targets for 2030.

14.4 To reflect the prominence placed by the Welsh Government on climate change, decarbonisation and the sustainable recovery from the pandemic, the Health Board will establish a Decarbonisation Programme Board during the 2022/23 financial year, chaired by an Executive lead, with resources to address the targets set out in the plan and coordinate a wider and consistent integrated organisational response. The Decarbonisation Programme Board will feed into the Partnerships, People and Population Health Committee.

14.5 The Health Board is currently working with the Carbon Trust to gather carbon data and provide technical support required to produce a bespoke five-year decarbonisation plan that builds on work already undertaken.

14.6 The establishment of a programme board will lead this transformational initiative and seek to progress opportunities for financial benefits to sustain the programme and deliver other returns in terms through linking with other established programmes (e.g. agile working) to tackle the health emergency while reducing emissions to achieve the ambitious targets from the NHS Wales Decarbonisation Plan.

14.7 During the 2022/23 period, the Health Board will progress further engagement and implementation of the decarbonisation plan with oversight through the Partnerships, People and Population Health Committee. The plan is also incorporated within the Integrated Medium-term Plan for 2022-25.

15. Emergency Preparedness

15.1 Under the Health Board's Emergency Preparedness, Resilience and Response (EPRR) arrangements, there is a duty to respond effectively to major, critical and business continuity incidents whilst maintaining services to patients. Betsi Cadwaladr University Health Board is categorised within the Civil Contingencies Act (2004) as a 'Category 1 Responder' and therefore required to meet the full legislated duties under the Act.

15.2 In addition to these legal responsibilities, the Board must also meet the requirements set out within the NHS Wales Emergency Planning Core Guidance (April 2015). Furthermore, as best practice, the Health Board has adopted and conforms to the NHS England Core Standards for Emergency Preparedness and Resilience (EPRR). As a Category 1 Responder the organisation must plan and prepare for incidents and emergencies and adhere to the following duties:

- Assess the risk of emergencies occurring and use this to inform contingency planning;
- Put in place emergency plans;
- Put in place business continuity management arrangements;
- Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- Share information with other local responders to enhance co-ordination;
- Co-operate with other local responders to enhance co-ordination and efficiency.

15.3 The Health Board has arrangements in place to ensure that the organisation can respond to the demands of an incident and meet the designated responsibilities as a category one responder, by providing a coordinated response that links the operational management, shares the resources required and supports the needs of the whole of the health and care community in north Wales.

15.4 The Health Board has a Major Emergency Plan supported by site specific and community and primary care incident plans that describe the response of the organisation to an emergency defined as a major incident.

15.5 A governance structure provides oversight and coordination of the Health Board's emergency preparedness arrangements. This structure links into the North Wales Local Resilience Forum (LRF), which provides the coordinated planning and preparedness across all agencies involved in civil protection activities.

15.6 To support this, the Health Board commissioned an external specialist review of the organisational arrangements for emergency preparedness, and their effectiveness against the Core standards for EPRR, and a series of recommendations were made.

15.7 This included the formation of a refreshed Civil Contingencies Assurance Group (CCAG) to work strategically on behalf of the Executive Management Team to ensure that the Health Board's Emergency Management Plan and Business Continuity Plans are fit for purpose and fully comply with the Civil Contingencies Act 2004.

15.8 The CCAG will progress the implementation of the recommendations of the external review as well as the relevant aspects of the Business Continuity planning internal audit report (which was issued an audit opinion of 'limited assurance'), including embedding existing controls, such as the BCP policy and the associated work programme.

15.9 The PPPH Committee received an EPRR work programme on 20th May 2022, to enable the organisation to embed and demonstrate compliance of duties placed upon the Health Board through the Civil Contingencies Act (2004) and associated non legislative guidance. The work programme is reviewed at the CCAG to ensure the duties are being met.

15.10 There is a Civil Contingencies Risk Register in place, along with individual divisional risk registers which provide a means of reporting and escalating risks.

16. Equality, Diversity and Human Rights

16.1 Control measures are in place to ensure that the organisation is compliant with its obligations under equality, diversity and human rights legislation. These include provision of information to service users and staff on the Health Board website that meets the statutory publication duties.

16.2 The Health Board has put in place a range of systems, processes and governance arrangements to enable compliance with the Equality Act 2010, which are monitored by the Partnerships, People and Population Health Committee on a regular basis.

16.3 The Equality and Diversity Group maintains oversight of the delivery of the Health Board's Equality strategy and associated work plans, which incorporates mandatory compliance with the Workforce Race Equality standard.

16.4 Key work achieved during 2021/22 includes the establishment of a Task and Finish Group to oversee an implementation plan for the Socio-economic Duty, as well as associated Welsh Government guidance ready for 31st March 2022 go live date. Socio-economic Impact Assessments (SEIA) procedures have been established (including development of a policy and SEIA template).

16.5 A training plan to raise awareness and understanding of the responsibilities of senior leaders to deliver the Socio-economic Duty was developed, with a workshop delivered to the Board in April 2021.

16.6 A range of supporting documentation and guidance has been published, to ensure staff understand their responsibilities to the Equality Duty and Socio-economic Duty through specific guidance distributed through the BCUHB Equality Briefing and the equality intranet (BetsiNet) site. Next Steps for 2022/23: Work is ongoing to mainstream the Socio-economic Duty across the organisation, and the Socio-economic Duty Advisory Group will continue to oversee this and provide assurance.

16.7 The 2021/22 Annual Equality and Diversity report and Gender Pay Gap reports were reviewed and scrutinised by the People and Population Health Committee on 20th May 2022, and further updates will continue into the 2022/23 period.

17. Counter Fraud and Anti Bribery Arrangements

17.1 The Health Board has sound arrangements in place to ensure compliance with counter fraud and anti-bribery requirements, as set out in the Welsh Government Directions to NHS Bodies on Counter Fraud Measures issued on 1st December 2005 to NHS Bodies in Wales.

17.2 At an operational level, there are staff briefings and refresher fraud awareness sessions for staff.

17.3 The Health Board has had a counter fraud programme in place during 2021/22 and the Local Counter Fraud Specialist (LCFS) updates the Executive Director of Finance on a regular basis to monitor the delivery of the plan and discuss cases.

17.4 A fraud risk assessment is undertaken annually to assess and identify the Health Board's exposure to fraud risks. The outcome of the assessment is used to populate a fraud risk register which strengthens the Health Board's ability to evaluate, mitigate and monitor risks arising from fraud. Where appropriate these risks feed into the Health Board risk register.

17.5 The following arrangements are in place:

- Proactive and reactive measures are taken by the Local Counter Fraud Specialist to deter and identify, as well as to encourage staff to report,fraud; conflicts of interests are declared at all Board, Committee and sub-committee meetings;
- The Health Board's processes are aligned to maintain compliance with current conflicts of interests' guidance which has been refreshed to incorporate NHS England requirements with effect from June 2017;
- Operational arrangements are in place to enable timely notification of concerns pertaining to fraud to the LCFS or the Director of Finance, which are also reported to the Audit Committee;
- Internal Audit and the LCFS have liaised during the year in order to discuss high risk areas. In the event that management identify risks relating to fraud these are incorporated onto the risk register, with associated mitigations.

17.6 The Audit Committee receives regular progress reports and an annual report on the delivery of the LCFS work plan and investigative reports where appropriate. In addition, the Committee reviews anti-fraud and bribery Health Board policies and procedures.

17.7 The Health Board completes an annual self-assessment of its counter fraud arrangements against a number of Standards which are set by the counter fraud regulator, the NHS CFA. The Audit Committee takes assurance from this work, which ensures organisational objectives and investigative activities are appropriately investigated and concluded in a timely way to minimise potential future risks in the Health Board's systems of internal control.

18. Integrated Medium Term Plan

18.1 During the 2021/22 period Integrated Medium Term Plan (IMTP) planning arrangements were re-established across NHS Wales for 2022-25 following a pause due to the pandemic. Subsequently, the NHS Wales Planning Framework was received on 9th November 2021 modelled against Ministerial priorities outlined in July 2021:

- A Healthier Wales - as the overarching policy context
- Population health
- Covid - response
- NHS recovery
- Mental Health and emotional wellbeing
- Supporting the health and care workforce
- NHS Finance and managing within resources
- Working alongside Social Care

18.2 The planning framework emphasises the importance of the Primary Care Model for Wales which sets out how primary care will work within the whole system to deliver a place based approach (primary care is defined as primary and community health care services).

18.3 The Board and the Performance, Finance and Information Governance Committee scrutinised and reviewed the development of the IMTP between December 2021 and the approval of the document on 30th March 2022. The document demonstrates that the majority of our focus for 2022/23 is upon returning to full core business, including addressing the pandemic-related backlog of work, and consolidating developmental work that has already been begun but not yet finished, including work to deliver against the WG Targeted Intervention framework. A small number of new initiatives will be commenced, but only where they clearly contribute to delivering the two areas of focus above.

18.4 At the date of signing of the accounts and the Governance Statement, the Health Board had submitted a Board approved IMTP for 2022-2025 in accordance with the NHS Planning Framework and the status of this in terms of approval by Welsh Ministers.

Subsenquently, notification was received from Welsh Government on the 22nd of July 2022 that the IMTP was not approved, but was accepted as an annual plan. At the time of writing the Health Board was working towards the development of an IMTP for the 2023-2026 period.

As part of their feedback, Welsh Government acknowledged the significant improvements in the IMTP, noting particularly a strong engagement and focussed approach applied, which resulted in a coherent, board owned and board approved IMTP for the first time in a seven year period. This feedback will be used to further strengthen the process for the next IMTP submission

18.5 Our planning assumptions will continue to address Covid-19 programmes alongside re-establishing services. We will capture and utilise new ways of working and maintain good practice from lessons learnt throughout the first and second waves of the pandemic. The Test, Trace and Protect programme continues to play a pivotal role in protecting our population and we plan to continue this.

19 Targeted Intervention

19.1 In November 2020 Betsi Cadwaladr University Health Board transitioned from Special Measures to a reduced escalation of Targeted intervention by the Welsh Government. The scope of the Targeted Intervention framework extended to the following areas:

- Mental Health (adult and children);
- Strategy, planning and performance;
- Leadership (including governance, transformation, and culture);
- Engagement (patients, public, staff and partners).

19.2 Further to the internal control, quality and safety risks identified in the Royal College of Surgeons', as well as the Health Inspectorate, reviews of the vascular service, the Welsh Government announced the decision to widen the targeted intervention status at Betsi Cadwaladr University Health Board to incorporate Ysbyty Glan Clwyd.

19.3 The scope of the YGC Targeted intervention has been extended to include:

- Ysbyty Glan Clywd – governance, leadership, and oversight;
- Ysbyty Glan Clwyd – operational oversight and clinical safety governance including record keeping, incident management, team working, reporting concerns, and consent;
- Vascular Services;
- Emergency Department at Ysbyty Glan Clwyd;
- Clinical service standards.

At the time of writing, discussions were ongoing in relation to the content of the framework

19.4 The Health Board continued to implement improvement plans to progress through the Target Intervention status, since being removed from Special Measures in November 2020.

19.5 During 2021/22, the Board received assurance through the Targeted Intervention Steering Group (TISG), which maintained oversight of the delivery of the improvement plans.

19.6 The TISG maintained oversight of the progression of the implementation of stretch targets pertaining to the four Domains set out in the Improvement Framework issued by Welsh Government, as follows:

- Mental Health Service Management (adults and children);
- Strategy, Planning and Performance;
- Leadership (including Governance, Transformation, and Culture);
- Engagement.

The levels of organisational maturity achieved are measured according to the following scale:

0 - No Progress
1 - Basic Level
2 - Early Progress
3 - Results
4 - Maturity
5 - Exemplar

19.7 The Board reviewed TI self-assessment proposals, ahead of a series of moderation meetings held with each domain's Senior Responsible Officer and Link Independent Member, with the Good Governance Institute and Interim Director of Governance. A system moderation meeting, chaired by the Programme Senior Responsible Officer was then held.

Domain	Evidence Level	Outcomes Level	Recommended Self-Assessment
All Ages Mental Health	2	Not yet met at level 2	2
Strategy, Planning and Performance	2	Not yet met at level 2	2
Leadership	2	Not yet met at level 2	2
Engagement	2	Met at level 2	2 (high)

19.8 In November 2021 the Board set targets to achieve for this assessment as follows:

19.8.1 Mental Health: 2 (high) – the Board recognised that this was a stretch target, and whilst there is evidence of progress against the outcomes defined by WG in the TIIF the recommendation is to self-assess at a 2, the attached gap analysis shows some progress in the level 3.

19.8.2 Strategy Planning and Performance: 2 (high): The Health Board approved the IMTP for submission, but subsequently the IMTP was not approved by Welsh Government and so the recommendation is for a 2. The Gap analysis shows progress into level 3.

19.8.3 Leadership: 2 – recommendation achieved.

19.8.4 Engagement: 2 (high) – recommendation achieved.

19.9 During the 2021/22 period the Health Board continued to work closely with Welsh Government throughout the improvement journey. This work was subject to external scrutiny by Audit Wales. Further detail is available here: https://gov.wales/sites/default/files/publications/2021-03/targeted-intervention-framework-betsi-cadwaladr-university-health-board.pdf

20 Audit Wales Structured Assessment

20.1 During the 2021/22 period, staff of Audit Wales conducted Phase two of the Structured Assessment on behalf of the Auditor General for Wales, which considered how corporate governance and financial management arrangements have adapted over the last 12 months.

20.2 In particular, the report incorporated an overview of the Health Board's de-escalation to targeted intervention and the approach applied to achieve compliance.

20.3 In addition, the scope of the structured assessment also incorporated a review of the corporate arrangements for ensuring that resources within the Health Board are used efficiently, effectively, and economically.

20.4 Audit Wales assessed the Health Board's learning from the pandemic is shaping future arrangements for ensuring good governance and delivering value for money. Lastly, Audit Wales sought to gain an overview of the Board's scrutiny of the development and delivery of the Health Board's 2021/22 Annual Plan.

20.5 The output from this review was received by the Audit Committee in December 2021, and subsequently accepted by the Board in January 2022. Audit Wales' key messages following its Structured Assessment were:

"Overall, we found that in the context of dealing with significant service pressures the Health Board has continued to evolve its governance arrangements, service planning and financial monitoring. The initial response to the Welsh Government's Targeted Intervention framework has been positive and it will be important that this is used to demonstrate progress against a number of long-standing challenges. The immediate focus for the Board is to effectively manage the service pressures across all divisions and to ensure its wider strategic and recovery plans both align to those pressing recovery challenges and shape the organisation for the future."

20.6 The Auditor General for Wales' key messages as set out in the Annual Audit Report are detailed below. Further details of the full report can be accessed via the Audit Wales website at: https://www.audit.wales/publication/betsi-cadwaladr-university-health-board-structured-assessment-2021-phase-two

21. Significant Issues

21.1 Healthcare Inspectorate Wales

21.1.1 Vascular Services, Ysbyty Glan Clwyd – Service requiring significant improvement status
Issue Date: 1st March 2022

21.1.1.1 Further to the publication of the Royal College of Surgeons Clinical Record Review of Vascular Services, HIW issued Service Requiring significant improvement status to the service, due to indications of significant risks to patients using the vascular service.

21.1.1.2 Further detail on the findings of the RCS review are incorporated in section 10 of this document.

21.1.2 Emergency Department, Ysbyty Glan Clwyd – Service requiring significant improvement status
Issue Date: 16th May 2022

21.1.2.1 Due to the findings of a remote quality check and an onsite inspection at the Emergency Department, Ysbyty Glan Clwyd, HIW designated the Emergency Department at YGC as a Service requiring significant improvement status due to a failure to demonstrate improvements and implementation of actions within the Immediate Assurance Improvement Plan submitted in March 2022.

21.1.2.2 Further detail on the findings of the HIW review are incorporated in section 10 of this document.

21.2 Health and Safety Executive (HSE)

21.2.1 HSE Improvement Notice Management of Personal Protective Equipment

21.2.1.1 Letter of contravention Provision of Personal Protective Equipment Regulations 2002

21.2.1.2 Date Issued 23 February 2021.

21.2.1.3 The letter was received following an HSE investigation into an incident of potential exposure to Covid-19 in the workplace. The investigation identified inadequacies with ensuring that all staff required to wear half face respirators have attended a face fit session.

21.2.1.4 A comprehensive programme was implemented and compliance with the letter was ongoing at the time of this submission.

21.2.2 HSE Improvement Notice Management of in-patient falls

21.2.2.1 Date Issued 16 June 2021.

21.2.2.2 An HSE investigation was carried out following the reporting under RIDDOR of two separate patient incidents of falls leading to harm. The investigation identified failings in the completion of the falls assessments for both patients with no clear explanation of risk control measures to be followed or actions taken. A task and finish group was established to work through each element of the Improvement Notice and a response was submitted to the HSE.

21.2.2.3 Initial compliance date 16 September 2021

21.2.2.4 However, during the planned inspection -18th November 2021, the HSE identified the risk assessments were still not being completed correctly and a further Material Breach was issued.

21.2.3 HSE Improvement Notice of Contravention (Control of Hazardous substances)

21.2.3.1 Date Issued 19 August 2021.

21.2.3.2 A Notification of Contravention (NOC) letter was received following an HSE visit to the Rehabilitation Engineering Unit, part of the Posture and Mobility Service, at Bryn Y Neuadd Hospital. The letter identified two material breaches of the Control of Substances Hazardous to Health Regulations 2002 (COSHH). The Thorough Examination report for the LEV system in the unit was not suitable as it did not comply with the Approved Code of Practice.

21.2.3.3 Date of compliance: January 2022.

21.2.4 BCUHB planned inspection 16 – 18 November 2021

21.2.4.1 Prior to the COVID-19 pandemic the HSE announced their planned 'Inspections of Violence and Aggression and Musculoskeletal Disorders in Healthcare' programme. This is a national programme planned to examine management arrangements for violence and aggression (V&A) and musculoskeletal disorders (MSD's) at care providers in the public sector.

21.2.4.2 The Health Board were issued a Notification of Contravention letter after this inspection which gave eight areas of required improvements. This included two improvement notices, one for portering manual handling risk assessments and the other for patient handling risk assessments, four other material breaches and two advisory notices.

21.2.4.3 Date of compliance: 17 of March 2022

21.2.5 Patient handling risk assessments.

21.2.5.1 The inspector has requested that a further visit is arranged to inspect risk assessments in two areas on one hospital site on the 18 May 2022.

21.2.5.2 Further to the above interventions the HSE confirmed a letter of contravention will be served on the Chief Executive week beginning 8 May 2022. The letter will confirm the areas where it is considered that the Health Board has breached health and safety legislation, pertaining to inadequate in-patient risk assessment (suicide risk), provision of a non anti -ligature bed and provision of the ligature. The HSE will soon be writing to the Health Board requesting their legal submission over potential further enforcement.

22.2.5.3 The Health Board is currently in the process of implementing the second improvement notice issued by the HSE as a result of the identification of weaknesses in health and safety operational infrastructure.

21.3 A comprehensive action plan is in place to not only address the gaps referenced by the HSE, but also to embed robust health and safety oversight and governance, feeding through to the Board.

21.4 Data Security Breaches

21.4.1 The Health Board self-reported six data security breaches that triggered referral to the Information Commissioner's Office and Welsh Government. These were in relation to:

Data Loss / availability	3
Inappropriate Access	1
Data Loss	1
PPI found in public place	1
Total	**6**

21.4.2 Three (3) of the above incidents have been closed by the Information Commissioner's Office (ICO) with no further action required by the ICO due to the immediate actions and improvements put in place by the Health Board. The remaining three are still open and awaiting a response from the ICO.

21.4.3 The ICO made one recommendation to check that policies and procedures are still fit for purpose and that all staff who handle personal data should receive regular data protection training which the Health Board has implemented. The Health Board did not incur any financial penalties during the year. During 2021/22 the Health Board has received 3 personal injury claims for harm and distress caused by a data breach and has settled 4 previous claims totalling £22,305.20 during the year.

21.5 Limited assurance opinion internal audit reviews

21.5.1 The limited assurance audit opinion reports for the 2021/22 financial year are summarised as significant issues:

Establishment Control: Leaver Management	Limited
Standards of Business Conduct	Limited
Integrated Service Boards Governance	Limited
Waiting List Management: Review of the Welsh Government initiated Patient Validation Exercise, Risk Stratification and patient removal from lists	Limited
Nursing Roster Management: Introduction of e-timesheets for Agency staff	Limited
Clinical Audit	Limited
On-Call arrangements	Limited
Business Continuity Plans	Limited

21.6 Qualified 'true and fair' audit opinion on 2021/22 financial statements

21.6.1 The Health Board was issued a qualified 'true and fair' audit opinion on the 2021/22 financial statemes by Audit Wales, due to the lack of appropriate audit evidence that accruals and related expenditure has been accounted for in the correct accounting period.

21.6.2 This matter has also been included in the Report of the Auditor General to the Senedd

21.6.3 The internal control failure was highlighted when the auditors identified expenditure of £10.3m being allocated to the 2021/22 period (instead of the 2022/23 period), thus impacting on the disclosure in note 2.1, 'Revenue Resource Performance'.

(Note 2.1 reports an underspend of £0.3m which would be revised to £10.6m, had the accounts been adjusted.)

21.6.4 Expenditure was recorded against the Revenue Resource Limit when it met the definition of Capital Expenditure and should have been recorded against the Capital Resource Limit.

21.6.5 In addition, the audit identified a contract valued over £1m, which had been accrued into the 2021/22 period, without Board and Welsh government approval, as per the NHS (Wales) Act 2006 and Standing Orders.

21.6.6 In order to ensure these errors do not re-occur in future statutory accounts a range of significant actions will be undertaken to strengthen the financial control environment, for the purposes of embedding the 3 lines of defence assurance. At the time of writing a range of actions were in the process of being implemented, as part of a wider action plan that was under consultation and due for submission to Audit Committee and the Performance, Finance and Information Governance Committee independent oversight and monitoring respectively

21.7 These significant issues indicate a requirement for the Health Board to prioritise a review of the assurance arrangements for compliance, performance safety and risk management, through the implementation of an integrated assurance model.

22 Review of Effectivenes

22.1 As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the Internal Auditors, and the Executive Directors within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

22.2 My review has also been informed by:

- Feedback from Welsh Government and the specific statements issued by the Minister for Health and Social Services;
- External inspections by Healthcare Inspectorate Wales;
- Delivery of audit plans and reports by Audit Wales and Internal Audit;
- Feedback from the Community Health Council;
- Feedback from NHS Wales
- Feedback from staff, patients, service users and members of the public;
- Assurance provided by the Audit Committee and other Committees of the Board;
- Audit Wales Structured Assessment.

22.3 I am partially satisfied with the effectiveness of the system of internal control, based on the significant issues referenced in section 21.

22.4 The Board and its Committees demonstrate a level of rigour and challenge underpinned by key elements that support effectiveness, such as Independent Member Committee Chairs' Assurance reporting to the full Board, the co-ordinating work of the Committee Business Management Group and the outputs of the Audit Committee.

22.5 However, as noted by Audit Wales and other sources of evidence, there is scope for further improvement to the system of internal control and governance arrangements.

As such, colleagues are working to continuously improve the effectiveness of the Health Board's systems of governance in a number of ways through, for example:

- A review of governance structures focusing on Committee reporting and Groups reporting through accountable Executives;
- A facilitated and structured Board Development Programme aligned to collective and individual needs;
- Implementation of external review recommendations;
- Ongoing review of Health Board wide policies and the agreement to purchase the associated Policy Datix Module to improve the robustness of the overall management of the system;
- Integrated performance reporting and a revised accountability framework;
- Continued efforts to meet the expectations of the Targeted Intervention Improvement Framework (this having replaced the Special Measures Improvement Framework following de-escalation as referred to earlier in this Statement);
- Recommendations from internal audit reports;
- Ongoing work to improve the management of concerns and complaints;

- A review of the Business Continuity Arrangements;
- Stakeholder engagement in the clinical strategy and plan development;
- Strengthening of the planning arrangements including an independent review of the function.

23 Conclusion

23.1 I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Health Board which is supported by:

- The Audit Committee which considers the annual plans and reports of External and Internal Audit.
- The Quality Safety Experience Committee which maintains oversight of systems and processes in place for clinical governance and quality within the Health Board.
- The Performance, Finance and Information Governance Committee, which maintained oversight of financial, performance and information governance.
- The Executive Management Team which oversees the implementation of the strategic direction of the Health Board.

23.2 In addition, the Head of Internal Audit has a mechanism for identifying and recording in Internal Audit reports gaps in controls that need to be addressed. Action plans have been agreed with senior managers and further details are recorded in the Internal Audit progress reports presented to the Audit Committee at each meeting.

23.3 The Health Board is reliant upon information system controls operated by third parties over contracts negotiated by the Department of Health and under which the Health Board has no contractual or other influence over the managed service providers. For the ESR Payroll and HR system, the Department of Health has put in place arrangements under which the Health Board received formal assurances about the effectiveness of internal controls.

23.4 As indicated throughout this statement and the Annual Report the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2022/23 and beyond. I will ensure our Governance Framework considers and responds to this need.

23.5 Significant issues are outlined in section 21 of this report.

23.6 My review confirms that that the Betsi Cadwaladr University Health Board has a partially sound system of internal control that supports the achievement of its policies, aims and objectives, however there are processes requiring significant improvement in relation to patient safety and compliance assurance as set out in section 18 of this report. As noted within this report there have been three areas where there have been control failures, and we intend to conduct in-depth reviews of compliance within all relevant areas within the Health Board, to provide assurance that these were isolated incidents, and rectify any further gaps in control.

Signed:

Jo Whitehead
Chief Executive and Accountable Officer **Date: 24 August 2022**

Appendix 1 – Meetings of the Health Board and Committees held in public 2021/22

Meeting	Date								
Health Board	20/05/21	15/07/21	29/07/21	23/09/21	18/11/21	20/01/22	15/02/22	10/03/22	30/03/22
Quality, Safety & Experience (QSE) Committee	04/05/21	06/07/21	07/09/21	02/11/21	11/01/22	01/03/22	23/03/22		
Finance & Performance (F&P) Committee	29/04/21	24/06/21	26/08/21						
Digital & Information Governance Committee	18/06/21	10/09/21							
Performance, Finance and Information Governance (PFIG) Committee				28/10/21	23/12/21	24/02/22	24/03/22		
Strategy, Partnerships & Population Health (SPPH) Committee	15/04/21	17/06/21	12/08/21						
Partnerships, People and Population Health (PPPH) Committee				14/10/21	09/12/21	10/02/22			
Remuneration and Terms of Service Committee	07/06/21	22/07/21	21/10/21	18/01/22					
Mental Health Act Committee	25/06/21								
Mental Health and Capacity Compliance (MHCC) Committee		24/09/21	17/12/21						
Charitable Funds Committee	11/06/21	16/09/21	16/12/21	17/03/22					
Audit Committee	10/06/21	28/09/21	14/12/21	15/03/22					

Appendix 2 – Board and Committee Membership 2021/22

A number of changes to Board membership, including interim and acting up arrangements, have occurred during 2021/22 and are reflected in the table below.

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Mark Polin	Chairman		• Chair of the Board • Chair Remuneration and Terms of Service Committee • Chair Finance and Performance Committee	
Lucy Reid	Independent Member Vice Chair	Community Primary Care & Mental Health	• Board Member • Chair Quality, Safety and Experience Committee • Chair Mental Health Act Committee • Chair Mental Health and Capacity Compliance Committee • Member Remuneration and Terms of Service Committee	• Concerns
Lyn Meadows	Independent Member	Community	• Board Member • Acting Chair Strategy, Partnerships and Population Health Committee • Vice Chair Audit Committee to 14/12/21 • Vice Chair Quality, Safety and Experience Committee • Member Partnerships, People and Population Health Committee *to 09/12/21*	• Nutrition • Cleaning, Hygiene and Infection Management
Cllr Cheryl Carlisle	Independent Member	Community	• Board member • Member Quality, Safety and Experience Committee • Member Mental Health Act Committee • Member Mental Health and Capacity Compliance Committee • Member Charitable Funds Committee	• Carers • Children and Young People

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Cllr Medwyn Hughes	Independent Member	Local Authority	• Board Member • Chair Audit Committee • Vice Chair Remuneration and Terms of Service Committee • Member Digital & Information Governance Committee *to October 2021*	• Patient and Public Involvement • Welsh language
Prof Nichola Callow	Independent Member	University	• Board Member • Member Digital & Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Vice Chair Partnerships, People and Population Health Committee	
Jackie Hughes	Independent Member	Trade Union	• Board Member • Member Audit Committee • Member Remuneration and Terms of Service Committee • Member Quality, Safety and Experience Committee • Chair Charitable Funds Committee • Ex Officio Local Partnership Forum	• Violence and Aggression • Equality
John Cunliffe	Independent Member	Community	• Board Member • Chair Digital & Information Governance Committee • Chair Finance and Performance Committee • Chair Performance, Finance and Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Member Partnerships, People and Population Health Committee	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Eifion Jones	Independent Member *to 31/08/21*	Community	• Board member • Vice Chair Finance and Performance Committee • Member Mental Health Act Committee • Member Audit Committee	
Linda Tomos	Independent Member	Community	• Board member • Member Finance and Performance Committee • Member Performance, Finance and Information Governance Committee • Member Strategy, Partnerships and Population Health Committee • Chair Partnerships, People and Population Health Committee • Member Charitable Funds Committee	
Jo Whitehead	Chief Executive		• Board Member • In attendance Remuneration and Terms of Service Committee • In attendance Audit Committee (at least annually) • Joint Chair / Member, Local Partnership Forum	
Gill Harris	Executive Director Nursing and Midwifery / Deputy Chief Executive		• Board Member • Lead Director / In attendance Quality, Safety and Experience Committee • Member Local Partnership Forum • In attendance Mental Health Act Committee • In attendance Finance and Performance Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee • In attendance Audit Committee	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Sue Hill	Executive Director of Finance		• Board Member • In attendance Audit Committee • Lead Director / Member, Charitable Funds Committee • Lead Director / In attendance, Finance and Performance Committee • Lead Director Performance, Finance and Information Governance Committee • Member Local Partnership Forum • In attendance Digital and Information Governance Committee *to October 2021*	
Teresa Owen	Executive Director of Public Health		• Board Member • In attendance Quality, Safety and Experience Committee • In attendance Strategy, Partnerships and Population Health Committee • In attendance Partnerships, People and Population Health Committee • Lead Director / In attendance Mental Health Act Committee • Lead Director / In attendance Mental Health and Capacity Compliance Committee	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Sue Green	Executive Director of Workforce & Organisational Development (OD)		• Board Member • Lead Director/In attendance, Remuneration and Terms of Service Committee • In attendance Finance and Performance Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Strategy, Partnerships and Population Health Committee to October 2021 • In attendance Partnerships, People and Population Health Committee • Lead Director / Member, Local Partnership Forum • In attendance, Quality, Safety and Experience Committee	
Mark Wilkinson	Executive Director Planning and Performance *to 24/08/21*		• Board Member • Lead Director / In attendance, Strategy, Partnerships and Population Health Committee • Member Charitable Funds Committee • In attendance Finance and Performance Committee • Lead Director / In attendance Stakeholder Reference Group	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Prof Arpan Guha	Acting Executive Medical Director *to 11/07/21*		• Board member • In attendance Quality, Safety and Experience Committee • In attendance Digital and Information Governance Committee • In attendance Finance and Performance Committee • Member Charitable Funds Committee • In attendance Remuneration & Terms of Service Committee • In attendance Strategy, Partnerships and Population Health Committee	
Nick Lyons	Executive Medical Director *wef 12/07/21*		• Board member • In attendance Quality, Safety and Experience Committee • In attendance Digital and Information Governance Committee • In attendance Finance and Performance Committee • Member Charitable Funds Committee • In attendance Remuneration & Terms of Service Committee • In attendance Strategy, Partnerships and Population Health Committee	
Dr Chris Stockport	Executive Director Primary and Community Services		• Board member • In attendance, Quality, Safety and Experience Committee • Lead Director / In attendance Strategy, Partnerships and Population Health Committee • Lead Director / In attendance Partnerships, People and Population Health Committee • Lead Director / In attendance Digital and Information Governance Committee	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Adrian Thomas	Executive Director Therapies & Health Sciences		• Board member • Lead Director / In attendance Healthcare Professionals Forum • In attendance Quality, Safety and Experience Committee	
Louise Brereton	Board Secretary		• Board Member • In attendance at Audit Committee	
Associate Board Members				
Morwena Edwards	Associate Member	Director of Social Services, Gwynedd	• Associate Board Member	
Ffrancon Williams	Associate Member	Chair Stakeholder Reference Group	• Associate Board Member	
Claire Budden	Associate Member		• Associate Board Member	
Gareth Evans	Associate Member	Chair Healthcare Professionals Forum	• Associate Board Member • In attendance Quality, Safety & Experience Committee	

Appendix 3 BCUHB Health Board member attendance at Board Meetings held in public 2021/22

Y = Present A = Apologies P = Part attendance

		20/05/21	15/07/21	29/07/21 AGM	23/09/21	18/11/21	20/01/22	15/02/22	10/03/22	30/03/22
Mark Polin Chairman	Member	Y	Y	Y	Y	Y	A	Y	Y	Y
Prof Nichola Callow Independent Member	Member	P	Y	Y	A	Y	Y	A	Y	A
Cllr Cheryl Carlisle Independent Member	Member	Y	Y	Y	Y	Y	Y	A	Y	P
John Cunliffe Independent Member	Member	Y	Y	Y	Y	Y	Y	Y	Y	A
John Gallanders Independent Member	Member					Y	Y	Y	Y	Y
Cllr Medwyn Hughes Independent Member	Member	Y	Y	Y	Y	A	Y	Y	Y	Y
Jackie Hughes Independent Member	Member	Y	Y	Y	Y	Y	Y	Y	Y	Y
Eifion Jones Independent Member	Member	Y	Y	Y						
Lyn Meadows Independent Member	Member	Y	Y	Y	Y	Y	Y	Y	Y	Y

		20/05/21	15/07/21	29/07/21 AGM	23/09/21	18/11/21	20/01/22	15/02/22	10/03/22	30/03/22
Richard Micklewright Independent Member	Member					Y	Y	Y	Y	Y
Lucy Reid Independent Member / Vice Chair	Member	Y	P	Y	Y	P	Y	Y	Y	Y
Linda Tomos Independent Member	Member	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jo Whitehead Chief Executive	Member	Y	P	Y	Y	P	Y	Y	Y	Y
Gill Harris Executive Director Nursing and Midwifery / Deputy Chief Executive	Member	Y	Y	Y	Y	Y	Y	A	A	Y
Teresa Owen Executive Director Public Health	Member	P	Y	Y	Y	Y	Y	Y	P	Y
Prof Arpan Guha Acting Executive Medical Director *to 11.07.21*	Member	Y	Y	A						
Nick Lyons Executive Medical Director *wef August 2021*	Member				Y	Y	Y	Y	Y	Y
Sue Hill Executive Director of Finance	Member	Y	Y	Y	A	Y	Y	A	Y	Y
Sue Green Executive Director of Workforce & OD	Member	Y	A	Y	Y	Y	Y	A	Y	A

		20/05/21	15/07/21	29/07/21 AGM	23/09/21	18/11/21	20/01/22	15/02/22	10/03/22	30/03/22
Adrian Thomas Executive Director Therapies and Health Sciences	Member	Y	Y	Y	Y	Y	A	A	A	A
Gareth Evans Executive Director Therapies and Health Sciences *wef* 02/03/22	Member								Y	Y
Chair of Healthcare Professionals Forum *to 01/03/22*	Associate Member	Y	Y	A	A	Y	Y			
Dr Chris Stockport Executive Director of Primary and Community Services	Member	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mark Wilkinson Executive Director Planning and Performance *to 24/08/21*	Member	Y	Y	A						
Louise Brereton Board Secretary	In Attendance	Y	Y	Y	Y	Y	Y	Y	Y	A
Morwena Edwards representing Directors Social Services	Associate Member	Y	A	Y	Y	P	Y	A	Y	Y
Clare Budden Chair of Stakeholder Reference Group	Associate Member			Y	A	Y	Y	Y	Y	P

Appendix 4 Welsh Health Circulars 2021/22

WHC No.	Date Received	Description	Executive Lead for Action	Date sent onwards for action
005 (2021)	08/04/21	The National Health Service (Cross-Border Healthcare) (Wales) (Amendment) Directions 2021 and the National Health Service (Reimbursement of the Cost of EEA Treatment) (Wales) (Amendment) Directions 2021	Executive Director of Finance	21/04/21
008 (2021)	27/05/21	Revised National Steroid Treatment Card	Executive Medical Director	27/05/21
010 (2021)	17/09/21	Amendments to Model Standing Orders, Reservation and Delegation of Powers and Model Standing Financial Instructions – NHS Wales	Board Secretary	21/09/21
011 (2021)	23/04/21	2021/22 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance.	Executive Director of Finance	23/04/21
012 (2021)	06/05/21	Implementing the Agreed Approach to Preventing Violence and Aggression towards NHS Staff In Wales	Executive Director of Workforce & OD	06/05/21
015 (2021)	28/05/21	NHS Pay Bonus for Primary Care	Executive Director of Workforce & OD & Executive Director of Primary and Community Services	01/06/21
019 (2021)	04/08/21	The National Influenza Vaccination Programme 2021/22	Executive Director of Public Health	04/08/21
021 (2021)	31/08/21	Introduction of Shingrix® for immunocompromised individuals (from September 2021)	Executive Director of Public Health	31/08/21
022 (2021)	16/09/21	Quality and Safety Framework.	Executive Director of Nursing and Midwifery	17/09/21
023 (2021)	23/09/21	Care Decisions for the Last Days of Life: Assurance and Implementation	Executive Director of Nursing and Midwifery	23/09/21

WHC No.	Date Received	Description	Executive Lead for Action	Date sent onwards for action
025 (2021)	30/09/21	All Wales Carpal Tunnel Syndrome management pathway	Executive Director of Primary and Community Services	13/10/21
026 (2021)	11/10/21	Overseas Visitors' eligibility to receive Free Primary Care	Executive Director of Primary and Community Services	11/10/21
027 (2021)	28/09/21	NHS Wales Blood Health Plan	Executive Director of Therapies and Health Sciences	28/09/21
028 (2021)	28/09/21	AMR HCAI Improvement Goals 2021/22	Executive Director of Nursing and Midwifery	28/09/21
030 (2021)	13/10/21	Referral guidelines for Urological conditions: Erectile Dysfunction, Male Lower Urinary Tract Symptoms (LUTS), Recurrent Urinary Tract Infections (UTI), Scrotal Swellings, and Urinary Incontinence in women	Executive Director of Primary and Community Services	13/10/21
031 (2021)	11/11/21	NHS Wales Planning Framework 2022-2025	Executive Director of Primary and Community Services	11/11/21
032 (2021)	17/11/21	Role and Provision of Dental Public Health in Wales	Executive Director of Primary and Community Services & Executive Director of Public Health	17/11/21
033 (2021)	20/12/21	Role and Provision of Oral Surgery in Wales	Executive Director of Primary and Community Services	23/12/21
034 (2021)	22/12/21	Health Board Revenue Allocation 2022/23	Executive Director of Finance	23/12/21
005 (2022)	24/03/22	Data requirements for Value Based Health Care	Executive Director of Finance	25/03/21
007 (2022)	01/03/22	Recording of Dementia Codes	Executive Director of Nursing and Midwifery	01/03/22
010 (2022)	30/03/22	Reimbursable vaccines and eligible cohorts - for the 2022/23 NHS Wales Seasonal Influenza (flu) programme	Executive Director of Public Health & Executive Medical Director	30/03/22
011 (2022)	25/03/22	Patient Testing Framework – Updated guidance	Executive Director of Public Health	25/03/22