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Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Annual Report and Accounts

2022-23

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Statement of the Interim Chief Executive's responsibilities as Accountable Officer of the LHB

The Welsh Ministers have directed that the Interim 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:

Carol Shillabeer

Interim Chief Executive and Accountable Officer Dated: 24th August 2023

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:

Dyfed Edwards
Interim Chair
24th August 2023

Carol Shillabeer
Interim Chief Executive
24th August 2023

Russell Caldicott
Interim Executive Director of Finance
24th August 2023

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. It is of note for this Annual Governance Statement that I commenced my role on the 3 May 2023 and I therefore base this statement on the information available to me rather than direct involvement in the year upon which this report is based.
- 1.2 The Annual Report outlines the different ways the organisation has had to work, both internally and with partners in providing our services for the people of North Wales. 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 here in the Annual Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review corresponding sections in the Annual Report alongside this Governance Statement.
- 1.3 This document is related to the year 2022/23. However, I would like to explicitly reference in the introduction of this Annual Governance Statement that at the time of developing and overseeing this statement that in addition to a new Interim Chief Executive Officer, the Health Board has a new Chair, Independent Board Members and a new Audit Committee, including a new Chair of the Audit Committee to those that were in place until the end of February 2023. In addition, I think that it is important to note that this Statement has been produced with the Health Board being placed in Special Measure since February 2023. This escalated status is further referenced in this statement.
- 1.4 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.
- 1.5 In fulfilling my responsibilities to the Chief Executive of NHS Wales, I am directly accountable to the Chair 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 the systems of risk management within the Health Board, for meeting all statutory requirements and adhering to the guidance issued by NHS Wales. 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 considered its risk appetite in the year. This articulates the Health Board's view that it does not tolerate unmitigated/unacceptable risks to the quality of service provision. To deliver safe, high quality services, the Health Board will encourage staff to work in collaborative partnership with each other and service users and carers to minimise risk to the greatest extent possible and promote patient well-being. The Board risk management annual workshop was held on 8 March 2022 to review the risk appetite, aligned to a Board Assurance Framework and in April 2022 to review the strategic risks as at the end of 2021/22, taking into account the objectives outlined in the Living Healthy, Staying Well Strategy. The 2023 risk appetite Board Development Session has been scheduled for 24 August 2023.
- 2.3 Day to day management of risk is undertaken by individual leaders and managers, and teams, 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 Audit 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.
- 2.4 To ensure key staff are aware of their responsibilities for risk management, training is provided incorporating aspects of risk management, and with the aim of all senior staff being 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, including incorporating controls, mitigations and escalation of the risk.
- 2.5 Within the 2022/23 period 126 staff were provided with risk management training, across the full range of staff groups. This is a reduction on the 744 staff trained in 21/22. The risk team is working to increase numbers of staff trained by making the training more accessible through ESR, in orientation for new starters, in mandatory training for certain staff groups and a more advance level of training for senior staff. Limited assurances were noted from the Internal Audit and hence the Framework is being reviewed which includes training.
- 2.6 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 sought also to promote awareness and understanding of the identification of risks and their management across the Health Board.
- 2.7 A number of new and emerging risks were identified in 2022/23. Significant action continued at a national and local level to continue to have responded to the likely impact on the organisation and population following Covid-19.
- 2.8 On 27 February 2023 the organisation was placed into Special Measures and as a result of this has developed a Response Plan to address the issues. It will be necessary to ensure this response 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 its strategic objectives.

3 Our Governance Framework

- 3.1 The Governance Statement provides an account of corporate governance, including the Board's assessment of its compliance with the Corporate Governance Code, with any explanations of departures. The Health Board has only partly complied with the Corporate Governance Code with some challenges in relation to meeting quoracy affecting decision-making processes, but complied with providing 'good' 'quality' 'up to date' information on its website; providing bilingual reports; inviting the public to contribute to relevant Board and Committee meetings. The Health Board has complied with the Corporate Governance Code in relation to the Special Measures Response, an independent review of the Office of Board Secretary has been undertaken. The findings and recommendations are currently being considered. The Board of Directors is the key decision-making body within the Health Board, with responsibility for ensuring the organisation achieves its objectives. The Health Minister announced on 27 February 2023 that she was placing the Health Board in Special Measures, effective immediately and an Intervention Order was received on 13 March 2023.
- 3.2 During the 2022/23 period, Board membership changed significantly:
- The Chief Executive Jo Whitehead left on 14 November 2022, and Gill Harris was appointed as Interim Chief Executive at that point. I (Carol Shillabeer) became Interim Chief Executive Officer on 3 May 2023.
 - Sue Hill, Executive Director of Finance, took a leave of absence from 5 December 2022 and an Interim Finance Director, Steve Webster, joined in January 2023.
 - The Chair and all of the Independent Members of the Board stepped aside from their roles on 27 February 2023. The Independent Board Members were replaced, by the Minister, with a new Chair and, at the time of writing, six Independent Members. They are supported by two Associate Members who have (at the time of writing this statement) been appointed.

Progress is being made on building a well-functioning Board that can lead the improvements required. Standing Orders amendments were received from Welsh Government to reflect the number and mix of Board Membership and were formally adopted at the May 2023 Board Meeting.

- 3.3 As part of the Board Development programme during the period of this Statement, Kings Fund, an independent healthcare 'think tank', facilitated the evaluation of Board effectiveness. This included 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. This took place on 14 June 2022 however the following planned two-day session in July 2022 was stood down. The process was 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.
- 3.4 The Health Board had incorporated the best practice requirements of the UK Corporate Governance Code in the committee terms of reference and associated infrastructure. This is, however, subject to further consideration following the Review of Governance as part of Special Measures Response Plan.
- 3.5 The Board carries out its roles and responsibilities with the aid of an 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. The Health Board, through its Committees, received reports on patient experience stories and learning,

finance, quality, patient safety, performance, safeguarding, strategy, Board Assurance Framework and deep dives into services such as vascular and mental health.

- 3.6 Board attendance is set out in more detail within appendix three. In the reporting period, this averaged a rate of 89% and seven Board meetings were held. The Health Board ensures that translated reports are available in Welsh and translators are available at Health Board meetings held in public. Board papers are published on the website a week before each meeting in both English and Welsh, except in exceptional circumstances.
- 3.7 During the period the Committees of the Board were:
- Audit Committee;
 - Quality, Safety and Experience Committee;
 - Remuneration and Terms of Service Committee;
 - Performance, Finance and Information Governance Committee;
 - People, Partnerships and Public Health Committee;
 - Mental Health Capacity and Compliance Committee;
 - Charitable Funds Committee.
- 3.8 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. All minutes and action logs are maintained and published (where relevant) for Health Board meetings and committees.
- 3.9 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.
- 3.10 The Board Committees seek to enable the Board to focus on its core business whilst receiving regular assurance through written Committee Chair Assurance reports, in line with best practice. Committees were not held in March 2023 due to the lack of Independent Members to afford quoracy of meetings. This impacted Board Committees after 27 February 2023 until the end 31 March 2023 of the year 2022/23.
- 3.11 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.
- 3.12 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.
- 3.13 To aid this assurance, the Audit 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.

- 3.14 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. During the year it should be noted that under the Risk Management Strategy of the Health Board the QSE Committee had a role in scrutinising and challenging the delivery of mitigations against specific risks, whilst holding to account risk owners for non-delivery of action plans or variation from the provisions of this strategy. In addition, the Audit 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;
 - Reviewing the system of internal control regularly at meetings, by taking assurance on the management of detailed risks on a rotational basis.
- 3.15 During the 2022/23 period, the Audit Committee received internal audit reports covering a broad range of the Health Board's governance and risk management systems. Because of the time required to scrutinise the annual accounts 2021/22 and subsequent investigation activity and quoracy, the Committee was not able to complete its annual review of its effectiveness in line with the Audit Handbook.
- 3.16 The Board receives regular reports from a Stakeholder Reference Group, Local Partnership Forum, and Healthcare Professionals' Forum via Committees. Further narrative on the Health Board's quality governance arrangements is in section 10 of this document.
- 3.17 On 23 February 2023, Audit Wales produced a report on their work to assess Board Effectiveness that called for urgent action to improve working relationships within the Board at Betsi Cadwaladr University Health Board. As the Health Board continues to face unprecedented challenges from demands on services and long-term concerns over the performance, quality and safety of a number of specific services, it is vital that the Board works in a cohesive and unified manner to drive the improvements that are needed. The report identified immediate actions that Audit Wales consider necessary to achieve this. The Health Board will respond to these requirements in a manner that is in line with the BCUHB approach to Special Measures requirements.

4. Data Quality Assurance

- 4.1 The Health Board is seeking to continually improve its data quality arrangements to enhance the quality and accuracy of key information and other metrics. The Planned Care Transformation and Recovery Group reviews and monitors live waiting list data for accuracy, and performance against 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. This Group has since been replaced by the Planned Care Programme Board.
- 4.2 The risks to the quality and accuracy of this waiting time data are examined weekly to ensure activity is recorded accurately and timely; if issues arise, remedial action is agreed, implemented and monitored immediately.

- 4.3 Annual validation of waiting lists also takes place through the management team and a range of live data quality reports which are being developed to monitor the data quality of key performance indicators, on a weekly and monthly basis.
- 4.4. Wider work on assessing and, where necessary, improving data quality will be required during 2023/24.

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-
- 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 2023 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 (detailed below) 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 Key work took place in the year to mitigate key risks relating to the strategic objectives of the Health Board. Based on the residual risk score, the top remaining significant risks to the organisation in the 2022/23 period with a significant impact on the system of internal control are highlighted in section 8.2.

Strategic Aim 1: Improve physical, emotional and mental health and well-being for all/
Improve the safety and quality of all services;

Strategic Aim 2: Target our resources to people who have the greatest needs and reduce inequalities;

Strategic Aim 3: Work in partnership to support people (individuals, families, carers, communities) to achieve their own well-being;

Strategic Aim 4: Respect people and their dignity , and learn from their experiences.

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 controls. This allows for the identification of risks which could be considered unacceptable to the organisation.
- 7.2 The Health Board has a structured approach in place to identify, assess, control, mitigate and manage risks to the achievement of its operational and strategic objectives. The Health Board's approach to risk management is informed by a risk management framework, including processes and systems which support staff to continuously scan the horizon for emerging risks, mitigate and appropriately manage them. The Board approved an updated Risk Management Strategy in 2022, which was launched on 18 October 2022, but limited assurances from Internal Audit report will require further work to be undertaken.
- 7.3 During the 2022/23 period, the Risk Management Group continued to focus on 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. Two meetings were stood down due to quoracy during this period, the December 2022 and February 2023 meetings.
- 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 and Departments, it also informs the appropriate management of Covid-19 related risks which were still relevant in 2022/23, 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 works closely with a wide range of partners and the Welsh Government. It is 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 its 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:

- Standing Financial Instructions, Standing Orders and Scheme of Reserved Delegation
- 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;

The Standing Financial Instructions are used to enable decision making to be at the level that has the appropriate authority.

7.8 As part of efforts to conduct business in an open and transparent manner the following actions were taken:

- Use of technology in order to hold virtual meetings, including the provision of Welsh / English translation. Public Board meetings were recorded and / or live streamed, and made available to the public online;
- Publication of agendas and papers must be published seven days in advance with reference to Standing Orders, but this has not always been adhered to within the required timeframe;
- Increased use of verbal reporting captured in the meeting minutes.

7.9 The Board has overarching responsibility for risk management.

7.10 The Accountable Officer is responsible for ensuring that sufficient resources are invested in managing risk and, currently, support in undertaking this role is provided by the Executive Medical Director.

7.11 At an operational level, risks are captured on the Datix risk management system and maintained at local and / or corporate risk register level depending on the risk rating.

7.12 Local risks are monitored and mitigated in local and service risk registers and monitored at Executive Director Level where they are scored at 15 or more.

7.13 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. During the year it should be noted that under the Risk Management Strategy of the Heath Board the QSE Committee had a role in scrutinising and challenging the delivery of mitigations against specific risks, whilst holding to account risk owners for non-delivery of action plans or variation from the provisions of this strategy

7.14 Where risk ratings are such 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 the Committees as a standing item.

7.15 The Risk Management Group plays 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.

- 7.16 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.
- 7.17 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.
- 7.18 Detailed narrative on deterrents to risks arising, and fraud deterrents is incorporated in section 17 (Counter Fraud, and Anti-Bribery and Corruption 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 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 Key Board Assurance Framework Risks

8.2.1 Strategic Objective: Improve physical, emotional and mental health and well-being for all/ Improve the safety and quality of all services:

- Risk 1.1 Failure to consistently provide safe provision of care to patients at Ysbyty Glan Clwyd, resulting in significant harm to patients, poor patient experience and a high number of complaints and claims, as well as a loss of public confidence.
- Risk 1.2 Risk of the provision of poor standards of care to the patients and population of North Wales, falling below the expected standards of quality and safety, resulting in a deterioration of care and harm to patients and service users.
- Risk 1.3 Failure to effectively manage unscheduled care demand and capacity infrastructure, adversely impacting on quality of care and patient experience.
- Risk 1.4 Risk of a consistent failure to meet performance targets, resulting in an adverse impact on patient experience and quality of care, as well as a loss in public confidence.

- Risk 1.5 Lack of capacity to manage volume of planned care demand, adversely impacting on quality of care and patient experience, exposing patients to significant patient harm.
 - Risk 1.6 Risk of instability of the Mental Health leadership model due to unstable temporary staffing arrangements and high turnover of staff, resulting in poor performance, a lack of assurance and governance, and ineffective service delivery.
 - Risk 1.7 There is a risk to the safe and effective delivery of Mental Health services, leading to poorer and inconsistent outcomes, poorer use of resources, failure to learn from events or inequity of access.
- 8.2.2 Strategic Objective: Target our resources to people who have the greatest needs and reduce inequalities:
- Risk 2.1 Failure to attract or retain sufficient staff (core and flexible) to resource delivery of the strategic priorities due to a lack of integrated workforce planning, safe deployment systems and insufficient support for recruitment and on boarding. This could adversely impact on the Board's ability to deliver safe and sustainable services.
 - Risk 2.3 Failure to meet financial targets once Strategic Support funding ceases, resulting in an inability to meet the break-even statutory duty.
 - Risk 2.4 Failure to deliver an approved integrated medium term plan incorporating service, workforce, financial balance and delivery of key performance targets to Welsh Government (to ensure statutory duties are met) resulting in a regulatory audit opinion.
 - Risk 2.5 There is a risk that we won't achieve our strategic and operational objectives caused by having inadequate arrangements for the identification, commissioning and delivery of Digital, Data and Technology enabled change. This will lead to an inability to deliver new models of care in line with National and Local Strategies which results in a significant future degradation in patient safety, quality of care, public confidence, financial controls and reputation.
 - Risk 2.6 There is a risk that we are unable to maintain the minimum level of service to our patients and population caused by having inadequate digital applications, infrastructure, security and resources that may result in major ICT failures or cyber-attack. This will lead to compromised safety and quality of care, reduced public confidence, reputational damage and, finance and regulatory non-compliance.
 - Risk 2.7 Failure to achieve 2022/23 savings target of £35m, resulting in a breach of our statutory financial duty.
- 8.2.3 Strategic Objective: Work in partnership to support people (individuals, families, carers, communities) to achieve their own well-being:
- Risk 3.1 Failure to provide a safe and compliant built environment, equipment and digital landscape due to limitations in capital funding, adversely impacting on the Health Board's ability to implement safe and sustainable services through an appropriate refresh programme, could result in avoidable harm to patients, staff, public, reputational damage and litigation.
 - Risk 3.2 Failure to implement and embed learning from experience in order to improve services, resulting in poor staff morale and a lack of trust and confidence in senior management, leading to poor outcomes impacting

on the delivery of safe and sustainable services and the reputation of the Health Board. This could be caused by a lack of clear mechanisms for raising concerns at any and every level.

Risk 3.3 Risk of significant delays to access to Primary Care Services for the population due to growing demand and complexity, an ageing workforce and a shift of more services out of hospital, resulting in a deterioration in the population health, impacting on other health & care services and the wellbeing of the primary care workforce.

Risk 3.4 Failure to effectively promote wellbeing and reduce health inequalities across the North Wales population, due to service model restrictions, resulting in demand exceeding capacity.

8.2.4 Strategic Objective: Respect people and their dignity, and learn from their experiences:

Risk 4.1 Significant risk of avoidable harm to patients and staff, due to a failure by the Health Board to provide safe systems of delivery and work in accordance with the Health and Safety at Work Act 1974 and associated legislation.

8.3 Board regularly receives the Board Assurance Framework and risks are monitored through the Risk Management Group and relevant committees in relation to the strategic objectives. Action plans are developed by all risk leads and monitored quarterly, presenting progress/changes at the Risk Management Group.

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

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

The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the opinion the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

9.2 In 2022/23, Internal Audit carried out organisational reviews of the following areas with assurance ratings summarised below:

Review Title	Assurance Rating
Management of utilities	Substantial
Welsh IG Toolkit for Health Boards and Trusts	Substantial
Recruitment improvement review – pre-employment verification and appointment process	Substantial
Speak out Safely	Reasonable
Chair’s Action	Reasonable
Voluntary Early release Scheme (VERS)	Reasonable
Budgetary Control: User access & Delegated limits	Reasonable
Mental Health & Learning Disabilities Division	Reasonable
Follow-up - Audit Wales: Continuing Healthcare Arrangements report issued in November 2020	Reasonable
Digital Strategy	Reasonable
Public Health – Smoke Free sites	Reasonable
Follow-up of Audit Wales report: Effectiveness of Counter-Fraud Arrangements – Betsi Cadwaladr University Health Board	Reasonable
Wrexham Maelor Continuity Phase 1	Reasonable
Risk Management & Board Assurance Framework	Limited
Comisiynydd y Gymraeg/Welsh Language Commissioner: Dogfennau ar y Gwefan/ Documents on the Website	Limited
Effective Governance: Ysbyty Gwynedd	Limited
Effective Governance: Ysbyty Wrexham Maelor	Limited
Board and Committee reporting – Adequacy and quality of papers to support decision making	Limited
Charitable Funds	Limited
Unscheduled care: Urgent Primary Care Centres – Business Case outcomes achieved	Limited
Recruitment of Substantive and Interim Executive and Senior Posts	Limited
Data Analysis and Triangulation	Limited
Planned Care Recovery and Transformation Group	Limited
Performance Management (IQPR & Accountability arrangements)	Limited
Delivery of Health Board savings	No assurance
Contracted Patient Services: Quality and Safety Arrangements	No assurance
Preparedness for Climate Change/ Decarbonisation	Advisory
Transformation and Improvement – progress reporting	Advisory

- 9.3 During the course of the year, action plans have been agreed with Internal Audit for all audits, with a particular focus on no and limited assurance audit outcomes. Assurances are sought and progress monitored through the relevant committees to address failings identified by internal audit, although this process will need strengthening in 2023/24.
- 9.4 As part of my review I also place reliance on the Head of Internal Audit's independent opinion of limited assurance. The opinion is based on a review of the systems and processes underpinning the Assurance Framework and the internal audit risk-based plans reported. The Health Board is implementing actions arising from internal audit reviews and providing assurances on progress to the Audit Committee.

10. Quality Governance

- 10.1 The Health Board has a quality governance framework which supports the monitoring of risks and performance related to the quality of services. The Board Assurance Framework also provides a mechanism for monitoring significant risks to the delivery of the organisation's strategic objectives which includes our commitment to high quality services.
- 10.2 Quality governance is led by the Executive Director of Nursing and Midwifery supported by a Deputy Director of Quality and Quality Team. The Quality, Safety and Experience (QSE) Committee provides timely and evidence-based advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to quality. The QSE Committee receives regular assurance reports which provide an overview of quality across the Health Board however failed to meet during March 2023 due to the change in Independent members of the Board. The QSE Committee was supported by an Executive Delivery Group for Quality and a number of other specialist groups, which includes the Organisational Learning Forum.
- 10.3 During the year, the Health Board actively planned for the introduction of the statutory Duty of Quality and Duty of Candour.

11. Healthcare Inspectorate Wales and Care Inspectorate Wales

- 11.1 Healthcare Inspectorate Wales (HIW) is the independent inspectorate and regulator of all health care services 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 mental health services to ensure that vulnerable people receive good quality of care within this service. HIW are also requested by HM Inspectorate of Prisons to provide a clinical review of a prisoner's healthcare if they die in custody. The Care Inspectorate Wales (CIW) register, inspect and take action to improve the quality and safety of services for the well-being of the people of Wales.

- 11.2 There are systems and controls in place to ensure the Healthcare Inspectorate Wales (HIW) expectations continue to be embedded within the Health Board and that inspections and requests for assurance are properly managed. During the year, the Health Board introduced a new database to track and monitor requests for assurance and inspections, including evidence against action plans. HIW activity is reported through to the QSE Committee. The Health Board also established a new Regulatory Assurance Group to provide greater oversight of regulatory issues and improve learning from inspections across the organisation. 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.
- 11.3 During the year, HIW undertook ten inspections of services managed by the Health Board. Of note, HIW designated the Emergency Department at Ysbyty Glan Clwyd as a Service Requiring Significant Improvement. This is detailed later in this report. The Health Board's vascular services also remain a Service Requiring Significant Improvement, a designation applied in 27 February 2022.

Location	Date	Recommendations	Actions
Bryn Hesketh Mental Health and Learning Disability	1/11/2022	17	33
Hillcrest Medical Centre	11/01/2023	None	None
Cambria Surgery	28/02/2023	None	None
Bryn Y Neuadd, Foelas	22/03/2023	45	46
Emergency Dept. Glan Clwyd- Follow on Immediate Plan	28/11/2022	6	42
Emergency Dept. Glan Clwyd	03/05/2022	30	134
IRMER Cardiac Catheterisation Service & Hybrid Theatre Glan Clwyd	03/05/2022	10	18
Heddfan Unit Mental Health and Learning Disability	09/11/2022	45	90
Emergency Dept. Wrexham Maelor	10/08/2022	17	45
National Review Joint Inspection of Child Protection Arrangements	20/12/2022	None	None

- 11.4 Care Inspectorate Wales (CIW) register, inspect and take action to improve the quality of social care services. They regulate adult services such as care homes for adults, domiciliary support services, adult placement services and residential family centre services. During the year the Health Board became aware of domiciliary care services which were not registered. The Health Board has subsequently amended its registration to include these services.

- 11.5 On 9 May 2022, Healthcare Inspectorate Wales (HIW) identified the Emergency Department, Ysbyty Glan Clwyd as a Service Requiring Significant Improvement (SRSI). At the time, the issues of concern were:
- Immediate Assurance and Improvement Plan recommendations were not being actioned to an acceptable standard and within agreed timescales.
 - Similar issues have been raised during previous assurance activity and insufficient improvements made.
 - A matter requiring urgent action was indicated through intelligence received or evidence gathered.
 - An accumulation of evidence, originating in January 2022, leading to the completion of a Quality Check on 8 March 2022 and an unannounced onsite inspection that took place on 3-5 May 2022. Several patient safety concerns were identified during this period.
- 11.6 Following an inspection in November 2022, HIW advised the Health Board the department would remain designated as a service requiring Significant Improvement. HIW saw improvements in many areas of the department but there remained some areas of significant challenge, which were not progressing at the pace required. The service has developed a detailed improvement plan in response to the HIW findings, which has been monitored via the IHC Leadership Team and the Regulatory Assurance Group chaired by the Executive Director of Nursing and Midwifery. The Group has arranged for an internal Ward Accreditation Review and a quality check / mock inspection approach to seek assurance on the delivery of this improvement plan to confirm that the improvements have been embedded and sustained.

12. Data Security

- 12.1 At the start of 2022/23 the Executive Director of Finance was the Senior Information Risk Owner (SIRO) of the organisation, providing information risk management expertise at Board level. This responsibility transferred to the Chief Digital and Information Officer in January 2023. 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 transferred from the Deputy Chief Executive Officer to the Chief Digital and Information Officer in June 2022, 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 (PPPH) Committee. Throughout the course of the 2022/23 period assurance with the Digital Strategy fed into the PPPH Committee with assurance on compliance with legislation reporting through to the Performance, Finance and Information Governance Committee. A PPPH Committee has not been held consistently since 17 January 2023 due to the need to streamline Governance arrangements since the number of available Independent Members available to resource Committees has reduced since February 2023. Other committees that were available have been able to transact the business of PPPH going to 2023/24.

- 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 seven data security breaches that triggered referral to the Information Commissioner's Office (ICO) and Welsh Government. All 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 ICO made twelve recommendations to the Health Board; key themes included:
1. Check that policies and procedures are still fit for purpose and that all staff who handle personal data should receive regular data protection training.
 2. Reviewing the controls that are in place surrounding personal data to ensure personal data is kept secure. Conduct periodic audits, including project specific audits, to monitor staff adherence to data protection and information governance policies and procedures.
 3. Routinely testing the effectiveness of the measures joint project partners have in place, including spot-checking their staff adherence to measures such as the acceptable use policy. The organisation should be satisfied that sufficient steps are in place to prevent a recurrence of this incident.
 4. Ensuring that any new systems and processes, such as the service level agreement are regularly reviewed to ensure that the conditions for data protection, access to records, and training are being met.
 5. Reviewing processes for hardcopy documents to ensure that these are stored appropriately. Consider implementing a log for staff to sign documents in and out as this may help to keep track of documents and consider whether this information could be provided and stored electronically.
 6. Ensuring the guidance on how to escalate a potential conflict of interest is communicated to all staff and is easily accessible when it is produced.
- 12.7 All of the recommendations have or will be implemented by the Health Board and are monitored by the Information Governance team with Performance and Finance committee oversight.
- 12.8 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 and Payroll 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.
- 13.3 As a major employer of people the Health Board also have controls that ensure it deals with deduction of employee taxes and also deal with payment of employer taxes correctly. In addition, we have controls in place to ensure we manage significant other taxes correctly (e.g., VAT). HMRC have assessed the Health Board with a business risk rating of low based on their assessment and our track record. This was reported to the Audit Committee.

14. Climate Change Adaptation

- 14.1 Significant efforts have been made to implement NHS Wales requirements in relation to sustainability including a Decarbonisation plan. The Health Board is commissioning an independent specialist to do a review of the Health Board property and identify the opportunities for climate change adaptation, decarbonisation and energy efficiency. These will be presented in a cost/benefit/time format so that we can see what offers the best fit for our needs and there is an expectation that risk assessments will be carried out as a piece of this work. Once this work has been done the Health Board will be in a better position to understand and plan the path to 2030 and beyond.

15. Emergency Preparedness

- 15.1 Emergency Preparedness, Resilience and Response (EPRR) is a core function for the Health Board and is a statutory requirement of the Civil Contingencies Act (CCA) 2004. Responding to emergencies is also a key function within the NHS Act (2006) as amended by the Health and Social Care Act (2012).
- 15.2 The role of the Health Board in EPRR relates to potentially disruptive threats outlined in the National Security Risk Assessment, and the need to invoke command, control, coordination and communication arrangements required, during the response to emergencies. The disruption could have arisen from extreme weather conditions to an outbreak of an infectious disease, major transport accident or a terrorist incident.
- 15.3 During 2022/23 the Executive Director of Integrated Clinical Services, as the Accountable Emergency Officer, supported by the interim EPRR Lead, provided oversight of the EPRR arrangements.
- 15.4 The EPRR Work Plan for 2022/2023 has included ongoing support to incident response activities and has resulted in the work plan being rationalised to protect and maintain core activity, and to generate capacity for priorities such as training, Business Continuity Management arrangements along with winter resilience and industrial action preparedness. Key documents have been produced such as:
- Business Continuity Management (BCM) Standard Operating Procedure, which provides a framework and sets the corporate expectations and requirements for effective BCM to assist the directorates, divisions and services to produce their own Business Continuity Plans;
 - Internal Critical Incident (ICI) Plan to clarify the arrangements for determining the triggers and the process for declaring Internal Critical Incidents. Declaring an ICI is an appropriate declaration and far more preferable to declaring a major incident. The intention is to include the corporately ratified plan for Internal Critical Incidents as an annexe to the Health Board's Major Emergency Plan;

- A review and update of the Gold On Call training materials;
 - A review and update of the Business Continuity Management training materials and a series of monthly workshops has been put in place;
 - The EPRR Work Plan recognises the importance and implications for healthcare inequalities and the need to consider across all projects and work streams.
- 15.5 The EPRR Team supports Public Health and Infection Prevention and Control colleagues with the management of the activation process for confirmed High Consequence Infectious Disease (HCID) cases. Admissions of initial, single cases will go to Ysbyty Glan Clwyd as the receiving hospital for HCID cases and if required cases will either be transferred to the Royal Liverpool Hospital or the Royal Hallamshire Hospital, Sheffield. The Team has also supported the Health Board’s response to the Mpox outbreak during 2022.
- 15.6 In response to the On-call arrangements Final Audit Report published in June 2022, the Interim EPRR Lead supported the Interim Regional Director of Delivery with the implementation of the report’s recommendations and the agreed management actions. An On Call Review Working Group was established in July 2022, supported by Terms of Reference, and an action plan.
- 15.7 Since July 2022 the EPRR Team has supported the Medical Directorate to monitor and assist the Vascular Network team with their preparation of contingency plans and business continuity plans for a significant loss of key staff. The team had provided secretariat and EPRR support to the Vascular Operations, Vascular Silver and Gold meetings. The work in preparing the planning arrangements in mitigation remains ongoing although the process would benefit from more engagement with associated services.
- 15.8 There has been ongoing work to provide EPRR support to the Integrated Health Communities. In September 2022, the EPRR team was restructured with the existing Head of Emergency Preparedness Resilience and Recovery being based within the East IHC. This interim initiative supported the reconvening of the Major Incident Planning Meetings, a review and update of the Major Incident Plan and the action cards. The Director of Operations became pivotal in championing the review, update and completion of Business Continuity Plans.
- 15.9 In order for this approach to be continued and to replicate the approach within all three IHCs the EPRR Team will need to be appropriately resourced with senior emergency planning and business continuity professionals recruited following the resignations of the Head of EPRR and the Business Continuity Manager. We aim to have these positions filled by the end of the financial year 2023/24.
- 15.10 Departmental and service area Business Continuity Plans were invoked and reviewed in preparedness for Winter and Industrial Action. On 15 November 2022 a Business Continuity workshop session took place to consider the mitigation required in readiness for a loss of significant staff in response to Industrial Action, staff sickness absence and the vacancies at that time. Business Continuity Plans are reviewed by the Audit Committee annually.
- 15.11 In November 2022, Sir John Saunders published Volume 2 of his report into the deaths of the 22 victims of the Manchester Arena attack in May 2017. The EPRR Team are looking to implement the health recommendations and to ensure a consistent approach within the Health Board and across the IHCs.

- 15.12 Health Command training has also been delivered to the on-call Gold and Bronze Commanders across the Health Board to ensure that Health Board staff have the tools and skills aligned to their assigned roles. Further work is taking place to develop the training materials and to deliver training to the on-call Silver Commanders.
- 15.13 The Civil Contingencies Assurance Group (CCAG) continues to review and assess the effectiveness of the EPRR arrangements developed by the team, for the Health Board. The CCAG meets on a bi-annual basis. Representation includes the executive directors, directors and Very Senior Managers. The tactical subgroups, the Civil Contingencies Group and the Business Continuity Working Group also meet quarterly to discuss planning, training and exercising in addition to reviewing and updating plans.
- 15.14 More recently at the end of March 2023, the EPRR Team, along with operations, communications and the medical directorate have participated in the cross government, UK and WG Exercise Mighty Oak. The Health Board representatives attended the Strategic Coordination Group meetings and discussions, held over a three day period, with partner agencies at the North Wales Police strategic headquarters in Colwyn Bay.

16. Equality, Diversity and Human Rights

- 16.1 Control measures are in place to ensure that the organisation is compliant with its duties under equality 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 strategic Equality Diversity & Inclusion Group on a regular basis.
- 16.3 The Equality and Human Right Strategic Forum maintains oversight of the delivery of the Health Board's Strategic Equality Plan and associated work plans, including the Anti-racist Action Plan and Strategic Equality Plan implementation. The Forum will also have oversight of the development of the LGBTQ+ Action plan and Welsh Workforce Race Equality Standard when this is rolled on in Wales.
- 16.4 The Equality and Human Rights Strategic Forum maintains oversight of the publication of statutory reporting including the organisation's Annual Equality Report, Workforce Reports and the Gender Pay Gap Report, the latter is published on both the Health Board's website and the Government portal for UK wide reporting.
- 16.5 The 2022/23 Annual Equality and Diversity report and Gender Pay Gap reports were reviewed by the Executive team in July 2023 prior to submission to Board for approval.
- 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.
- 16.7 The Equality and Human Rights Strategic Forum will oversee the development of the Strategic Equality Plan 2024-2028 in addition to ongoing work to mainstream the Socio-economic Duty across the organisation, and continuing to oversee this and provide assurance.

16.8 Training, guidance and awareness events are facilitated by the Health Board's Corporate Equality Team.

17. Counter Fraud, and Anti-Bribery and Corruption Arrangements

17.1 The Health Board has arrangements in place to ensure compliance with counter fraud and corruption 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 The Bribery Act created four main offences of bribing, being bribed, bribing a foreign public official, and failing to prevent bribery by a commercial organisation. Bribery was included in the Welsh Government directive requirements from 2010.

17.3 Allegations of bribery and corruption are not investigated by the Local Counter Fraud Services team, and are forwarded to Counter Fraud Service Wales for investigation.

17.4 At an operational level, the Executive Director of Finance has delegated responsibility, for the operational management of the Local Counter Fraud Services to the Finance Director: Operational Finance. The day-to-day management of the Local Counter Fraud Service is undertaken by the Head of Local Counter Fraud Services.

17.5 The Health Board has had a counter fraud workplan in place during 2022/23 and the Local Counter Fraud Specialist (LCFS) updates the Executive Director of Finance, via the Finance Director: Operational Finance, on a regular basis to monitor the delivery of the plan and discuss cases as required.

17.6 Fraud risk assessments are undertaken annually to assess and identify the Health Board's exposure to fraud risks. The outcome of the assessment against the corporate risk policy 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's corporate risk register.

17.7 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 has introduced a mandatory training programme for Fraud Awareness through e-Learning, which has been very well subscribed;
- The Health Board's processes are aligned to maintain compliance with the current conflicts of interests' policy guidance; which is currently under review.
- Operational arrangements are in place to enable timely notification of concerns pertaining to fraud to the LCFS or the Executive Director of Finance, via the Finance Director: Operational 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, as required. In the event that management identify risks relating to fraud these are incorporated onto the risk register, with associated mitigations;
- The Head of the Local Counter Fraud Service meets privately with the Chair of Audit Committee to allow any relevant matters to be discussed in private, prior to the Audit Committee taking place.

- 17.8 The Audit Committee receives quarterly progress reports and an annual report on the delivery of the LCFS work plan and outcome of investigative reports where appropriate. In addition, the Audit Committee reviews anti-fraud, bribery and corruption Health Board policies and procedures. However, the 2021/22 report did not go to the Audit Committee in 2022/23 and was reported at the August 2023 meeting.
- 17.9 The Health Board completes an annual self-assessment of its counter fraud arrangements, in accordance with the UK Cabinet Office Counter Fraud Functional Standard Return (CFFSR), against a number of NHS Requirements of the Government Functional Standard GovS013: Counter Fraud, which are submitted to the counter fraud regulator, the NHS Counter Fraud Authority. The CFFSR has been rated at an overall Green assessment for 2022/23, the highest level of rating, across the range of requirements. This rating has not been challenged by 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 (IMTP)

- 18.1 For the year 2022/23 the Health Board had worked to develop a three-year Plan which was approved by the Board in March 2022. This Plan was not accepted by Welsh Government as an approvable Integrated Medium Term Plan under the terms of the NHS (Wales) Finance 2006, as amended by the NHS Finance (Wales) Act 2014. However, the Health Board was considered to have made progress in engagement and production of a coherent plan, therefore the Plan was accepted in lieu of an annual plan.
- 18.2 In light of the volatile and challenging planning environment for health services which developed during the year, the NHS Wales Planning Framework was published at the end of November 2022 and comprised a streamlined set of core priorities for delivery, whilst referencing the need to continue to make progress on wider areas for improvement. The Framework continues to build upon the ambition set out within A Healthier Wales as the overarching policy context.
- 18.3 The core priorities include a series of specific Ministerial priorities for delivery in the following areas:
- Delayed Transfers of Care;
 - Primary Care Access;
 - Urgent & Emergency Care;
 - Planned Care recovery, Diagnostics & Pathways;
 - Cancer Recovery;
 - Mental Health and CAMHS.
- 18.4 In light of the challenging financial and system pressures, the Health Board determined that it would not be feasible to produce an approvable IMTP which fulfilled all the requirements of the NHS Act and the Planning Framework. An Accountable Officer letter was therefore submitted to Welsh Government in February 2023 confirming the position and that the Board would develop an Annual Operating Plan.
- 18.5 Following the escalation of the Health Board into Special Measures on 27th February 2023, a second Accountable Officer letter was sent in March 2023 requesting an

extension of time for development of the Annual Operating Plan, to allow for the requirements of the Special Measures escalation to be reflected and to allow for engagement and direction from the newly appointed Independent Board members.

- 18.6 An extension was permitted by Welsh Government, of the 30th June 2023. The Board approved and submitted a 23/24 Annual Operating Plan, by the revised deadline, with an overall forecast position of £134.2m deficit. The Board has acknowledged that this position would not be acceptable.

19 Targeted Intervention

- 19.1 Since November 2020 Betsi Cadwaladr University Health Board was placed into Targeted Intervention. Following ongoing concerns relating to the Ysbyty Glan Clwyd (YGC) hospital site, further Targeted Intervention was announced on 7 June 2022 for the YGC site. On the 27 February 2023, the Minister for Health and Social Services announced the escalation the intervention status of BCUHB to special measures with immediate effect.

- 19.2 In November 2022 the Board agreed to revise the Performance Domain Maturity Matrix and to separate out the Emergency Department (ED) and Vascular Services from the YGC matrix by December 2022. This work was undertaken and the scope of the Targeted Intervention framework extended to the following areas:

- Mental Health (Adult and Children);
- Strategy and Planning;
- Leadership (Governance, Transformation and Culture);
- Engagement (Patients, Public, Staff and Partners);
- Performance
- Ysbyty Glan Clwyd
 - Leadership, Governance & Culture
 - Emergency Department
 - Vascular Services

- 19.3 During 2022/23, the Board received assurance through the Targeted Intervention Steering Group (TISG), which maintained oversight of the delivery of the improvement plans.

- 19.4 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.

- 19.5 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

- 19.6 In November 2022 the Board agreed the recommended targets for the May 2023 self-assessment. In March 2023, the last meeting of the Targeted Intervention Evidence of Outcomes Group took place. During this meeting, each TI Domain provided a

summary of evidence and information presented to the review panels and the recommendations for each domain were addressed. An Extraordinary Panel Review also took place on 12th April 2023 where additional evidence for the YGC (including Leadership, Governance & Culture, Emergency Department and Vascular), Engagement and Adult Mental Health domains was considered. The information provided below indicates a point in time in relation to the Targeted Intervention process. The escalation to Special Measures however supercedes much of this position and therefore should be read with that in mind. The recommendation for each domain are below:

DOMAIN	RECOMMENDATION
YGC (including Leadership, Governance & Culture, ED and Vascular)	It was recommended that YGC ED Domain should move to a level 2, recognising that there is further work to be completed, in particular around the YGC safety strategy and these gaps need to be addressed. It was also recommended that YGC Leadership, Governance & Culture and YGC Vascular both remain at a level 1, recognising that there is further evidence available which will assist the Domains moving to a level 2 as we go forward.
Engagement	It was agreed that the domain have credible plans in place that feel sustainable and the additional evidence provided reflects the previous gaps in the evidence submission. The Panel recommended that the Engagement domain are on track to move to a level 3.
Adult Mental Health	Further evidence was presented to the additional review panel in April in relation to the Health and Safety Executive Notification of Contravention and the New Operating Model. This was supported by the Group. It was agreed that the additional evidence submitted provides assurance that the domain was on track to reach a level 3 by November 2023 and this was the agreed recommendation.
CAMHS	The domain are on track for the November 2023 target, this was supported by the Group.
Strategy and Planning	The domain are on track for the November 2023 target, however there are some areas that require review in association with the Performance domain.
Performance	The domain are on track for the November 2023 target, however there is a need for clarity around reports / data, further work to be completed for each of service / corporate function to meet the milestones and support for the governance and accountability framework to reach level 2.
Leadership	WG have asked for this domain to be reset however we need to ensure planned improvements continue until we receive clarity from WG as to the next steps.

- 19.6 The Health Board continued to work closely with Welsh Government throughout the improvement journey. This work on individual Targeted Improvement plan areas continues but within a Special Measures framework.

20 Audit Wales Structured Assessment

- 20.1 The Auditor General for Wales' key messages as set out in the Annual Audit Report highlights the failure of the Board to obtain sufficient appropriate evidence that specific accruals, payables and expenditure were accurately stated and accounted for in the correct accounting period. The audit summarises Health Board failed to meet its financial duty to break-even over a three-year period, and (along with eight other NHS bodies in Wales) incurred irregular expenditure in year in complying with a direction by Ministers to fund clinicians' pensions tax liabilities. The report described a level of dysfunctionality within the Executive Team and wider board that was fundamentally compromising the ability of the Board to discharge its functions.

Further details of the full report can be accessed via the Audit Wales website at:

www.audit.wales/publication/betsi-cadwaladr-university-health-board-annual-audit-report-2022

- 20.2 The Structured Assessment review Draft Report from Audit Wales was received in April 2023. *“Overall, Audit Wales found that the Health Board continues to face significant challenges and risks, particularly in relation to some aspects of quality of services, performance, finance, digital and estates. While BCUHB strengthened planning approaches for developing the 2022-23 IMTP and refined some governance arrangements, there is much more to be done.”*

21. Health and Safety Executive (HSE)

21.1 HSE investigation, Hergest Unit

21.1.1 A notification of contravention letter was received 9 May 2022, to detail material breaches identified following the investigation of the death of a patient by ligature in the Hergest Unit. The material breaches detailed the standard of the ligature risk assessment, the bed and the ligature used. A letter was also received 15 May 2022 requiring the Health Board to provide a statement of explanation to accompany the HSE case to their independent legal team for consideration of further enforcement action. A further letter was received 15 March 2023 confirming the HSE intention to take further enforcement on this matter, namely a prosecution case. Provision has been made for this in the 2022/23 accounts utilising ring-fenced provision funding from the Welsh Government. Once the outcome of the case is determined, the provision funding will be returned to Welsh Government in 2023/24 and any resulting in-year expenditure will be met by the Health Board; this has been incorporated into the 2023/24 Annual Operating Plan.

21.1.2 An extensive action plan has been drafted by the Mental Health and Learning Disability team and the majority of actions have been agreed as completed. These were approved through the Quality, Safety and Experience Committee as will be the remaining actions in the forth coming year.

21.2 HSE Investigation, Patient Falls

21.2.1 The HSE are actively investigating two patient falls; in the Clinical Decision Unit in Wrexham Maelor Hospital and Gogarth Ward, Ysbyty Gwynedd. There is a further patient fall that remains an open investigation in Aran Ward, Ysbyty Gwynedd.

Further reports are being submitted to the HSE following inpatient falls where an inadequate falls assessment was completed or identified interventions documented as being implemented that could mitigate the risk of a fall or reduce level of harm from an inpatient fall. The HSE have confirmed that they are also reviewing falls training completed by agency staff is in-line with the BCUHB falls policy.

21.2.2 Falls training was implemented for all BCUHB staff in January 2022 before the start of the 2022/23 year (level 1a) with a current compliance Health Board of 83% (April 2023). Training for completing the inpatient falls risk assessment (level 1b) is for Clinical staff on Adult Inpatient areas and is currently 82.84% compliant. The multi-disciplinary team supporting staff with bedside learning remains in place focusing on areas with higher numbers of falls. It has been recommended that the IHC leadership teams identify resources to support the bedside learning programme.

21.3 HSE Investigation Hand-Arm Vibration (East)

21.3.1 A diagnosis of RIDDOR reportable Hand Arm Vibration Syndrome was received from our Occupational Health and Safety Consultant following health surveillance for staff at risk from vibration. This remains under current investigation by the HSE.

21.3.2 The Estates team have been supported by an external Noise and Vibration specialist consultant to obtain clear information on the vibration from equipment in use. The team have progressed a replacement programme for petrol powered equipment such as strimmers with lower vibration battery operated equipment. Risk assessments have been completed and exposures are recorded daily to ensure that there is no exposure over the daily Exposure Limit Value (ELV). The team are supported by the Occupational Health team under the Health Surveillance programme. The action plan is monitored by the Vibration Safety Group and reports updated to the Estates Health and Safety Group and a summary to the Strategic Occupational Health and Safety Group.

22 Data Security Breaches

22.1 The Health Board self-reported seven data security breaches that triggered referral to the Information Commissioner's Office and Welsh Government. These were in relation to:

Data Loss	1
Inappropriate use of Technology	1
Confidentiality Breach-External	2
Inappropriate Access	2
Cyber/Ransomware attack	1
Total	7

22.2 All 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.

22.3 The ICO made twelve recommendations to the Health Board; the key themes are highlighted in section 12.6.

22.4 All of these recommendations have or will be implemented by the Health Board and are monitored by the Information Governance team.

22.5 The Health Board did not incur any financial penalties during the year. We also did not receive or settle any personal injury claims for harm and distress caused by a data breach in 2022/23.

Audit opinion on 2022/23 financial statements

- 23.1 In order to ensure errors in the way the Health Board accounts for its financial position 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 three lines of defence assurance. The main Audit findings in 2022/23 relate to prior year qualifications and a regularity qualification for the current year.
- 23.2 The Health Board acknowledges that it has received a qualified regulatory opinion regarding the appointment of an Executive Director at a paypoint higher than approval limits and this did not comply with Standing Financial Instructions.
- 23.3 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. A Financial Control Environment Action Plan has been developed during 2022/23, to address the findings and other specific recommendations for strengthening financial control across the organisation, such as 2022/23 Internal Audit reports. The Performance, Finance and Information Governance Committee (PFIG) was updated on the actions to improve financial control processes at meetings in August 2022 and in February 2023. The resulting comments from the Ernst & Young independent review have since been reflected in a revised Action Plan and the progress against the actions have been reported to Audit Committee in May 2023. Following the finalisation of the 2022/23 Annual Accounts, further matters arising from the audit will be incorporated into the Health Board's action plans.

24 Review of Effectiveness

- 24.1 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.
- 24.2 My review has also been informed by:
- Feedback from Welsh Government, Audit Wales 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 and its successor organisation, Llais;
 - 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.
- 24.3 I cannot be fully satisfied with the effectiveness of the system of internal control, based on the significant issues referenced in this statement and reflecting the fact that the Health Board is under Special Measures as of 27 February 2023 at least in part due to the need to significantly improve Governance.
- 24.4 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 and the outputs of the Audit Committee.

24.5 However, as noted by Audit Wales and in other sources of evidence, and reflected in the escalation into Special Measures, there is scope for significant 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 Special Measures Escalation;
- Recommendations from internal audit reports;
- Ongoing work to improve the management of concerns and complaints;
- A review of the Business Continuity Arrangements and strengthening our resilience to cyber-attack;
- Stakeholder engagement in the clinical strategy and plan development;
- Strengthening of the planning arrangements including an independent review of the function.

25 Conclusion

25.1 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.

25.2 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.

25.3 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.

- 25.4 As indicated throughout this statement and the Annual Report there is a need to utilise the opportunity that Special Measures brings to address key Governance issues. It continues to require a dynamic response which has presented a number of opportunities in addition to the risks. I will ensure our Special Measures and Governance Framework considers and responds to this need.
- 25.5 Significant issues are outlined in sections 10, 11, 12 and 21 of this report.
- 25.6 My review based on the information I have been provided and assessed, indicates that Betsi Cadwaladr University Health Board has a limited system of internal control that supports the achievement of its policies, aims and objectives, and requires significant improvement in relation to a range of matters including patient safety and compliance assurance as set out in this report.

Signed:

Carol Shillabeer
Interim Chief Executive and Accountable Officer

Date: 24 August 2023

Appendix 1 – Meetings of the Health Board and Committees held in public 2022/23

Meeting	Date								
Health Board	26/05/22	04/08/22	24/08/22	29/09/22	24/11/22	26/01/23	30/03/23		
Quality, Safety & Experience (QSE) Committee	03/05/22	26/05/22	05/07/22	06/09/22	01/11/22	20/01/23			
Performance, Finance and Information Governance (PFIG) Committee	28/4/22	30/6/22	25/8/22	27/10/22	22/12/22	19/01/23	23/02/23		
Partnerships, People and Population Health (PPPH) Committee	10/05/22	20/05/22	12/07/22	13/09/22	08/11/22	17/1/23			
Remuneration and Terms of Service Committee	26/04/22	12/07/22	01/09/22	03/10/22	25/10/22	22/12/22	09/02/23		
Mental Health and Capacity Compliance (MHCC) Committee	29/07/22	04/11/22	23/02/23						
Audit Committee	30/06/22	13/07/22	22/07/22	24/08/22	13/01/23				
Charitable Funds Committee	18/10/22	18/1/23	2/3/23 (Informal)						

Appendix 2 – Board and Committee Membership 2022/23

A number of changes to Board membership, including interim and acting up arrangements, have occurred during 2022/23 and are reflected in the table below.

Name	Position	Term
Independent Board members from 1 April 2022 to 27 February 2023		
Mark Polin	Chair	Until 27 February 2023
Lucy Reid	Vice Chair	Until 27 February 2023
Cllr Cheryl Carlisle	Independent Member	Until 27 February 2023
Nichola Callow	Independent Member	Until 27 February 2023
John Cunliffe	Independent Member	Until 27 February 2023
Hugh Evans	Independent Member	Until 27 February 2023
John Gallanders	Independent Member	Until 27 February 2023
Jaqueline Hughes	Independent Member	Until 27 February 2023
Cllr Richard Medwyn Hughes	Independent Member	Until 27 February 2023
Richard Micklewright	Independent Member	Until 27 February 2023
Linda Tomos	Independent Member	Until 27 February 2023
Independent Board members from 27 February 2023		
Dyfed Edwards	Chair	Appointed 27 February 2023
Rhian Watcyn Jones	Independent Member	Appointed 27 February 2023
Karen Balmer	Independent Member	Appointed 27 February 2023
Gareth Williams	Independent Member	Appointed 27 February 2023
Associate Board Members		
Clare Budden	Associate Member	N/A
Morwena Edwards	Associate Member	- tenure ended June 2022
Jane Wild	Associate Member	N/A
Fôn Roberts	Associate Member	Appointed 29 July 2022[
Executive Board Members		
Jo Whitehead	Chief Executive Officer	Until 15 November 2022
Gill Harris	Executive Director of Integrated Clinical Services/Acting Chief Executive Officer	Acting CEO from 16 November 2022 to 27 March 2023
Dr Nick Lyons	Executive Medical Director /Deputy Chief Executive Officer	Acting CEO from 27 March 2023 – 2 May 2023
Molly Marcu	Interim Board Secretary	N/A
Gaynor Thomason	Interim Executive Director of Nursing and Midwifery	Until 31 July 2022
Angela Wood	Executive Director of Nursing and Midwifery	Appointed 1 August 2022
Sue Hill	Executive Director of Finance	N/A
Rob Nolan	Acting Director of Finance	From 2 September 2022 to 12 October 2022
Steve Webster	Interim Director of Finance	Appointed 3 January 2023
Chris Stockport	Executive Director of Transformation, Strategic Planning and Commissioning.	N/A

Gareth Evans	Acting Director of Therapies and Health Services	N/A
Adrian Thomas	Executive Director of Therapies and Health Services	Until 16 October 2022
Teresa Owen	Executive Director of Public Health	N/A
Sue Green	Executive Director of Workforce and Organisational Development	N/A

Committee Membership

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Mark Polin	Chair to 27.2.23		<ul style="list-style-type: none"> • Chair of the Board • Chair Remuneration and Terms of Service Committee • 	
Lucy Reid	Independent Member Vice Chair to 27.2.23	Community Primary Care & Mental Health	<ul style="list-style-type: none"> • Board Member • Chair Quality, Safety and Experience Committee • Chair Mental Health and Capacity Compliance Committee • Member Remuneration and Terms of Service Committee 	<ul style="list-style-type: none"> • Concerns
Cllr Cheryl Carlisle	Independent Member to 27.2.23	Community	<ul style="list-style-type: none"> • Board member • Member Quality, Safety and Experience Committee • Member Mental Health and Capacity Compliance Committee • Member Charitable Funds Committee 	<ul style="list-style-type: none"> • Carers • Children and Young People
Cllr Richard Medwyn Hughes	Independent Member to 27.2.23	Local Authority	<ul style="list-style-type: none"> • Board Member • Chair Audit Committee • Vice Chair Remuneration and Terms of Service Committee 	<ul style="list-style-type: none"> • Patient and Public Involvement • Welsh language
Prof Nichola Callow	Independent Member to 27.2.23	University	<ul style="list-style-type: none"> • Board Member • Vice Chair Partnerships, People and Population Health Committee 	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Jackie Hughes	Independent Member to 27.2.23	Trade Union	<ul style="list-style-type: none"> • Board Member • Member Remuneration and Terms of Service Committee • Member Quality, Safety and Experience Committee • Chair Charitable Funds Committee • Ex Officio Local Partnership Forum 	<ul style="list-style-type: none"> • Violence and Aggression • Equality
John Cunliffe	Independent Member to 27.2.23	Community	<ul style="list-style-type: none"> • Board Member • Chair Performance, Finance and Information Governance Committee • Member Partnerships, People and Population Health Committee 	
Hugh Evans	Independent Member to 27.2.23	Community	<ul style="list-style-type: none"> • Board member • Member Audit Committee • Member Quality, Safety and Experience Committee 	
Richard Micklewright	Independent Member to 27.2.23	Community	<ul style="list-style-type: none"> • Board member • Member Audit Committee • Member Performance, Finance and Information Governance Committee 	
Linda Tomos	Independent Member to 27.2.23	Community	<ul style="list-style-type: none"> • Board member • Member Performance, Finance and Information Governance Committee • Chair Partnerships, People and Population Health Committee • Member Charitable Funds Committee 	
Dyfed Edwards	Independent Member (From 27.02.23)	Community	<ul style="list-style-type: none"> • Board Chair • Chair Remuneration and Terms of Service Committee 	
Rhian Watcyn Jones	Independent Member (From 27.02.23)	Community	<ul style="list-style-type: none"> • Board member • Chair Quality, Safety and Experience Committee wef 19.5.23 • Member Remuneration and Terms of Service Committee 28.4.23 	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Karen Balmer	Independent Member <i>(From 27.02.23)</i>	Community	<ul style="list-style-type: none"> • Board member • Chair Audit Committee(w/e/f 15.5.23) • Member Remuneration and Terms of Service Committee wef 28.4.23 • Member Performance, Finance & Information Governance Committee wef 12.5.23 	
Gareth Williams	Independent Member <i>(From 27.02.23)</i>	Community	<ul style="list-style-type: none"> • Board member • Chair Performance, Finance & Information Governance Committee wef 12.5.23 • Member Remuneration and Terms of Service Committee wef 28.4.23 • Member Audit Committee wef 15.5.23 	
Jo Whitehead	Chief Executive <i>to 15.11.22</i>		<ul style="list-style-type: none"> • 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	Deputy Chief Executive <i>to 15.11.22</i> Executive Director Integrated Clinical Delivery <i>wef 1.4.22 including Acting CEO from 16.11.22 to 27.3.23</i>		<ul style="list-style-type: none"> • Board Member • In attendance Quality, Safety and Experience Committee (to July 2022) • Member Local Partnership Forum • 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
Gaynor Thomason	Interim Executive Director Nursing and Midwifery to 31.7.22		<ul style="list-style-type: none"> • Board Member • Lead Director / In attendance Quality, Safety and Experience Committee (until August 2022) • Member Local Partnership Forum • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee 	
Angela Wood	Executive Director Nursing and Midwifery from 01.08.22		<ul style="list-style-type: none"> • Board Member • Lead Director / In attendance Quality, Safety and Experience Committee (wef August 2022) • Member Local Partnership Forum • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee 	
Sue Hill	Executive Director of Finance		<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • Lead Director / In attendance, Charitable Funds Committee • Lead Director / In attendance Performance, Finance and Information Governance Committee • Member Local Partnership Forum 	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Rob Nolan	Acting Executive Director of Finance Wef 2.9.22 to 12.10.22		<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • Lead Director / In attendance, Charitable Funds Committee • Lead Director / In attendance Performance, Finance and Information Governance Committee • Member Local Partnership Forum 	
Steve Webster	Interim Executive Director of Finance from 3 January 2023		<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • Lead Director / In attendance, Charitable Funds Committee • Lead Director / In attendance Performance, Finance and Information Governance Committee • Member Local Partnership Forum 	
Teresa Owen	Executive Director of Public Health		<ul style="list-style-type: none"> • Board Member • In attendance Quality, Safety and Experience Committee • In attendance Partnerships, People and Population Health Committee • Lead Director / In attendance Mental Health and Capacity Compliance Committee 	
Sue Green	Executive Director of Workforce & Organisational Development (OD)		<ul style="list-style-type: none"> • Board Member • Lead Director/In attendance, Remuneration and Terms of Service Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee • Lead Director / Member, Local Partnership Forum • In attendance, Quality, Safety and Experience Committee 	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Dr Nick Lyons	Executive Medical Director / Deputy CEO		<ul style="list-style-type: none"> • Board member • In attendance Quality, Safety and Experience 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 Executive Director of Transformation and Planning .		<ul style="list-style-type: none"> • Board member • In attendance, Quality, Safety and Experience Committee • Lead Director / In attendance Partnerships, People and Population Health Committee • • In attendance Performance, Finance and Information Governance Committee 	
Adrian Thomas	Executive Director Therapies & Health Sciences <i>to 16.10.22</i>		<ul style="list-style-type: none"> • Board member • Lead Director / In attendance Healthcare Professionals Forum • In attendance Quality, Safety and Experience Committee 	
Gareth Evans	Acting Executive Director Therapies & Health Sciences		<ul style="list-style-type: none"> • Board member • Lead Director / In attendance Healthcare Professionals Forum • In attendance Quality, Safety and Experience Committee 	
Molly Marcu	Interim Board Secretary		<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • In attendance Remuneration and Terms of Service Committee 	
Associate Board Members				
Morwena Edwards	Associate Member <i>(until 25 June 2022)</i>	Representative of Directors of Social Services	<ul style="list-style-type: none"> • Associate Board Member 	

Name	Position	Area of expertise / representation role	Board Committee membership	Champion roles
Clare Budden	Associate Member	Chair Stakeholder Reference Group	<ul style="list-style-type: none"> • Associate Board Member 	
Jane Wild	Associate Member	Chair Healthcare Professionals Forum	<ul style="list-style-type: none"> • Associate Board Member • In attendance Quality, Safety & Experience Committee 	
Fôn Roberts	Associate Member (from 29.07.2022)	Representative of Directors of Social Services	<ul style="list-style-type: none"> • Associate Board Member 	

Appendix 3 BCUHB Health Board member attendance at Board Meetings held in public 2022/23

Y = Present N = Not Present

Name	Position	26/05/22	04/08/22	24/08/22	29/09/22	24/11/22	26/01/23	30/03/23
Mark Polin	Independent Member/Chair	Y	Y	Y	Y	Y	Y	
Dyfed Edwards	Independent Member/Chair							Y
Lucy Reid	Independent Member/Vice Chair	Y	Y	Y	Y	Y	Y	
Cllr Cheryl Carlisle	Independent Member	Y	Y	Y	Y	Y	Y	
Nichola Callow	Independent Member	N	Y	Y	Y	Y	Y	
John Cunliffe	Independent Member	Y	Y	Y	Y	Y	Y	
John Gallanders	Independent Member	Y	Y	Y	Y	Y	Y	
Jaqueline Hughes	Independent Member	Y	N	Y	Y	Y	Y	
Cllr Richard Medwyn Hughes	Independent Member	Y	Y	Y	Y	Y	Y	
Richard Micklewright	Independent Member	Y	Y	Y	Y	Y	Y	
Linda Tomos	Independent Member	N	N	N	Y	Y	Y	
Hugh Evans	Independent Member	N	N	Y	N	N	Y	
Karen Balmer	Independent Member							Y
Rhian Watcyn Jones	Independent Member							Y
Gareth Williams	Independent Member							Y
Clare Budden	Associate Member	Y	Y	N	N	N	Y	Y
Morwena Edwards	Associate Member	Y						
Fôn Roberts	Associate Member			Y	Y	N	N	Y
Jane Wild	Associate Member	Y	Y	Y	Y	Y	Y	Y
Jo Whitehead	Chief Executive Officer	Y	Y	Y	N	N		
Gill Harris	Executive Director of Integrated Clinical Services/ Interim CEO wef 14.11.22	Y	Y	Y	Y	Y	Y	N
Dr Nick Lyons	Executive Medical Director/ Deputy CEO	Y	Y	Y	Y	Y	Y	Y
Gaynor Thomason	Interim Executive Director of Nursing and Midwifery	Y						
Angela Wood	Executive Director of Nursing and Midwifery		Y	N	Y	Y	Y	N

Sue Hill	Executive Director of Finance	Y	Y	Y	N	N		
Rob Nolan	Acting Executive Director of Finance					Y		
Steve Webster	Interim Executive Director of Finance						Y	Y
Chris Stockport	Executive Director of Transformation and Planning	Y	Y	N	Y	Y	N	Y
Adrian Thomas	Executive Director of Therapies and Health Services	N	N	N	N	N	N	N
Gareth Evans	Acting Executive Director of Therapies and Health Services	Y	Y	Y	Y	Y	Y	N
Teresa Owen	Executive Director of Public Health	Y	Y	N	Y	Y	N	Y
Sue Green	Executive Director of Workforce and Organisational Development	Y	Y	N	N	Y	N	
Molly Marcu	Interim Board Secretary	Y	Y	Y	Y	Y	Y	Y

Appendix 4 Welsh Health Circulars 2022/23

Welsh Health Circular	Lead Executive	Confirmation of action taken
NHS Wales National Clinical Audit and Outcome Review Plan - Annual Rolling Programme for 2022/23 (WHC2022 02) For information	Nick Lyons, Executive Medical Director	Confirmation received that within BCUHB, the CDG (Version 11) has been approved by the Policies Group and has been uploaded to and available to staff on intranet.
Adult Continence Products (WHC2022 03) For information	Nick Lyons, Executive Medical Director & Angela Wood, Executive Director of Nursing & Midwifery	Information cascaded to ensure BCUHB are aligning to All Wales Continence Forum recommendations.
Paediatric continence containment products (updated 2022) (WHC2022 04) For Action	Nick Lyons, Executive Medical Director & Angela Wood, Executive Director of Nursing & Midwifery	Information cascaded to ensure BCUHB are aligning to All Wales Continence Forum recommendations.
Covid 19 Priority Clinical Coding (WHC2022 09) For Action	Nick Lyons, Executive Medical Director, Chris Stockport, Executive Director of Transformation, Strategic Planning and Commissioning	Information cascaded to relevant services in organisation.
Reimbursable vaccines and eligible cohorts – for the 2022/23 NHS Wales Seasonal Influenza (flu) programme (WHC2022 10) For Action	Nick Lyons, Executive Medical Director & Teresa Owen, Executive Director of Public Health	The reimbursable vaccine communication has been circulated via All Wales Alerts and was shared with General Practices.
Health boards, special health authorities and trusts financial monitoring guidance 2022 to 2023 (WHC2022 13) For Action	Sue Hill, Executive Director of Finance	Information cascaded to relevant services in organisation.
AMR & HCAI IMPROVEMENT GOALS FOR 2021-23 (WHC 2022 14) For action and information	Nick Lyons, Executive Medical Director	Information cascaded to relevant services in organisation.
Wales Rare Diseases Action Plan 2022-2026 (WHC 2022 17) For information	Nick Lyons, Executive Medical Director	Information cascaded to relevant services in organisation.

Non-Specialised Paediatric Orthopaedic (WHC 2022 019) For Action	Nick Lyons, Executive Medical Director	The deadline is by 2025 so would be circulated to the relevant leads and ask them to update at regular intervals.
National Optimised Pathways for Cancer (2022 update) (WHC 2022 021) For Action	Nick Lyons, Executive Medical Director	Confirmation received that corporate pathways team and Clinical Advisory Group) have reviewed all cancer pathways against the national optimal pathways.
HPV Immunisation Programme Update - Changes to the vaccine for the HPV immunisation programme (WHC 2022 023) For information	Teresa Owen, Executive Director of Public Health	Information cascaded throughout organisation.
Funded Nursing Care (FNC) Letter - 16 December 2022 (WHC 2022 024) For information	Angela Wood, Executive Director of Nursing & Midwifery	Information cascaded to relevant services in organisation.
Approach for Respiratory Viruses – Technical Guidance for Healthcare Planning (WHC 2022 026) For Action	Teresa Owen, Executive Director of Public Health	Information cascaded to relevant services in organisation.
Urgent Polio Catchup programme for children under 5 years old (WHC 2022 026) For Action	Nick Lyons, Executive Medical Director	Information cascaded to relevant services in organisation.
More than just words Welsh language awareness course (WHC 2022 028) For Action	Teresa Owen, Executive Director of Public Health	Information cascaded throughout organisation.
Urgent Polio Catchup programme for children under 5 years old (WHC 2022 029) For Action	Nick Lyons, Executive Medical Director	Information cascaded to relevant services in organisation.
Reimbursable vaccines and eligible cohorts - for the 2023-24 NHS Wales Seasonal Influenza (flu) programme (WHC 2022 031) For Action	Teresa Owen, Executive Director of Public Health	Information cascaded to relevant services in organisation.
Influenza (flu) Vaccination Programme deployment 'mop up' 2022- 2023 (WHC 2022 035) For Action	Teresa Owen Executive Director of Public Health	Information cascaded to relevant services in organisation.

Eliminating Hepatitis B and C as a public health concern in Wales (WHC 2023 01) For Action	Nick Lyons, Executive Medical Director & Teresa Owen, Executive Director of Public Health	Information cascaded to relevant services in organisation.
New Lower Gastrointestinal 'FIT' National Optimal Pathway - for issue (WHC 2023 02) For Action	Nick Lyons, Executive Medical Director	Information cascaded to relevant services in organisation.
COVID-19 spring booster vaccination programme 2023 (WHC 2023 03) For Action	Teresa Owen, Executive Director of Public Health	Information cascaded to relevant services in organisation.
Patient Testing Framework (Updated guidance) (WHC 2023 07) For Action	Teresa Owen, Executive Director of Public Health	Information cascaded to relevant services in organisation.

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 1st April 2022 there has been a £1,400 consolidated uplift to all pay points on Agenda for Change. Bands 7 and the top of Band 6 have received an enhancement uplift equivalent to 4%. Bands 1 and 2 received £1,400 uplift on top of the Welsh Government funded top-up already being received since 1st April 2022 to meet the Real Living Wage pledge. As part of the previous multi-year pay deal (2018-2021), the reform of bands 8a-9 was complete with effect from 1st April 2020 when the pay bands moved to a two-point structure, an entry point and a top point. There are a number of staff who, from 1st April 2020, received a consolidated payment to ensure that the no detriment clause within the framework agreement was delivered.

A one off non-consolidated additional payment of 1.5% was applied for those on Agenda for Change bands 1-9 this was actioned in March 2023. This is a non-consolidated and non-pensionable payment and does not uprate any hourly rates.

A further 1.5% consolidated additional payment of 1.5% was applied for those on Agenda for Change bands 1-9, this was actioned in May 2023.

A further additional one-off NHS recovery payment was actioned in June 2023, with an average value of 3%. The NHS Recovery payment is a one off non-consolidated prorated payment for both substantive staff and bank workers on the following basis:

- Band 1 to 4	£900
- Band 5 to 8a	£1,005
- Band 8b to 8c	£1,050
- Band 8d	£1,100
- Band 9	£1,190

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 2022/23, 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 £9.90 per hour.

Medical and dental staff are governed by medical and dental terms and conditions, which apply across NHS Wales. These employees received a 4.5% uplift to basic pay, back dated to 1st April 2022. A one off non-consolidated additional payment of 1.5% was actioned for those on Medical and Dental terms and conditions. This is a non-consolidated and non-pensionable payment and does not uprate any hourly rates.

Executive Directors are not part of this process and are paid according to a separate very senior manager pay scale introduced by the Welsh Government. Pay awards are determined nationally and applied locally based upon instructions from Welsh Government. For 2022/23, there has been a £1400 consolidated uplift to all pay points for individuals holding executive and senior posts. In addition, a one off non-consolidated additional payment of 1.5% was actioned in March 2023. This is a non-consolidated and non-pensionable payment and does not uprate any hourly rates. 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 is designed to provide assurance and advice to the Board on remuneration and terms of service for the executive team and other senior staff, not on Agenda for Change pay. It also provides assurance on remuneration and terms of service arrangements for all staff and performs specific delegated functions. The Committee was chaired by the former Health Board Chair, Mark Polin.

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 seven occasions.

The key substantive agenda items considered during the 2022/23 reporting period were as follows:

- Review of Terms of Reference of the Committee;
- National Terms and conditions, policy and pay update;
- Tribunal Report and proposal on parameters for high profile disciplinary cases and employment tribunals;
- Senior Interim Manager Update;
- Medical and Dental Conduct, Capability and Health;
- Upholding Professional Standards in Wales (UPSW) Designated Board Member Report;
- Appointment of Chief Executive Officer;
- Office of the Board secretary structure;
- Executive Director Appointments and Changes including Portfolio changes;
- Performance and Development Review – Chief Executive;
- Pension Recycling;
- Operating Model and Voluntary Early Release Update;
- Uplift of Pay for Employees and Workers on ad hoc pay rates.

The Committee members during the year were:

Chair	Mark Polin	Health Board Chair (to 27 February 2023)
Members	Lucy Reid	Health Board Vice Chair (to 27 February 2023)
	Cllr Medwyn Hughes	Chair of Audit Committee (to 27 February 2023)
	Jacqueline Hughes	Independent Member (to 27 February 2023)
In attendance	Jo Whitehead	Chief Executive (to 16 November 2022)
	Gill Harris	Interim Chief Executive (from 17 November 2022)
	Nick Lyons	Executive Medical Director
	Sue Green / Jason Brannan	Executive Director of Workforce and Organisational Development / Deputy
	Molly Marcu	Interim Board Secretary

Remuneration Relationships

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. This information can be found in Note 9.6 to the Annual Accounts, on pages 34A-35A of this document.

For NHS eligible staff, a one off non-consolidated payment of 1.5% was made during the financial year with an additional 1.5% consolidated pay award backdated to 1st April 2022, which will be paid in the financial year 2023/24. These are not included in the Remuneration Report calculations.

The highest paid director post during 2022/23 was the Executive Director of Nursing & Midwifery. In 2021/22 this was the Chief Executive Officer. No employees received remuneration in excess of the highest-paid director (compared to sixteen employees in 2021/22).

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	49
Clinical Staff	619
Agency clinical staff (net of estimated commission)	72

£'000	Chief Executive & Board Members	Directors & other Senior Managers	Clinical Staff	Agency
100 - 105	-	7	38	6
105 - 110	-	6	27	7
110 - 115	1	10	40	6
115 - 120	-	5	32	6
120 - 125	-	3	36	3
125 - 130	-	3	36	2
130 - 135	-	2	32	7
135 - 140	1	1	44	3
140 - 145	-	1	32	-
145 - 150	1	1	29	2
150 - 155	2	3	34	2
155 - 160	-	1	35	1
160 - 165	-	1	30	-
165 - 170	-	-	31	2
170 - 175	-	-	26	3
175 - 180	1	-	16	1
180 - 185	-	1	13	-
185 - 190	1	1	14	4
190 - 195	1	-	13	2
195 - 200	-	1	9	3
200 - 205	-	-	5	1
205 - 210	-	1	8	1
210 - 215	1	-	6	-
215 - 220	-	-	4	2
220 - 225	-	-	3	-
225 - 230	-	-	2	2
230 - 235	-	-	3	1
235 - 240	-	-	3	1
240 - 245	1	-	3	1
245 - 250	-	-	1	-
250 - 255	-	-	-	1
255 - 260	-	-	2	-
260 - 265	-	-	2	-
265 - 270	-	-	1	-
270 - 275	-	-	2	-
275 - 280	-	-	2	-
280 - 285	-	-	1	-
285 - 290	-	-	1	1
290 - 295	-	-	-	-
295 - 300	-	-	-	-
300 - 305	-	-	-	-
305 - 310	-	-	-	-
310 - 315	1	-	2	-
315 - 320	-	-	1	-
320 - 325	-	-	-	-
325 - 330	-	-	-	-
330 - 335	-	-	-	-
335 - 340	-	-	-	-
340 - 345	-	-	-	-
345 - 350	-	-	-	-
350 - 355	-	-	-	-
355 - 360	-	-	-	-
360 - 365	-	-	-	1
365 - 370	-	-	-	-
370 - 375	-	-	-	-
375 - 380	-	-	-	-

£'000	Chief Executive & Board Members	Directors & other Senior Managers	Clinical Staff	Agency
380 - 385	-	-	-	-
385 - 390	-	-	-	-
390 - 395	-	-	-	-
395 - 400	-	-	-	-
400 - 405	-	-	-	-
405 - 410	-	-	-	-
410 - 415	-	-	-	-
415 - 420	-	-	-	-
420 - 425	-	-	-	-
425 - 430	-	1	-	-
Total	11	49	619	72

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.

Name and Role	2022/23					2021/22				
	Salary* (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'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	Total (bands of £5,000) £'000	Full year equivalent salary (if part year) £'000
Dr J C Stockport Executive Director of Transformation, Strategic Planning, and Commissioning 01/04/22 - 31/03/23	155-160 (note 4)	5,900	-- (note 4)	160-165	--	145-150	6,000	--	150-155	--
T Owen Executive Director of Public Health 01/04/22 - 31/03/23	145-150 (note 5)	--	22	165-170	--	140-145	--	90	230-235	--
A Thomas Executive Director of Therapies and Health Sciences 01/04/22 - 16/10/22	185-190 (note 6)	--	-- (note 6)	185-190	110-115	110-115	--	53	160-165	--
S G Evans Executive Director of Therapies and Health Sciences (Acting) 01/04/22 - 31/03/23	115-120	3,100 (note 7)	32	150-155	--	5-10	--	--	5-10	110-115
S Hill Executive Director of Finance 01/04/22 - 31/03/23	150-155 (note 8)	--	37	185-190	--	145-150	--	40	185-190	--

Name and Role	2022/23					2021/22				
	Salary* (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'000	Total (bands of £5,000) £'000	<i>Full year equivalent salary (if part year)</i> £'000	Salary (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'000	Total (bands of £5,000) £'000	<i>Full year equivalent salary (if part year)</i> £'000
R Nolan Acting Executive Director of Finance 02/09/22 - 12/10/22	15-20 (note 9)	--	-- (note 9)	15-20	135-140					
S Webster Interim Executive Director of Finance 03/01/23 - 31/03/23	75-80	--	-- (note 10)	75-80	305-310					
M Wilkinson Executive Director of Planning and Performance 01/04/21 - 24/08/21						60-65	--		60-65	145-150
S Green Executive Director of Workforce and Organisational Development 01/04/22 - 31/03/23	150-155	--	15	165-170	--	145-150	--	42	185-190	--
G Thomason Interim Executive Director of Nursing & Midwifery 01/04/22 - 31/07/22	105-110 (note 11)	--	-- (note 11)	105-110	465-470					

Name and Role	2022/23					2021/22				
	Salary* (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'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	Total (bands of £5,000) £'000	Full year equivalent salary (if part year) £'000
A Wood Executive Director of Nursing & Midwifery 01/08/22 - 31/03/23	90-95	--	-- <i>(note 12)</i>	90-95	135-140					
M Marcu Interim Board Secretary 01/04/22 - 31/03/23	-- <i>(note 13)</i>	--	--	--	--					
A L Brereton Board Secretary 01/04/22 - 03/04/22	0-5	--	-- <i>(note 14)</i>	0-5	100-105	100-105	--	55	155-160	--
M Polin Chair 01/04/22 - 27/02/23	80-85 <i>(note 15)</i>	--	--	80-85	65-70	65-70	--	--	65-70	--
D Edwards Chair 27/02/23 - 31/03/23	5-10	--	--	5-10	65-70					
L Reid Vice Chair 01/04/22 - 27/02/23	65-70 <i>(note 16)</i>	--	--	65-70	55-60	55-60	--	--	55-60	--
Cllr C Carlisle Independent Member 01/04/22 - 27/02/23	15-20 <i>(note 17)</i>	--	--	15-20	15-20	15-20	--	--	15-20	--

Name and Role	2022/23					2021/22				
	Salary* (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'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	Total (bands of £5,000) £'000	Full year equivalent salary (if part year) £'000
J Cunliffe Independent Member 01/04/22 - 27/02/23	15-20 (note 18)	--	--	15-20	15-20	15-20	--	--	15-20	--
Cllr R M Hughes Independent Member 01/04/22 - 27/02/23	15-20 (note 19)	--	--	15-20	15-20	15-20	--	--	15-20	--
E L Tomos Independent Member 01/04/22 - 27/02/23	15-20 (note 20)	--	--	15-20	15-20	15-20	--	--	15-20	--
J Hughes Independent Member 01/04/22 - 27/02/23	-- (note 21)	--	--	--	--	--	--	--	--	--
Prof N Callow Independent Member 01/04/22 - 27/02/23	-- (note 22)	--	--	--	--	--	--	--	--	--
R Micklewright Independent Member 01/04/22 - 27/02/23	15-20 (note 23)	--	--	15-20	15-20	5-10	--	--	5-10	15-20
H Hesketh Evans OBE Independent Member 01/04/22 - 27/02/23	15-20 (note 24)	--	--	15-20	15-20					

Name and Role	2022/23					2021/22				
	Salary*	Benefit in kind	Pension benefit	Total	Full year equivalent salary (if part year)	Salary	Benefit in kind	Pension benefit	Total	Full year equivalent salary (if part year)
	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £'000	£'000	(bands of £5,000) £'000	(to nearest £100) £	(to nearest £1,000) £'000	(bands of £5,000) £'000	£'000
J Gallanders BEM Independent Member 01/04/22 - 27/02/23	15-20 (note 25)	--	--	15-20	15-20	5-10	--	--	5-10	15-20
R Watcyn Jones Independent Member 27/02/23 - 31/03/23	0-5	--	--	0-5	15-20					
K Balmer Independent Member 27/02/23 - 31/03/23	0-5	--	--	0-5	15-20					
G Williams Independent Member 27/02/23 - 31/03/23	0-5	--	--	0-5	15-20					
L Meadows Independent Member 01/04/21 - 31/03/22						15-20	--	--	15-20	--
H E Jones Independent Member 01/04/21 - 31/08/21						5-10	--	--	5-10	15-20
S G Evans Associate Board Member 01/04/21 - 28/02/22						-- (note 7)	--	--	--	--

Name and Role	2022/23					2021/22				
	Salary* (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'000	Total (bands of £5,000) £'000	<i>Full year equivalent salary (if part year)</i> £'000	Salary (bands of £5,000) £'000	Benefit in kind (to nearest £100) £	Pension benefit (to nearest £1,000) £'000	Total (bands of £5,000) £'000	<i>Full year equivalent salary (if part year)</i> £'000
M Edwards Associate Board Member 01/04/22 - 25/06/22	-- (note 26)	--	--	--	--	--	--	--	--	--
C Budden Associate Board Member 01/04/22 - 31/03/23	-- (note 26)	--	--	--	--	--	--	--	--	--
J Wild Associate Board Member 01/04/22 - 31/03/23	-- (note 26)	--	--	--	--					
F Roberts Associate Board Member 01/04/22 - 31/03/23	-- (note 26)	--	--	--	--					

Notes

- * All remuneration paid to individuals is reflected in the table above including any payments in lieu where applicable.
1. J Whitehead Chief Executive was in post until 15th November 2022. Salary costs include lieu of annual leave £2,556 and a lieu of notice period of £34,234. The employee was in receipt of benefits to the value of £3,200 and chose not to be covered by the NHS pension arrangements in the current reporting year.
 2. G Harris' substantive post is Executive Director of Integrated Clinical Delivery, for the period from 1st April 2022 to 15th November 2022. With the early departure of the Chief Executive, G Harris took over as Interim Chief Executive effective from 16th November 2022. The employee sold back annual leave to the value of £4,027 and chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
 3. Dr N Lyons substantive post is Executive Medical Director. Included in the salary is responsibility allowance of £3,750 for the interim post of Deputy Chief Executive effective from 16th November 2022. The employee has chosen not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
 4. Dr J Stockport Executive Director of Transformation Planning & Commissioning post is effective from 1st April 2022. Salary costs include sold back annual leave to the value of £5,674 and benefits of £5,900. The employee chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
 5. T Owen Executive Director Public Health receives an additional responsibility allowance of £10,000 to cover Executive Lead for Mental Health & Learning Disability.
 6. A Thomas Executive Director of Therapies and Health Science has been on long term sick leave and retired 16th October 2022. Within salary history includes lieu of annual leave £14,000 and a settlement package of £111,798. This employee chose not to be covered by the NHS pension arrangements in the current reporting year.
 7. S G Evans Acting Executive Director of Therapies and Health Science post is effective from 1st March 2022. Salary costs include benefits in kind of £3,100. Prior to 1st March 2022 S G Evans was employed by the Health Board in a substantive post and was 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. 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 for the prior year.
 8. S Hill Executive Director of Finance was on leave of absence at 31st March 2023, effective from 5th December 2022.
 9. R Nolan was Acting Executive Director of Finance for the period from 2nd September 2022 to 12th October 2022. It has not been possible to calculate the element of pension and benefit in kind that relate solely to the role as Acting Director of Finance.
 10. S Webster Interim Executive Director of Finance with effect from 3rd January 2023. The employee chose not to be covered by the NHS pension arrangements.

11. G Thomason was Interim Executive Director of Nursing & Midwifery for the period 1st April 2022 to 31st July 2022. This employee was on bank terms and conditions and chose not to be covered by the NHS pension arrangements.
12. A Wood Executive Director of Nursing & Midwifery commenced post from 1st August 2022. This employee joined part way through the year and it has not been possible to split the pension increase benefit between the Health Board and A Wood’s previous employer.
13. A Brereton Board Secretary chose not to be covered by the NHS pension arrangements in the current reporting year.
14. M Marcu Interim Board Secretary commenced post from 4th April 2022. The Board Secretary post was fulfilled via agency, the total cost being £243,625. The Health Board is unable to identify the individual salary but is assessed within the scope of IR35 tax determination.
15. M Polin, Chair, left the organisation with effect 27th February 2023.
16. L Reid, Vice Chair, left the organisation with effect 27th February 2023.
17. C Carlisle, Independent Member, left the organisation with effect 27th February 2023.
18. J Cunliffe, Independent Member, left the organisation with effect 27th February 2023.
19. R M Hughes, Independent Member, left the organisation with effect 27th February 2023.
20. E L Tomas, Independent Member, left the organisation with effect 27th February 2023.
21. J Hughes is an employee of the Health Board and is an Independent Member drawn from a Trade Union background. J Hughes left the role as an Independent Member with effect 27th February 2023. J Hughes was not paid for the role as an Independent Member.
22. Professor N Callow, Independent Member, left the organisation with effect 27th February 2023. Professor Callow was the University representative on the Board and was not paid by the Health Board.
23. R Micklewright, Independent Member, left the organisation with effect 27th February 2023.
24. H Hesketh Evans OBE, Independent Member, left the organisation with effect 27th February 2023.
25. J Gallanders, Independent Member, left the organisation with effect 27th February 2023.
26. Associate Board Members M Edwards, C Budden, J Wild & F Roberts are representatives on the board and are not paid by the Health Board in respect of these roles.

	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 2023 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2023 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2022 £'000	Cash Equivalent Transfer Value as at 31 March 2023 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
J Whitehead Chief Executive 01/04/22 - 15/11/22	--	--	--	--	176	--	--	<i>note 1</i>
G Harris Executive Director of Integrated Clinical Delivery & Deputy Chief Executive; Acting Chief Executive 01/04/22 – 31/03/23	--	--	--	--	--	--	--	<i>note 2</i>
Dr N Lyons Executive Medical Director 01/04/22 - 31/03/23	--	--	--	--	--	--	--	<i>note 2</i>
A Thomas Executive Director of Therapies and Health Sciences 01/04/22 - 16/10/22	--	--	--	--	1,169	--	--	<i>note 1</i>

	Real Increase In Accrued Pension (bands of £2,500) £'000	Real Increase In Lump Sum (bands of £2,500) £'000	Total accrued pension at 31 March 2023 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2023 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2022 £'000	Cash Equivalent Transfer Value as at 31 March 2023 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
S G Evans Acting Executive Director of Therapies and Health Sciences 01/04/22 -31/03/23	0-2.5	(0-2.5)	45-50	95-100	834	911	38	
Dr J C Stockport Executive Director of Transformation, Strategic Planning, and Commissioning. 01/04/22 -31/03/23	--	--	--	--	--	--	--	<i>note 2</i>
T Owen Executive Director of Public Health 01/04/22 - 31/03/23	0-2.5	(0-2.5)	60-65	115-120	1,065	1,144	26	
S Hill Executive Director of Finance 01/04/22 - 31/03/23	2.5-5.0	--	25-30	--	310	368	28	

	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 2023 (bands of £5,000) £'000	Lump sum related to accrued pension at 31 March 2023 (bands of £5,000) £'000	Cash Equivalent Transfer Value as at 31 March 2022 £'000	Cash Equivalent Transfer Value as at 31 March 2023 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Notes
R Nolan Acting Executive Director of Finance 02/09/22 - 12/10/22	0-2.5	(0-2.5)	55-60	120-125	1080	1168	38	<i>note 3</i>
A Wood Executive Director of Nursing & Midwifery 01/08/22 - 31/03/23	20.0-22.5	25.0-30.0	30-35	40-45	--	543	348	
S Green Executive Director of Workforce and Organisational Development 01/04/22 - 31/03/23	0-2.5	(0-2.5)	30-35	35-40	449	497	12	
A L Brereton Board Secretary 01/04/22 - 03/04/22	0-2.5	0	10-15	0	149	157	0	

Notes

1. These employees chose not to be covered by the NHS pension arrangements in the current reporting year.
2. These employees chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year.
3. R Nolan was the Executive Finance Director for the period 2nd September 2022 to 12th October 2022. Outside of this period R Nolan was employed by the Health Board in a substantive post, it has not been possible to calculate the element of pension benefits that relate solely to the role as Executive Director of Finance.

Staff Report

The average number of full time equivalent (FTE) staff employed by the Health Board during 2022/23 is reported below.

Professional Group	Average FTE 2022/23
Professional, Scientific and Technical	694
Additional Clinical Services	3,615
Administrative and Clerical	3,503
Allied Health Professionals	1,156
Estates and Ancillary	1,328
Healthcare Scientists	261
Medical and Dental	1,626
Nursing and Midwifery Registered	5,291
Students	20
Total	17,494

The actual number of staff in post as at 31st March 2023 was 20,284 and the gender composition is provided in the table below.

Staff Composition	Female	Male	Total
Director	5	3	8
Manager (Band 8C and above)	132	79	211
Staff	16,212	3,853	20,065
Total	16,349	3,935	20,284

*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 2022/23 is provided below:

	2021/22	2022/23
FTE Days lost (long term)* ¹	259,713	241,743
FTE Days lost (short term)* ¹	118,023	150,885
Total days lost	377,736	392,628
Average working days lost	14	14
Total staff employed in period (headcount)* ²	19,066	19,694
Total staff employed in period with no absence (headcount)* ²	5,457	4,985
Percentage staff with no sick leave* ³	30.48%	24.71%

*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. Please note this includes starters within the reporting period as recommended by All Wales data standards.

*2 - Average over 12 months. Please note this includes starters within the reporting period as recommended by All Wales data standards.

*3 - Headcount of Primary Assignments only, excluding starters from 1st April 2022 to 31st March 2023.

The overall percentage sickness absence in 2022/23 was 6.28% (2021/22, 6.3%). 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 and of over six months duration, as at 31 March 2023	364
<i>Of which...</i>	
Number that have existed for less than one year at time of reporting	253
Number that have existed for between one and two years at time of reporting	15
Number that have existed for between two and three years at time of reporting	15
Number that have existed for between three and four years at time of reporting	51
Number that have existed for four or more years at time of reporting	30

Number of new off-payroll engagements for more than £245 per day between 1 April 2022 and 31 March 2023	262
<i>Of which...</i>	
Number assessed as covered by IR35	262
Number assessed as not covered by IR35	0
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 2022 and 31 March 2023	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)	34*

*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 £2.403m 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 2022/23, work to advance equality through the delivery of the third year of our Strategic Equality Plan continued. As the Health Board is now in the final year of the current plan, preparations are being made start the co-production work to identify our Strategic Equality Objectives for the next four years, and the action plan that will enable us to achieve those objectives.

Key equality achievements over the past year include:

Governance arrangements and Corporate Equality Team support:

We have aligned the Public Sector Equality Duty and Socio-economic Duty into the Health Board's new models of working and governance arrangements.

The Corporate Equality Team has provided ongoing support, advice and guidance to embed equality into key health board strategies, such as the Quality Strategy and People Strategy, and large-scale transformation projects and service reviews including planning for Regional Treatment Centres and Out of Hours services review.

Campaigns and promotional activity:

We have increased our promotional work, both externally and internally to advance equality issues and promote human rights across the Health Board. The promotion of key events has brought many people together to share good practice and insights to lived experience for a range of equality campaigns. Attending events such as North Wales Pride was a great opportunity to celebrate the diversity across North Wales.

Implementation of equality-related Welsh Government plans and strategies:

In June 2023 Welsh Government published The Anti-racist Action Plan; we have developed a comprehensive local plan to address the health actions and we continue to engage with our stakeholders to implement the plan. The Welsh Government LGBTQ+ Action plan was published in February 2023 and, in response, work is underway to develop a co-designed action plan for the Health Board.

All national health-related strategies, such as the Together for Mental Health Strategy, undergo Equality Impact Assessments and Socio-economic Impact Assessments.

Increased awareness raising – training:

There has been a range of face to face and online equality related training delivered during 2022/23. Training sessions on equality impact and socio-economic assessments have been carried out with Public Health, the Division of Mental Health and Learning Disabilities and the Transformation and Planning Teams. General equality training has been delivered to Patient and Carer Champions as well as across GP practices on request, and Neurodiversity awareness sessions are available to all teams on request.

External training events are also promoted, include Hate Crime training delivered by Victim Support, helping teams to develop the knowledge on how to better support people who experience discrimination. Diverse Cymru has delivered Cultural Competency training, resulting in greater awareness of culturally sensitive care and greater recognition of the diversity across Wales and beyond.

Increased awareness raising – guidance:

A range of guidance has been produced to help inform decision making within the Health Board. This is published internally on the Health Board's Betsi Net intranet site. This includes the Trans Care guidance and Gender Language Toolkit, which were developed following a request. The Equality Toolkit for Primary Care was developed during 2022/23 to promote greater understanding of different needs of communities.

A Welcome Pack information guide was developed for international staff joining the Health Board, which gives new staff useful, practical information from local shopping to navigating setting up a bank account.

All equality related guidance documents are developed using principles of co-design with equality stakeholders.

Signed:

Carol Shillabeer
Interim Chief Executive and Accountable Officer

Date: 24th August 2023

PART ONE – Performance Report

Performance Overview

The Performance Overview is designed to give the reader a concise summary of the work of the Health Board: the population that it serves, the key challenges that we have faced over the past year, our levels of activity and how we have performed when assessed against national performance targets.

The Performance Analysis provides greater detail on the range of health services delivered for the people of North Wales, including those that we commission and those that are managed and delivered directly by the Health Board.

Chief Executive's Summary

2022/23 was a challenging operating year for the Health Board. At the start of the year the Board agreed a three year plan for the period 2022-25 to meet the requirements of the NHS Wales Planning Framework and address Ministerial priorities. However, this was not approved by Welsh Government and the Board instead worked to deliver the first year of this as an annual operational plan.

During the year the Covid-19 pandemic continued to have an impact on delivery of health services. The planning assumption for winter 2022/23 was a “COVID stable” environment, where further waves of infection were anticipated but did not materialise to the extent of placing unsustainable pressure on the health and social care system, but did impact on service access times across a range of services.

The ongoing impact of the pandemic also contributed to a number of other pressures in the system, including shortfalls in the workforce across the whole health and care system (both statutory and independent sectors); increasing support needs for mental health; children's health and well-being; and ongoing challenges in delivering the levels of activity needed to address longer waiting times that were exacerbated during the pandemic.

Additionally, during the year there were a number of other complex and difficult issues raised with the Board:

- Concerns regarding a number of our services, leadership and governance mean that the Health Board has been placed in ‘Special Measures’ and undertaking additional focused improvement activities in these areas.
- Waiting times for a number of operations such as replacement joints or eye surgery have significantly increased during the pandemic and whilst we have begun to reduce some of the longest waits, there is much more to do and this will require changes to how we deliver services.
- Primary care services have been under exceptional demand, and have had to adapt rapidly to address growing community need at a time of increasing recruitment difficulties.
- Social care services have experienced similar difficulties in being able to sustainably provide the staffing required to care for individuals in their own homes or care home settings, with demand outstripping capacity.

- Our ability to move patients through our hospitals has been impacted by the difficulties social care services have experienced in being able to sustainably provide staffing required to care for individuals in their own or care home settings. As a consequence of this, as well as other pressures within and on our organisation, too many people have waited for unacceptably long periods to be admitted to Emergency Departments from ambulances, to be seen by a clinician for assessment in Emergency Departments or being admitted to a bed following this assessment.
- Like many NHS organisations we face challenges in recruiting and retaining staff in a number of specialties and staff groups, including our ambition to increase bilingual skills; and
- The UK wide economic position and rising cost of living has had an adverse impact on the population, our staff, and the cost of supplies and energy used by the Health Board.

Despite these constraints, the Health Board also demonstrated areas of progress throughout the year. Our activity levels increased across nearly every aspect of our services and our staff successfully delivered a number of key strategic projects and developments. The introduction of our Integrated Health Communities structure will help progress our working relationships with local authorities, especially in relation to social and education services, and schemes such as the Discharge to Assess model delivered in partnership with social services are helping to address the issues of patient flow resulting from the challenges facing the wider care sector. These are detailed at service level in the next section of the Report.

The Health Board also met its statutory financial duty to operate within the funding available to it over a three-year period. However, this has been achieved with the assistance of some non-recurring sources of funding and strategic support from Welsh Government to address specific cost pressures during this period, and work is needed in the current year to address the underlying financial deficit.

Carol Shillabeer
Interim Chief Executive

Areas of Responsibility

The Health Board is the largest health organisation in Wales, with a budget of £1.99 billion and a workforce of over 20,000. The Health Board is an integrated health system that strives to excellent compassionate care delivered in partnership with the public and other statutory and third sector organisations.

We are 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). This includes the provision of primary, community and mental health as well as acute hospital services.

We operate three main hospitals (Ysbyty Gwynedd in Bangor, Ysbyty Glan Clwyd in Bodelwyddan and Wrexham Maelor Hospital) and 19 community hospitals, along with a network of health centres, clinics, mental health units and community team bases, and also deliver prison health care services within HMP Berwyn, Wrexham. The Health Board coordinates the work of 96 GP practices, and NHS services provided by 83 dental and orthodontic practices, 69 optometry practices and opticians and 147 pharmacies in north Wales.

We are also responsible, in partnership, for improving the health and wellbeing of local people through activities such as our successful vaccination programmes and school health services.

During the year, the Health Board introduced a new operating model, which brings together primary care, community services, secondary care (acute) and children's services within three geographic Health Communities – East, Central and West. Each of these is led by a director, supported by a leadership team comprising medical, nursing, therapies & health sciences, medicines and operations.

Mental Health and Learning Disabilities, Women's Services, Cancer Services, Diagnostic and Clinical Support Services remain as pan-North Wales services.

The new model is based on research and extensive engagement and consultation with staff and other stakeholders and is designed to build on the strength of geographically based arrangements while removing structural divisions between acute, primary and community services to improve the integration of care and the experience of our patients.

In March 2022 the Board approved a three year plan for the period 2022 to 2025 which included actions to comply with the NHS Wales Planning Framework 2022-25. Additionally, our plan identified how the Board would address the Ministerial priorities and measures contained within the Planning Framework which were:

- 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.

This plan was not able to be formally approved by Welsh Government because of a number of challenges in the delivery of health care and therefore the Board worked to deliver year one of this plan.

In July 2022, the Chief Executive received confirmation, from the Director General Health and Social Services / NHS Wales Chief Executive, of the accountability conditions which the Health Board was expected to deliver against, and which formed the basis of ongoing review and accountability meetings during the year. The conditions included the following areas:

- The “five ways of working” sustainable development principle
- Clinical strategy and addressing clinical risks
- Planned care
- Primary care
- Urgent & Emergency Care
- Workforce
- Climate change
- Financial Impacts

In addition, further considerations were raised in respect of mental health and dementia, neurodevelopmental services, digital development and responding to the cost of living crisis.

Commentary on many of these subjects is provided elsewhere in this report

In March 2023 the Health Board was escalated into Special Measures and therefore will be developing an updated annual plan for 2023/24 to reflect the requirements of Special Measures.

Our plan recognised the recovery programmes, which were developed as we moved away from the Covid-19 pandemic to a position where Covid-19 is endemic within our population. This work required strong partnership working 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. During 2022/23 we worked with partners to refresh the local well-being plans which set out our shared aims in this area.

The Health Board continues to work on strengthening its population health focus, working in partnership with a range of organisations across north Wales. During 2022/23 we worked with partners to respond to the findings of the updated regional population health needs assessment by developing a regional area plan which supports our planning activity alongside colleagues on the Regional Partnership Board. 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 (from 1st April 2023 superseded by Llais);
- Public Health Wales;
- Public Service Boards / Regional Partnership Board;
- Regional Leadership Board;
- Regional Safer Communities Partnership;
- Third Sector partners;
- Welsh Ambulance Services NHS Trust;
- Welsh Health Specialised Services Committee.

Our Citizens

North Wales has a resident population in the region of 700,000 people living across an area of around 2,500 square miles, giving the area an average population density of 114 persons per square kilometre. Flintshire is the most densely populated at 356 persons per square kilometre. Gwynedd is the least densely populated at 49 persons per square kilometre.

The population is, generally older than the Welsh average, with a larger proportion of people in the 65-84 and 85 and over age groups.

Age Group	BCUHB (%)	All Wales (%)
0-15	17.6	17.8
16-64	59.0	61.2
65-84	20.3	18.3
85 and over	3.1	2.7

The overall health status of our population compares favourably to other parts of Wales. However there is significant variation across North Wales, and the region includes some of the most deprived areas in Wales. Rhyl West 2 and Rhyl West 1 are the two most deprived areas in Wales.

Ten most deprived areas in BCUHB		
LSOA* Name	Local Authority	WIMD** rank
Rhyl West 2	Denbighshire	1
Rhyl West 1	Denbighshire	2
Queensway 1	Wrexham	9
Rhyl West 3	Denbighshire	11
Rhyl South West 3	Denbighshire	19
Glyn (Conwy)	Conwy	20
Wynnstay	Wrexham	45
Rhyl South West 1	Denbighshire	57
Abergele Pensarn 2	Conwy	70
Tudno 2	Conwy	78
*LSOA – Lower Layer Super Output Area, these are fixed statistical geographic areas, each with around 1,500 residents, defined by the Office for National Statistics (ONS)		
**WIMD – Welsh Index of Multiple Deprivation (2019 data)		

Almost a quarter of children and young people under the age of 20 years live in poverty in Wales; across North Wales this ranges from 18% in Gwynedd to 25% in Denbighshire.

We recognise that deprivation has a significant adverse impact on population health, and that the current cost of living crisis will be intensifying this. The Health Board has established a steering group to look at ways the Health Board can respond on this issue and a series of initiatives are being progressed as part of the foundational economy approach. These include targeting of support to specific communities to access training and employment opportunities, apprenticeships and joint working with statutory and third sector partners. Many of the community hubs that were established during Covid continued to develop and provide access points to a wide range of support including services addressing food poverty, assistance regarding fuel and heating, money advice, social prescribing, and a range of other health and well-being support.

While many of us are staying healthy later in life, for many there will be increasing levels of long-term conditions and a consequent need for care and support.

This impacts not only on individuals experiencing increased levels of need but also on those family members or relatives who may be providing unpaid care.

There is a slightly higher prevalence of long-term health conditions across the North Wales population compared to the Welsh averages:

Long Term Condition	BCUHB (%)	All Wales (%)	BCUHB compared to Wales
Hypertension (high blood pressure)	16.9	15.8	Higher
Obesity	9.5	10.1	Lower
Diabetes mellitus (patients aged 17 and over)	7.8	6.1	Higher
Asthma	7.6	7.1	Higher
Heart disease	3.8	3.6	Higher
Cancer	3.7	3.1	Higher
Chronic Obstructive Pulmonary Disease (COPD)	2.7	2.4	Higher
Stroke & transient ischaemic attack (TIA)	2.2	2.1	Higher
Heart failure	1.1	1.1	Equal

In 2020 North Wales had 279,300 residents who can speak Welsh (Stats Wales Annual Population Survey 2021), which equates to 41% of the overall population. However, recent release Census data has pointed to a decrease across Wales in the number of people stating they are proficient in the Welsh language. As a Health Board, in addition to our statutory duties to ensure provision of Welsh language services, we recognise the importance of promoting the Welsh language for our staff and in our role as a large employer with significant contribution to make in sustaining the language in our communities. Further detail on our Welsh Language activity is noted on pages 70 to 73 of this document.

Our Staff

Staff and Recruitment

As at 31st March 2023, the Health Board employed 20,284 individuals, which equated to 17,574 full time employees. The average number of employees through the year, broken down by staff groups, is reported in the staff and remuneration report on page XX.

The recruitment situation in health care remains challenging, with shortages of suitably qualified staff across many disciplines. As part of implementing the new People Services Operating Model, our workforce teams are now setup to provide a better, more localised recruitment solution to each of our Integrated Health Community, Mental Health and Womens teams. Alongside this a new Strategic Recruitment team has been set up to focus on medical consultant recruitment and to support the development of a service to support wider medical recruitment by developing a revised approach to working with partners to source candidates for substantive vacancies.

Local recruitment drives have been successful during 2022/23 and these will continue through the rest of 2023. We also have a number of overseas recruitment initiatives being planned across 2023, which we expect to recruit significant medical and nursing staff to support identified areas across the Health Board.

Wellbeing Initiatives for Staff

Our staff continue to face significant challenges as we recover from the Covid pandemic, address the backlog of people waiting for treatment and manage the growth in emergency demand. The cost of living crisis has affected the wellbeing of many staff faced with rising energy and food prices and increased mortgage costs. Supporting our employees continues to be of paramount importance to help us retain staff and enable them to focus on delivering high quality, compassionate care.

The Health Board has established a steering group to look at responding to the challenges for our population and our staff. A Cost of Living staff Survey was undertaken to understand staff concerns and, as a result of this, three main areas were identified: energy / fuel; food; and travelling expenses. In response, information on available support and initiatives was developed and made available amongst wider financial well-being resources via BetsiNet.

Over the past two years, our Staff Wellbeing Support Service (SWSS) has been further developed with fixed term appointments now being made permanent giving the service greater security and stability, with additional support staff appointed to ensure that the service collects the data we need efficiently and makes this accessible to allied services such as the new Healthy Workforce Team.

Together with Occupational Health and Wellbeing (OHWB) colleagues, SWSS offers a wide range of individual support including self-help resources, clinical psychology, counselling, and coaching and access to counselling/psychological therapy delivered by a local external provider which gives staff the option to go outside the Health Board for psychological input and bolsters our in-house resources.

SWSS collaborates with other teams such as TRiM (Trauma Risk Management) and our community mental health services to provide a joined up support structure for our staff and reduce barriers to accessing help.

To date, SWSS has focused on supporting the emotional health and psychological wellbeing of individual employees. As awareness of SWSS has grown, requests for support for teams of staff and line managers has increased, reflecting the need to support the collective as well as individual wellbeing of staff. The service has been offering reflective practice opportunities for groups and facilitated spaces for teams that have gone through a difficult events or experiences, and a consultative space for managers and leaders who would like to work through an issue within their team or department with someone with psychological expertise.

Training is ongoing with our network of Wellbeing Champions to ensure they are equipped to promote health and wellbeing within their work areas.

SWSS & OHWB provide a programme of course-based wellbeing interventions and workshops on topics including Menopause Awareness, Coping with Worry in Times of Financial Crisis, Men's Health and Wellbeing, Stress Management and Emotional Resilience for Professionals, which enable staff to learn about ways to support their own wellbeing and practice good self-care. We have significantly increased the number of in-house trainers to increase our capacity to provide the sessions.

Schwartz Rounds offer a safe, structured and inclusive space for all staff to reflect upon the emotional and social impacts of working in healthcare and have been shown to promote a compassionate culture, reduce isolation and promote connection with one another. They have been in place for the past year and continue to grow, taking place every six weeks.

OHWB initiatives have included a 'Healthy Food / Healthy Staff' programme, wellbeing training sessions; 'Dying Matters' sessions to support staff dealing with bereavement, bespoke advice on health and wellbeing provided to teams and departments and, working with Equalities team colleagues, developing menopause awareness and in the form of workshops and menopause cafes.

A team of Speak Out Safely Guardians has also been established to listen to staff and support them, in confidence, with raising concerns in connection with their work, whether to protect patient safety and quality of care, to improve the experience of staff or support ongoing improvement and learning.

Over the past year we have continued to raise awareness of, and facilitate access to these services, through the Health Board's BetsiNet web. We recognise that not everyone accesses the staff intranet so we have also used a range of other methods to promote wellbeing and wellbeing services, with presentations to team meetings, promotion in induction and leadership training and events and a programme of roadshows where SWSS and OHWB visits areas of the Health Board to speak to staff 'on the ground'.

It is clear staff are responding to these communications and are reaching out for help, with demand for SWSS services increasing significantly over the last year.

Our Estate

The Health Board has one of the largest property portfolios in Wales; services are delivered from more than 230 properties (including GP owned, third party developer and private landlord primary care premises), with a total floor area of around 420,000m² and a value of approximately £569m. In 2021/22 annual running costs were £73m.

During 2022/23 the Health Board's Estates Strategy has been updated, following engagement with a wide range of stakeholders, to reflect the current position and future direction. The strategy was approved in January 2023.

At an aggregate level, our estate falls short of both national targets and NHS Wales average values for all estate condition and performance indicators, except space utilisation. A significant proportion of the estate (around 45%) is more than 40 years old. The estate has a total backlog maintenance cost of £348m, which has increased significantly since the previous version of the Estates Strategy was developed in 2019.

These figures do not include the primary care estate, where there are similar backlog maintenance requirements and modifications needed to comply fully with access requirements, and high levels of space utilisation, with significant overcrowding reported.

Hospital Activity 2022/23

The majority of patient contacts with health services take place in the community – for example in GP practices, pharmacies or patients' own homes. However a large proportion of this work is performed by independent contractors (such as GP and dental practices that are run by the partners) or private companies (such as high street pharmacies), under contracts with the Health Board.

Hospital services are directly managed and run by the Health Board. During 2022/23, in our hospitals, we saw:

	2021/22	2022/23
Outpatient appointments	695,445	721,515
Attending the Emergency Department or a Minor Injury Unit	221,071	222,786
Number of patients admitted as an emergency	87,547	93,007
Elective (pre-planned) inpatient operations	11,448	11,591
Day Case operations	88,635	94,303
Number of births	6,023	5,648

Other than for the number of hospital births, activity levels have increased in every category, reflecting both the emergency pressures that the Health Board has faced and the work to increase our planned treatment activity as we see to recover from the disruption caused by the COVID-19 pandemic.

Performance against key national targets

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Percentage of patients who are diagnosed with a stroke who have direct admission to a stroke unit within 4 hours of the patient clock start time	Most recent SSNAP UK Qtr mean (40.9%)	March 2023	22.4%	4th out of 5 Health Boards	27.0%
Percentage of patients who spend less than 4 hours in all major and minor emergency care (i.e ED) facilities from arrival until admission, transfer, or discharge	95%	March 2023	66.9%	6th out of 7 Health Boards	69.5%
Number of patients who spend 12 hours or more in all hospital major and minor emergency care facilities from arrival until admission, transfer, or discharge	0	March 2023	2,871	7th out of 7 Health Boards	10,039
Median time (minutes) from arrival at an emergency department to triage by a clinician	12 month reduction trend	March 2023	30	5th out of 6 Health Boards	23
Median time (minutes) from arrival time at an emergency department to assessment by a senior clinical decision maker	12 month reduction trend	March 2023	372	6th out of 6 Health Boards	96
Percentage of patients (aged 60 years and over) who presented with a hip fracture that received an orthogeriatrician assessment within 72 hours	12 month improvement trend	March 2023	68.0%	4th out of 6 Health Boards	67.0%
Percentage of stroke patients who receive mechanical thrombectomy	10%	March 2023	0.0%	4th out of 5 Health Boards	0.8%
Number of ambulance patient handovers over 1 hour	0	March 2023	2,192	6th out of 6 Health Boards	6,832

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Percentage of patients starting their first definitive cancer treatment within 62 days from point of suspicion (regardless of the referral route)	Improvement trajectory towards a national target of 80% by 2026	March 2023	63.1%	1st out of 6 Health Boards	55.3%
Number of patients waiting over 8 weeks for a diagnostic endoscopy	Improvement trajectory towards a national target of zero by spring 2024	March 2023	2,098	4th out of 7 Health Boards	15,637
Number of patients waiting more than 8 weeks for a specified diagnostic	0	March 2023	8,119	6th out of 7 Health Boards	43,325
Number of patients waiting more than 14 weeks for a specified therapy	12 month reduction trend towards zero spring 2024	March 2023	2,192	7th out of 7 Health Boards	7,089
Number of patients waiting over 52 weeks for a new outpatient appointment	Improvement trajectory towards eliminating over 52 weeks by 31.12.2022	March 2023	12,090	6th out of 7 Health Boards	52,925
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	Improvement trajectory towards a reduction of 30% by 31.03.2023 against a baseline of 31.03.2021	March 2023	80,322	7th out of 7 Health Boards	246,662
Percentage of ophthalmology R1 appointments attended which were within their clinical target date or within 25% beyond their clinical target date	95%	March 2023	56.2%	7th out of 7 Health Boards	61.4%
Number of patients waiting more than 104 weeks for referral to treatment	Improvement trajectory towards a national target of zero by 2024	March 2023	9,515	7th out of 7 Health Boards	31,726

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Number of patients waiting more than 36 weeks for referral to treatment	Improvement trajectory towards a national target of zero by 2026	March 2023	56,339	7th out of 7 Health Boards	227,967
Percentage of patients waiting more than 26 weeks for referral to treatment	Improvement trajectory towards a national target of zero by 2026	March 2023	57.9%	6th out of 7 Health Boards	58.5%
Percentage of patients waiting less than 28 days for a first appointment for specialist Child and Adolescent Mental Health Services (sCAMHS)	80%	March 2023	87.5%	5th out of 6 Health Boards	93.2%
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for people aged under 18 years	80%	March 2023	61.1%	6th out of 7 Health Boards	67.9%
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for people aged under 18 years	80%	March 2023	35.1%	5th out of 7 Health Boards	41.8%
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for people aged under 18 years	90%	March 2023	93.2%	4th out of 7 Health Boards	90.9%
Percentage of children and young people waiting less than 26 weeks to start an ADHD or ASD neurodevelopment assessment	80%	March 2023	38.2%	3rd out of 7 Health Boards	31.9%

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Percentage of service users (adults ages 18 years and over) admitted to a psychiatric hospital between 09:00 and 21:00 hours that have received a gate keeping assessment by the CRHT service prior to admission	95%	Qtr 4 22/23	100%		
Percentage of service users (adults aged 18 years and over) admitted to a psychiatric hospital who have not received a gate keeping assessment by the CRHTS that have received a follow up assessment by the CRHTS within 24 hours of admission	100%	Qtr 4 22/23	100%		
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for adults aged 18 years and over	80%	March 2023	74.9%	7th out of 7 Health Boards	86.4%
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for adults aged 18 years and over	80%	March 2023	85.3%	5th out of 7 Health Boards	75.5%
Percentage of patients waiting less than 26 weeks to start psychological therapy in Specialist Adult Mental Health	80%	March 2023	92.1%	1st out of 7 Health Boards	65.7%
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for adults 18 years and over	90%	Qtr 4 22/23	85.2%		

Primary Care Services

Primary care is the first point of contact for people in need of healthcare, and includes General Medical Practice, General Dental Services, Optometry Services and Community Pharmacy, as well as Advanced Nurse Practitioners, First Contact Physiotherapists, Physician Associates, Pharmacy Technicians, and Care Co-ordinators. Approximately 4 out of 5 contacts with health and social care services is with a service or team based in primary care.

Primary care services aim to:

- Prevent first presentations of serious illness or disease in emergency and urgent care through a community approach to diagnosing diseases such as cardio-vascular disease and diabetes;
- Create an environment in which primary care practitioners can use the full range of their skills to care for people safely and close to home;
- Deliver urgent primary care services that are easy to identify and access for people who may be scared, in pain, confused, anxious and isolated.

GP Practices

Due to increased demand on General Practice, balancing urgent on-the-day demand along with long-term health needs is challenging.

Current financial pressures, ongoing challenges with recruitment and retention, and high-levels of demand have continued to place significant pressure on GP services, making primary care recovery following the pandemic more difficult than anticipated.

Post-pandemic, GP Practices are making greater use of enhanced digital telephony and online services such as 'eConsult', 'accuRx' and routine access to telephone consultations as a way of increasing patient access to services. New Access Standards have been introduced, which set clear requirements for practices in terms of minimum expectations relating to access, including an increased digital offer. Practices continue to work towards achieving these new Access Standards, supported by the Primary Care Contracting team, and IHC teams.

Clusters

Within our Integrated Health Communities, neighbouring GP practices work together in groups, referred to as clusters, to develop and deliver new services to address local patient needs. This allows services to be established that might otherwise not be viable on a single practice basis.

Across North Wales there are 14 Clusters which are working well together, to identify patient needs in their local communities and establish innovative solutions to respond to these.

Over the past 12 months, we have seen the early implementation of the Accelerated Cluster Development programme, including the establishment of Professional Collaboratives across General Practice and Community Pharmacy, with plans for the development of Professional Collaboratives for Optometry, Allied Health Professionals, and Community Nursing.

IHC colleagues have worked closely with local authority and third sector partners in order to establish strategic county-level Pan-Cluster Planning Groups (PCPGs). These important partnership meetings will ensure the voice of primary care is heard in key strategic decision-making.

Clusters have continued to develop initiatives aimed at helping people with chronic diseases to manage their condition at home more effectively, and to reduce the number of exacerbations and resulting hospital admissions. Frailty Chronic Disease Nurses have successfully provided support to enable the management of frail and vulnerable patients in their own homes. Spirometry Support Hubs in the West IHC have provided support for the training of primary care staff to undertake spirometry in GP surgeries for both their own patients and patients from neighbouring practices.

In the Central IHC, the Enhanced Diabetes Service has enhanced the support available in the community for people with Type 2 Diabetes, or who are at risk of developing the condition. Long-term Conditions Hubs have been established in order to use a Point of Care Testing approach for people with diabetes to detect early signs of complications, provide optimum treatment and, through self-management and education, reduce exacerbations and promote well-being.

Clusters have continued to prioritise the delivery of community based mental health support, through the provision of a range of initiatives aimed at improving the mental health and emotional well-being of their local population. These include interventions to address underlying issues that are the root cause of multiple and regular contacts such as loneliness, isolation, anxiety, low mood, social and housing issues. A range of same-day urgent care services have also been delivered, providing urgent mental health support to adults when presenting with symptoms of crisis, anxiety, depression and stress.

Out of Hours (OOH) services and Urgent Primary Care Centres (UPCC)

In line with the national Strategic Programme for Primary and Community Care, Urgent Primary Care Centres have been established and opened throughout North Wales.

In the East IHC, 39 GP practices across Wrexham and Flintshire, as well as the Wrexham Maelor Emergency Department, provide an urgent same day service. The UPCC East is based in Wrexham Maelor Hospital and Mold Community Hospital and provides a service staffed by GPs (including a Salaried GP/ Clinical Lead) and Advanced Nurse Practitioners (ANPs). Individuals presenting to the UPCC are consulted via telephone consultation or receive a face-to-face appointment when appropriate.

The UPCC in the Central IHC was established in the North Denbighshire Cluster and is hosted by the Healthy Prestatyn Iach GP practice, which is directly managed by the Health Board. It provides urgent, on-the-day capacity for people living in the Cluster. Advanced Practitioners lead the service and people are consulted virtually and in person where appropriate. A contract has also been established with the MIND charity (via a separate funding stream) to see people who are seeking help due to experiencing anxiety and depression.

The West IHC approach follows a 'spoke and spoke' model across three sites, with two operating concurrently, five days a week, in rotation. The model supports 28 GP practices, as well as the Ysbyty Gwynedd Emergency Department. Staffed by GPs and Advanced Nurse Practitioners (ANPs), individuals presenting to the UPCCs are consulted via telephone consultation or receive a face-to-face appointment where appropriate.

A Peer Review of all three services carried out this year made a recommendation that a consistent pan-BCUHB model be developed, in order to ensure consistency of approach and equity of provision across the region. A review of out of hospital urgent care services is currently underway as part of a wider project – ‘*Developing a pan-BCUHB framework for the transformation of same-day urgent care*’ and will report later in 2023.

Pharmacy

There are currently 147 community pharmacies operating in North Wales, with two having closed during the year. These pharmacies provide a wide range of clinical services in addition to their day-to-day medicines dispensing and commercial pharmacy offer. These include:

- 116 pharmacies providing Sore Throat Test and Treat;
- 57,905 consultations under the Common Ailments Service;
- 36,102 Emergency Medicines Service consultations;
- 1,940 Emergency Contraception Service consultations;
- 41,218 seasonal influenza consultations;
- 75 pharmacies offering a Needle and Syringe Programme, which covered 13,034 transactions.

Other services included Urgent Medicines Hubs, Inhaler Review Service, Care Home Support for medicines management, Smoking Level 2 Service, Help Me Quit @ Pharmacy, Supervised Administration and Patient Sharps Disposal Service.

Dentistry

In General Dental Services, in 2022/23 an average of 21,096 patients received NHS dental treatment every month, an increase of just over 2,000 patients per month compared to the same period in 2021/22.

The Health Board’s Community Dental Services delivered 39,286 face-to-face appointments and 1,979 telephone consultations, and responded to 16,355 calls to the dental helpline.

Following the COVID-19 pandemic and the service restrictions placed on dentistry during this period, there are still long waiting times in both general dental practices (61 locations) and the Health Board’s Community Dental Service (26 locations).

There remains a recruitment and retention issue within dentistry across the UK and, acutely, in North Wales. This contributed to four North Wales dental practices handing back their NHS contracts during 2022/23, which added significant pressure onto the dental system.

As part of our response to these challenges, during the year we opened the North Wales Dental Academy practice to its first patients. As well as treating its own patients, the Academy will provide training, education, & support to all dental care professionals, helping to make the region a more attractive area for dental clinicians to move to. Work on the training floor is nearing completion and it will open during the coming year. The Health Board is in discussion with five other practices about how they can support upskilling and education of North Wales Clinicians. We continue discussions with Cardiff Dental School around outreach, provision of training in North Wales and the development of micro credentials and modular course delivery.

Optometry

There are 69 community Optometrists practices across North Wales; 67 of these provide Eye Health Examinations Wales services, 29 practices provide the Welsh Low Vision Service and we have 14 domiciliary providers.

Community based Optometry has continued to work with hospital based colleagues to provide glaucoma and specialist contact lens pathways, an expansion of the temporary Diabetic Retinopathy pathway, and a new Intraocular Pressure (IOP) measurement pathway.

During 2022 national optometry contract reform received ministerial sign off and, in preparation for the new arrangements, both the Health Board and local Optometry profession are to set up Optometry collaboratives to support the continued upskilling of Optometry colleagues to be best placed to meet these new clinical pathways.

Children and Young People's Services

Children and Young People's Services (CYPS) encompass the delivery of acute inpatient, outpatient services, neonatal services, Child & Adolescent Mental Health services, neurodevelopmental service, community based paediatrics services, health visiting and school nursing as well as the 'Looked After Children' service aligned to each Integrated Healthcare Community.

There is also a sub-regional Neonatal Intensive Care Unit hosted at Glan Clwyd Hospital and a regional inpatient child & adolescent unit hosted by the Central IHC in Abergele.

Tertiary services are provided to North Wales residents by Alder Hay Hospital in Liverpool, England.

In 2022/23 key achievements by the services included:

- Reducing the number of children waiting for mental health assessment;
- Designing and co-producing a Children's Rights Charter for North Wales;
- Improving access to our CAMHS services by introducing virtual and face outpatient consultations, and the use of external provider partners to deliver services;
- Extending the school aged immunisation service;
- Development of the first MST FIT (Multi Systemic Therapy - Family Integrated Transitions) unit in Wales, including a 4 transition bedded base, to provide support to young people with antisocial behaviours, possibly including violence, substance misuse or running away that causes severe disruption to family life and may have led to involvement with Youth Justice Services and the Police.

The sustainability of the medical, mental health and psychology workforce is challenging in a time of increasing demand for services such as neurodevelopmental and the increases in population size of high risk groups through displacement (including unaccompanied asylum seeking children and war refugees) or external placement (from other local authorities).

Neonatal Services

The Sub-Regional Neonatal Intensive Care Centre (SuRNICC), located in Glan Clwyd Hospital, offers regional Intensive Care Unit (ICU) services for infants from across North Wales and accommodates 5 ICU cots and 9 special care cots. The service hosts the North Wales Neonatal Transport Service. In addition, there are 2 high dependency cots (HDU) and 9 special care cots in Wrexham Maelor Hospital and there is 1 HDU cot and 8 special care cots in Ysbyty Gwynedd; all three units have a stabilisation cot.

Over 2022/23 the Neonatal Units across BCU have committed to the MatNeo Safety Programme which was initiated by Welsh Government and led on by Improvement Cymru, and all units are signed up to Family Integrated Care (Fi Care).

Specialist Palliative Care

The North Wales Department of Specialist Palliative Care is a regional specialist service, comprising three multidisciplinary Specialist Palliative Care Teams (SPCTs), one each in our East, Central & West areas, and one Hospice at Home Service (East). The teams work flexibly to deliver integrated specialist care, seven days a week, across all specialties and care settings providing:

- Specialist clinical assessment and intervention for people towards the end of life who have complex palliative care needs;
- Guidance, training & education to the wider workforce, and research & development;
- Strategic development for palliative, end of life and bereavement care.

Demand on the service is high with 4,241 new referrals being received in the year; and 32,204 patient visits/contacts being made.

Achievements include:

- 79% of patients referred to the Hospice at Home Team have been supported to achieve their preferred place of death in their own home;
- Successful implementation of the CARiAD package (CARer ADministration of as-needed subcutaneous medication for common breakthrough symptoms in home-based dying people in Wales). Our local work was featured last year in an episode of BBC Radio 4's 'Inside Health' and has been accepted for oral presentation at this year's European Association for Palliative Care Congress.;
- Delivery of training and education, including the 'Six Steps to Success' training package to Care Homes across North Wales that helps residents to achieve their preferred place of care towards the end of life;
- Successful partnership working with HMP Berwyn to implement the Dying Well in Custody Charter.

District Nursing

District Nursing Services use an appropriately skilled and qualified nursing workforce to provide 24 hour care within the community and out of hospital settings.

During 2022/23 District Nurses undertook 687,000 visits, under the leadership of a Locality Matron, delivering care based on the needs of the locality and viable resources available.

To deliver an equitable and accessible range of services, approximately 161,000 visits were outside core hours, into the evening and overnight, and a further 100,000 visits were over a weekend.

The District Nursing Teams play 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.

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 service carried out 51,224 visits to support dignified end of life care.

Alongside its usual activity, during 2022/23 the District Nursing Service has also delivered thousands of vaccinations across north Wales, both flu and COVID-19 boosters, particularly to our housebound population.

Therapy Services

Therapy Services are provided by Allied Health Professionals (AHPs) who are Qualified Therapists in the following services:

- Art Therapies;
- Dietetics;
- Occupational Therapy;
- Physiotherapy;
- Podiatry & Orthotics;
- Speech & Language;
- Posture & Mobility (part of an all Wales service, based in our East IHC and serving all of North and parts of mid-Wales);
- Clinical Musculoskeletal Assessment/Therapy Services (CMATS).

Therapies are a vital component of the health care team, providing patient care across all age groups and all settings - inpatient, outpatient and community-based, including schools, clinics, nursing homes, GP practices, with the Welsh Ambulance Service and in patients' homes.

During the year therapy services received 119,272 new referrals, and there were a further 37,113 referrals to CMATS, resulting in

- 78,667 new outpatient appointments;
- 237,099 follow-up appointments;
- 327,431 patients treated/seen in hospitals.

Routine therapy activity was paused during the pandemic, resulting in significant increases in waiting times, which for physiotherapy were at a maximum of 79 weeks at the start of the year. Reducing these times towards the target figure of 14 weeks was a key focus in 2022/23. By the end of March 2023, the number of patients waiting for more than 14 weeks had been reduced to 2192 and it is expected that by March 2024 no-one will be waiting for more than 14 weeks.

The Service also:

- Appointed a Stroke therapy consultant;
- Opened three therapy led stroke specialist inpatient rehabilitation centres, with dedicated specialists supporting patients to improve their outcomes after stroke;
- Received investment to rollout a new Long COVID Service;
- Supported 18 clinicians from across the Health Board to complete their MSc studies.

Women's Services (Maternity & Gynaecology)

The Health Board provides Maternity, Midwifery and Gynaecology Services for the North Wales population and also to a cohort of women from North East Powys and the Shropshire Borders.

In 2022 there were 6,200 births in North Wales with an additional 300 women choosing to give birth outside of North Wales, at the Countess of Chester Hospital or within Hywel Dda University Health Board.

There has been an overall reduction in the number of births locally. Generally, 2021 saw a 1.8% increase in live birth in England and Wales compared to 2020, but still below the 2019 figure, which reflects the long term trend of decreasing live births seen before the COVID-19 pandemic.

Whilst the overall birth rate has reduced, there has been an increase in complex maternal presentations and in clinical intervention rates, driven by national guidance to reduce overall morbidity and mortality rates.

Our Maternity services work closely with Children's services, who provide neonatal care to newborn and premature babies, and together they have supported the following developments, in line with national learning, during the year:

- PERIPrem Cymru Interventions;
- Mat Neo Safety Support Programme (MatNeoSSP) Maternity Champion - (WG funded until September 2023);
- Implementation of the Saving Babies Lives Care Bundle 2 (SBLCB2);
- Review of Community Midwifery Services across North Wales;
- Maternity Bereavement Team and Rainbow Support Clinics;
- Placental Growth Factor (PLGF) testing, to rule out pre-eclampsia.

The Gynaecology service saw an increase in benign, urgent and suspected cancer referrals following the COVID pandemic. The Service supported the following innovations and reviews:

- Introduction of Robotic Surgery in Gynaecology Services;
- Introduction of Minimal Access Training and expansion of the service in North Wales;
- Introduction of a North Wales Endometriosis and Menopause Service;
- GIRFT Review of Gynaecology Services;
- CSW Review of Local Colposcopy Services.

The Health Board remains committed to ensuring the best start in life for our children in North Wales, and the Service continues to work with partners across the Region to progress this work into 2023/24. During 22/23 the Health Board undertook a series of local insight work and focused on the following actions;

- Developing a Pre-Conception Strategy;
- Introduction of an incentivised smoking cessation scheme and programmes to promote healthy eating and reduce alcohol intake in pregnancy;
- Progressed the Local Infant Feeding Strategy in line with WG's Strategy;
- Developing the Perinatal Mental Health Service offer.

Planned Care Services

Planned care refers to the diagnosis and treatments patients receive following referral by their GP to hospital.

During 2022/23 we aimed to stabilise and recover our performance in all areas of planned care. However, despite improvements in waiting times being made, overall they are not where we would want them to be, both in our hospital settings and within the community and primary care services. We are committed to prioritising this work and addressing the long waits that still remain for some treatments following the pandemic.

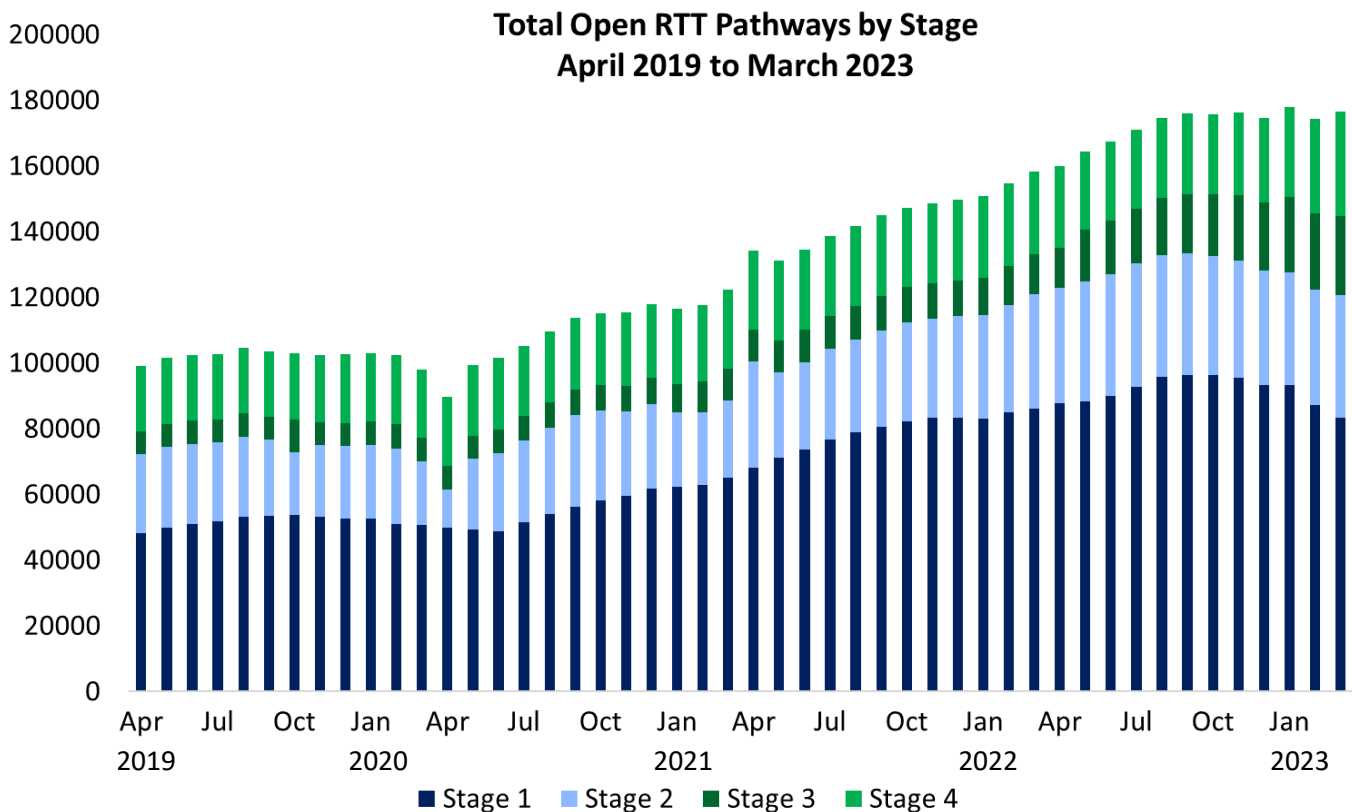
Waiting List Size and Waiting Times, including Risk Stratification

A referral to treatment (RTT) pathway covers the four stages a patient will follow 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 day-case - stage 4).

The original target was for 95% of patients to wait less than 26 weeks from referral to treatment, except for urgent referrals (specifically those with suspected cancer), being placed on a two-week outpatient pathway. The diagnostic element should then be completed within 8 weeks.

However, the COVID-19 pandemic greatly reduced our capacity to deliver planned care services within our hospitals and the numbers of patients on each stage of the waiting lists increased, as did the length of individual waiting times. The impact of that is still being felt as we try to increase capacity to catch up with the backlog and maintain the ability to deal with new patients being referred in.



There has been a 76% increase in total open pathways compared with pre-COVID position, and at the year-end 20% of pathways (36,095 patients) have been waiting for more than twelve months. The Specialties with the highest numbers of patients waiting longer than twelve months are:

- General Surgery (6,520 patients);
- Orthopaedics (6,159 patients);
- ENT (4,419 patients);
- Ophthalmology (4,313 patients).

12,340 of these patients have been waiting more than twelve months for their first outpatient appointment, primarily in the following specialties:

- Ophthalmology (2,805 patients);
- Dermatology (2,674 patients);
- ENT (2,247 patients);
- Urology (976 patients);
- Gastroenterology (919 patients).

Our waiting lists are constantly reviewed and validated to check that the list is accurate and up to date through administration validation. This is necessary to ensure that our patients that need to be seen receive an appointment as quickly as possible, according to their clinical need.

Without administrative validation patients may wait longer than necessary due to appointments being wasted, for example by patients who do not attend because they have moved from the area, have been treated elsewhere, their symptoms have cleared or they are not being clear on what the appointment is for.

This challenge is being addressed and we now have a well-developed proposal that will put in place a Health Board wide system to support this activity. The development will also give us the ability to improve the management of electronic referrals from Primary Care, ensure that we book our clinical capacity in the most effective and efficient way and provide a platform for future digital services to ensure that our patients have the best experience whenever they need to access any of our planned care services.

We are also developing support processes more generally, both using our own staff as well as those in partner organisations, to contact individuals while they wait. This enables us to sign-post patients and/or families to support where appropriate, and to identify instances where it is necessary to re-prioritise or escalate the referral and amend a patient's waiting time priority. We are pioneering chatbot technology and are the first health board in Wales to pilot this innovation. Early results are promising and our stage one trial, which will conclude in the summer of 2023, will inform decisions about a wider roll out.

Cancer Services

We continue to strive to diagnose and treat everyone with cancer as quickly as possible.

Most of our cancer diagnostic services are provided at each of our three acute hospital sites. These include facilities for imaging (radiology) and biopsy either under local or general anaesthetic.

For those patients diagnosed with cancer, we perform surgery either at their local acute hospital or, for some more specialist surgery, at a single hospital site or even outside of North Wales if required. We have chemotherapy units on all three of our main sites; all radiotherapy is provided at the North Wales Cancer Treatment Centre at Ysbyty Glan Clwyd.

In 2022/23 we received nearly 44,000 urgent suspected cancer referrals from primary care, a 15% increase on the previous year. This is unlikely to indicate a significant increase in the underlying number of patients with cancer, but reflects a process of catching up after the reduction in the number of people contacting their GP, the pause in screening services and the reduced number of routine appointment where concerning symptoms might be picked up during the COVID pandemic.

The majority of these patients will not have cancer, but all need to be seen and diagnosed quickly so that they can either begin treatment as early as possible or receive reassurance that no evidence of cancer has been discovered.

In 2022/23 we diagnosed and treated just over 5,000 people with cancer, with the most common cancers treated being skin, urology and breast cancers. Just over half of the cancers we treated were patients referred directly by their primary care team, with a further 7% of cancers diagnosed following a referral from a cancer screening service.

Of the patients with cancer that we treated, 63% started treatment within the Welsh Government's national waiting times target (the suspected cancer pathway target aims for 75% of patients to begin treatment within 62 days of a suspicion of cancer first being raised). During the last year we have faced challenges in diagnosing patients as quickly as we would like given the increase in the number of patients needing to be assessed.

During 2022/23 we reviewed a number of our clinical pathways in order to make improvements. These have included making tests more readily available to primary care, introducing straight to test pathways where possible, in order to reduce times to diagnosis, and launching our one stop neck lump clinic in Ysbyty Glan Clwyd so that patients with a suspicious neck lump can be given a diagnosis or reassured on the day. We have also introduced new treatment technologies including robotic surgery at Ysbyty Gwynedd for appropriate patients with gynaecological cancers.

Radiology Services

Radiology is a vital clinical diagnostic service delivered at our three main acute hospital sites and also at several community hospital locations. Diagnostic modalities include plain film X-ray, cross sectional imaging (CT / MRI), ultrasound and also specialised services such as interventional imaging, nuclear medicine and PET-CT.

In 2022/23 overall demand for the three main modalities of CT / MRI and ultrasound increased by 8% compared to the previous year, and is up by 15% since the last pre-pandemic year (2019/20), with CT in particular experiencing a 25% increase in demand over this period.

Given this increase in demand, and despite delivering a record number of scans in 2022/23 (14% greater than in 2019/20) the overall number of patients waiting over 8 weeks for these scans has increased by around 1,500 to just over 4,000 at the end of March 2023. Capacity has been steadily increased during 2022 and, subject to further increases in demand there is an expectation that overall patient waits can be reduced during 2023/24.

Radiology Tests	Centre	East	West	Total
CT Scan	27,292	28,109	23,614	79,015
Dental	3,797	1,737	2,850	8,384
Fluoroscopy	1,349	1,280	1,319	3,948
Interventional (Including angiograms)	347	1,119	-	1,466
Mammography	2,478	2,260	3,441	8,179
MRI Scan	8,915	10,156	7,657	26,728
Non obstetric ultrasound	28,364	27,858	26,009	82,231
Nuclear medicine	1,143	2,385	1,062	4,590
Obstetric ultrasound	12,027	17,211	11,031	40,269
Plain film	87,624	79,278	87,130	25,4032
Specials	-	-	1,090	1,090
Theatre	1,558	1,075	1,137	3,770
Vascular ultrasound	-	1,844	-	1,844

Unscheduled Care Services

The Health Board's unscheduled care system provides services through three hospital Emergency Departments (EDs) that operate 24 hours every day, and 9 minor injury units (MIUs), two of which operate 24 hours per day, 7 days a week.

The EDs are designated Trauma Units that can manage the initial reception, resuscitation and management of complex level 1 trauma patients.

This includes each ED having the capability and facilities to manage patients suffering from time critical conditions including stroke and fractured neck of femur (broken hips). All three departments have the ability to manage initial presentation of heart attacks; they are supported in this with a centralised service that supports enhanced care located at Glan Clwyd Hospital. There is also a centralised unit at Glan Clwyd Hospital that supports vascular and cardiac emergencies and provides direct access to patients from the ED and the Welsh Ambulance Service.

Each ED has facilities to support paediatric patients, to accommodate minor injury patients and, most recently, minor ailments for the patient population of North Wales.

Unscheduled care performance has been strained over recent years and is currently going through a reset process following the COVID-19 pandemic when attendance levels initially declined.

Numbers of attendances are now reverting to pre-pandemic levels, and there has been a noticeable increase in the acuity (severity and complexity) of those patients who self-present at ED throughout the day and night, increasing pressures on the system throughout the 24 hour period. Average occupancy levels within our EDs are running at double each department's designed capacity.

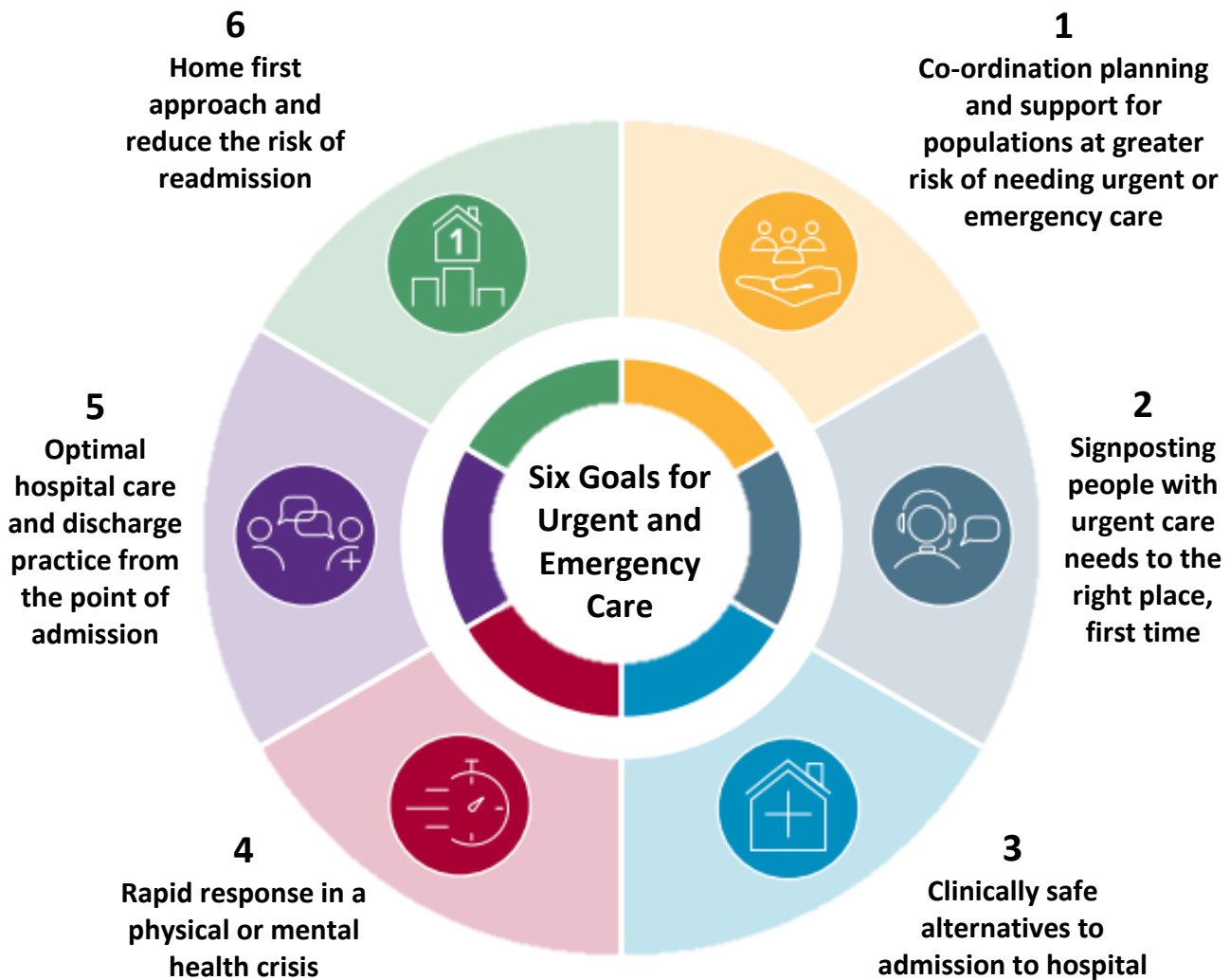
Across Wales, unscheduled care performance over the past year has been at its worst since the introduction of the four hour target. Performance in North Wales has been amongst the lowest in Wales, with 66.9% of patients spending less than four hours in our EDs and MIUs in March 2023, compared to an all-Wales average of 69.5%, and a target figure of 95%.

Whilst the growth in demand is the most significant cause of the pressures on our unscheduled care services, this is added to by the wider factors affecting the entire health and social care system. In particular, the increase in the time taken to get packages of care agreed to enable patients to be discharged from hospital means beds are not available to admit patients from our EDs. This impacts the flow of patients through the departments, delaying the admittance of new patients and preventing ambulances from offloading patients in a timely manner.

In response to this, each Integrated Health Community supports a Discharge 2 assess (D2RA) service that assists with patients' care closer to home through multi-disciplinary in reach from occupational therapy, physiotherapy and social care. This is further supported with delayed transfers of care (DTC) reviews that are carried out in partnership with social services colleagues on a regular basis to assist with supporting safe discharge for patients who require specific interventions.

Improvements to unscheduled care are being developed in line with the Welsh Government's Six Goals for Urgent and Emergency Care. These provide a framework that has a clear strategic focus on supporting care closer to home, along with care planning at point of discharge. The programme is planned to run until 2026.

Welsh Government Six Goals for Urgent and Emergency Care



With the Health Board, work towards each goal is being overseen by a member of the senior leadership team, with Integrated Health Communities (IHCs) participating in each goal with nominated representatives. This programme of improvement is being developed alongside the ministerial templates and the special measures actions to ensure we are following the “Right place, Right care” approach.

Specific developments that have taken place since 2022 to address the demands in EDs and the wider unscheduled care system include:

- Same day emergency care (SDEC) – a 7 day a week service that supports ambulatory patients referred from primary care, community care, the Welsh Ambulance Service and EDs for speciality input that reduces the need for admission and improves the patient experience;
- Urgent primary care centres (UPCC) – a primary care service based alongside the EDs that assists primary care with demand and reduces the need for ED input for patients who attend the departments but require primary care intervention;
- Streaming –to ensure that patients are directed to the most suitable area for their presenting complaint (which might not be ED - for example to SDEC or pharmacy support), from the point of triage;
- Consultant connect – a system to support primary care by providing them with the facility to liaise directly with secondary care specialists to obtain telephone advice and support for specific patient complaints.

Stroke Services

Strokes can either be ischaemic (resulting from a blood clot) or haemorrhagic (resulting from a bleed, often as a result of wider trauma). In the case of ischaemic strokes, two services can be offered:

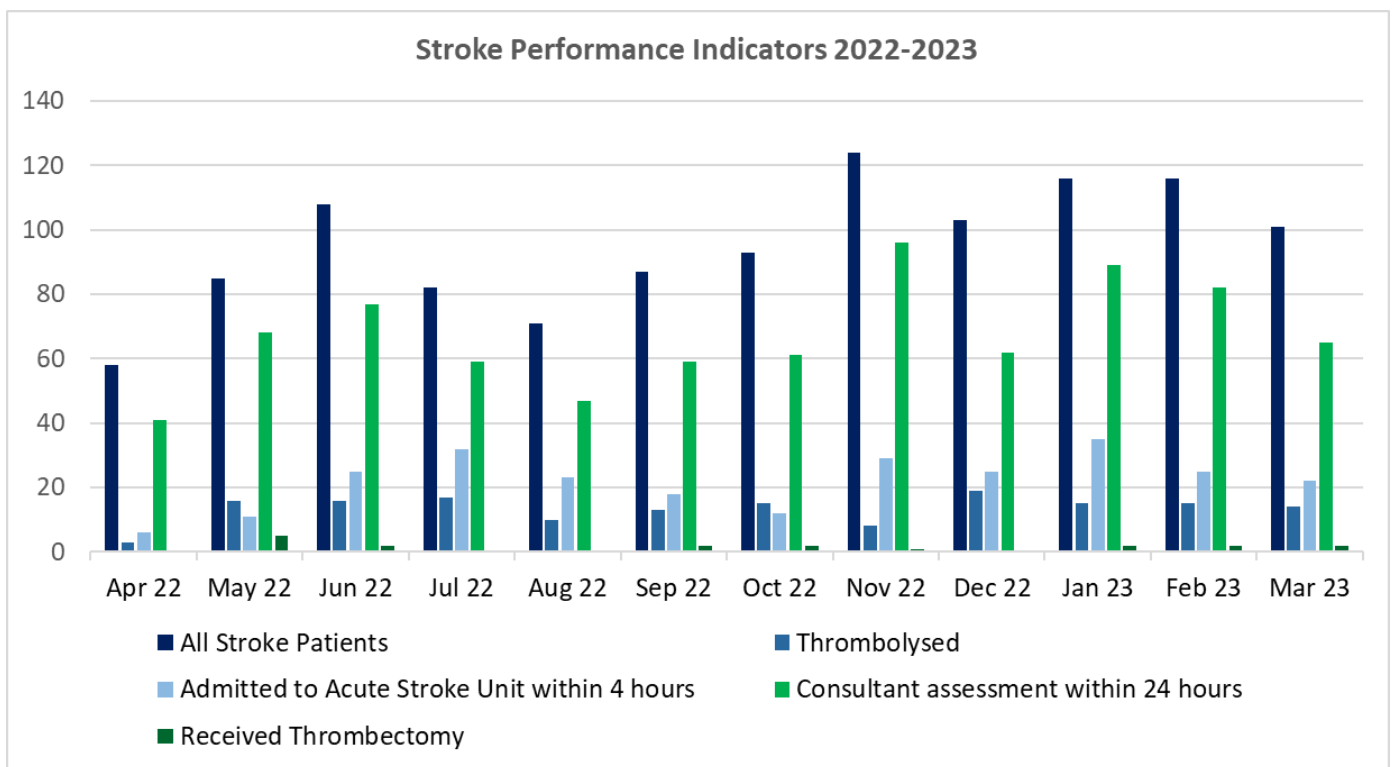
- Thrombolysis, which is an emergency treatment to dissolve blood clots and is administered in all three of our acute hospitals;
- Mechanical Thrombectomy, which is a surgical procedure.

Each of our three acute hospitals delivers acute diagnosis and treatment services for patients who have experienced a stroke, other than thrombectomy provision which we commission at the specialist Walton Centre in Liverpool.

This provision is aligned to the teams who deliver all elements of the stroke care pathway, from healthy lifestyles through to specialist intervention, including Acute Stroke units, Specialist Inpatient Rehabilitation centres and Early Supported Discharge services.

In 2022/23, 1,144 patients were assessed and treated by our services following a stroke.

Whilst performance against key outcome metrics needs to improve across all three sites, this is expected to be seen in 2023/24 following investments made in 2022/23 and additional programmes of work that are scheduled for the subsequent twelve months.



Developments that were instigated in 2022/23 include:

- New Early Supported Discharge (ESD) services, providing up to six weeks of additional, therapy-led support at home for eligible stroke patients being discharged from either our acute or community sites across all three Integrated Health Communities (IHC);
- New Stroke Specialist Inpatient Rehabilitation Centres in Llandudno, Deeside and Eryri community hospitals, offering:
 - inpatient and support accommodation including wards, new dedicated gym facilities and equipment for therapy assessment and support, clinical and administrative rooms,
 - integrated Multi-Disciplinary Teams, following a generic care pathway at each site,
 - additional staffing from therapy services and psychology to deliver the new services;
- Additional Clinical Nurse Specialist and Stroke Administrators in each acute site to enable improved clinical response;
- Nurse specialist roles working with Primary Care to help identify and treat patients at high risk of stroke.

Mental Health & Learning Disabilities

During 2022/23 the Division of Mental Health & Learning Disabilities Services have focused on recovery following the impact of the Covid-19 pandemic on service users, staff and service delivery, and on the learning and improvements required following a number of service inspections by regulators and coroner actions.

This year Mental Health and Learning Disability services have seen a return of referrals to pre-pandemic levels.

As the service transitioned back into increased face-to-face interaction, they have used the opportunity to reflect on and review how they responded to service user needs. In line with the national Together for Mental Health Strategy, the Division held four North Wales workshops that brought together a broad range of stakeholders and partners, including people with lived experience, carers, health and social care professionals from the public, private and the third sector. The insight and knowledge gained through this engagement and co-production has been used, along with our workforce expertise, both clinical and non-clinical, to enhance the delivery of existing service improvement plans and also in the development of plans for 2024/25 and beyond.

Our mental health services (CAMHS and adult services) achieved compliance with a number of the key national standards:

- Percentage of patients waiting less than 28 days for a first appointment for specialist Child and Adolescent Mental Health Services (sCAMHS);
- Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for people aged under 18 years;
- Percentage of service users (adults ages 18 years and over) admitted to a psychiatric hospital between 09:00 and 21:00 hours that have received a gate keeping assessment by the CRHT service prior to admission;
- Percentage of service users (adults aged 18 years and over) admitted to a psychiatric hospital who have not received a gate keeping assessment by the CRHTS that have received a follow up assessment by the CRHTS within 24 hours of admission;
- Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for adults aged 18 years and over;
- Percentage of patients waiting less than 26 weeks to start psychological therapy in Specialist Adult Mental Health.

Our Community Mental Health Teams in the East area have made significant improvements to how patients are seen under the Mental Health Measure (MHM) Parts 1a and 1b and, in June 2022, we achieved and have since sustained compliance with, and above, the National MHM targets.

Although we have defined Mental Health and Learning Disabilities services, many of these services impact on and interact with each other. Recognising this, we are keen to progress a whole system model of working. Early access to appropriate services is key to rapid recovery and effective management of conditions, and during the year the Division successfully rolled out the '111 Press 2' service across North Wales. This gives callers who are concerned about their own mental health, or that of a family member or other loved one, direct access to expert mental health practitioners who can direct individuals to those services that best meet their needs, ensuring they have timely access to the most appropriate support. This has been fully operational 24 hours a day, 7 days a week, from March 2023.

We have continued to invest in *iCAN* services as a way of delivering a range of early interventions and prevention interventions to support people with low level mental health needs to self-manage their conditions in a community setting. There are eight hubs and fourteen connectors delivered by Third Sector organisations across the region who, during 2022/23, supported nearly 15,000 people with a variety of sign posting, support and intervention.

In addition, we have been successful in fulfilling plans to establish an Early Intervention in Psychosis service in North Wales providing specialist, intensive support from the first episode of psychosis for people 16 years and over. The team are fully operational in Flintshire and the service will be progressively rolled out across North Wales.

Other improvements across the Division include:

- Continued progress with the recruitment campaign which, by the year end, has resulted in 1225 enquiries and expressions of interest and successful appointments to 22 vacancies.
- The 26 week psychological therapies waiting times target has been achieved and compliance remains above target having been sustained for a 6 month period.
- Following lengthy engagement and development, Welsh Government approval has been obtained for the outline business case for the redevelopment of the Ablett Unit for a new, world class, mental health facility on the Glan Clwyd Hospital site.
- Mental Health Perinatal Services have expanded their services during 2022/23 to meet the minimum staffing requirements outlined within the Centre for Quality Improvement (CCQI) Perinatal Quality Network (PQN) standards for providing specialist post-natal mental health care for service users up to 1 year after giving birth. The Team have also worked collaboratively with partners in informing the commissioning and development of an inpatient Mother and Baby Unit that will service North Wales, Cheshire, Wirral and Merseyside. The unit will be located at the Countess of Chester Hospital, central to the catchment area for patients and families and will open in 2023/24.
- Within the Learning Disabilities service, Foelas ward received the Nursing Times Award for Learning Disabilities for an initiative that dramatically improved the care of patients. The young patient at the centre of the initiative went from being on a palliative care pathway and spending most of their time in a wheelchair to being well enough to ride a bike and now considered for a kidney transplant.
- The CALL Helpline team were awarded with the Seren Betsi Award recognising their hard work and dedication to delivering 24 hour, seven day a week help and support to patients from across Wales via the Welsh Government funded CALL mental health helpline for Wales, DAN 24/7 Drug and Alcohol helpline and the Wales Dementia Helpline.
- Learning arising from service provision, user feedback, clinical evidence and the impacts of Covid-19 pandemic has been used to highlight and strengthen our recognition and understanding of the complexities and co-dependencies of mental and physical health.

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 2,957 new complaints received;
- Incidents 41,423 new incidents reported;
- Claims 281 new clinical negligence and personal injury claims opened.

Redress

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 2022/23, 101 cases were concluded following consideration of Redress:

- 21 offers of financial compensation as redress were accepted, totalling £147,950;
- 18 other offers of financial compensation were made and are waiting to be accepted totalling £79,950;
- 4 offers of an apology only as redress were made;
- 9 redress cases proceeded to become clinical negligence claims;
- 48 cases were advised to pursue a clinical negligence claim as any offer of financial compensation made would exceed the £25,000 limit allowed under Putting Things Right;
- 2 were advised, following an interim response (Regulation 26) accepting there was a breach of duty and further investigation, that there was no Qualifying Liability for which redress would be offered (Regulation 33).

Complaints

The Health Board aim to provide resolution to complaints as soon as possible and where appropriate these cases will be managed as an '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, are managed under PTR.

Most of the complaints received in the year 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 access to medication, delays in receiving medication, and attitudes and behaviour of staff towards complainants and patients.

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.

Of the total complaints received, 2,048 were managed under PTR and 909 were Early Resolutions.

Complaints managed under PTR are graded against nationally set levels of severity and this is then reviewed as part of the investigation. The following table provides a breakdown of severity grading for complaints, following investigation and closure (this figure is lower than noted above as not all complaints received in 2022/23 will have been closed in the year):

Grading	Number of complaints managed under PTR
Grade 5 (catastrophic harm)	24
Grade 4 (severe harm)	101
Grade 3 (moderate harm)	614
Grade 2 (low harm)	668
Grade 1 (no harm)	515

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).

The complaints 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 to ensure positive changes are made to improve patient safety 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. The themes of learning are captured and reported at our Patient and Carer Experience Group, with key initiatives discussed and a clear focus on sharing good practice to improve patient experience.

Communication is a broad theme within complaints; there were 496 complaints received in 2022/23 with their main element being communication. As a Health Board we continue to strive to improve all aspects of communication. The following actions were undertaken last year:

- The Complaints Team conducts 'complaints clinics' three times per week via Microsoft Teams to support staff. This is an opportunity for services to liaise with the Complaints Team and obtain expert advice to support a timely resolution to their complaints.
- To assist improving communication and staff supporting service users, the Patient and Carer Experience Team continue to deliver face-to-face Patient and Carer Experience Training sessions across the Integrated Health Communities. The training includes effective communication, empowering staff to resolve issues locally to encourage early resolution of complaints and raising awareness of the role of the Patient Advice and Liaison Service (PALS).
- The Health Board is working with Small Business Research Initiative (SBRI) funded by Welsh Government, to explore innovative digital solutions to improve communication between staff and relatives when their loved one is in hospital. Staff, patients and carers have been involved in focus groups to share their experiences as to what may work well. This feedback will shape the future digital solution to support families' communication with their loved ones when in our care as an inpatient.
- Staff who are Patient and Carer Champions have been working closely with the Patient and Carer Experience Team by sharing information and engaging in collecting patient feedback. Patient and Carer Champions are a point of contact to improve engagement between the team, clinical services and patients, by asking, monitoring and acting on patient feedback.
- To ensure effective communication between patients, families and staff the Health Board launched the digital roll out of the Welsh Interpretation and Translation Service (WITS) providing 24-hour access to interpreters. The video interpretation offer supports patients who have unplanned admissions of care as video BSL (British Sign Language) and other language interpretation does not need to be booked in advance. Since the digital roll out of WITS there has been a reported 50% increase in use of digital translation as a method to communicate with patients and their families about their care.

The Public Services Ombudsman for Wales

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

During 2022/23, the Health Board has received a total of 225 contacts from the Ombudsman. This figure has been obtained from the Ombudsman and cross checked to internal data and is correct at the time of writing.

Occasionally, the Ombudsman may produce a 'public interest report' (under Regulation 23), making the public aware of a particular type of case. During this period the Health Board received two public interest reports.

The first investigation related to the care and treatment following a referral to an NHS Hospital Trust in England, which was commissioned by the Health Board. The Trust failed to diagnose the patient's multiple sclerosis between May 2018 and September 2019 and the Health Board should have explored a local referral option before sending the patient to the Trust.

The second investigation related to delays in placing stents (drains) into a patient's kidneys, which later led to complications with her condition. The Ombudsman was satisfied that the patient's kidney treatment was reasonable and did not uphold this part of the complaint. However, the complaint also related to inadequate bowel care whilst in Glan Clwyd Hospital in April and May 2020. The Ombudsman's investigation also saw examples of poor record keeping by staff.

Incidents

Most incidents that are recorded are classed as 'none' in that no harm was caused by the event that occurred.

A total of 41,724 incidents were recorded 2022/23, a slight decrease from the previous year when 42,292 were recorded.

The three most common types of incident recorded on the Health Board's incident reporting system in the year 2022/23 are:

- slips, trips and falls;
- pressure ulcer category 2;
- infection outbreak / period of increased incidence.

The Patient Safety Team monitor incidents to identify themes and where these need to inform organisational priorities. Currently, the following are the identified themes:

- Delay in recognition of deteriorating patient;
- Healthcare acquired pressure ulcers (HAPU);
- Patient falls.

These three theme areas are underpinned by a recurring issue of record keeping that, whilst not directly causal to an incident occurring, is contributory to the circumstances that create unsafe conditions.

The Health Board continued to see 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 falls 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. A falls collaborative group was introduced and met bi-monthly with clear reporting lines and governance arrangements. This group has introduced mandatory falls e-learning modules, which are constantly under review to ensure the modules are up to date with the current evidence and practice. The Health Board is the only one in Wales that has taken a mandatory approach to this training for all staff. The Health Board has been commended by the all Wales Inpatient Falls Network, who are recommending the e-learning modules developed by the Health Board are implemented by all Health Boards in Wales as the standard for e-learning.

The Health Acquired Pressure Ulcer (HAPU) Collaborative has been introduced, with representation from all Integrated Health Communities (IHCs). A self-assessment tool has been developed, mirroring Tissue Viability Policy NU03, for the wards involved to ascertain their current position against the policy. The Health Board Tissue Viability Policies are in the process of being reviewed, updated and ratified.

The Tissue Viability Team lead is currently in collaboration with the Health Board mandatory training group recommending all clinical staff are required to complete training in respect of HAPU prevention as a mandatory module.

Corporate Nursing are working collaboratively with patient safety leads across the Integrated Health Communities to develop a standard approach for reviewing all core harms (falls, HAPU and medication) and sharing the learning across all IHCs as one easy to navigate flow chart for all staff.

Future plans for the work streams of both collaboratives are being discussed in the strategic meetings.

In 2022/23, 6 'never events' were reported. This is a 50% decrease from the previous year. Never events are serious adverse incidents that our systems and processes should ensure are never able to happen. Although the number has decreased, common themes continue to be a failure to use a LocSSIPs (Local Safety Standard for Invasive Procedures), and failure to use the World Health Organisation surgical safety checklist in its entirety. A Clinical Quality Improvement Fellow has worked consistently to review our approach to surgical safety checklists and has worked closely with theatre and surgical staff across the Health Board.

The system sharing and embedding of learning remains a risk for the Health Board and we acknowledge more work is needed to become a learning organisation. Plans are in place to strengthen the extracting, sharing, and embedding of learning to include:

- A monthly Organisational Learning Forum – this commenced in February 2023;
- A weekly Harm Free Care Forum – this commenced January 2023;
- A new "lessons learned" on a page template;
- A new regular safety bulletin and safety alert format;
- A new digital Quality Learning Library;
- Improved Learning Events;
- Introduction of Greatix to support Learning from Excellence;
- A strengthened approach to human factors in the organisation.

Claims

281 cases have been opened during 2022/23, which is an increase on those opened last year (238). The total this year includes 240 clinical negligence claims and 41 personal injury claims. The increase can most likely be attributed to those claims that had been delayed during the period of the pandemic but are now starting to be pursued.

The Health Board had 819 clinical negligence and personal injury claims open at the end of the year.

In addition, the Legal Services Team manage all Inquests that have been brought by HM Coroner and support the wider clinical staff with Court of Protection matters and general legal advice queries including reviewing statements for police matters and family law proceedings.

The Health Board is expecting to see claims continue to rise 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). It is thought that the majority of claimants may be waiting for the COVID-19 Public Inquiry to conclude. Openness, transparency, improving patient safety and learning lessons remain key for the Health Board.

Throughout 2022/23, the Health Board has noticed trends in claims in the following areas:

- The use of Transvaginal Tension Free Tape (TVT) Mesh in gynaecology cases continues to show a slight increase. This follows a larger group claim, which has been brought against the manufacturers of the TVT Mesh Devices. 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.
- Claims brought in relation to alleged failed 'treatment/procedures' and failures in relation to 'assessment/investigation/diagnosis' continues to be the highest category types received for clinical negligence claims.
- For personal injury claims, the trend continues to be slips and trips, violence/aggression and manual handling matters.
- Although not the highest in number, birth injury claims account for the largest settlement amounts paid for clinical negligence claims.

Actions and improvements made following investigation of claims include:

- There is already an established peer review procedure within the Health Board for reporting Radiographers who report only conventional plain film imaging. This includes 5% of individual reports extracted from the radiology system each month that are peer reviewed and the accuracy of the reporting is recorded. It is a more difficult process to implement peer review for Consultant Radiologists due to the diversity and complexity of their workload; however, this is now being introduced and developed.
- It is recognised there is a need for robust processes for obtaining and recording consent from patients, which highlights not just the recognised risks and complications but allows patients to weigh up all the options for treatment (including none). The Health Board is moving towards an electronically-assisted consenting process which will support all parties to understand each other better, and provide an evidence trail of what has been discussed.
- Timely hospital handovers for patients conveyed in ambulances requiring unscheduled care is a key component in achieving quality experience and access. The procedure for the management of patients delayed in ambulances outside emergency departments has been reviewed and updated. There has also been a review of hospital escalation policy to de-escalate areas of pressure. The protocol for the management of emergency pressures and escalation plan has been put in place. Additionally, standard guidance has been drafted for paramedic direct referral to Same Day Emergency Care (SDEC) units.

- Due to the concerns raised in regards to mesh/tape procedures, this treatment option is only to be offered to women in exceptional circumstances, with all patients undergoing supervised pelvic floor treatment prior to consideration of surgical management of urinary stress incontinence. These procedures would only be done on a case-by-case basis after extensive counselling, Multi-Disciplinary Team discussion, and approval from the Hospital Medical Director.

Duty of Quality and Duty of Candour

From April 2023, the duty of candour is a legal requirement for all NHS organisations in Wales. It requires them to be open and transparent with service users when they experience harm whilst receiving health care. They will be required to:

- talk to service users about incidents that have caused harm;
- apologise and support them through the process of investigating the incident;
- learn and improve from these incidents;
- find ways to stop similar incidents from happening again.

The Health Board has been actively preparing for the new statutory duty and will be reporting on compliance in its first annual duty of candour report next year.

The Health Board has also been preparing for the statutory duty of quality, also coming into effect from April 2023. The Health Board will be publishing more information on its quality performance and outcomes, and work to embed the new duty, over the course of the year and will be producing its first Annual Quality Report next year.

Financial performance

Achievement of Financial Duties

The National Health Service Finance (Wales) Act 2014 places two financial duties on Local Health Boards:

- Revenue resource performance: A duty to ensure that expenditure does not exceed the total funding allotted to it over a period of 3 financial years.
- Integrated planning: A duty to prepare a plan, in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the Revenue resource performance 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.

Revenue resource performance

In respect of the first duty, the Health Board has managed its expenditure within the aggregate funding provided over the period 2020/21 to 2022/23, so it has achieved the first duty. This is shown in the table below.

	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
Net operating costs for the year	1,808,719	1,873,353	1,991,335	5,673,407
Less general ophthalmic services expenditure and other non-cash limited expenditure	538	637	1,790	2,965
Total operating expenses	1,809,257	1,873,990	1,993,125	5,676,372
Revenue Resource Allocation	1,809,747	1,874,279	1,993,514	5,677,540
Under /(over) spend against Allocation	490	289	389	1,168

Most of the funding for the Health Board's activities is provided for by Welsh Government. In 2022/23 Betsi Cadwaladr University LHB achieved a minor underspend of £389,000 relative to its revenue resource allocation from Welsh Government for the year.

However, this achievement was dependent on a number of non-recurring sources of funding and Welsh Government strategic support of £82m. The Health Board's significant underlying deficit remains a challenge going forward. The initial planned deficit for 2023/24 is £134.2 million.

The Health Board did not receive any additional cash-only support from Welsh Government during the year.

Integrated planning

The NHS Wales Planning Framework for the period 2022/2025 issued to Health Boards placed a requirement upon them to prepare and submit Integrated Medium Term Plans (IMTPs) to Welsh Government.

The Health Board submitted an IMTP for the period 2022/2025, shaped by our Living Healthier, Staying Well strategy and in accordance with the NHS Wales Planning Framework. This included a balanced financial plan and was approved by the Board on 30th March 2022.

However, following a robust scrutiny process and given the number of challenges the Health Board was facing, the Minister determined that the IMTP did not fully meet the requirements of the NHS Wales Planning Framework. The Minister instead accepted the submission as an Annual Plan for 2022/23, which was subject to ongoing monitoring.

Therefore, the Health Board failed to meet its statutory duty to prepare a 3-year integrated plan.

Other financial performance measures

Capital assets

The Health Board has a significant capital asset base (over £700 million shown in the Statement of Financial Position as at 31 March 2023) and receives capital funding from Welsh Government accordingly. In 2022/23, the Health Board delivered its agreed capital programme and has reported a small underspend relative to Capital Resource Allocation.

During 2022/23 Betsi Cadwaladr University LHB has implemented the transitional accounting arrangements for Right of Use assets, which has resulted in assets of around £30 million being recognised in the Statement of Financial Position for the first time.

Cash management

Health Boards are required to manage substantial cash inflows and outflows, and to do so effectively within related funding sources and whilst meeting payment obligations to staff, suppliers and authorities (such as HMRC). A summary of Betsi Cadwaladr University LHB's cashflows for the year is shown in the Statement of Cash Flows in the annual accounts (see page 6A).

Health Boards are required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice whichever is later, and we met this target in the 2022/23 financial year.

Well-being of Future Generations (Wales) Act

The Well-being of Future Generations (Wales) Act details the way in which the Health Board, along with other public bodies in Wales, must work to improve the well-being of Wales. The Act makes us think more about the long term and how we must think differently to improve the well-being of both current and future generations.

To make sure we are all working to the same purpose, the Act puts in place seven well-being goals and makes it clear that we must work to maximise our contribution to all of the goals, not just one or two:



A Prosperous Wales



A Resilient Wales



A Healthier Wales



A More Equal Wales



A Globally Responsible Wales



**A Wales of
Cohesive Communities**



**A Wales of Vibrant Culture and
Thriving Welsh Language**

The Health Board, and other listed public bodies, 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 separate to the setting of objectives that guide our actions and decisions.

Our long-term strategy for health, well-being and healthcare *Living Healthier, Staying Well*, was published in March 2018, and refreshed in 2022. In 2021/22 a light-touch engagement exercise with our staff, partner organisations and the public confirmed that our goals and objectives were still relevant in light of the three years that had passed and experiences during the Covid-19 pandemic. There were, however, concerns expressed regarding our delivery against the objectives, and consequently the refreshed *Living Healthier, Staying Well* strategy includes a clearer set of priorities and SMART actions we expect to achieve from 2022 onwards.

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.

In 2022 we published a Decarbonisation Action Plan consistent with the Welsh Government's NHS Wales Decarbonisation Strategic Delivery Plan. The Action Plan was developed in partnership with the Carbon Trust and addresses carbon emissions across all greenhouse gas and emission scopes including those from buildings, land use, transport, waste, water, procurement of goods and services and wider clinical healthcare delivery. It also provides a focus on the emissions associated with construction and refurbishment. A Decarbonisation Programme Board has been established to oversee implementation of the Action Plan.

Information on our work to support and promote the Welsh Language is included in pages 70-73 of this report.

Adopting the Five Ways of Working

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



Collaboration



Long Term



Prevention



Involvement



Integration

Throughout the development of our Annual Plan for 2022/23 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 three Public Services Boards (Gwynedd & Anglesey, Conwy & Denbighshire, and Flintshire & Wrexham).

Regional Partnership Board (Part 9 Board)

Background

The Social Services and Wellbeing (Wales) Act has given the Welsh Ministers powers to work with local health boards and local authorities to take part in partnership arrangements to carry out health and social services functions. The North Wales Regional Partnership Board (NWRPB) facilitates the partnership arrangements between Betsi Cadwaladr University Health Board, the North Wales local authorities and other partners such as housing, education, the third sector, providers, citizens and carer representatives to take forward the effective delivery of integrated services in Wales.

Strategic Capital Plan

Each Regional Partnership Board (RPB) is required to develop a ten year Strategic Capital Plan (SCP) that brings together health, social care, housing, third sector, education and regeneration partners to develop integrated service delivery facilities and integrated accommodation-based solutions. The first drafts of these plans are required to be submitted to Welsh Government by the 30 April 2023, with the final plans published by July 31 2023.

Work has begun with statutory partners to collate capital plans from the Health Board and the six local authorities to develop the SCP for the region.

Welsh Government have indicated that RPBs will need to prioritise schemes in the future, with the SCP being fundamental to the prioritising process, meaning that all RPBs will require an agreed SCP to enable them to apply for funding. As part of the development of the SCP the regional team will be developing a prioritisation tool to help with this process.

Regional Integration Fund

The Health and Social Care Regional Integration Fund (the RIF) is a five year fund to deliver a programme of change from April 2022 to March 2027. The NWRPB has led on the development and implementation of the RIF during the last 18 months.

To support the delivery of the RIF there is a comprehensive programme of schemes supporting each of the following priorities:

- Community based care – prevention and community coordination;
- Community based care – complex care closer to home;
- Promoting good emotional health and well-being;
- Supporting families to stay together safely, and therapeutic support for care experienced children;
- Home from hospital services;
- Accommodation based solutions.

The RIF programme has Welsh Government funding of £30,163,907.

Capital Fund

The NWRPB is responsible for the management of two capital funds: Housing with Care Fund (HCF) and the Integration and Rebalancing Capital Fund (IRCF) Model. During the last year we have worked with partners on how best to utilise both schemes, with twelve schemes having been agreed by Welsh Government to date.

North Wales Together: Seamless services for people with learning disabilities

North Wales Together is a project to support people and organisations to make sure that people with learning disabilities are able to live a great life. The team are working with many different people and organisations to find out what is working well, and how we can support changes where they are needed.

Progress during 2022/23 includes:

- development of a draft Regional Supported Employment strategy;
- accessible training designed to raise awareness of online harms (especially grooming) for those with a learning disability and autistic people;
- training on supported employment operational teams and day/work opportunities;
- working with colleagues in Health and Social care on a Positive Behaviour Support implementation plan;
- funding a project management post within the BCUHB Mental Health and Learning Disability division;
- identification of appropriate places for activities for children and families with learning disabilities;
- development of a Direct Payment toolkit.

Children's Sub Group

In March 2022 the Board developed a communication plan and held a successful launch event, and over the following few months set about agreeing the priorities and forward work programme.

The aim is to make sure the voice of the child is at the heart of the work of the sub-group. The initial direction of the work was informed by children and young people, through the local and national engagement activities that informed the population needs assessment.

A focus event on young carers took place during October 2022. A range of information was provided in the form of an information pack, presentation and videos that summarised the evidence including statistics and data, feedback from young carers and examples of what's working well in other areas. Following time for reflection and conversations about the presentation and videos, the groups worked together to generate questions to discuss what children and young people felt about the support they receive and had the chance to talk and think together about what they would work together on as part of a community of enquiry approach.

A further focus session relating to unaccompanied asylum-seeking children was held in December, with two further sessions planned for 2023 on disability and illness (March) and early years (June).

Implementation of the No Wrong Door strategy has continued. Workshops have been held to consider the current activity taking place around a single access arrangement to services and a 'hub' with the aim of comparing approaches and identifying common delivery mechanisms. This builds on the service mapping being carried out, enabling the programme team to identify a picture of existing activity across the concept model from early intervention / prevention through to services for very complex cases. Further workshops are planned for the next 12 months.

To support the implementation, an Integrated Children's Service Board (ICSB) with supporting Integrated Children's Area Sub groups (for West, Central, East) and ad hoc task and finish groups, have been established during the second half of 2022/23.

Research, Innovation and Improvement Coordination Hub

The hub aims to coordinate innovation in North Wales to inform new integrated models of health and social care. It is part of the commitment in A Healthier Wales to establish a nationally coordinated network of hubs which bring together research, innovation and improvement activity within each Regional Partnership Board footprint. The following details some of the key activities completed this year:

- analysis of the results from the 2021 Census for North Wales, including demography and migration and UK armed forces veterans.
- developed a plan for needs assessment coordination and data development for the North Wales region including setting up a sub group of the new Digital Data and Technology Board which will consider the 'data landscape' for secondary use of data with a view to simplify, standardise and share.
- support the focus session on young carers pilot, pulling together different kinds of evidence as a prompt for a Community of Enquiry to support the spread and scale of innovative practice across the region.
- working with Rural Health and Care Wales, Powys and West Wales RIC hubs to look at other possibilities to progress the Virtual Hospital bid with support from the Bevan Commission.

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/

Regional Area Plan

A draft Regional Area Plan has been developed which sets out how the NWRPB will respond to the findings of the North Wales Population Needs Assessment, published in April 2022, and Market Stability Report published in November 2022.

The main themes are an increasing need for care and support, particularly an increase in complex needs and the support needs of carers. While commissioners and providers are working hard to provide excellent care in many areas, challenges around recruitment and retention of health and social care staff are seriously affecting the ability of the sector to meet people's needs. The reports are available at:

- www.northwalescollaborative.wales/north-wales-population-assessment/
- www.northwalescollaborative.wales/commissioning/msr2022/

The focus of this plan is on the Regional Partnership Board priorities for integrated working between health and social care at a regional scale. Many of the findings of the population assessment are being addressed by partners as part of their core business or by existing partnerships between agencies across a variety of geographical boundaries. The plan briefly describes where this is taking place and links to further information. The Population Needs Assessment, Market Stability Report and Regional Plan can be used to support other local and regional planning. The Plan will be published by 1st April 2023.

Public Services Boards

In April 2016, the Well-being of Future Generations (Wales) Act established a statutory Public Services Board (PSB) in each local authority area in Wales. The PSBs are a collection of public bodies working together to improve the well-being of their county. Membership consists of senior representatives from partner organisations including the Health Board's Integrated Health Community (IHC) Directors participating in support of their role as senior community leaders. The PSBs work collaboratively as partner organisations to ensure that our strategic plans are aligned with, and support achievement of, local well-being objectives and vice versa; but also to ensure that the contribution of the PSB adds value over and above statutory organisations' own plans.

During 2022/23, the three north Wales PSBs have focussed on developing and publishing their Well-being Assessments, which must be produced every five years as a statutory requirement of the Well-being of Future Generations Act. The Well-being Assessments assess local well-being across four pillars: social, economic, environment and culture and have been used to inform the well-being objectives within the local Well-being Plans. The Plans seek to address the key areas which pose the greatest need or challenge for communities and describe where the PSBs can make the greatest contribution, adding value to existing partnerships and core services.

The 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.

Gwynedd and Anglesey

Gwynedd and Anglesey PSB's draft Well-being Plan for 2023-2028 will be published in May 2023. It has three overarching well-being objectives:

- mitigating the effect of poverty on the well-being of local communities;
- prioritising the well-being and achievement of children and young people;
- supporting communities to move towards zero net carbon.

Welsh Language is a golden thread running through the plan and will be promoted in all aspects of the PSB's work. In addition, the PSB will work with communities to develop services and activities through the medium of Welsh.

Progress made in 2022 includes:

- working with partners to further develop integrated health services – focussing on community services and mental health support;
- providing training and guidance for public sector reception staff in Gwynedd and Anglesey to encourage members of the public to access services in Welsh;
- working together on a Climate Change Group to respond to local climate change challenges.

Conwy and Denbighshire

In Conwy and Denbighshire the primary focus and main achievement in 2022 has been to review and update the local Well-being Assessment and to develop the local Well-being Plan. Other areas of progress include:

- influencing the work on digital connectivity to ensure communities understand the help and support available to them;
- participating in workshops held with the Centre for Local Economic Strategies, Conwy County Borough Council and Denbighshire County Council to analyse their procurement data and review their procurement policies and procedures with the aim of supporting decarbonisation of the supply chain;
- development of a joint risk register to help monitor local risks.

Moving forward, the PSB will:

- focus on tackling different aspects of the climate and nature emergencies;
- continue to involve and engage with local communities to explore what information and support they need to build their social, cultural and emotional resilience;
- help alleviate the impact of the rising cost of living, and maximising income, by supporting access to advice, information and assistance.

Wrexham and Flintshire

Flintshire and Wrexham PSBs produced separate Well-being Assessments but, capitalising on the close collaboration undertaken during the COVID -19 pandemic, came together in January 2023 as a single Public Services Board and agreed to deliver a single Well-being Plan across their two Counties. They are working towards a proposed deadline of May 2023 for publishing their first joint local Well-being Plan.

In 2022 the Wrexham and Flintshire PSBs made progress jointly in the following areas:

- working with the Wales Co-production Network to develop new ways of engagement to bring together communities and 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 2022, Flintshire PSB prioritised two key wellbeing objectives:

- Community safety, with four priority initiatives of Violence Against Women, Domestic Abuse And Sexual Violence (VAWDASV), Protecting Vulnerable Adults, Protecting Vulnerable Young People and Protecting Our Communities.
- Healthy and independent living, with seven priority initiatives, as below:
 - Development of the Tŷ Nyth Children's Assessment Centre in Mold;
 - The Early Years Integration and Transformation pathfinder programme;
 - Discharge to recover and assess (D2RA) service at Marleyfield House Care Home in Buckley;
 - A new service model to support people living with the challenges of frailty;
 - A feasibility study, planning and design work for the proposed re-location and expansion of the Croes Atti Care Home in Flint;
 - Ongoing work with older people's service partners, local organisations and community groups;
 - The development of a Flintshire Dementia Strategy.

Examples of progress include:

Community Safety – People Are Safe:

- A 40% increase in referrals in respect of violence against women, domestic abuse and sexual violence;
- Implementation of the 4P Plan (Protect, Prepare, Prevent and Pursue) relating to Community Profiles recommendations and their delivery across Flintshire, progressed through the convening of a monthly Flintshire Serious Organised Crime Partners meeting.

Healthy and Independent Living

- Completion of the expansion of Marleyfield House Care Home in Buckley. The development of a new children’s assessment centre at Ty Nyth in Mold also progressed to completion and is due to open in April 2023;
- Use of a range of approaches to support individuals and community groups to maintain contact and retain strong support networks. This included using technology to help facilitate regular online meetings and events. Social care partners provided socially distanced outdoor events throughout the year, utilising the excellent parks and green spaces in the county.

During the COVID-19 pandemic Wrexham PSB 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 organisations that make up Wrexham’s PSB felt it was critical to maintain the commitment on children’s rights so that this could feed into the well-being assessments and the community resilience work happening jointly with Flintshire PSB. In 2022 the PSB achievements in this space include:

- Fostering 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;
- Supporting the Welsh Government Early Years Integration Programme, producing evidence on how COVID-19 has impacted on the mental health and resilience of children and young people;
- Building strong foundations for a Children’s University for Wrexham and Flintshire.

Throughout the year BCUHB gave regular updates to its Partnerships, People and Population Health Committee. Fuller details can be found on the Public Service Boards webpages:

- Gwynedd and Anglesey: <https://www.llesiantgwyneddaron.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/>

The Health Board is the largest LHB in Wales, covering almost a third of the country's landmass. Our services are delivered from a variety of settings ranging from acute district general hospitals to community clinics and home visits by clinicians. In delivering these services we have an environmental impact which must be carefully managed to avoid significant financial and environmental consequences.

Our property portfolio includes three main acute general hospitals, 19 community hospitals, and in excess of 70 community clinics and other small (owned or leased) satellite buildings and rooms, giving a total portfolio in excess of 140 sites.

While the demand for healthcare continues to grow, the Health Board is committed to meeting the challenges of achieving carbon reduction, waste reduction and securing products and resources from sustainable sources where possible to ensure that our environmental impact is reduced as far as is reasonably practicable.

As part of our corporate commitment towards reducing these effects, we maintain a formal Environmental Management System (EMS) designed to achieve the following:

- Sustainable development;
- Compliance with relevant legal and government requirements;
- Prevention of pollution;
- Protection of the environment;
- Mitigation against the impact of climate change;
- A culture of continuous improvement.

Effective environmental management is achieved through:

- Promotion of the environmental policy to all relevant stakeholders;
- Identification of all significant environmental aspects and associated legal requirements, including those resulting from service change and new legislation;
- Establishing and monitoring objectives and targets aimed at reducing environmental and financial impacts, in line with those issued by the Welsh Government;
- Provision of appropriate training to all relevant personnel;
- Regular internal and external audits;
- Regular review of the effectiveness of the EMS by the Environmental Steering Group;
- Working with local, regional and national partners to achieve a consistent public sector approach to environmental management and ensure best practice procedures are identified and implemented.

Our performance is measured using a number of tools and through our involvement with a number of partnership bodies:

- BS EN ISO 14001 2015 Environmental Management System;
- Carbon Reduction Commitment Annual Reporting;
- Annual Energy and Facilities Performance Monitoring System;
- Welsh Health Estates Environmental Forum;
- NHS Wales Shared Services Partnership Facilities Services;
- In-house, real-time utility consumption monitoring systems;
- BREEAM (Building Research Establishment Environmental Assessment Method) assessment of major capital schemes.

These arrangements ensure that effective environmental management is conducted to current best practice standards and that continuous improvement is embedded in the culture of the organisation.

The data used in producing these reports is verified by internal and external audit providers including BM TRADA (a UKAS accredited external auditing and certification body) and Audit Wales.

The Health Board has attained the Platinum Standard of the Healthy Working Wales Corporate Health Standard, and our use of sustainable technology, ethical and sustainable procurement and work on environmentally responsible transport was part of the submission.

Partnership Working

The Health Board is represented on the Public Service Boards (PSBs) in North Wales, all of which are engaged in work on environmental and sustainability issues, as noted in the Well Being of Future Generations section of this report (pages 48-55)

ISO14001:2015 Environmental Management System

The ISO14001:2015 standard for environmental management systems has now been embedded throughout the Health Board, with ISO certification achieved in April 2018. The new standard has served to make the Health Board and its staff more aware of their responsibilities in respect of activities that have a significant impact on the environment, including legal and regulatory accountabilities, and enables the associated risks to be managed more effectively.

The Environment Officers hold Chartered Quality Institute and the International Register of Certificated Auditors certification, which enables them to act as Lead Auditors for the Health Board.

Members of the Environmental Management Steering Group have engaged in implementing the 2015 version of the standard by highlighting:

- The key changes service providers need to make;
- Senior management commitment and involvement in the EMS;
- Compliance with the Environmental Policy;
- Needs and expectations of interested parties;
- External and internal issues, compliance obligations and significant aspects;
- What each section of the standard means to their service/department;
- Performance, evaluation and monitoring.

ISO14001:2015 provides a framework to protect the environment and respond to changing environmental conditions, in balance with socio-economic needs. ISO14001:2015 helps the Health Board achieve the intended outcomes of its EMS, which provide value for the environment, the Health Board itself and interested parties. In line with the Health Board's Environmental Policy, the intended outcomes of the EMS include:

- Enhancement of environmental performance;
- Fulfilment of compliance obligations;
- Achievement of environmental objectives.

Assessments have demonstrated that the cornerstones of the system – identification of corporate and site specific processes that have an environmental impact (the Environmental Aspects and Impacts) and a programme of environmental objectives and targets set by the Environmental Steering Group to mitigate these impacts – are in place. The Internal Audit Programme is on target and is being carried out effectively; the non-conformance process is effective and works efficiently. Environmental training is to be included in the mandatory training program and a bespoke e-learning package has been developed to achieve this.

The Health Board awarded a new contract to BM TRADA for the provision of ongoing ISO14001:2015 Environmental Management certification and continual surveillance audits, the contract commenced in June 2022.

Five Health Board hospitals and clinics were audited against the standard in September/November 2022, and four Health Board clinics were audited in February 2023.

No new minor non conformities were raised during the surveillance audits. The Health Board has had no major non-conformities raised.

Environmental & Waste Training

ISO 14001:2015 Standard places more emphasis on training and competency of any persons that can have an impact on the Environmental Management System.

The bespoke e-training package for waste and environmental management created by the Health Board's Environment Officers has been implemented across the Health Board onto the e-learning platform and is a mandatory part of staff training.

The training improves staff awareness and knowledge of environmental issues, supports our work to improve waste management and ensures we meet the requirements of the ISO 14001 Environmental Management System Standard. The training package has been adapted so that it can be utilised on an all Wales basis. Compliance across the Health Board since September 2022 is 82%.

Corporate Environmental Objectives Programme

The Environmental Objectives Programme has been approved for the next three years 2022-2025. Environmental objectives help us to demonstrate continual improvement and meet the requirements of BCUHB's Environmental Management System and the Decarbonisation Action Plan.

The objectives are:

- Review and publish a plan in line with the biodiversity duty under section 6 in the Environment (Wales) act 2016;
- Conserve and enhance biodiversity habitats by planting trees and nature friendly plants;
- Develop changes to implement the new Environmental Legislation with regard to waste segregation;
- Carbon Literacy Training by developing a suitable Carbon Literacy Programme;
- Heating Survey;
- Fully replace all existing lighting with LED Lighting by 2025;
- Loft space insulation programme at Ysbyty Gwynedd and Wrexham Maelor Hospitals;
- Retirement and replacement of Glan Clwyd Hospital combined heat and power (CHP) plant;
- Develop procurement environmental objectives.

Waste management

Over the last 12 months all BCUHB sites have returned waste back to 'business as usual' and reintroduced the clear bag for general/recyclable waste. This has reduced the amount of clinical waste being produced and disposed of.

BCUHB's principle recycling & general waste contractor has also enabled us to reduce the volume of waste sent to landfill

The Health Board's 'de-clutter' campaigns continue to be a great success, encouraging wards and departments to clear clutter and unused items, improving tidiness and easing the cleaning of their areas and supporting our efforts to maintain a safe, clean environment.

Wrexham Maelor Hospital is undertaking a reusable sharps bin trial for three months within theatres, maternity unit and two wards. The reusable containers can be used up to 500 times which is a huge contrast to our single use containers which are incinerated. It is estimated that if Wrexham Maelor did a full site roll-out, it would eliminate 22 tonnes of single use plastic per year.

The Health Board has provided a consultation response to Welsh Government on the Separate Collection of Waste Materials for Recycling: A Code of Practice for Wales and Enforcement regarding source segregation of waste for Health Board premises due to be implemented in health centres from 1st October 2023 and in hospitals from 1st October 2025.

Green Groups

All three areas of the Health Board have a Green Group supported by Clinical staff. The Green Groups have managed to secure twelve months funding for three Sustainability Officers to support the Green Groups Projects.

Energy & carbon management

The Health Board continues to seek and implement measures to improve its energy efficiency and reduce carbon dioxide emissions associated with its activities. The current Corporate Carbon Reduction Performance Target is a 3% year on year reduction in CO₂ emissions as required by the Welsh Government's Climate Change Strategy Delivery Plan for Emissions Reduction.

Carbon reduction schemes are mainly dependent upon resource allocation from the annual Discretionary Capital Programme and Major Capital Development Schemes. In 2022/23 there has been reduced investment due to the capital development scheme financial allocation. However as part of the response to the COVID-19 pandemic changes had to be made to the configuration of buildings which provided opportunity to also address some backlog maintenance issues and incorporate renewal of the infrastructure, for example with the installation of low energy LED lighting.

As in previous years, we have worked with the Welsh Government Energy Service and their partners the Carbon Trust, who have provided guidance to the Health Board on opportunities for further improvements to energy efficiency within our premises. This has included engaging the Carbon Trust to develop the BCUHB Carbon Reduction Strategy. This is a massive undertaking on both parties and builds upon on the publication of the NHS Wales De-carbonisation footprint that was published last year. It will be the key lead document for years to come in achieving site de-carbonisation compliance.

In addition to the general management arrangements for monitoring and, where possible, reducing energy consumption, the Health Board participates in a number of national programmes that link in to the UK energy strategy. We continue to participate in activities aimed at reducing the electrical intake to Ysbyty Gwynedd to a minimum at peak times of demand on the UK electrical infrastructure. This is carried out using the site's emergency generators, running in parallel with the national grid supply, so that there is no risk to the electrical supplies on the hospital site whilst this activity is ongoing. This activity is supported by the Welsh Government and for participating in this activity, BCUHB receives a financial benefit.

We have progressed opportunities at a number of our sites for small and medium scale solar photovoltaic arrays which may bring benefits to the organisation including a further reduction in the production of carbon dioxide. These schemes are now commissioned and operational at some of our community hospitals. Connectivity contract arrangements are in place so that unused electricity generated onsite is uploaded to the national electricity grid.

Transport

The Health Board's travel and associated carbon emissions continue to be monitored and reported to Welsh Government. This includes business travel by staff in their own cars and Health Board fleet vehicles, and transportation of eligible patients to and from hospital.

Overall business miles for the Health Board rose for a second successive year. This reflects the gradual return to a state of business as usual following the COVID-19 pandemic, with the easing of travel restrictions and reduced home working. However, prior to the pandemic total mileage had been reducing year on year, and the total mileage reported for 2022/23 is around 23% below that reported for 2019/20, the last year before the pandemic, and initiatives to reduce this further continue, including monitoring of grey fleet, lease and pool car usage, and the promotion of alternatives to travel including the use of video-conferencing and related technology.

	2020/21		2021/22		2022/23	
	Tonnes CO ₂	Miles	Tonnes CO ₂	Miles	Tonnes CO ₂	Miles
Private-Use Lease Cars	316	1,369,274	297	1,284,487	336	1,455,514
Grey Fleet	967	4,184,555	1,069	4,627,088	1,319	5,707,762
Health Board owned Cars & Vans	981	3,952,274	967	3,985,452	1,009	4,245,274
Total	2,264	9,506,103	2,333	9,897,027	2,665	11,408,550

Sustainable procurement

NWSSP introduced a Corporate Social Responsibility (CSR) Policy in 2011. Contracts for the supply of goods and services are organised on a national, regional or local basis, supported by NWSSP staff, with all activity underpinned by the use of this Corporate Social Responsibility Policy. Procurement Services are assessed through the Welsh Public Sector Sustainable Procurement Assessment Framework (SPAF).

Procurement approaches are aimed at sourcing products and services locally and supporting small and medium enterprises where this is practicable. Around 50% of the all-Wales food contracts are with Welsh producers and suppliers – all milk supplied to NHS Wales comes from Welsh farms, all beef is Welsh-reared, Welsh lamb is sourced during those times of the year when it is available and competitively priced. As well as supporting local communities and economies, this reduces the environmental impact of transport and distribution.

Sustainable construction

During 2022 the Health Board refreshed its Estates Strategy. The strategy was developed to align with other current Health Board strategies including Living Healthier, Staying Well, Clinical Services Strategy, Digital Strategy, People Strategy and Plan, and the Decarbonisation Action Plan.

Since the previous estate strategy was completed in February 2019 the COVID-19 pandemic has had a significant impact upon the Board's estate, particularly in terms of capacity, suitability and shifts to digital, which is reflected in the analyses and recommendations below. The Strategy is structured to reflect national guidance and to answer the three key questions: where are we now, where do we want to be and how do we get there.

The Strategy promotes a future estate that is fit for purpose and provides a safe and effective environment that meets the clinical and business needs of the Health Board; enhances the care of patients; supports carers, families and visitors; and provides an appropriate working environment for staff. It confirms the Health Board's commitment to:

- ensure inclusive design through the participation of local communities;
- be compliant with statutory regulations and best practice guidance;
- seek to meet the Building Research Establishment Environmental Assessment Method (BREEAM) standard of "very good" as a minimum with an aspiration to achieve "excellent" where practical;
- reduce the Health Board's carbon footprint aligning to the Decarbonisation plan;
- support sustainable transport solutions and a Green Travel Plan;
- optimise local procurement and labour to support the local economy.

For 2022/23 the Health Board was allocated £13 million to deliver a range of capital projects.

During the year, work continued on the design of the Adult & Older Person Mental Health Units and the Nuclear Medicines Scheme. The projects are being designed to respond to the Welsh Health decarbonisation strategy. Both facilities are being planned as an all-electric building, with energy efficiency at the core of all design decisions to reduce the energy demands. Both schemes are targeting BREEAM Excellent, and are exceeding the Part L energy modelling when compared to the notional building. This has been achieved through the use of PV panels and energy efficiency in the design and specification of the mechanical and electrical equipment.

Other capital schemes undertaken during the year that provide notable environmental benefits include:

- Ward 6 & 10 refurbishment at Ysbyty Glan Clwyd;
- Plas Gororau alterations and refurbishment, Phase 1 (ongoing);
- Upgrade on electrical infrastructure at Dolgellau Hospital;
- Upgrade on electrical generator at Cefni Hospital;
- Upgrade of street lighting to LED at Ysbyty Penrhos Stanley and Ysbyty Alltwen;
- Upgrade building fabric at Abergele Hospital;
- Upgrade building fabric at Bodnant, Llandudno;
- Upgrade sewage station at Mold Community Hospital;
- Installation of Ambulance Shoreline vehicle charging at the three acute hospitals.

Re-fit Programme

Welsh Government have set out the ambition for the public sector in Wales to be carbon neutral by 2030. This is underpinned by legislative requirements set out in the Environment (Wales) Act, Wellbeing of Future Generations (Wales) Act, and wider UK and EU legislative drivers. This carbon reduction requirement, alongside the need for revenue energy cost reduction, underpins the need to progress energy efficiency and renewable energy projects at scale, and at pace.

The Health Board is developing a Carbon Reduction Programme, with an initially scoped value of approximately £7m investment, with a preferred delivery route via the Re:fit framework utilising Energy Performance Contracts and financing available via the Wales Funding Programme which are both Welsh Government supported schemes.

The basis of the programme is to develop a Re:fit scheme and build upon previous energy audits and work we have identified to establish the scale and suitability of an opportunity. A Re:fit Service Provider will be expected to identify the exact measures and savings, and identify innovative low carbon solutions. An initial £7m investment with a payback period of 8 years should generate a saving which will reduce the Health Board's annual energy expenditure.

Specific project opportunities already identified through an iterative working process between BCUHB, Welsh Government Energy Services and local partnerships include:

- Lighting & lighting controls;
- Boilers and retrofit improvements;
- Electric heating strategies;
- Air Handling Units (AHU) improvement – EC motors, Variable Speed Drives (VSD);
- Heating network control, zoning and strategic metering;
- Chiller sequencing;
- Thermostatic radiator valve replacement;
- Roof insulation.

The project has progressed through a Soft Market Test process with six companies stating interest in working with the Health Board in achieving the target for the public sector in Wales to be carbon neutral by 2030. The Programme is currently awaiting approval from the Health Board to progress to Invitation To Tender (ITT).

Biodiversity and natural environment

The Health Board sites cover a large area of land. Many of our sites are home to a variety of wildlife, including plants, animals, birds and insects, some of which are protected species.

We have implemented a Biodiversity Forward Plan to comply with Section 6 Part 1 of the Environmental (Wales) Act 2016, to maintain and enhance biodiversity as part of the duty to promote resilience of ecosystems.

The Green Group at Wrexham Maelor Hospital has developed a biodiversity courtyard on site. Native plants will hopefully encourage birds, bees and other wildlife. A water bath made from re-purposed materials is located within the courtyard and insect houses have been made and provided by local school children. The Green Group meets to maintain the courtyard and is currently planning a bulb planting evening. As well as the benefits to biodiversity, staff can also use the garden for lunch or reflection in a lovely setting.

During the year Wrexham Green Group was successful in its bid for trees from a conservation group, resulting in 100 young, native trees and shrubs being planted at Wrexham Maelor Hospital.

A neglected and overgrown courtyard in the centre of Glan Clwyd Hospital has been redeveloped through a three way project between the Health Board's Operational Estates team, Rhyl Soroptimists and the local horticultural college. The brief was to develop the area into a low maintenance garden that provided colour all year round and to enhance and encourage wildlife and pollinators. The courtyard garden has produced a fantastic space for patients, visitors and staff to enjoy all year round.

Colwyn Bay and Llandudno Hospital dementia patients have benefitted from weekly nature talks and table top gardening which have been informative, enjoyable and helped patients and families to focus on creating the right environment to reduce stress and anxiety and promote overall wellbeing.

Summary of performance - utility resource use and waste

Utility Measurement

Data collection is from a variety of sources, which include annual utility supplier statements, waste collection invoices, in-house real time utility monitoring systems and annual financial statements.

The Health Board's energy supplier is facilitating a rolling programme to install smart gas meters and electricity meters where these are not yet in place at Health Board premises. These provide usage information directly to the data collector, which should enable more accurate and timely billings, although the Health Board also takes local readings to provide assurance that the automated readings are accurate.

Our larger gas meters are equipped with correctors that take account of local temperature variations to produce more accurate consumption readings, our electricity meters measure for differing tariffs; at its simplest this can reflect different rates for day and night, for our larger sites multiple tariffs may apply.

The Health Board has also worked with Welsh Water to gain access to their "Water Core" national network of commercial water meter telemetry. This enables us to monitor our water consumption remotely for Ysbyty Gwynedd, Glan Clwyd Hospital, Llandudno General Hospital, Abergele Hospital and Bryn y Neuadd Hospital in Llanfairfechan. This enables us to spot any excess consumption quickly, helping identify potential leaks that may need to be investigated. We will be looking to add further Health Board sites to this network.

Utility usage is also checked when bills are being paid. These checks again help us to identify any unexpected increases in usage which could indicate either inaccuracies with the billing process or other problems that require investigation and attention, such as leaks from our water or fuel oil systems.

The Estates Business Support has reviewed market leading complete energy management software packages that will collate supplier meter reading and self-read data and provide analysis of consumptions and usage trends. Product innovation investigation is on-going to provide automation for the checking, validation and paying via an external data feed into the NHS payment system to pay the utility invoices.

The 2022/23 data comparison provided in the Summary of Performance table is compiled from data received to 2022/23 year end. Should late invoices or adjustments be received from the utility companies this can adjust the final value.

Energy and Carbon emissions

Greenhouse Gas Emissions		2019/20	Change from previous year	2021/22	Change from 2019/20	2022/23	Change from previous year
Non-Financial Indicators (tonnes of CO ₂)	Total Gross Emissions	36,912	-6.6%	36,538	-1.01%	32,875	-10.03%
	Total Net Emissions	36,912	-6.6%	36,538	-1.01%	32,875	-10.03%
	Gross Emissions Scope 1* (Direct) Gas & Oil	25,320	-1.48%	26,084	3.01%	22,962	-11.97%
	Gross Emissions Scope 2 & 3** (Indirect)	11,591	-16.15%	10,455	-9.81%	9,913	-5.18%
Related Energy Consumption (tonnes of CO ₂)	Electricity : Non-Renewable	0		0		0	
	Electricity : Renewable "Green" Supply Contract	11,591	-16.15%	10,455	-9.81%	9,913	-5.18%
	Gas	21,822	-1.36%	23,751	8.84%	20,297	-14.94%
	LPG	12.11	0%	10.54	-12.96%	12.78	21.25%
	Other – Oil***	3,498	-2.18%	2,333	-33.30%	2,665	14.93%
Financial Indicators (£)	Expenditure on Energy	10,573,940	7.04%	13,188,306	24.72%	25,322,875	92.01%
	CRC Licence Expenditure (2010 Onwards)	120		0		0	
	Expenditure on Accredited Offsets (e.g. GCOF)	0		0		0	
	Expenditure on Business Travel****	9,646,777	0.84%	7,065,526	-26.76%	11,408,550	61.47%

Due to revised reporting requirements during the COVID-19 pandemic, annual energy data for 2020-21 is not available.

Notes

***Scope 1 - Direct Greenhouse Gas Emissions** - These occur from sources owned or controlled by the organisation and include emissions as a result of combustion in heating boilers owned or controlled by the Health Board, emissions from our vehicles and fugitive emissions from refrigeration gas leakage.

****Scope 2 - Indirect Energy Emissions** - Emissions that result from the generation of electricity and steam which is supplied by another party for use in our buildings.

****Scope 3 - Other Indirect Greenhouse Gas Emissions** - Emissions which occur as a consequence of our activity, but are not directly owned or controlled by the Health Board, including those linked to consumption of waste and water, sustainable procurement, biodiversity action planning and emissions relating to official business travel directly paid for by the organisation.

*****Other (oil)** - Information provided indicates total volume (litres) of vehicle fuel purchased for Health Board cars and vans via fuel cards and converted to tonnes of CO₂.

********This figure includes total fuel costs via business cards and staff reimbursement, as well as other costs associated with vehicle use including insurance and maintenance of Health Board vehicles, taxi and courier services and non-emergency patient transport provided by the Welsh Ambulance Service.

Greenhouse Gas Emissions are measured by means of collecting corporate consumption data and converting this data into carbon dioxide equivalents (CO₂e). This is done using official conversion factors, published by the Department for Business, Energy & Industrial Strategy, for different fuel types and, in the case of electricity, according to the country of origin to reflect national variations in how electricity is generated and transmission efficiency. These figures have been used to calculate corporate carbon dioxide emissions and changes in the Health Board's carbon dioxide emissions reported above can be partially attributed to changes in these conversion factors.

Over recent years there have been major developments on the Glan Clwyd Hospital site and new-build activity at both Wrexham Maelor Hospital and Ysbyty Gwynedd, as well as the development of new community facilities.

We take the opportunities that these provide to introduce new technologies to increase energy efficiency and reduce power and water consumption. However these improvements are usually offset, to a greater or lesser extent, by the need to provide a modern clinical environment, which may need to be larger and include plant and equipment to support zone heating and air conditioning to maintain critical temperatures and air quality. New developments may also incorporate new clinical technologies and specialist services to support the diagnostic and treatment processes that create additional demands on electrical supplies.

We have achieved a 10.03% reduction in gross CO₂ equivalent emissions arising from our energy use over the past year. However, our expenditure on energy increased by 92.01%, which reflects both rising, unstable and volatile global energy prices and also adjustments to the conversion factors used to calculate our carbon dioxide emissions. There has been a change in the balance of our use of energy sources, with reduced electricity use and increased use of gas.

The Health Board is part of an all Wales NHS energy group that purchases gas and electricity in advance, at more favourable rates than the “day ahead” price that most users pay. This provides some protection from price variations caused by fluctuations in demand and supply, such as those arising from weather impacts, OPEC production agreements or supply disruptions.

Commodity prices account for the majority of the overall energy bill, with the balance accounted for by transmission/transport charges, metering costs and climate change levies. The NHS Wales energy group monitors these factors to predict the optimal time for advance purchasing.

With effect from October 2023 the contracts for gas and electricity will be changing to be managed through a CCS (Crown Commercial Service) framework via NHS Procurement and the existing utility supplier will be changing to hopefully provide a better market completion to supply utilities.

Unlike in domestic markets, the commercial / business sector does not have the benefit of a fuel price cap. In common with other major users of utilities, the Health Board has been hit by global fuel / utility prices rises since early 2022 - at one point the commodity element for gas (ppt – pence per therm) which in previous years was around 40-45ppt rose to 800ppt. The NHS energy procurement group was able to mitigate some of the price increase due to advance purchasing. However overall utility expenditure has significantly increased because of this and high global pricing is projected to continue into 2023/24.

Expenditure on travel has decreased, reflecting the changed circumstances caused by the COVID-19 pandemic and the movement to increased remote / home working for many office based staff, with many meetings taking place online rather than face-to-face.

Waste

Waste		2019/20	Change from previous year	2021/22	Change from 2019/20	2022/23	Change from previous year
Non-Financial Indicators (tonnes)	Total Waste	5,494	3.9%	3,329	-39.41%	2,937	-11.78%
	Landfill	54.2	-53%	53.9	-0.55%	6.8	-87.38%
	Reused / Recycled	3,399	6.2%	1,885	-44.48%	1,567	-16.87%
	Composted	0		0		0	
	Incinerated with energy recovery	323	-1.5%	1,389	330.14%	1,363	-1.87%
	Incinerated without energy recovery	0		0		0	
Financial Indicators (£)	Total Disposal Cost	1,234,635	7.1%	570,198	-53.82%	630,782	10.62%
	Landfill	9,170	-64%	15,620	70.34%	2,086	-86.65%
	Reused / Recycled	519,539	13%	258,483	-50.25%	248,288	-3.94%
	Composted	0		0		0	
	Incinerated with energy recovery	140,343	8.3%	296,095	110.98%	380,409	28.47%
	Incinerated without energy recovery	0		0		0	

Notes

Total waste tonnages & costs includes incineration waste, recyclable and landfill waste.

The Health Board also disposes of some material via other means that are not specified as a separate category within the sustainability reporting requirements. This includes 'orange bag' waste which is heat treated to disinfect it before disposal. In 2022/23 this accounted for 2,172 tonnes of waste, with a treatment and disposal cost of £846,144 (2021/22: 2337 tonnes at a cost of £749,661). Therefore, the data above does not cover the totality of the Health Board's waste disposal.

The Health Board's total waste (as reported above, and inclusive of orange bag waste) has reduced by 9.8% (557 tonnes) in 2022/23 compared with 2021/22.

Factors behind this include the decreased use of personal protective equipment that was required during the response to the COVID-19 pandemic. This has contributed to both reduced orange bag waste and less associated packaging being sent for recycling. Also, in April 2022, the UK government introduced the plastic packaging tax which has seen manufacturers and suppliers review the amount of packaging material they use.

Additionally, following the pandemic a larger proportion of staff work remotely, we are making greater use of virtual consultations and the increased roll out of digital systems continues to reduce our use of paper within administrative functions.

There was energy recovery from all waste sent for incineration.

Water

Finite Resource Consumption		2019/20	Change from previous year	2021/22	Change from 2019/20	2022/23	Change from previous year
Non-Financial Indicators (m ³)	Water Consumption (All)						
	supplied	510,933	-13.1%	489,033	-4.3%	412,340	-15.7%
	abstracted	0		0		0	
	Water Consumption (Non-Office Estate)						
	supplied	0		0		0	
	abstracted	0		0		0	
Financial Indicators (£)	Water Supply Costs (All)	1,323,303	-20.8%	1,368,572	3.4%	1,235,617	-9.7%
	Water Supply Costs (Non-Office Estate)	0		0		0	

Water consumption in 2022/23 showed a reduction, although, at the time of writing this report, investigations were ongoing into a suspected sub-surface leak at Ysbyty Gwynedd.

Delivering services to patients and service users in their preferred language is a key factor in providing high quality care, and is particularly important for our more vulnerable patients.

The Health Board operates within a legislative framework for Welsh Language in the form of compliance with Welsh Language Standards under the Welsh Language (Wales) Measure, 2011 and is accountable to the Welsh Language Commissioner for compliance and external scrutiny.

This year, the Health Board has also embraced the Welsh Government's newly published *'More than just words'* Five-Year Plan, which places the 'Active Offer' principal, of offering services in Welsh without the service user having to request it, at the core of its vision.

It is pleasing that the main themes and objectives within the plan align with the Health Board's own aims over recent years, and we have already made significant progress within the plan's three themes of:

- Welsh language planning and policies including data;
- Supporting and developing the Welsh language skills of the current and future workforce;
- Sharing best practice and an enabling approach.

The Health Board's Welsh Language Strategic Forum, chaired by the Executive Director of Public Health, provides overall direction and drive for the Health Board's Welsh language provision. All issues relating to accountability, risk management, concerns' reporting and celebrating success is reported at meetings of the Forum that are held quarterly.

The focus for the past year has been on:

- Demonstrating an appreciation of the workforce's drive to provide an improved level of service, by implementing a dedicated focused-approach training framework;
- Strengthening the compliance framework by developing a baseline of current compliance, and highlighting areas of best practice across the system;
- Demonstrating an increase in achieving translation turnaround that meets the demand on the service.

In establishing this foundation, the Health Board has adopted a patient-centred approach to ensure that the public receive timely, language-appropriate care that meet their needs.

The infrastructure of the Welsh Language Team is aligned to four specific work streams as outlined below, that supports the delivery of its requirements and objectives. Work has been progressing within all areas to further strengthen the Health Board's ability to deliver services in Welsh.

Legislation and Governance

Over the last year the Health Board has continued to progress compliance with the Welsh Language Standards, focusing primarily on producing a five-year plan in line with Standard 110, which requires the Health Board to increase its capacity to provide clinical consultations through the medium of Welsh. This plan initially focuses on improving access to bilingual services for the vulnerable groups, which include older people, children, and users of mental health, speech therapy, learning difficulties and stroke services.

Key indicators include increasing uptake of Welsh lessons amongst staff, ensuring that staff have recorded their Welsh language skills within the Electronic Staff Record for planning purposes, promoting the “Active Offer” and utilising various systems to identify and record patients’ preferred language.

Progress has also been made in providing advice and support to the organisation on compliance with the Standards. This has included the development of bilingual Apps and instructional videos and ensuring that the Welsh language is taken into consideration during the planning of services and the development of policies and procedures. These have been embedded into the Health Board’s Equality Impact Assessment to ensure that developments have positive effects on the opportunities for persons to use the Welsh language, and for treating the Welsh language no less favourably than the English language.

Any complaints or comments received through the various feedback mechanisms operated or used by the Health Board are utilised as opportunities to make constructive changes to working practices and to increase awareness on the positive impact of providing care to patients in their preferred language.

Promotion and implementation of the ‘Active Offer’

To ensure successful delivery of the Welsh Language Standards and ‘*More than just words*’, work has been underway this year to raise awareness of the importance of providing Welsh language services, to highlight best practice across the organisation, and to strengthen partnership working across North Wales.

Welsh language awareness training has always been a focus for the Health Board, and a new all-Wales online training module has been created for this purpose. The content was developed solely by the Health Board’s Welsh Language Team, and the module has been divided into sections focusing on specific aspects of bilingual healthcare service delivery.

Alongside focusing on the Welsh Language Standards and ‘*More than just words*’, the course also includes a comprehensive interactive ‘Patient Experience’ unit. This sub-section features two animated stories, which are based on actual events and emphasise the importance of language choice in relation to assessment, diagnosis and consent.

The Health Board is pleased that this important project, which will facilitate the delivery of bilingual healthcare services throughout Wales, has now been successfully completed, and could not have been achieved without the drive and ingenuity of the Welsh Language Team. The new course was officially launched in November 2022 and has now been designated as mandatory training for all NHS Wales staff.

The Health Board’s fifth annual Welsh Language Week took place between 17 and 21 October 2022, with the primary purpose of raising awareness of the importance of bilingual healthcare provision. It also provided an opportunity to celebrate the excellent work that continues to be done by our staff to ensure that a wide range of services are delivered through the medium of Welsh.

Activities and events such as promotional stalls at acute and community hospitals were held to offer support, resources and guidance to staff on topics relating to bilingual service provision. Special Welsh learner events, such as ‘Cinio Clebran’ were held to celebrate and engage learners, offering a warm and friendly environment to practice their skills. As a result of collaborative working with Menter Iaith Flint and Wrexham, as part of the week-long celebrations, an event was held within the Children’s Unit at Wrexham Maelor Hospital where ‘Magi Ann’ (a Welsh-speaking children’s character) was warmly welcomed by the young patients on the ward.

The Welsh Language Week also afforded the opportunity to demonstrate how the ‘Active Offer’ is implemented within the Health Board. A new patient experience video was launched, focusing on the importance of actively offering services in Welsh to children and their parents. A mother shared her experience as a parent of a young child receiving cancer treatment, and expressed how much of a difference having that service in Welsh had made to them as a family.

The Health Board continues to lead the way in maintaining broad compliance with the aims and principles that are advocated within ‘*More than just words*’, and some of the Health Board’s work in this regard is either informed, guided or supported by the multi-agency North Wales More than just words Forum.

The Forum, which includes representatives from organisations including all six north Wales local authorities, Social Care Wales, the Wales Ambulance Service NHS Trust and Bangor University’s School of Healthcare Sciences, meets quarterly, and is chaired by the Health Board’s Integrated Health Community Director (West).

The Health Board’s Welsh Language Team was primarily responsible for the establishment of this important regional forum, and the Health Board continues to have a strong and influential voice within the group and maximises opportunities for collaborative working at all levels.

Developing the Workforce

The Health Board’s Welsh language training team has had another successful year of creating and delivering a variety of Welsh language courses to meet the needs of the organisation. Over the year the Welsh Language Tutor has offered a range of courses to over 240 members of staff. These courses and their delivery has been positively received, and feedback highlights the appreciation of staff for the opportunities that are being offered to support their development in the workplace.

The Welsh Language Tutor continues to work strategically, by aligning training with legislative requirements, and identifying any learning gaps within the organisation. Amongst the courses provided were taster sessions specifically developed for different areas within the health sector e.g. reception and front of house courses, answering and dealing with telephone queries, and charring meetings bilingually. Evaluation and feedback have been positive, with many members of staff continuing their journey by attending weekly lessons.

A twelve-month contract was also renewed with the National Centre for Learning Welsh under the Welsh Government-funded ‘*Work Welsh Scheme*’. This ensured the continuation of opportunities for collaborative working, as well as employing a Training Support Officer.

Health Board Welsh learners also attended the 2022 Urdd National Eisteddfod, held in Denbigh, and took part in a question and answer event at the Welsh Government pavilion with the Minister for Health and Social Services. This was a great opportunity to showcase our learners and to celebrate their success.

Translation Services

The Translation Team continues to provide support for all Health Board services in the form of written translations and interpretation services, and has seen an increase in demand over the past year. In order to meet the demand, the team has expanded over the past year. This ensures that the Health Board is able to provide a seamless and timely bilingual service to the public in line with the Welsh Language Standards. The team continues to ensure that quality control standards are upheld in all aspects of translation, and ensures time-sensitive information is prioritised.

The team continued to provide a robust translation service to the Welsh Ambulance Service NHS Trust through a service level agreement, and this will continue into the next reporting year. In view of the success of this model, the Health Board will be expanding its translation support by adopting the same agreement with Aneurin Bevan University Health Board over the next reporting year.

The Health Board produces a separate annual report focusing specifically on Welsh Language Services, which addresses the reporting requirements set out within the Welsh Language Standards. This report is published on the Health Board's website within six months of the end of the financial year and will be available at <https://bcuhb.nhs.wales/about-us/governance-and-assurance/welsh-language/>.

Signed:

Carol Shillabeer
Interim Chief Executive and Accountable Officer

Dated: 24th August 2023

BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of 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 2022-23. 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 2023

	Note	2022-23 £000	2021-22 £000
Expenditure on Primary Healthcare Services	3.1	342,928	340,935
Expenditure on healthcare from other providers	3.2	447,773	428,395
Expenditure on Hospital and Community Health Services	3.3	1,356,042	1,260,458
		2,146,743	2,029,788
Less: Miscellaneous Income	4	(155,369)	(156,644)
LHB net operating costs before interest and other gains and losses		1,991,374	1,873,144
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(16)	219
Finance costs	7	(23)	(10)
Net operating costs for the financial year		1,991,335	1,873,353

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 26.

The notes on pages 8 to 76 form part of these accounts.

Other Comprehensive Net Expenditure

	2022-23	2021-22
	£000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(72,188)	(16,545)
Net (gain)/loss on revaluation of right of use assets	0	0
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	(72,188)	(16,545)
Total comprehensive net expenditure for the year	1,919,147	1,856,808

The notes on pages 8 to 76 form part of these accounts.

Statement of Financial Position as at 31 March 2023

		31 March 2023 £000	31 March 2022 £000
	Notes		
Non-current assets			
Property, plant and equipment	11	672,558	617,716
Right of Use Assets	11.3	35,314	
Intangible assets	12	1,536	988
Trade and other receivables	15	78,888	63,074
Other financial assets	16	0	0
Total non-current assets		788,296	681,778
Current assets			
Inventories	14	20,308	19,106
Trade and other receivables	15	77,387	105,783
Other financial assets	16	0	0
Cash and cash equivalents	17	2,913	6,678
		100,608	131,567
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		100,608	131,567
Total assets		888,904	813,345
Current liabilities			
Trade and other payables	18	(237,833)	(257,141)
Other financial liabilities	19	0	0
Provisions	20	(34,309)	(52,031)
Total current liabilities		(272,142)	(309,172)
Net current assets/ (liabilities)		(171,534)	(177,605)
Non-current liabilities			
Trade and other payables	18	(28,030)	(841)
Other financial liabilities	19	0	0
Provisions	20	(76,673)	(61,998)
Total non-current liabilities		(104,703)	(62,839)
Total assets employed		512,059	441,334
Financed by :			
Taxpayers' equity			
General Fund		304,389	298,002
Revaluation reserve		207,670	143,332
Total taxpayers' equity		512,059	441,334

The financial statements on pages 2 to 7 were approved by the Board on 24th August 2023 and signed on its behalf by:

Interim Chief Executive and Accountable Officer:

Date: 24th August 2023

The notes on pages 8 to 76 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance as at 31 March 2022	298,002	143,332	441,334
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	1,092	0	1,092
Balance at 1 April 2022	299,094	143,332	442,426
Net operating cost for the year	(1,991,335)		(1,991,335)
Net gain/(loss) on revaluation of property, plant and equipment	0	72,188	72,188
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	7,850	(7,850)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	100	0	100
Total recognised income and expense for 2022-23	(1,983,385)	64,338	(1,919,047)
Net Welsh Government funding	1,950,306		1,950,306
Notional Welsh Government Funding	38,374		38,374
Balance at 31 March 2023	304,389	207,670	512,059

The notes on pages 8 to 76 form part of these accounts.

Transfers between reserves represents the balance held in the revaluation reserve for non-current assets as result of the quinquennial revaluation this financial year.

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 at 31 March 2021	288,642	132,567	421,209
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Balance at 1 April 2021	288,642	132,567	421,209
Net operating cost for the year	(1,873,353)	0	(1,873,353)
Net gain/(loss) on revaluation of property, plant and equipment	0	16,545	16,545
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	0	1,841,350
Notional Welsh Government Funding	35,583	0	35,583
Balance at 31 March 2022	298,002	143,332	441,334

The notes on pages 8 to 76 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 Cash Flows for year ended 31 March 2023

	2022-23	2021-22
	£000	£000
Cash Flows from operating activities		
Net operating cost for the financial year	(1,991,335)	(1,873,353)
Movements in Working Capital	27 (7,018)	(28,644)
Other cash flow adjustments	28 104,097	136,299
Provisions utilised	20 (26,517)	(29,640)
Net cash outflow from operating activities	(1,920,773)	(1,795,338)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(28,749)	(43,644)
Proceeds from disposal of property, plant and equipment	16	294
Purchase of intangible assets	(933)	(390)
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	(29,666)	(43,740)
Net cash inflow/(outflow) before financing	(1,950,439)	(1,839,078)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,950,306	1,841,350
Capital receipts surrendered	0	0
Capital grants received	460	1,221
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(59)	(57)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,033)	0
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	1,946,674	1,842,514
Net increase/(decrease) in cash and cash equivalents	(3,765)	3,436
Cash and cash equivalents (and bank overdrafts) at 1 April 2022	6,678	3,242
Cash and cash equivalents (and bank overdrafts) at 31 March 2023	2,913	6,678

The notes on pages 8 to 76 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2022-23 Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FRoM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, 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 FRoM. 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.

At the end of the 2022-23 financial year employees were permitted to carry over up to 37.5 hours (pro rata) unused annual leave to 2023-24 with line manager authorisation. In extenuating circumstances (where a clear organisational need had prevented employees from taking annual leave) up to 75 hours (pro rata) carry over was permitted subject to an appropriate level of approval.

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 the 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' organisations 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 2022-23 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 (EUUV).

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

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

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 therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

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

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

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

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

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1st April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application Betsi Cadwaladr University LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by [the entity] in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of in tangible assets applying the treatment described in section 1.14 instead.

The entity is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 Betsi Cadwaladr University LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The entity is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset Betsi Cadwaladr University LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified Betsi Cadwaladr University LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by Betsi Cadwaladr University LHB.

1.11.2 Betsi Cadwaladr University LHB as lessor (where relevant)

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

Income from operating leases is recognised on a straight-line or another systematic 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 as an expense on a straight-line basis over the lease term.

Where Betsi Cadwaladr University LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition Betsi Cadwaladr University LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

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

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 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 both 2021-22 and 2022-23. The WRP is hosted by Velindre NHS University 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 budget

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.

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	Remote 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 55 and 56. The relevant discount rate for 2022-23 is 1.7% (2021-22 -1.3%)

The impact of unwinding of discounts is reported in Note 7 Finance Costs on page 31.

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

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30. Accounting standards issued that have been adopted early

During 2022-23 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 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

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

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

2.1 Revenue Resource Performance

	Annual financial performance			
	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
Net operating costs for the year	1,808,719	1,873,353	1,991,335	5,673,407
Less general ophthalmic services expenditure and other non-cash limited expenditure	538	637	1,790	2,965
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less unfunded revenue consequences of bringing RoU Leases onto SoFP	0	0	0	0
Total operating expenses	1,809,257	1,873,990	1,993,125	5,676,372
Revenue Resource Allocation	1,809,747	1,874,279	1,993,514	5,677,540
Under /(over) spend against Allocation	490	289	389	1,168

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2020-21 to 2022-23.

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

	2020-21	2021-22	2022-23	Total
	£000	£000	£000	£000
Gross capital expenditure	35,587	47,598	29,683	112,868
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(100)	(513)	0	(613)
Less capital grants received	(782)	(779)	0	(1,561)
Less donations received	(808)	(442)	(460)	(1,710)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Add: recognition of RoU Assets Dilapidations on crystallisation	0	0	0	0
Charge against Capital Resource Allocation	33,897	45,864	29,223	108,984
Capital Resource Allocation	33,958	45,886	29,252	109,096
(Over) / Underspend against Capital Resource Allocation	61	22	29	112

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2020-21 to 2022-23.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2022-2025 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2022-2025, shaped by our Living Healthier, Staying Well strategy and in accordance with the NHS Wales Planning Framework. This included a balanced Financial Plan and was approved by the Board on the 30th March 2022.

However, following a robust scrutiny process and given the number of challenges the LHB was facing, the Minister determined that the IMTP did not fully meet the requirements of the NHS Wales Planning Framework. The Minister instead accepted the submission as an Annual Plan for 2022-23, which was subject to ongoing monitoring.

Therefore, in line with section 175(2) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and the NHS Wales Planning Framework, the organisation failed to meet its statutory duty to prepare a 3 year integrated plan.

The Minister for Health and Social Services extant approval

Status
Date

Not Approved
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:

	2022-23	2021-22
Total number of non-NHS bills paid	389,329	348,666
Total number of non-NHS bills paid within target	370,046	332,630
Percentage of non-NHS bills paid within target	95.0%	95.4%

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	2022-23 Total £000	2021-22 Total £000
General Medical Services	146,147		146,147	148,642
Pharmaceutical Services	33,368	(8,104)	25,264	27,661
General Dental Services	38,398		38,398	37,914
General Ophthalmic Services	1,876	6,314	8,190	8,748
Other Primary Health Care expenditure	4,110		4,110	5,668
Prescribed drugs and appliances	120,819		120,819	112,302
Total	344,718	(1,790)	342,928	340,935

Note 3.1 Expenditure on Primary Healthcare Services includes £31,025,000 (2021-22 £25,219,000) expenditure in respect of pay costs as follows: General Medical Services £27,099,000 (2021-22 £22,964,000), Pharmaceutical Services £190,000 (2021-22 £178,000) General Dental Services £1,016,000 (2021-22 £732,000) Other Primary Health Care expenditure £2,720,000 (2021-22 £1,345,000).

3.2 Expenditure on healthcare from other providers

	2022-23 £000	2021-22 £000
Goods and services from other NHS Wales Health Boards	6,632	5,563
Goods and services from other NHS Wales Trusts	8,826	11,588
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	70,091	70,709
Goods and services from WHSSC / EASC	226,704	203,522
Local Authorities	3,253	11,141
Voluntary organisations	10,704	10,553
NHS Funded Nursing Care	7,780	8,515
Continuing Care	99,614	101,897
Private providers	14,169	4,907
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	447,773	428,395

Local authorities expenditure of £3,253,000 (2021-22 £11,141,000) 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.

3.3 Expenditure on Hospital and Community Health Services

	2022-23	2021-22
	£000	£000
Directors' costs	2,231	2,058
Operational Staff costs	978,581	894,959
Single lead employer Staff Trainee Cost	30,934	18,156
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	150,049	162,508
Supplies and services - general	56,008	63,345
Consultancy Services	2,403	605
Establishment	10,531	11,252
Transport	4,584	5,110
Premises	64,487	56,294
External Contractors	0	0
Depreciation	37,805	36,704
Depreciation (Right of Use assets RoU)	4,311	
Amortisation	362	284
Fixed asset impairments and reversals (Property, plant & equipment)	251	(2,934)
Fixed asset impairments and reversals (RoU Assets)	0	
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	462	402
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	5,641	5,868
Research and Development	659	434
Expense related to short-term leases	212	
Expense related to low-value asset leases (excluding short-term leases)	318	
Other operating expenses	6,213	5,413
Total	1,356,042	1,260,458

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

	2022-23	2021-22
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	23,813	64,671
Primary care	49	(6)
Redress Secondary Care	110	236
Redress Primary Care	0	0
Personal injury	(720)	336
All other losses and special payments	4,441	2,848
Defence legal fees and other administrative costs	1,726	2,127
Gross increase/(decrease) in provision for future payments	29,419	70,212
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(117)	849
Less: income received/due from Welsh Risk Pool	(23,661)	(65,193)
Total	5,641	5,868

	2022-23	2021-22
	£	£
Permanent injury included within personal injury £:	(963,197)	107,000

Fixed asset impairments and reversals (Property, plant & equipment) in Note 3.3 includes a credit of £15,191,000 (2021-22 £6,379,000) 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 39 of these accounts.

Note 3.3 - Expenditure on Hospital and Community Health Services includes £768,000 expenditure with Ernst & Young LLP for commissioned work relating to the Health Board's 2021-22 annual accounts.

4. Miscellaneous Income

	2022-23 £000	2021-22 £000
Local Health Boards	5,983	5,284
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	47,455	45,189
NHS Wales trusts	6,914	6,520
Welsh Special Health Authorities	20,569	17,355
Foundation Trusts	1,213	1,222
Other NHS England bodies	18,407	18,084
Other NHS Bodies	421	672
Local authorities	13,949	15,728
Welsh Government	2,503	10,500
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	16	19
Dental fee income	4,312	3,902
Private patient income	644	310
Overseas patients (non-reciprocal)	122	71
Injury Costs Recovery (ICR) Scheme	950	840
Other income from activities	15,900	12,743
Patient transport services	0	0
Education, training and research	6,077	6,518
Charitable and other contributions to expenditure	1,041	1,027
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	460	442
Receipt of Government granted assets	0	779
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	318	293
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	36	65
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	339	314
Other income:		
Provision of laundry, pathology, payroll services	140	167
Accommodation and catering charges	3,179	2,847
Mortuary fees	403	377
Staff payments for use of cars	888	968
Business Unit	0	0
Scheme Pays Reimbursement Notional	(1,109)	2,256
Other	4,239	2,152
Total	155,369	156,644
Other income Includes;		
Staff recharges not included in other lines	1,281	780
VAT recovery on salary sacrifice schemes	368	0
Movement in Expected Credit Losses (ECLs) on invoiced income	112	225
Other	2,478	1,147
Total	4,239	2,152

Injury Cost Recovery (ICR) Scheme income	2022-23 %	2021-22 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	23.76

Covid-19 income sources

The Welsh Government line in Note 4 includes £70,000 (2021-22 £81,000) of miscellaneous income relating to Covid-19. All other Welsh Government Covid-19 revenue income in 2022-23 was received as Revenue Resource Allocations (Note 34.2 page 73).

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

	2022-23 £000	2021-22 £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

	2022-23 £000	2021-22 £000
Gain/(loss) on disposal of property, plant and equipment	16	(219)
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	16	(219)

7. Finance costs

	2022-23 £000	2021-22 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	0	0
Interest on obligations under PFI contracts;		
main finance cost	31	33
contingent finance cost	0	0
Interest on late payment of commercial debt	1	0
Other interest expense	0	0
Total interest expense	32	33
Provisions unwinding of discount	(55)	(43)
Other finance costs	0	0
Total	(23)	(10)

8. Future change to SoCNE/Operating Leases

LHB as lessee

As at 31st March 2023 the LHB had 1,880 operating leases agreements in place for the leases of 56 premises, 327 arrangement in respect of equipment and 1,497 in respect of vehicles, with 0 premises, 88 equipment and 373 vehicle leases having expired in year. The periods in which the remaining 1,880 agreements expire are shown below:

	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
	2022-23	2022-23	2021-22
	£000	£000	£000
Payments recognised as an expense			
Minimum lease payments	6,651	0	8,119
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	6,651	0	8,119

Total future minimum lease payments

	£000	£000	£000
Payable			
Not later than one year	4,893	0	6,647
Between one and five years	2,991	0	11,065
After 5 years	361	0	24,028
Total	8,245	0	41,740

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. Previously reported expenditure of £1.468m and minimum lease payments £33.495m transitioned to the balance sheet as right of use assets.

LHB as lessor

	Post Implementation of IFRS 16	Pre implementation of IFRS 16
	£000	£000
Rental revenue		
Rent	345	317
Contingent rents	0	0
Total revenue rental	345	317

Total future minimum lease payments

	£000	£000
Receivable		
Not later than one year	345	317
Between one and five years	315	316
After 5 years	731	809
Total	1,391	1,442

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	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	730,650	2,717	54,688	24,785	0	23,100	835,940	751,049
Social security costs	77,157	0	0	2,937	0	1,960	82,054	70,282
Employer contributions to NHS Pension Scheme	122,726	0	0	3,212	0	0	125,938	116,819
Other pension costs	636	0	0	0	0	0	636	522
Other employment benefits	(1,092)	0	0	0	0	0	(1,092)	2,256
Termination benefits	0	0	0	0	0	0	0	1,923
Total	930,077	2,717	54,688	30,934	0	25,060	1,043,476	942,851

Charged to capital							706	535
Charged to revenue							1,042,770	942,316
							1,043,476	942,851

Net movement in accrued employee benefits (untaken staff leave)							(14,631)	5,396
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)								5,383
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)								13

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 2022-23 financial year are included within the Permanent Staff column of the above note.

Other employment benefits relate to the costs associated with the 2019-20 Scheme Pays arrangements. The potential future liability of this scheme reduced during the financial year resulting in a reversal of pay expenditure charged in previous periods.

The decrease in accrued employee benefits as at 31st March 2023 mainly relates to annual leave entitlements untaken in 2021-22 that were either utilised or sold back during the financial year. 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 9.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2021-22
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	3,374	14	115	0	0	0	3,503	3,292
Medical and dental	1,040	16	52	429	0	89	1,626	1,611
Nursing, midwifery registered	4,964	1	326	0	0	0	5,291	5,249
Professional, Scientific, and technical staff	679	12	3	0	0	0	694	656
Additional Clinical Services	3,610	0	5	0	0	0	3,615	3,451
Allied Health Professions	1,097	0	59	0	0	0	1,156	1,065
Healthcare Scientists	259	0	2	0	0	0	261	259
Estates and Ancillary	1,324	0	4	0	0	0	1,328	1,249
Students	20	0	0	0	0	0	20	27
Total	16,367	43	566	429	0	89	17,494	16,858

9.3. Retirements due to ill-health

	2022-23	2021-22
Number	13	15
Estimated additional pension costs £	1,237,004	755,168

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

	2022-23	2022-23	2022-23	2022-23	2021-22
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	7	7	0	0
£10,000 to £25,000	0	2	2	0	0
£25,000 to £50,000	0	1	1	0	1
£50,000 to £100,000	0	0	0	0	5
£100,000 to £150,000	0	1	1	0	7
£150,000 to £200,000	0	0	0	0	4
more than £200,000	0	1	1	0	0
Total	0	12	12	0	17

	2022-23	2022-23	2022-23	2022-23	2021-22
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	31,375	31,375	0	0
£10,000 to £25,000	0	36,107	36,107	0	0
£25,000 to £50,000	0	41,785	41,785	0	49,640
£50,000 to £100,000	0	0	0	0	350,406
£100,000 to £150,000	0	139,298	139,298	0	869,708
£150,000 to £200,000	0	0	0	0	652,916
more than £200,000	0	210,077	210,077	0	0
Total	0	458,642	458,642	0	1,922,670

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2022-23	2021-22
	£	£
Exit costs paid in year	1,939,248	0
Total	1,939,248	0

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 2022-23, the year of departure, were £1,939,248 (2021-22 £0).

Exit costs paid in the year of departure included £1,480,607 in respect of exit packages agreed in 2021-22. The original agreed amount of these packages reported in the 2021-22 financial statements was £1,922,670.

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 Pensions 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.

	2022-23 £000	2022-23 £000	2022-23 £000	2021-22 £000	2021-22 £000	2021-22 £000
	Chief			Chief		
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	223	24	9.28	223	23	9.67
Median pay	223	33	6.76	223	32	6.95
75th percentile pay ratio	223	43	5.16	223	42	5.30
Salary component of total pay and benefits						
25th percentile pay ratio	223	21		223	20	
Median pay	223	26		223	26	
75th percentile pay ratio	223	41		223	39	
	Highest Paid			Highest Paid		
Total pay and benefits	Director	Employee	Ratio	Director	Employee	Ratio
25th percentile pay ratio	433	24	18.05	223	23	9.67
Median pay	433	33	13.15	223	32	6.95
75th percentile pay ratio	433	43	10.04	223	42	5.30
Salary component of total pay and benefits						
25th percentile pay ratio	433	21		223	20	
Median pay	433	26		223	26	
75th percentile pay ratio	433	41		223	39	

In 2022-23, 2 (2021-22, 16) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £20,758 to £433,000 (2021-22, £18,576 to £365,000). The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees. The Highest Paid Director salary for the remuneration relationship is based on an average calculation, Whilst in the Remuneration Report full year salary is calculated on hourly pay.

Financial year summary

The Remuneration Relationship of the Chief Executive remained largely unchanged during 2022-23 with only minor increases and decreases across the various pay ratios. Remuneration Relationship ratios for the highest paid Director increased during the year as total reported pay and benefits for 2022-23 were £433,000 compared to £233,000 in 2021-22 (See footnote below for further information).

The median pay of the workforce increased by £1,000 (rounded) during the year which is consistent with the increase reported in the Health Board's 2021-22 annual accounts.

Staff covered by the Agenda for Change agreement received an average 4.0% inflationary pay increase during 2022-23 (2021-22 3%). Medical Staff received an inflationary pay award of 4.5% (2021-22 3%). Calculations in the Remuneration Relationship note do not include the impact of:

- a one-off non-consolidated payment of 1.5% that was made to eligible staff during the financial year;
- a 1.5% consolidated pay award backdated to 1st April 2022 that will be paid to staff in the 2023-24 financial year.

9.6.2 Percentage Changes	2021-22 to 2022-23	2020-21 to 2021-22
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	0	5
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	94	(2)
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	3	5
Performance pay and bonuses	0	0

The highest paid director in 2022-23 was the Executive Director of Nursing and Midwifery compared to the Chief Executive. Information for both the Chief Executive and highest paid director is based on annualised salaries for 2022-23 as neither members of staff were in post for the whole financial year.

The Health Board did not pay any performance pay or bonuses in 2022-23.

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 employees in England and Wales, allowed under the direction of the Secretary of State for Health and Social Care. They are not designed to be run in a way that would enable NHS bodies to share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as 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 reports that "the period between formal valuations shall be four years, with approximate assessments in inter-year periods". 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 at the end of 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 latest valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2020 to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the disclosures 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 and 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 scheme (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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 £50,270 for the 2022-2023 tax year (2021-2022 £6,240 and £50,000).

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

d) Public Service Pension Scheme CETV Valuations for 2022-23 Annual Report and Accounts

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31st March 2023. H M Treasury published updated guidance on 27th April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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.

	2022-23	2022-23	2021-22	2021-22
NHS	Number	£000	Number	£000
Total bills paid	4,316	383,631	3,978	345,781
Total bills paid within target	3,753	372,457	3,440	341,403
Percentage of bills paid within target	87.0%	97.1%	86.5%	98.7%
Non-NHS				
Total bills paid	389,329	900,380	348,666	760,657
Total bills paid within target	370,046	871,537	332,630	737,940
Percentage of bills paid within target	95.0%	96.8%	95.4%	97.0%
Total				
Total bills paid	393,645	1,284,011	352,644	1,106,438
Total bills paid within target	373,799	1,243,994	336,070	1,079,343
Percentage of bills paid within target	95.0%	96.9%	95.3%	97.6%

During 2022-23 the Health Board paid 95.0% of non-NHS invoices by number within 30 days (2021-22 95.4%) and therefore achieved the Welsh Government performance measure.

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2022-23	2021-22
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	569	6
Compensation paid to cover debt recovery costs under this legislation	240	115
Total	809	121

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 at 31 March bf	46,776	538,867	21,243	31,391	123,050	1,056	31,689	6,977	801,049
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	(470)	(3,276)	0	0	0	0	0	0	(3,746)
Cost or valuation at 1 April 2022	46,306	535,591	21,243	31,391	123,050	1,056	31,689	6,977	797,303
Indexation	(1,025)	16,870	892	0	0	0	0	0	16,737
Additions									
- purchased	0	0	0	12,669	8,499	0	2,035	59	23,262
- donated	0	107	0	0	353	0	0	0	460
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	100	0	0	0	100
Reclassifications	0	13,942	133	(21,231)	7,156	0	0	0	0
Revaluations	5,439	(35,447)	(959)	0	0	0	0	0	(30,967)
Reversal of impairments	663	14,486	42	0	0	0	0	0	15,191
Impairments	(959)	(13,874)	(609)	0	0	0	0	0	(15,442)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,500)	(96)	(3,848)	(280)	(22,724)
At 31 March 2023	50,424	531,675	20,742	22,829	120,658	960	29,876	6,756	783,920
Depreciation at 31 March bf	0	84,403	3,079	0	74,577	561	17,065	3,648	183,333
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(634)	0	0	0	0	0	0	(634)
Depreciation at 1 April 2022	0	83,769	3,079	0	74,577	561	17,065	3,648	182,699
Indexation	0	76	0	0	0	0	0	0	76
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(4)	4	(4)	4	0
Revaluations	0	(83,419)	(3,075)	0	0	0	0	0	(86,494)
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	(18,499)	(96)	(3,849)	(280)	(22,724)
Provided during the year	0	19,852	764	0	11,302	87	5,126	674	37,805
At 31 March 2023	0	20,278	768	0	67,376	556	18,338	4,046	111,362
Net book value at 1 April 2022	46,306	451,822	18,164	31,391	48,473	495	14,624	3,329	614,604
Net book value at 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558
Net book value at 31 March 2023 comprises :									
Purchased	50,424	503,441	19,974	22,829	48,799	353	11,534	2,477	659,831
Donated	0	7,233	0	0	3,368	51	4	233	10,889
Government Granted	0	723	0	0	1,115	0	0	0	1,838
At 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558
Asset financing :									
Owned	50,424	510,282	19,974	22,829	53,282	404	11,538	2,710	671,443
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	1,115	0	0	0	0	0	0	1,115
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	577,946
Long Leasehold	3,849
Short Leasehold	0
	581,795

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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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 31 March bf	0	0	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note									
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

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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11. Property, plant and equipment (continued)

Disclosures:

(i) Donated Assets

Donated tangible asset additions during 2022-23 included schemes funded by:

- Betsi Cadwaladr University Health Board and Other Related Charities - £0.117m
- Other hospital based voluntary bodies - £0.343m

(ii) Valuations

The Health Board's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. 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 2023.

11. Property, plant and equipment

11.2 Non-current assets held for sale	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, 11 are significant in their own right: Buckley Primary Care Resource CtreTrust (PCRC) £1.96m, Caia Park PCRC £1.92m, Connahs Quay Health Ctre £1.1m, Llys Dyffig £2.88m, Tany Y Castell £1.52m, Rysseldene Surgery£1.70m, Ruabon Medica Ctre £0.96m, Rhoslan Surgery £1.39m, Morris Practice Connahs Quay £1.18m, Renal Services £1.69m, Cambrian & Berwyn House £1.61m held under buildings nbv at 31 March 2023.)

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2022-23									
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	470	0	3,276	0	0	0	0	0	3,746
Operating Leases Transitioning	0	0	25,809	0	3,604	789	1,261	0	31,463
Cost or valuation at 1 April	470	0	29,085	0	3,604	789	1,261	0	35,209
Additions	0	0	493	0	3,571	986	0	0	5,050
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	470	0	29,578	0	7,175	1,775	1,261	0	40,259
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	634	0	0	0	0	0	634
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	634	0	0	0	0	0	634
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	12	0	2,551	0	895	504	349	0	4,311
At 31 March	12	0	3,185	0	895	504	349	0	4,945
Net book value at 1 April	470	0	28,451	0	3,604	789	1,261	0	34,575
Net book value at 31 March	458	0	26,393	0	6,280	1,271	912	0	35,314
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	458	0	1,555	0	0	0	0	0	2,013
Other Public Sector Market Value Leases	0	0	3,712	0	0	0	0	0	3,712
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	0	21,126	0	6,280	1,271	912	0	29,589
Total	458	0	26,393	0	6,280	1,271	912	0	35,314

11.3 Right of Use Assets continued

Quantitative disclosures

Maturity analysis

Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	4,423
2-5 years	13,195
> 5 years	17,180
Total	34,798

Lease Liabilities (net of irrecoverable VAT)

	£000
Current	4,423
Non-Current	30,375
Total	34,798

Amounts Recognised in Statement of Comprehensive Net Expenditure

	£000
Depreciation	4,311
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	0
Sub-leasing income	0
Expense related to short-term leases	212
Expense related to low-value asset leases (excluding short-term leases)	318

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)

	£000
Interest expense	310
Repayments of principal on leases	4,033
Total	4,343

12. Intangible non-current assets

2022-23

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	4,729	0	0	0	0	0	4,729
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	910	0	0	0	0	0	910
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	5,639	0	0	0	0	0	5,639
Amortisation at 1 April 2022	3,741	0	0	0	0	0	3,741
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	362	0	0	0	0	0	362
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	4,103	0	0	0	0	0	4,103
Net book value at 1 April 2022	988	0	0	0	0	0	988
Net book value at 31 March 2023	1,536	0	0	0	0	0	1,536
NBV at 31 March 2023							
Purchased	1,509	0	0	0	0	0	1,509
Donated	27	0	0	0	0	0	27
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	1,536	0	0	0	0	0	1,536

12. Intangible non-current assets 2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	4,314	0	0	0	0	0	4,314
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	412	0	0	0	0	0	412
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	12	0	0	0	0	0	12
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(9)	0	0	0	0	0	(9)
Gross cost at 31 March 2022	4,729	0	0	0	0	0	4,729
Amortisation at 1 April 2021	3,466	0	0	0	0	0	3,466
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	284	0	0	0	0	0	284
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(9)	0	0	0	0	0	(9)
Amortisation at 31 March 2022	3,741	0	0	0	0	0	3,741
Net book value at 1 April 2021	848	0	0	0	0	0	848
Net book value at 31 March 2022	988	0	0	0	0	0	988
NBV at 31 March 2022							
Purchased	948	0	0	0	0	0	948
Donated	40	0	0	0	0	0	40
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2022	988	0	0	0	0	0	988

Additional Disclosures re Intangible Assets

Disclosures:

i) Donated Assets

Betsi Cadwaladr University LHB did not receive any donated intangible assets during the year.

ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professional s and Finance staff.

iv) Additions during the period

Intangible additions of £910,000 during the year related to the purchase of software.

v) Disposals during the period

There were no disposals of intangible assets during the year

vi) Gross carrying value of intangible assets

The gross carrying value of fully depreciated intangible assets still in use as at 31st March 2023 was £3,094,000 (31st March 2022 £3,076,000)

13 . Impairments

	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000	2021-22 Property, plant & equipment £000	2021-22 Right of Use Assets £000	2021-22 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0		0
Abandonment in the course of construction	0	0	0	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	15,442	0	0	3,445		0
Others (specify)	0	0	0	0		0
Reversal of Impairments	(15,191)	0	0	(6,379)		0
Total of all impairments	251	0	0	(2,934)		0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	251	0	0	(2,934)		0
Charged to Revaluation Reserve	0	0	0	0		0
Total	251	0	0	(2,934)		0

Impairments charged to the Statement of Comprehensive Net Expenditure during 2022-23 were conducted by the District Valuer in accordance with the requirements of IFRS.

Analysis of impairments during 2022-23

£000

Impairment on revaluation of Quinquennial	12,474
Impairment on revaluation of WXMH-PPE-WRHAB-UNALL-1885	2,305
Impairment on revaluation of Wxm Dental Ctre - 1807	42
Impairment on revaluation of Ward 10 YGC - 7617	621
Reversal of impairments previously charged to SoCNE due to 3% decrease in indexation on land	(662)
Reversal of impairments previously charged to SoCNE due to 4.75% increase in indexation on buildings and dwellings	(14,529)
	251

14.1 Inventories

	31 March	31 March
	2023	2022
	£000	£000
Drugs	9,515	8,948
Consumables	10,379	9,686
Energy	394	447
Work in progress	0	0
Other	20	25
Total	20,308	19,106
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2023	2022
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

Note 14.2 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

Current	31 March 2023 £000	31 March 2022 £000
Welsh Government	2,260	8,097
WHSSC / EASC	832	2,943
Welsh Health Boards	1,696	1,257
Welsh NHS Trusts	4,034	3,394
Welsh Special Health Authorities	1,136	444
Non - Welsh Trusts	0	0
Other NHS	2,508	1,990
2019-20 Scheme Pays - Welsh Government Reimbursement	8	17
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	43,523	69,360
NHS Wales Primary Sector FLS Reimbursement	2	19
NHS Wales Redress	258	440
Other	0	0
Local Authorities	5,700	8,350
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	9,312	6,722
Provision for irrecoverable debts	(1,717)	(2,167)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	6,417	3,567
Other accrued income	1,418	1,350
Sub total	77,387	105,783
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	1,139	2,239
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	75,947	58,461
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	(753)	(273)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	272	272
Other accrued income	2,283	2,375
Sub total	78,888	63,074
Total	156,275	168,857

15. Trade and other Receivables (continued)**Receivables past their due date but not impaired**

	31 March	31 March
	2023	2022
	£000	£000
By up to three months	2,101	1,153
By three to six months	491	950
By more than six months	1,401	957
	3,993	3,060

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

Balance at 1 April	(2,440)	(2,525)
Transfer to other NHS Wales body	0	0
Amount written off during the year	26	21
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(56)	64
Bad debts recovered during year	0	0
Balance at 31 March	(2,470)	(2,440)

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

Receivables VAT

Trade receivables	2,512	1,717
Other	0	0
Total	2,512	1,717

16. Other Financial Assets

	Current		Non-current	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £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)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2022-23 £000	2021-22 £000
Balance at 1 April	6,678	3,242
Net change in cash and cash equivalent balances	(3,765)	3,436
Balance at 31 March	2,913	6,678
Made up of:		
Cash held at GBS	2,825	6,557
Commercial banks	0	0
Cash in hand	88	121
Cash and cash equivalents as in Statement of Financial Position	2,913	6,678
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	2,913	6,678

The cash and cash equivalents balance as at 31st March 2022 comprised funding for revenue expenditure of £1,513,000 (2021-22 £1,130,000) and funding for capital projects of £1,400,000 (2021-22 £5,548,000).

In response to the IAS 7 - Statement of Cash Flows requirement for additional disclosure, the changes in liabilities arising for financing activities during 2022-23 for PFI liabilities were £396,000 (2021-22 £356,000)

The movement relates to cash, no comparative information is required by IAS 7 in 2022-23.

18. Trade and other payables

Current	31 March	31 March
	2023	2022
	£000	£000
Welsh Government	14	10
WHSSC / EASC	1,013	2,539
Welsh Health Boards	489	325
Welsh NHS Trusts	4,199	3,336
Welsh Special Health Authorities	125	0
Other NHS	19,867	20,429
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	8,776	6,939
NI contributions payable to HMRC	10,362	9,411
Non-NHS payables - Revenue	28,592	26,735
Local Authorities	25,259	20,738
Capital payables- Tangible	4,319	9,346
Capital payables- Intangible	11	34
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	4,138	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	61	59
Pensions: staff	0	0
Non NHS Accruals	139,629	166,202
Deferred Income:		
Deferred Income brought forward	1,857	1,813
Deferred Income Additions	620	109
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(36)	(65)
Other creditors	1,139	187
PFI assets –deferred credits	0	0
Payments on account	(12,601)	(11,006)
Sub Total	237,833	257,141
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
RoU Lease Liability	27,250	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	780	841
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	28,030	841
Total	265,863	257,982

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

Movements in Note 18 Trade and other payables include the transitioning and transferring of finance and operating lease liabilities to Right of Use (RoU) lease liabilities on 1st April 2022. These transfers are detailed in the table below.

RoU Lease Liability Transitioning & Transferring

	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	0
Operating Leases Transitioning	30,371
RoU Lease liability as at 1 April 2022	30,371

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2023	2022
	£000	£000
Between one and two years	129	125
Between two and five years	12,621	134
In five years or more	15,280	582
Sub-total	28,030	841

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence-									
Secondary care	40,643	(13,450)	(6,799)	1,755	24,032	(18,551)	(7,882)	0	19,748
Primary care	22	0	0	0	75	(16)	(26)	0	55
Redress Secondary care	267	0	(70)	0	267	(137)	(157)	0	170
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	458	0	(20)	1,244	265	(519)	(1,043)	0	385
All other losses and special payments	504	0	733	0	5,177	(1,168)	(736)	0	4,510
Defence legal fees and other administration	2,087	0	0	83	2,207	(1,027)	(1,145)		2,205
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	155			(10)	0	0	0	0	145
2019-20 Scheme Pays - Reimbursement	17			8	0	(17)	0	0	8
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,878		0	0	3,679	(2,250)	(2,224)		7,083
Total	52,031	(13,450)	(6,156)	3,080	35,702	(23,685)	(13,213)	0	34,309
Non Current									
Clinical negligence-									
Secondary care	55,061	0	(230)	(1,755)	23,907	(2,356)	(2,794)	0	71,833
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	3,628	0	0	(1,244)	93	(58)	(35)	(51)	2,333
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	979	0	0	(83)	892	(269)	(228)		1,291
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	91			10	128	(149)	0	(3)	77
2019-20 Scheme Pays - Reimbursement	2,239			(8)	0	0	(1,092)	0	1,139
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	61,998	0	(230)	(3,080)	25,020	(2,832)	(4,149)	(54)	76,673
TOTAL									
Clinical negligence-									
Secondary care	95,704	(13,450)	(7,029)	0	47,939	(20,907)	(10,676)	0	91,581
Primary care	22	0	0	0	75	(16)	(26)	0	55
Redress Secondary care	267	0	(70)	0	267	(137)	(157)	0	170
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,086	0	(20)	0	358	(577)	(1,078)	(51)	2,718
All other losses and special payments	504	0	733	0	5,177	(1,168)	(736)	0	4,510
Defence legal fees and other administration	3,066	0	0	0	3,099	(1,296)	(1,373)		3,496
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	246			0	128	(149)	0	(3)	222
2019-20 Scheme Pays - Reimbursement	2,256			0	0	(17)	(1,092)	0	1,147
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,878		0	0	3,679	(2,250)	(2,224)		7,083
Total	114,029	(13,450)	(6,386)	0	60,722	(26,517)	(17,362)	(54)	110,982

Expected timing of cash flows:

	In year to 31 March 2024	Between 1 April 2024 and 31 March 2028	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	19,748	71,833	0	91,581
Primary care	55	0	0	55
Redress Secondary care	170	0	0	170
Redress Primary care	0	0	0	0
Personal injury	385	1,014	1,319	2,718
All other losses and special payments	4,510	0	0	4,510
Defence legal fees and other administration	2,205	1,291	0	3,496
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	145	77	0	222
2019-20 Scheme Pays - Reimbursement	8	0	0	8
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	7,083	1,139	0	8,222
Total	34,309	75,354	1,319	110,982

Provisions included with the "Other" categories above relate to: £'000

Continuing Healthcare claims subject to further review	5,661
Back dated rent arrears	586
Staff regrading appeals and pay arrears	400
Relocation expenses	245
Final Pay Control provisions for retired staff	148
GP managed practices premises costs	43
Total	7,083

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 2023 and may be subject to changes in future periods.

20. Provisions (continued)

	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
Current									
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

21. Contingencies**21.1 Contingent liabilities**

	2022-23 £'000	2021-22 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	174,690	125,408
Primary care	353	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,632	2,147
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	<u>177,675</u>	<u>127,555</u>
Amounts (recovered) in the event of claims being successful	<u>(174,883)</u>	<u>(124,322)</u>
Net contingent liability	<u>2,792</u>	<u>3,233</u>

In accordance with IAS37, the Health Board is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. The contingent liabilities included in Note 21.1 for 2022-23 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	2022-23	2021-22
	£000	£000
Guarantees	0	0
Indemnities	35,567	16,972
Letters of Comfort	0	0
Total	35,567	16,972

The 2022-23 balance for remote contingent liabilities relates to 8 litigation claims (2021-22 10 claims). In the event of these claims being successful £35,377,000 (2021-22 £16,767,000) would be recoverable from the Welsh Risk Pool.

21.3 Contingent assets	2022-23	2021-22
	£000	£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

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2022-23	2021-22
	£000	£000
Property, plant and equipment	1,227	1,860
Right of Use Assets	0	0
Intangible assets	0	0
Total	1,227	1,860

Note 22 includes capital commitments in respect of All Wales funded schemes with the balance as at 31st March 2023 relating to Wrexham Redevelopment, Nuclear Medicine and Ablett Unit. 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 2023	
	Number	£
Clinical negligence	150	21,060,138
Personal injury	33	577,379
All other losses and special payments	201	1,168,364
Total	384	22,805,881

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		0	1	442,765
03RT8PI0015		0	1	397,062
04RT9PI0001		0	1	348,917
06RT8PI0019		0	1	306,325
09RT8MN0039		0	1	1,153,000
117A1MN0019		0	1	1,039,304
117A1MN0038		0	1	5,699,442
11RT8MN0004		0	1	505,500
11RT8MN0019		0	1	3,862,800
127A1MN0030		0	1	7,858,797
127A1MN0103		0	1	445,000
127A1MN0107		0	1	1,567,856
147A1MN0006	1	793,449	1	888,586
147A1MN0009		0	1	657,500
147A1PI0050		0	1	313,411
157A1MN0232	1	2,090,000	1	2,405,000
167A1MN0003	1	457,500	1	457,500
167A1MN0246	1	1,034,245	1	1,164,245
167A1MN0309		0	1	1,008,858
177A1MN0047	1	660,000	1	660,237
177A1MN0091		0	1	1,175,000
177A1MN0195	1	720,000	1	720,000
177A1MN0274		0	1	435,000
177A1MN0276		0	1	1,215,000
177A1MN0321		0	1	552,993
177A1MN0336	1	421,822	1	421,822
177A1PI0025		0	1	624,961
177A1PI0068		0	1	383,443
187A1MN0041	1	924,309	1	1,309,309
187A1MN0105	1	1,255,000	1	1,255,010
187A1MN0170		0	1	525,000
197A1MN0019	1	371,685	1	371,685
197A1MN0161		0	1	593,000
197A1MN0262	1	335,366	1	335,366
197A1MN0278	1	445,000	1	832,921
207A1MN0048	1	3,817,600	1	4,717,600
217A1MN0039	1	410,000	1	410,000
237A1DP0001	1	394,144	1	394,144
98RT9MN0006		0	1	1,750,000
Sub-total	15	14,130,120	39	49,204,359
All other cases	369	8,675,761	345	20,246,401
Total cases	384	22,805,881	384	69,450,760

24. Right of Use / Finance leases obligations**24.1 Obligations (as lessee)**

The Local Health Board did not hold any finance lease obligations as a lessee at the balance sheet date.

Amounts payable under right of use asset / finance leases:	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
Land	31 March 2023 £000	31 March 2022 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>

24.1 Right of Use / Finance leases obligations

	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
	31 March 2023 £000	31 March 2022 £000
Buildings		
Minimum lease payments		
Within one year	2,517	0
Between one and five years	8,605	0
After five years	14,870	0
Less finance charges allocated to future periods	(3,089)	0
Minimum lease payments	<u>22,903</u>	<u>0</u>
Included in:		
Current borrowings	2,310	0
Non-current borrowings	<u>20,593</u>	<u>0</u>
	<u>22,903</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	2,310	0
Between one and five years	7,978	0
After five years	12,615	0
Present value of minimum lease payments	<u>22,903</u>	<u>0</u>
Included in:		
Current borrowings	2,310	0
Non-current borrowings	<u>20,593</u>	<u>0</u>
	<u>22,903</u>	<u>0</u>
Other- Non property		
Minimum lease payments		
Within one year	1,906	0
Between one and five years	4,590	0
After five years	2,275	0
Less finance charges allocated to future periods	(286)	0
Minimum lease payments	<u>8,485</u>	<u>0</u>
Included in:		
Current borrowings	1,828	0
Non-current borrowings	<u>6,657</u>	<u>0</u>
	<u>8,485</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	1,828	0
Between one and five years	4,433	0
After five years	2,224	0
Present value of minimum lease payments	<u>8,485</u>	<u>0</u>
Included in:		
Current borrowings	1,828	0
Non-current borrowings	<u>6,657</u>	<u>0</u>
	<u>8,485</u>	<u>0</u>

24.2 Right of Use Assets / Finance lease receivables (as lessor)

The Local Health Board did not hold any finance leases receivables as a lessor at the balance sheet date.

Amounts receivable under right of use assets / finance leases:	Post Implementation of IFRS 16 (RoU)	Pre implementatio n of IFRS 16 (FL)
	31 March 2023 £000	31 March 2022 £000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board 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 2023 £000	31 March 2022 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

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.

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000
	1,114
Contract start date:	01/09/2004
Contract end date:	01/09/2034

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	61	29	411
Total payments due between 1 and 5 years	267	94	1,798
Total payments due thereafter	513	68	3,872
Total future payments in relation to PFI contracts	<u>841</u>	<u>191</u>	<u>6,081</u>

	On SoFP PFI Capital element 31 March 2022 £000	On SoFP PFI Imputed interest 31 March 2022 £000	On SoFP PFI Service charges 31 March 2022 £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	<u>900</u>	<u>222</u>	<u>6,058</u>

	31/03/2023
	£000
Total present value of obligations for on-SoFP PFI contracts	5,872

25.3 Charges to expenditure

	2022-23	2021-22
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	396	356
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	396	356

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	396	356
Total	396	356

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

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
	On / Off- statement of financial position	
PFI Contract		
Number of PFI contracts which individually have a total commitment > £500m	0	
PFI Contract	On	

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

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Health Board is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

Currency risk

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

Interest rate risk

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

Credit risk

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

Liquidity risk

The Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2022-23	2021-22
	£000	£000
(Increase)/decrease in inventories	(1,202)	(741)
(Increase)/decrease in trade and other receivables - non-current	(15,814)	(30,027)
(Increase)/decrease in trade and other receivables - current	28,396	(28,529)
Increase/(decrease) in trade and other payables - non-current	27,189	(59)
Increase/(decrease) in trade and other payables - current	(19,308)	34,219
Total	19,261	(25,137)
Adjustment for accrual movements in fixed assets - creditors	(26,279)	(3,507)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	0
	(7,018)	(28,644)

28. Other cash flow adjustments

	2022-23	2021-22
	£000	£000
Depreciation	42,116	36,704
Amortisation	362	284
(Gains)/Loss on Disposal	(16)	219
Impairments and reversals	251	(2,934)
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	0
Donated assets received credited to revenue but non-cash	(460)	(442)
Government Grant assets received credited to revenue but non-cash	0	(779)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in provisions	23,470	67,664
Other movements	38,374	35,583
Total	104,097	136,299

Other movements of £38,374,000 in Note 28 Other cash flow adjustments (2021-22 £35,583,000) include notional expenditure for additional staff employer pension contributions and for payments made relating to Scheme Pays.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 25th August 2023; post the date the financial statements were certified by the Auditor General for Wales.

NHS Wales Recovery payment 2022-23

NHS Wales bodies were notified in a pay circular letter issued on 25th May 2023 by the Welsh Government, of the additional pay arrangements for employees covered by the Agenda for Change terms and conditions in Wales for 2022-23, which will be funded by the Welsh Government.

NHS Wales bodies will make a one off non-consolidated, prorated "recovery payment" for staff employed on the Agenda for Change terms and conditions (this includes most NHS staff including nursing staff but excludes medical staff).

These costs have not been recognised in the 2022-23 financial statements because the obligating event was the publication of the offer agreed with the Minister on 20th April 2023 and therefore post 31st March 2023. The costs will be accounted for in the 2023-24 Annual Accounts of NHS Wales bodies.

The estimated cost is £ 18,064,000

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	65	1,957,054	14	2,260
Aneurin Bevan University LHB	61	1,260	2	727
Cardiff & Vale University LHB	1,335	365	191	101
Cwm Taf Morgannwg University LHB	230	86	40	52
Digital Health and Care Wales (DHCW)	8,341	1,709	112	11
Health Education and Improvement Wales (HEIW)	44	19,023	13	1,125
Hywel Dda University LHB	5,301	658	123	83
Powys Teaching LHB	549	4,322	101	626
Public Health Wales NHS Trust	6,267	5,287	167	475
Swansea Bay University LHB	170	455	32	107
Velindre NHS Trust	53,808	7,650	3,495	3,463
Welsh Ambulance Services NHS Trust	1,893	496	562	96
Welsh Risk Pool	0	0	0	119,730
WHSSC / EASC	226,850	47,482	1,013	832
Total	304,914	2,045,847	5,865	129,688

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	12,164	1,981	4,784	456
Denbighshire County Council	10,995	3,338	4,844	1,518
Flintshire County Council	18,003	3,013	5,867	1,620
Gwynedd County Council	12,905	2,349	3,249	1,260
Isle of Anglesey Council	7,132	1,295	3,074	335
Wrexham County Borough Council	9,889	5,179	3,330	510
Other Welsh Local Authorities (Including Police & Crime Commissioners and Fire Authorities)	551	651	111	1
Total	71,639	17,806	25,259	5,700

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 £1,158,000 from the charitable fund during the year (2021-22 £1,237,000).

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 / AMs / 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.

Name	Details of positions held during the financial year (or part thereof)	Year of declaration (see footnote on page 68b)	Dates positions held	Declarations made
Directors / Executive Directors				
J Whitehead	Chief Executive	2021-22 *	01.04.22 - 15.11.22	Husband is on the GP Performers List and works as a locum in GP practices and the Health Board's GP Out of Hours Service
N Lyons	Executive Medical Director	2022-23	01.04.22 - 31.03.23	Wife works for the Health Board as an Allied Health Professional (AHP) in Cancer Services
G Thomason	Interim Executive Director of Nursing and Midwifery	2022-23	01.04.22 - 31.07.22	Director of Regency Circle Ltd a provider of management consultancy services
A Wood	Executive Director of Nursing and	2022-23	01.08.22 - 31.03.23	Member of the Royal College of Nursing
R Nolan	Acting Executive Director of Finance	2022-23	01.09.22 - 30.11.22	Wife is Regional Assurance Director for Mersey Internal Audit Agency Step-son works for Meditech as a software developer Director and Trustee, BMC access and Conservation Trust
S Webster	Interim Executive Director of Finance	2022-23	03.01.23 - 31.03.23	Director, Respiratory Innovation Wales Limited
J C Stockport	Executive Director Transformation and Strategic Planning	2022-23	01.04.22 - 31.03.23	Director, Great Selection Trading Ltd
A Thomas	Executive Director Therapies and Health Sciences	2020-21 *	01.04.22 - 16.10.22	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 Therapies and Health Sciences	2022-23	01.04.22 - 31.03.23	Wife is an employee of the Health Board as a Nurse on an Intensive Care Unit
Independent Members				
M Polin OBE QPM	Chair	2021-22 *	01.04.22 - 27.02.23	Wife is employed by the Health Board as a Health Visitor
D Edwards	Chair	2022-23	27.02.23 - 31.03.23	Llund Bol Foodbank - Volunteer Non-Executive Director - Antur Nantlle Cyfyngedig Former Non-Executive Director - Welsh Finance Authority (to 27.02.2023) Former Non-Executive Director - Public Health Wales NHS Trust (to 27.02.2023) Commissioner - Northern Transport Commission Member - Welsh Language Partnership Council, Welsh Government Member - Plaid Cymru Member - CND Cymru Member - Institute of Welsh Affairs Member - Calfaria Chapel, Penygroes Wife is employed by the Health Board as a Lead Practice Education Facilitator Sister-in-law is employed by the Health Board as a Sonographer
L J Reid	Independent Member and Vice Chair	2022-23	01.04.22 - 27.02.23	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. Husband is a GP in St Asaph, Denbighshire
Prof N Callow	Independent Member	2021-22 *	01.04.22 - 27.02.23	Pro Vice-Chancellor Learning and Teaching and Head of College of Human Sciences, Bangor University
Cllr C Carlisle	Independent Member	2021-22 *	01.04.22 - 27.02.23	County Councillor for Colwyn Ward, Conwy County Borough Council Cabinet Member for Social Care and Safeguarding Deputy Chairman (political) Clwyd West Conservatives Governor at Ysgol Bryn Eilian Member of the Conwy and Denbighshire Joint Adoption Panel Panel member of Conwy and Denbighshire Public Services Board
J Cunliffe	Independent Member	2021-22 *	01.04.22 - 27.02.23	Director of Abernet Ltd Member of the Joint Audit Committee, North Wales Police and Crime Commissioner
H Hesketh Evans OBE	Independent Member	Not submitted *	01.04.22 - 27.02.23	Councillor for Denbighshire County Council Founder Chairman and Member North Wales Economic Ambition Board
J F Hughes	Independent Member	2022-23	01.04.22 - 27.02.23	Daughter is employed in an administrative role for the Health Visitor Team in Caernarfon
Cllr R Medwyn Hughes	Independent Member	2021-22 *	01.04.22 - 27.02.23	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
R Micklewright	Independent Member	2022-23	01.04.22 - 27.02.23	Fellow of the Chartered Institute of Public Finance and Accountancy (CIPFA) Member of the Institute of Directors Director, Derryscroft Ltd Wife works in the NHS
J Gallanders BEM	Independent Member	2022-23	01.04.22 - 27.02.23	Clerk at Maelor South Community Council Chair at Wrexham Warehouse Project
L Tomos CBE	Independent Member	2021-22 *	01.04.22 - 27.02.23	Trustee for Cyngor Llyfrau Cymru/Books Council of Wales
G Williams	Independent Member	2022-23	27.02.23 - 31.03.23	Welsh Government - Chair of the expert panel supporting the Independent Commission on the Constitutional Future of Wales Director - Galdeford Investments Ltd Director - Ludlow and District Community Association Ltd T/A Ludlow Assembly Rooms Chair and Director - Mid Wales Opera Ltd
K Balmer CPFA	Independent Member	2022-23	27.02.23 - 31.03.23	Member of the Chartered Institute of Public Finance and Accountancy (CIPFA) Chief Executive Officer Groundwork North Wales Board Member Natural Resources Wales Founder and trustee Cycling 4 All Director, IK Tech Limited Director, Nant Mill Community Trust Director, Skill Hive CIC
R Watcyn Jones	Independent Member	2022-23	27.02.23 - 31.03.23	Trustee and Chair of Hanes Llandoch

30. Related Party Transactions (continued)

Associate Board Members				
M Edwards	Associate Board Member	2021-22 *	01.04.22 - 25.06.22	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
F Roberts	Associate Board Member	2022-23	29.07.22 - 31.03.23	Director of Social Services and Head of Childrens Services Isle of Anglesey County Council Leadership Group Member ADSS Cymru Chair Person Dawns i Bawb Member of Plaid Cymru
C Budden	Associate Board Member	2022-23	01.04.22 - 31.03.23	Chief Executive of Clwyd Alyn Housing Association Director, Tai Elwy Limited Director, Tir Tai Limited Director, Penarian Housing Finance plc Welsh Government Housing Support National Advisory Board Member Vice Chair of the North Wales and Mersey Dee Business Council Fellow of the Chartered Institute of Housing
J Wild	Associate Board Member	2022-23	01.04.22 - 31.03.23	Trustee and Officer of the British Society of Audiology Sister is a GP

Material transactions between the Health Board and related parties during 2022-23 were as follows (unless already reported on page 68).	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Bangor University	872	593	668	234
Boots the Chemist	4,337	0	0	0
CIPFA	61	0	44	0
Clwyd Alyn Housing Association	953	0	124	0
Groundwork North Wales	3	0	0	0
Natural Resources Wales	8	0	0	0
Meditech	16	0	3	0
The Association of Directors of Social Services Cymru (ADSS Cymru)	1	0	0	0

Footnote *

No other Health Board members who served during the 2022-23 financial year disclosed any related party interests.

Where Directors had made declarations in previous years but these had not been updated in 2022-23 the most recent available information, including the year of declaration, has been included in this note.

The following Directors made nil declarations in 2021-22 but these were not updated or confirmed for 2022-23:

Name	Details of position	Date position held
A L Brereton	Board Secretary	01.04.22 - 03.04.22
G Harris	Executive Director of Integrated Clinical Delivery/Deputy Chief Executive Acting Chief Executive	01.04.22 - 15.11.22 16.11.22 - 31.03.23

H Hesketh Evans joined and left the Health Board during the year and did not make a declaration. Information within the note was published on the Health Board's website during the term of office.

31. Third Party assets

As at 31st March 2023, the Health Board held £179,914 cash at bank and in hand on behalf of third parties (31st March 2022 £195,807) comprising:

	2022-23	2021-22
	£	£
Monies held on behalf of patients - savings accounts	68,932	70,320
Monies held on behalf of patients - current accounts and cash in hand	72,682	101,637
Deposits for staff residential accommodation	38,300	23,850
	<u>179,914</u>	<u>195,807</u>

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

The Health Board also holds a quantity of consignment stock that remains the property of suppliers until it is used and is therefore considered as a third party asset. The value of consignment stock as at 31st March 2023 was £3,269,221 (31st March 2022 £3,364,898).

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 74-76 of these accounts provide details of the joint income and expenditure transactions for each of these arrangements.

The Health and Social Care Regional Integration Fund (RIF)

The Health and Social Care Regional Integration Fund (the RIF) is a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and will seek to create sustainable system change through the integration of health and social care services.

Key features and values of the Fund include:

- A strong focus on prevention and early intervention
- Developing and embedding national models of integrated care
- Actively sharing learning across Wales through Communities of Practice
- Sustainable long term resourcing to embed and mainstream new models of care
- Creation of long term pooled fund arrangements
- Consistent investment in regional planning and partnership infrastructure

The RIF is a key lever to drive change and transformation across the health and social care system and in doing so will directly support implementation of several key pieces of policy and legislation.

Regional Partnership Boards (RPBs) facilitate the partnership arrangements made between a Local Health Board and one or more Local Authorities. The objectives of a RPB are set out in Regulation 10 of the Partnership Regulations and are to ensure that the partnership bodies work effectively and to ensure that the partnership bodies provide sufficient resources for the partnership arrangements. In addition to health and social care partners RPB membership includes representatives from housing, education, the third sector, providers, citizens and carer representatives to take forward the effective delivery of integrated services in Wales. Their purpose is to improve the outcomes and well-being of people with care and support needs, and carers who need support. RPBs work as a partnership to strategically plan, manage and develop effective care and support services required to best meet the needs of their respective populations.

Total RIF funding allocated through the North Wales Regional Partnership Board for 2022-23 was £32.9m (2021-22 £23.4m) of revenue funding plus RIF capital grant funding of £2.1m (2021-22 £10.5m). 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.

On 1st August 2022, the Health Board moved to a new operating model, based on research and development carried out through the Stronger Together programme.

The new model brings together Primary Care, Community Services, Secondary Care (acute) and Children's services into three Health Communities - East, Central and West, each led by an accountable Director. Mental Health and Learning Disabilities, Women's Services, Cancer Services, Diagnostic and Clinical Support Services remain as pan-North Wales services. Prior year figures within this note have been restated to reflect the structure of the new operating model.

Four 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.

	2022-23	2021-22
	£'000	Restated £'000
<i>Integrated Health Communities</i>		
West Integrated Health Community *	320,094	300,972
Central Integrated Health Community *	407,043	381,935
East Integrated Health Community *	416,694	394,884
	1,143,831	1,077,791
Midwifery and Womens Services	44,479	42,354
Mental Health and Learning Disabilities	155,124	145,189
Commissioning Contracts *	257,679	234,773
Integrated Clinical Delivery Primary Care	54,538	74,258
Integrated Clinical Delivery Regional Services	107,063	98,866
Service Support Functions	150,890	133,603
	769,773	729,043
Other Budgets	41,164	31,573
6.3% Staff employer pension contributions notional expenditure (See Note 34.1)	38,357	35,583
Operating costs sub-total	1,993,125	1,873,990
Revenue Resource Limit	1,993,514	1,874,279
Under/(over) spend against Revenue Resource Limit	389	289

* Operating segments which meet the standard criteria for reporting as per par 1.470 of the Welsh Government Manual for Accounts 2022-23.

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 2022 to 31st March 2023. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2022 and February 2023 alongside Health Board data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023	2022-23 £000
Expenditure on Primary Healthcare Services	1,027
Expenditure on healthcare from other providers	0
Expenditure on Hospital and Community Health Services	37,330
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023	
Net operating cost for the year	38,357
Notional Welsh Government Funding	38,357
Statement of Cash Flows for year ended 31 March 2023	
Net operating cost for the financial year	38,357
Other cash flow adjustments	38,357
2.1 Revenue Resource Performance	
Revenue Resource Allocation	38,357
3. Analysis of gross operating costs	
3.1 Expenditure on Primary Healthcare Services	
General Medical Services	856
Pharmaceutical Services	9
General Dental Services	43
Other Primary Health Care expenditure	119
3.3 Expenditure on Hospital and Community Health Services	
Directors' costs	47
Staff costs	37,283
9.1 Employee costs	
Permanent Staff	
Employer contributions to NHS Pension Scheme	38,357
Charged to capital	0
Charged to revenue	38,357
18. Trade and other payables	
Current	
Pensions: staff	0
28. Other cash flow adjustments	
Other movements	38,357

34. Other Information**34.2 Welsh Government Covid 19 Funding**

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2022-23 £000	2021-22 £000
Capital		
Capital Funding Field Hospitals		0
Capital Funding Equipment & Works		6,901
Capital Funding other (Specify)		0
Welsh Government Covid 19 Capital Funding	0	6,901
Revenue		
Stability Funding	18,823	65,198
Covid Recovery	0	18,517
Cleaning Standards	0	1,282
PPE (including All Wales Equipment via NWSSP)	1,538	3,519
Testing / TTP- Testing & Sampling - Pay & Non Pay	2,591	4,007
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	4,610	13,088
Extended Flu Vaccination / Vaccination - Extended Flu Programme	1,777	1,585
Mass Covid-19 Vaccination / Vaccination - COVID-19	11,780	14,643
Annual Leave Accrual - Increase due to Covid		5,383
Urgent & Emergency Care		1,407
Private Providers Adult Care / Support for Adult Social Care Providers		3,427
Hospices		0
Other Mental Health / Mental Health		343
Other Primary Care	0	0
Social Care		2,360
Dental Patient charges	2,975	0
Nosocomial C19 Funding	879	0
Other	750	318
Welsh Government Covid 19 Revenue Funding	45,723	135,077

Other Welsh Government Covid 19 Revenue Funding relates to:

2021-22 - £318,000 - Covid Therapeutic Medicines (Treatment)

2022-23 - £750,000 - C19 Long Covid 19.

The Health Board received a further £70,000 (2021-22 £81,000) Welsh Government Covid-19 Revenue funding as miscellaneous income, which is included in Note 4 on page 30. All other income detailed above was received through the Health Board's Revenue and Capital Resource Allocations.

34. Other Information

34.4 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

North East Wales Community Equipment Service Memorandum Accounts 2022-23

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:

	2022-23	2021-22
	£ 000	£ 000
Pooled Budget contributions		
Flintshire County Council	318	306
Wrexham County Borough Council	301	290
Betsi Cadwaladr University Local Health Board	455	430
Other	227	225
Total Pooled Budget contributions for the year	1,301	1,251
Expenditure		
Equipment Purchases	486	506
Operating Expenditure	780	789
Non Operating Expenditure	0	0
Total Expenditure for the year	1,266	1,295
Net Surplus/(Deficit) on the Pooled Budget for the Year	35	(44)

Denbighshire Community Equipment Service Memorandum Accounts 2022-23

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

	2022-23	2021-22
	£ 000	£ 000
Pooled budget contributions		
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	217	225
Total Pooled Budget contributions for the year	625	633
Expenditure		
Equipment purchases (Core and CHC)	189	150
Operating Expenditure	529	437
Total Expenditure for the year	718	587
Net Surplus/(Deficit) on the Pooled Budget for the Year	(93)	46
Cumulative net Surplus/(Deficit) on the Pooled Budget	(1)	92

34. Other Information

34.4 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

Denbighshire Health and Social Care Support Workers Service Memorandum Accounts 2022-23

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.

	2022-23	2021-22
	£ 000	£ 000
Pooled Budget contributions		
Denbighshire County Council	50	50
Betsi Cadwaladr University Local Health Board	50	50
RIF Grant Allocation	55	53
RIF Grant Allocation - from slippage	3	0
Total Pooled Budget contributions for the year	158	153
Expenditure		
Employee Expenses	147	151
Other Operating Expenditure	11	6
Total Expenditure for the year	158	157
Net Surplus/(Deficit) on the Pooled Budget for the Year	0	(4)
Cumulative net Surplus/(Deficit) on the Pooled Budget	38	38

Bryn-y-Neuadd Community Equipment Store Memorandum Accounts 2022-23

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.

	2022-23	2021-22
	£ 000	£ 000
Contributions		
Ynys Môn County Council	156	156
Conwy County Council	183	183
Gwynedd County Council	204	196
Betsi Cadwaladr University Local Health Board	497	497
Special Orders	90	90
Total Pooled Budget Contributions	1,130	1,122
Expenditure		
Operating Expenses	797	688
Equipment Purchases (incl. Special Orders)	524	512
Total Expenditure	1,321	1,200
Net Surplus/(Deficit) on the Pooled Budget for year	(191)	(78)
Cumulative Net Surplus/(Deficit) on the Pooled Budget	(362)	(171)

34. Other Information

34.4 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

North Wales Older People Accommodation Pooled Budget Memorandum Accounts 2022-23

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. 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 2023 is shown below. Payments in respect of the contributions for Quarter 4 2022-23 will be made in arrears during 2023-24 in accordance with the Partnership Agreement:

	2022-23	2021-22
	£ 000	£ 000
Contributions		
Denbighshire County Council	10,236	9,340
Conwy County Borough Council	15,864	14,221
Flintshire County Council	10,556	10,095
Wrexham County Borough Council	14,434	15,317
Gwynedd Council	11,214	9,143
Isle of Anglesey County Council	5,708	5,209
Betsi Cadwaladr University Local Health Board	43,020	35,657
Total Pooled Budget Contributions	111,032	98,982
Expenditure		
Care Home Costs	111,032	98,982
Total Expenditure for the year	111,032	98,982
Net Surplus/(Deficit) on the Pooled Budget for the Year	0	0

The Certificate and 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 Health Board (the Health Board) for the year ended 31 March 2023 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, in all material respects, 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 Health Board as at 31 March 2023 and of its surplus 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

I qualified my opinion on the Health Board's 2021-22 financial statements as I had identified significant levels of error and uncertainty in those financial statements. As a result, I recommended that the Health Board undertook a comprehensive exercise to identify and correct the identified errors and, in particular it identified the corrections needed to ensure that its 2022-23 accounts gave a true and fair view. The Health Board did not undertake such a review.

Consequently, and as a result of this failure, I have been unable to obtain sufficient and appropriate evidence over the existence of payables and accruals of £73.2 million at 1 April 2022 or whether 2022-23 expenditure of £122 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.

As I have been unable to assess the full extent of the error and uncertainty in these balances in the financial statements, and have been unable to determine whether any adjustments to the amounts were necessary, I am qualifying my audit opinion on the grounds that the Health Board has been unable to provide sufficient appropriate audit evidence that this expenditure of £122.2 million 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 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

The Health Board did not comply with paragraph 14.1.4 of the standing financial instructions issued by Welsh Government in appointing an Interim Executive Director of Nursing and Midwifery at a pay point that was higher than that set out by the Welsh Government without receiving appropriate approval. Accordingly, the Health Board made irregular payments of £105,648 plus oncosts to an Interim Executive Director, at a rate of pay which is equivalent to a full-time annual salary of £469,500 (excluding oncosts). The maximum approved pay point was £149,334. I have qualified my opinion accordingly.

Further detail is set out in my attached report.

Basis for 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 certificate.

My staff and I are 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 certificate.

The going concern basis of accounting for Betsi Cadwaladr University Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and
- 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 is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

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

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received; and
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns.

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

- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; and
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records;

- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls 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; and
- assessing the Health 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 the Directors and Chief Executive anticipate that the services provided by the Health Board's will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

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 a certificate 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 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 management override and unusual journals.
- Obtaining an understanding of Health Board's framework of authority as well as other legal and regulatory frameworks that the 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 the Health Board.
- Obtaining an understanding of related party relationships.

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.
- 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 members 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 Health Board 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.

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my Report attached.

Adrian Crompton
Auditor General for Wales
25 August 2023

1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

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 2023 to draw attention to key matters for my audit, as follows:

- qualification of my opinion on whether the accounts give a true and fair view owing to significant uncertainty in the opening balances and whether expenditure for 2022-23 is materially understated. Both matters relate to my 2021-22 qualification of the Health Board's financial statements, arising from my inability to obtain sufficient appropriate evidence relating to specific accruals, payables and expenditure recognised in the financial statements;
- qualification of my regularity opinion due to a breach of standing financial instructions on the payment of salary to an Interim Executive Director; and
- the Health Board's failure to meet its second financial duty.

Qualified opinion due to inability to obtain sufficient evidence about the opening balances

My audit of the Health Board's 2021-22 financial statements identified that significant levels of error and uncertainty about whether payables and accruals existed at 31 March 2022 and whether expenditure had been properly accounted for in 2021-22.

I qualified my opinion on the 2021-22 accounts accordingly.

As a result of that qualification, I recommended that the Health Board:

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

The Health Board has failed to undertake an exercise to review and correct its 2021-22 accounting records and has failed to identify the corrections needed to ensure that its 2022-23 financial statements gave a true and fair view.

As a result of this failure, I was unable to obtain sufficient and appropriate evidence over the existence of payables and accruals of £73.2 million at 1 April 2022 or whether 2022-23 expenditure of £122 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.

As I have been unable to assess the full extent of the error and uncertainty in these balances 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 this expenditure of £122.2 million occurred in the year or has been properly accounted for in the correct accounting period.

The Health Board prepared an action plan following a review that set out a number of activities aimed at strengthening the financial control environment across the organisation. The Audit Committee has agreed to monitor progress with implementing the activities.

Qualified regularity opinion as the Health Board incurred irregular expenditure and breached its standing financial instructions in making payments to an interim executive member of the Board

Paragraph 14.1.4 of Standing Financial Instructions issued by Welsh Ministers under paragraph 19.1 of the NHS Wales Act requires that Welsh Government approval is obtained when an executive director post is paid above the agreed scale.

The Health Board's Remuneration Committee approved payments to an Interim Executive Director that exceeded the maximum pay point of £149,334 for the role as set out by Welsh Government. Between 1 April and 31 July 2022, the Interim Executive Director was paid £105,648 plus oncosts at a rate of pay which is equivalent to a full-time annual salary of £469,500 (excluding oncosts). The payment of £105,648 exceeded the amount approved by the Health Board's Remuneration Committee, and Board and Welsh Government approval was not obtained contrary to the requirements of its Standing Financial Instructions.

Financial duties

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

First financial duty

The first financial duty requires Health Boards to secure that its expenditure does not exceed the aggregate of the funding allocated to it over a period of three financial years.

As set out above I have qualified my opinion on whether the accounts give a true and fair view owing to significant uncertainty in the opening balances and whether expenditure for 2022-23 is materially understated.

However, given the significant uncertainty reported in 2021-22 remain due to timing differences and identified immaterial errors, I have therefore concluded that the financial duty has been met for the three-year period ended 31 March 2023.

The Health Board's reporting of its compliance with its first financial duty for the financial years 2023-24 and 2024-25 will be impacted by my qualification of the 2022-23 financial statements. I will accordingly report on the Health Board's compliance with its first financial duty when concluding my audit of financial statements of those financial statements.

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 2022-23 if it submitted a 2022 to 2025 plan approved by its Board to the Welsh Ministers.

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 2022-25.

Adrian Crompton

Auditor General for Wales
25 August 2023