



PWYLLGOR ARCHWILIO A SICRWYDD RISG AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	05 May 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Draft Accountability Report 2021/22
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Steve Moore, Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Board Secretary

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

Hywel Dda University Health Board is required to provide an Accountability Report as part of its Annual Report and Accounts for 2021/22. Guidance on how to complete and display these reports has been issued by Welsh Government in Chapter 3 of the Manual for Accounts, in accordance with HM Treasury reporting requirements as stipulated in the HM Treasury Financial Reporting Manual (FReM).

Cefndir / Background

NHS bodies are required to publish, as a single document, a three-part Annual Report and Accounts which includes:

- The Performance Report, which must include:
 - An overview
 - A Performance analysis.
- The **Accountability Report**, which must include:
 - A Corporate Governance Report
 - A Remuneration and Staff Report
 - A Parliamentary Accountability and Audit Report.
- The Financial Statements

The Accountability Report demonstrates how the UHB meets key accountability requirements to the Welsh Government and is required to have three parts:

Part A: The Corporate Governance Report

This explains the composition and organisation of the UHB's governance structures and how they support the achievement of the entity's objectives.

Part B: Remuneration and Staff Report

This contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc.

Part C: Parliamentary Accountability and Audit Report

This contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

For the 2021/22 reporting period the deadlines for submission are:

Submit Draft Financial Statements	29 th April 2022
Audit and Risk Assurance Committee (to review DRAFT financial statements and Draft Accountability Report)	1.30pm, Thursday 5 th May 2022
Submit draft Performance Report Overview, Accountability Report (including the Annual Governance Statement), and Draft Remuneration Report	Friday 6 th May 2022
Audit and Risk Assurance Committee (to approve above FINAL Financial Statements, Accountability Report and Performance Report)	10.00am, Thursday 9 th June 2022
Board Meeting in Public (to approve FINAL Annual Report, Annual Accounts, Accountability Report and Performance Report)	12.30pm, Thursday 9 th June 2022
Submit final Annual Report and Accounts as a single unified PDF document	Wednesday, 15 th June 2022
Public Meeting	Thursday, 28 th July 2022

Asesiad / Assessment

The purpose of the accountability section of the annual report is to meet key accountability requirements to Parliament. The requirements of the accountability report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of the SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context.

Auditors will review the accountability report for consistency with other information in the financial statements and will provide an opinion on the following disclosures which should be identified as audited within the accountability report:

- Single total figure of remuneration for each director
- CETV (cash equivalent transfer value) disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Fair pay disclosures
- Exit packages, if relevant, and
- Analysis of staff numbers

The Accountability Report is required to be signed off by the Accountable Officer/CEO.

As a minimum, the Corporate Governance Report must include:

- i) The Directors' Report – the guidance stipulates what information must be included, unless disclosed elsewhere in the annual report and accounts in which case a cross reference may be provided;
- ii) The Statement of Accountable Officer's responsibilities – the Accountable Officer is required to confirm and take personal responsibility and the judgements

- required for determining that the annual report and accounts as a whole is fair, balanced and understandable;
- iii) The Governance Statement – the Governance Statement is a key feature of the organisation's annual report and accounts and is intended to bring together in one place all disclosures relating to governance, risk and control. The UHB's Governance Statement has been compiled in accordance with the relevant guidance and includes mandated wording.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is requested to discuss and support the content of the Draft Accountability Report, providing any feedback that is relevant to its objective to the Board Secretary by **Wednesday, 18 May 2022**, in order to provide assurance to the Board that a robust governance process was enacted during the year.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	3.2 In particular, the Committee will review the adequacy of: 3.2.1 all risk and control related disclosure statements (in particular the Accountability Report and the Annual Quality Report), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	NHS Wales 2021/22 Manual for Accounts
Rhestr Termiau: Glossary of Terms:	Within Report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg:	Chief Executive Officer Director of Workforce and OD Deputy Director of HR Chair

Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Assistant Head of Financial Accounting
---	--

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable.
Ansawdd / Gofal Claf: Quality / Patient Care:	There are no direct quality/patient care implications within this report.
Gweithlu: Workforce:	Not applicable.
Risg: Risk:	This report enables the UHB to meet its key accountability requirements to Parliament.
Cyfreithiol: Legal:	Not applicable.
Enw Da: Reputational:	Not applicable.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	<ul style="list-style-type: none"> Has EqlA screening been undertaken? No (if yes, please supply copy, if no please state reason) Has a full EqlA been undertaken? No

Chapter 2

Accountability Report



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Content	Page
Accountability Report	
• Introduction	3
Part 1 - Corporate Governance Report	4
• Directors' Report	4
• Statement of the Chief Executive's responsibilities as Accountable Officer of Hywel Dda University Health Board	6
• Statement of Directors' responsibilities in respect of the accounts	7
• Governance Statement	8
Part 2 - Remuneration and Staff Report	66
Part 3 - Parliamentary Accountability and Audit Report	87

Introduction to the Accountability Report

The Accountability Report is one of the three reports which form Hywel Dda University Health Board's (the Health Board) Annual Report and Accounts. The accountability section of the Annual Report is to meet key accountability requirements to the Welsh Government (WG). The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

As not all requirements of the Companies Act apply to NHS bodies, the structure adopted is as described in the HM Treasury's Government Financial Reporting Manual (FReM) and set out in the 2020/21 Manual for Accounts for NHS Wales, issued by the WG.

The Accountability Report consists of three main parts. These are:

- **The Corporate Governance Report:** This report explains the composition and organisation of the Health Board and governance structures and how they support the achievement of the Health Board's objectives. The Corporate Governance Report itself is in three main parts; the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Governance Statement.
- **The Remuneration and Staff Report:** The Remuneration and Staff Report contains information about senior managers' remuneration. It will detail salaries and other payments, the Health Board's policy on senior managers' remuneration, and whether there were any exit payments or other significant awards to current or former senior managers. In addition, the Remuneration and Staff Report sets out the membership of the Health Board's Remuneration Committee, and staff information with regards to numbers, composition and sickness absence, together with expenditure on consultancy and off payroll expenditure.
- **Parliamentary Accountability and Audit Report:** The Parliamentary Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.

Part 1 - Corporate Governance Report

Introduction

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across the Health Board during 2020/21. It includes:

The Directors' Report: This provides details of the Board who have authority or responsibility for directing and controlling the major activities of the Health Board during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.

The Statement of Accounting Officer's Responsibilities and Statement of Directors' Responsibilities: This requires the Accountable Officer, Chairman and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts, as a whole, is fair, balanced and understandable.

The Governance Statement: This is the main document in the Corporate Governance Report. It explains the governance arrangements and structures within the Health Board and brings together how the organisation manages governance, risk and control.

Directors' Report

The composition of the Board and membership

The Health Board has 11 Independent Members (including Chair and Vice-Chair) who are appointed by the Minister for Health and Social Services, and 9 Executive Directors. All Independent Members and Executive Director Members have full voting rights. In addition, there are 3 Associate Members who have been appointed by the Health Board in accordance with Standing Orders and approved by the Minister for Health and Social Services. Associate Members have no voting rights. There is also 1 Director and the Board Secretary on the Executive Team who have no voting rights.

Before an individual may be appointed as a Member or Associate Member they must meet the relevant eligibility requirements, set out in Schedule 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulation 2009, and continue to fulfil the relevant requirements throughout the time that they hold office.

The Regulations can be accessed via the following link:

<https://law.gov.wales/publicservices/health-services/health-service-bodies/lhbs/?lang=en>.

Further details in relation to the composition of the Board can be found at pages 13 to 17 of the Governance Statement. This will include Board and Committee membership, including the Audit and Risk Assurance Committee, for 2021/22, the meetings attended during the year and the champion roles fulfilled by Board Members. In addition, short biographies of all

Board Members can be found on the Health Board's website at:
<https://hduhb.nhs.wales/about-us/your-health-board/board-members/>.

Register of interests

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A Register of Interests is available on the Health Board's website at: [Register of interests, gifts, sponsorship and hospitality - Hywel Dda University Health Board \(nhs.wales\)](#), or a hard copy can be obtained from the Board Secretary on request.

Personal data related incidents

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on **page 47** of the Governance Statement.

Environmental, social and community issues

These are outlined in **pages** 45 of the Governance Statement.

Statement for Public Sector Information Holders

This is contained in the [Parliamentary Accountability and Audit Report](#) on **page** 91.

Statement of the Chief Executive's responsibilities as Accountable Officer of Hywel Dda University Health Board

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer of Hywel Dda University Health Board.

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

I can confirm that:

To the best of my knowledge and belief, there is no relevant audit information of which Hywel Dda University Health Board's auditors are unaware and I have taken all steps that ought to have been taken to make myself aware of any relevant audit information and established that the auditors are aware of that information.

Hywel Dda University Health Board's annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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
by:**

Date: 9 June 2022

**Professor Phil Kloer on behalf
of Steve Moore,
Chief Executive Officer**

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 HM Treasury, direct that these accounts give a true and fair view of the state of affairs of Hywel Dda University Health Board and of the income and expenditure of the Hywel Dda University 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 HM Treasury;

- Make judgements and estimates which are responsible and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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 the Welsh Ministers.

BY ORDER OF THE BOARD

Signed by:

On behalf of Chair: Date: 9 June 2022
Maria Battle

Chief Executive: Date: 9 June 2022
Professor Phil Kloer on behalf
of Steve Moore

Executive Director of Finance: Date: 9 June 2022
Huw Thomas

Governance Statement

Scope of responsibility

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

The Annual Report outlines the different ways the organisation has had to work both internally and with partners in response to the significant challenges of planning and providing services during the COVID-19 pandemic. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and assurance has been sought and provided. Where necessary additional information is provided in the Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.”

This has been another unprecedented year across the NHS and for Hywel Dda University Health Board. We have continued to adapt our governance framework within the year to ensure we continue to operate in an open and transparent way whilst responding to each stage of the pandemic. Furthermore, in light of the ongoing learning through the pandemic, over the past year, we have reviewed our governance and assurance arrangements so they better support the delivery of our strategic and planning objectives as we look to the future to address pressures in our urgent and emergency care system, deal with the backlog of patients waiting for treatment and care and to help us get back on track with our financial roadmap whilst managing the exceptional economic challenges we face next year. Further detail on how we maintained good governance arrangements during 2021/22 are provided within this Governance Statement.

Escalation and intervention arrangements

The Health Board is held to account for its performance by the WG, who have established arrangements for escalation and intervention to support NHS bodies to address issues effectively and deliver the required improvement. Despite the unprecedented challenges we have faced in the last 2 years – exacerbated by our hospital configuration and relatively poor infrastructure – we have been able to consolidate our de-escalation from ‘targeted intervention’ to ‘enhanced monitoring’ status. The WG acknowledged the good leadership within the Health Board, however the following points were brought to our attention:

- There is a need to address the current financial position and financial strategy linked to future service and workforce plans;
- There is concern around the urgent and emergency care position across the Health Board, with all four acute sites often at high levels of escalation every day;
- The continued workforce challenges within the Health Board.

To realise our ambition to return to 'routine monitoring' status will depend on delivering an approvable Integrated Medium Term Plan (IMTP). We continue to work with WG as it remains our ambition to have an approved IMTP and to be de-escalated to routine monitoring status.

Our governance framework

Model Standing Orders, Reservation and Delegation of Powers are issued by Welsh Ministers for the regulation of the Health Board's proceedings and business. These translate the statutory requirements set out in the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779 (W.67)) into day to day operating practice, and, together with the adoption of a Scheme of decisions reserved to the Board; a Scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'.

The Board approved the All Wales Model Standing Orders, Reservation and Delegation of Power for Standing Orders and the Standing Financial Instructions (SFI's) at the Board meeting held on 27 May 2021. These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of our Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

The only variations to Standing Orders during 2021/22 in response to the pandemic and the departure from Public Bodies (Admission to Meetings) Act is that the Board has not been able to meet in public due to limitations on public gatherings. To ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken:

- Continued live broadcasting of Board meetings;
- Published agendas and papers in advance of the meeting – ideally 7 days (the Board acknowledge that this is a breach of Model Standing Orders which stipulates agendas should be published 10 days prior to meetings, however a local variation has been made);
- A clear link to the Health Board's website pages and social media accounts signposting to further information and publication dates; and
- Amendment to the website (which constitutes the official notice of Board meetings) and explain why the Board is not meeting in public.

The public are also unable to physically or virtually attend its Committee meetings, which is a breach of its Standing Orders. This has been risk assessed, taking into account that all decisions are made by the Board, and Committee papers and minutes are made available on the Health Board website under the Statutory Committee section - <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>.

The Board

The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability, ensuring that its work is open and transparent. The Board functions as a corporate decision-making body.

All Board Members share corporate responsibility for formulating strategy, ensuring accountability, monitoring performance and shaping culture, together with ensuring that the Board operates as effectively as possible. The Board is comprised of individuals from a range of backgrounds, discipline and areas of expertise, and provides leadership and direction ensuring that sound governance arrangements are in place.

During 2021/22, all Board Meetings in Public were broadcast live, with a recording of the meeting uploaded to our website after each meeting.

During 2021/22, the Board held:

- 8 meetings in public (all were quorate)
- 1 Annual General Meeting
- 7 seminar sessions (an additional Seminar was held in March 2022)

Attendance is formally recorded within the minutes, detailing where apologies have been received and where deputies have been nominated. The dates, agendas and minutes of all public meetings can be found on the Health Board's website:

<https://hduhb.nhs.wales/about-us/your-health-board/>.

The Board has a programme of work which was adapted during the year to respond to emerging events and circumstances. There is also a clear patient and staff centred focus by the Board at the meetings, demonstrated by the presentation of patient and staff stories at each meeting through the Patient Experience Report.

Items considered by the Board during 2021/22 included:

- HDdUHB Annual Recovery Plan 2021/22
- Programme Business Case – Implementing the Healthier Mid and West Wales Strategy
- Transforming Mental Health Services Update
- Three Year Draft Plan for Children's Services
- Bronglais General Hospital Chemotherapy Day Unit Project – Approval to Develop with Revised Relocation Plans
- West Wales Care Partnership: Dementia Strategy

- HDdUHB Palliative & End of Life Care Strategy
- Paediatric Surge Plans for Respiratory Syncytial Virus (RSV)
- National Laboratory Information Management System (LIMS) Full Business Case
- Laundry Business Case
- South West Wales Glaucoma Service Business Case
- Modular Solution to Support Delivery of Elective Services - Procurement Outcome and Decision
- Haematology and Coagulation Managed Service Contract Award
- NHS Blood and Transplant (NHSBT) Organ Donation: Review of Actual and Potential Deceased Organ Donation
- Women & Children Phase II Project and Capital Governance Review Update
- An External Review of the Llwynhendy Tuberculosis Outbreak
- Pharmaceutical Needs Assessment
- Reducing Health Inequalities and Promoting Health Equity
- Integrated Winter Resilience Plan 2021/22
- Discovery Report: Understanding the Staff Experience in Hywel Dda University Health Board During 2020-21 COVID-19 Pandemic
- Making a Difference – Customer Service Programme
- Nurse Staffing Levels (Wales) Act:
 - Annual Assurance Report 2020/21
 - Three Yearly Assurance Report on Compliance 2018/21 Report for WG
 - Annual Presentation of Nurse Staffing Levels
- Revised Governance Structure and Arrangements
- Long Term Agreements - Contract Values and Approach in 2021/22
- Hywel Dda University Health Board Reset and Recovery Plan – Outsourcing Activities
- Virtual Pooled Fund Agreement for Adult Care Home Placements 2021/24
- Governance Arrangements to Manage Allocation of Recovery Funding
- Use of Consultancies to Support the Health Board
- Strategic Business Intelligence
- Regional Partnership Board – Population Assessment and Market Stability Report
- Major Incident Plan
- HDdUHB Well-being Objectives Annual Report 2020/21
- Improving Outcomes for Carers – Annual Update Report
- Strategic Equality Reports
 - Strategic Equality Plan Annual Report 2020/21
 - Annual Workforce Equality Report 2020/21
 - Gender Pay Gap Report 2020/21

Regular items throughout the year to the Board included those listed above, as well as the following:

- Reports on COVID-19 and updates on delivery of the Annual Recovery Plan 2021/22

- Reports on the development of the IMTP 2022/25
- Reports on the financial performance and the related risks for discussion
- Reports on improving patient experience, providing feedback and activity, for assurance
- Integrated Performance Assurance Reports identifying areas of concern for discussion
- Board Assurance Framework Dashboard providing a visual representation of the Health Board's progress against each strategic objective for assurance
- Corporate risk reports providing assurance on the management of risks, and any variances to agreed tolerance levels
- Reports on the development of the IMTP 2022/25 for discussion
- Reports from the Chair and Chief Executive (including the Register of Sealings for endorsement and status reports on consultations) for discussion, and
- Assurance reports and endorsement of any matters arising from the In-Committee Board, Board Committees, Joint Committees, Advisory Groups and Statutory Partnerships of the Board

Board committees

The Board is supported by several Committees, each chaired by an Independent Member. These Committees have an important role in providing scrutiny and seeking assurance in relation to the achievement of our strategic and planning objectives, provision of safe and effective services, compliance with legislation and standards, learning from lessons, and oversight of performance and risk. In light of the learning through the pandemic, the Board approved our revised Committee structure, to align more closely to our strategic objectives, in July 2021. The term 'Assurance' was removed from Committee names (except for the Audit and Risk Assurance Committee) in recognition that the role of these committees is wider than providing assurance to the Board. The Health Board now has the following Committees in place, and these are set out in the diagram at [Appendix 1](#).

- Audit and Risk Assurance Committee (ARAC)
- Health and Safety Committee (HSC)
- Charitable Funds Committee (CFC)
- Mental Health Legislation Committee (MHLC)
- Quality, Safety and Experience Committee (QSEC)
- People, Organisational Development and Culture Committee (PODCC) established to replace the 'people' element of the previous People, Planning and Performance Assurance Committee (PPAC)
- Strategic Development and Operational Delivery Committee (SDODC) established to replace the 'planning' and 'performance' elements of the previous PPAC
- Sustainable Resources Committee established to replace the former Finance Committee)
- Remuneration and Terms of Service Committee

Terms of Reference for all Board Committees, listed above, can be found in the [Revised Governance Structure and Arrangements Report](#) that was presented to Board in July 2021.

The Chair of each Committee provides a written report to the Board following each meeting outlining key risks and highlighting areas, which need to be brought to the Board's attention to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives or other matters. The Committees, as well as reporting to the Board, also work together on behalf of the Board to ensure, where required, that cross reporting and consideration takes place, and assurance and advice, is provided to the Board and the wider organisation. As well as producing formal minutes, each Committee maintains a table of actions that is monitored at meetings.

A further enhancement to the governance framework has been the introduction of a bi-monthly meeting of the Committee Chairs which supports the triangulation of information across the committee structure and the wider Health Board.

Throughout the year, each Committee has undertaken a self-assessment and produced a meaningful development plan to ensure there is continual learning and improvement. Each Committee Chair is also responsible for providing the Board with an annual report, setting out a helpful summary of its work throughout the year.

Each Committee has an Executive Director lead who works closely with the Chair of each Committee in agenda setting, business cycle planning and to support good quality, timely information being relayed to the Committee. A summary of key items considered by Committees can be found in [Appendix 2](#).

The following table outlines dates of Board and Committee meetings held during 2021/22, with all meetings being quorate:

Committee	Board	Audit and Risk Assurance Committee	Charitable Funds Committee	Health and Safety Committee	Mental Health Legislation Committee	People, Planning and Performance Assurance Committee (until June 2021)	People, Organisational Development and Culture Committee (from July 2022)	Strategic Development and Operational Delivery Committee (from July 2021)	Sustainable Resources Committee (Finance Committee until July 2022)	Quality, Safety and Experience Committee	Remuneration and Terms of Service Committee
Month											
Apr 2021		20.04.21				27.04.21			29.04.21	13.04.21	
May 2021	27.05.21	05.05.21		10.05.21					25.05.21		
Jun 2021	10.06.21 24.06.21	10.06.21 22.06.21	30.06.21		15.06.21	24.06.21			29.06.21	08.06.21	
Jul 2021	29.07.21			06.07.21							

Aug 2021		24.08.21					19.08.21	26.08.21	23.08.21	10.08.21	31.08.21
Sep 2021	30.09.21		27.09.21	13.09.21	02.09.21						30.09.21
Oct 2021		19.10.21					13.10.21	26.10.21	28.10.21	05.10.21	
Nov 2021	25.11.21		30.11.21	15.11.21	26.11.21						
Dec 2021		14.12.21					13.12.21		15.12.21	07.12.21	
Jan 2022	27.01.22			10.01.22							13.01.22
Feb 2022		22.02.22					03.02.22		24.02.22	08.02.22	
Mar 2022	31.03.21		15.03.22	14.03.22	01.03.22						

Board and Committee membership and attendance during 2021/22

The Board has been constituted to comply with the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board consists of 20 voting members (11 Independent Members and 9 Executive Directors). There are also 3 Associate Members and a Strategic Advisor that take part in Board Meetings in Public, though they do not hold any voting rights. The Board is supported by the Board Secretary and the Director of Primary Care, Community and Long Term Care who attend its meetings but do not have voting rights.

We warmly welcomed three new Independent Members to the Board in 2021/22:

- Winston Weir, Independent Member (Finance) commenced duties on 1 April 2021
- Cllr Gareth, Independent Member (Local Authority) commenced duties on 1 April 2021
- Iwan Thomas, Independent Member (Third Sector) commenced duties on 1 May 2021

The following Independent Members were also reappointed during 2021/22:

- Delyth Rainsford, Independent Member (Community)
- Maynard Davies, Independent Member (Information Technology)
- Anne Murphy, Independent Member (Trade Union)

Our new Executive Director of Strategic Development and Operational Planning, Lee Davies took up post on 12 April 2021.

Biographies, providing further information on Board Members, are published on the Health Board's website at <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>.

In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters. The table below sets out the composition of the Board in

2021/22 outlining the positions held, the area or expertise/ representation role, the Board and Committee membership and attendance, and the Champion roles.

Board and Committee Membership and the record of attendance for the period April 2021-March 2022

Name	Position & Area of Representation	Board Committee Membership & Record of Attendance	Champion Role
Maria Battle	Chair	<ul style="list-style-type: none"> • Board (Chair) 8/8 • RTSC (Chair) 3/3 • CFC 3/4 	<ul style="list-style-type: none"> • Raising Concerns (Staff)
Judith Hardisty	Vice Chair (Mental Health Primary Care & Community Services)	<ul style="list-style-type: none"> • Board (Vice Chair) 8/8 • ARAC 8/8 • FC 3/3 • HSC (Chair) 6/6 • MHLC (Chair) 4/4 • PODCC (Vice-Chair) 4/4 • QSEC 6/6 	<ul style="list-style-type: none"> • Mental Health • Carers
Anna Lewis	Independent Member (Community)	<ul style="list-style-type: none"> • Board 8/8 • CFC 3/4 • PPPAC 2/2 • QSEC (Chair) 6/6 • RTSC 2/3 • SDODC 4/4 	
Prof John Gammon	Independent Member (University)	<ul style="list-style-type: none"> • Board 8/8 • ARAC 7/8 • PPPAC (Chair) 2/2 • PODCC (Chair) 4/4 • QSEC 5/6 • RTSC 6/6 • SDODC 2/4 	<ul style="list-style-type: none"> • Infection prevention and control
Winston Weir from 1 April 2021	Independent Member (Finance)	<ul style="list-style-type: none"> • Board 7/8 • ARAC (Vice-Chair) 8/8 • FC 3/3 • MHLC 1/2 • PODCC 4/4 • QSEC 2/2 • SRC (Chair) 4/4 	

Owen Burt to 30 April 2021	Independent Member (Third Sector)	<ul style="list-style-type: none"> • ARAC 1/1 • PPPAC (Vice-Chair) 1/1 	
Iwan Thomas from 1 May 2021	Independent Member (Third Sector)	<ul style="list-style-type: none"> • Board 8/8 • CFC (Vice-Chair) 4/4 • HSC 2/2 • MHLC (Vice-Chair) 1/4 • PPPAC 1/1 • SDODC 4/4 	<ul style="list-style-type: none"> • Equality
Maynard Davies	Independent Member (Information Technology)	<ul style="list-style-type: none"> • Board 8/8 • ARAC 8/8 • FC 3/3 • MHLC 4/4 • PPPAC 2/2 • SDODC (Chair) 4/4 • SRC (Vice-Chair) 4/4 	<ul style="list-style-type: none"> • Older persons
Cllr Gareth John from 1 April 2021	Independent Member (Local Authority)	<ul style="list-style-type: none"> • Board 7/8 • FC 3/3 • SDODC (Vice-Chair) 4/4 • SRC 3/4 	
Ann Murphy	Independent Member (Trade Union)	<ul style="list-style-type: none"> • Board 8/8 • CFC 4/4 • HSC (Vice-Chair) 6/6 • MHLC 3/3 • PPPAC 2/2 • PODCC 4/4 • QSEC 6/6 	
Delyth Raynsford	Independent Member (Community)	<ul style="list-style-type: none"> • Board 8/8 • CFC (Chair) 4/4 • FC 3/3 • HSC 6/6 • MHLC 0/1 • PODCC 4/4 • QSEC (Vice-Chair) 5/6 • SRC 4/4 	<ul style="list-style-type: none"> • Welsh Language • Armed Forces and Veterans • Children and Young People
Paul Newman	Independent Member (Community)	<ul style="list-style-type: none"> • Board 8/8 • ARAC (Chair) 8/8 • FC 3/3 • HSC 5/6 • QSEC 6/6 	<ul style="list-style-type: none"> • Putting Things Right

		<ul style="list-style-type: none"> • RTSC (Vice-Chair) 3/3 • SRC 4/4 	
Jonathan Griffiths	Associate Member	<ul style="list-style-type: none"> • Board 5/8 	
Michael Hearty	Associate Member (until 30 June 2021)	<ul style="list-style-type: none"> • Board 3/3 • FC (Chair) 3/3 	
Hazel Lloyd-Lubran	Associate Member	<ul style="list-style-type: none"> • Board 5/8 • SRG (Chair) 4/4 	
Mo Nazemi	Associate Member	<ul style="list-style-type: none"> • Board 1/8 • HPF (Chair) 4/4 	
Steve Moore	Chief Executive Officer	<ul style="list-style-type: none"> • Board 8/8 • RTSC 3/3 	<ul style="list-style-type: none"> • Welsh Language
Phil Kloer	Executive Medical Director/Deputy Chief Executive	<ul style="list-style-type: none"> • Board 8/8 • QSEC 6/6 • HPF 4/4 • PODCC 4/4 	<ul style="list-style-type: none"> • Caldicott Guardian
Huw Thomas	Executive Director of Finance	<ul style="list-style-type: none"> • Board 8/8 • ARAC 8/8 • CFC 4/4 • FC 3/3 • PPPAC 2/2 • SDODC 4/4 • SRC 4/4 	
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	<ul style="list-style-type: none"> • Board 8/8 • CFC 4/4 • HSC 6/6 • QSEC 6/6 • PODCC 4/4 	<ul style="list-style-type: none"> • Violence & Aggression • Children & Young People
Alison Shakeshaft	Executive Director of Therapies and Health Science	<ul style="list-style-type: none"> • Board 6/8 • QSEC 5/6 	
Lisa Gostling	Executive Director of Workforce & Organisational Development	<ul style="list-style-type: none"> • Board 7/8 • PPPAC 2/2 • PODCC 4/4 • RTSC 3/3 	<ul style="list-style-type: none"> • Raising Concerns (Staff)

Ros Jervis	Executive Director of Public Health	<ul style="list-style-type: none"> • Board 8/8 • PPPAC 2/2 • QSEC 5/6 	<ul style="list-style-type: none"> • Emergency Planning
Andrew Carruthers	Executive Director of Operations	<ul style="list-style-type: none"> • Board 8/8 • HSC 4/6 • MHLC 4/4 • PPPAC 2/2 • SDODC 2/4 • QSEC 6/6 	<ul style="list-style-type: none"> • Fire Safety
Lee Davies from 12 April 2021	Executive Director of Strategic Development and Operational Planning	<ul style="list-style-type: none"> • Board 8/8 • PPPAC 2/2 • SDODC 4/4 	
Joanne Wilson	Board Secretary	<ul style="list-style-type: none"> • Board 8/8 • ARAC 8/8 • HSC 6/6 • PPPAC 2/2 • PODCC 4/4 • SDODC 4/4 • QSEC 6/6 • RTSC 3/3 	<ul style="list-style-type: none"> • Counter Fraud
Jill Paterson	Director of Primary Care, Community & Long Term Care	<ul style="list-style-type: none"> • Board 8/8 • QSEC 5/6 • SDODC 4/4 	

**Deputy representation for Executive Directors is included in figures above*

Command and Control

In March 2020, the Health Board established a Command and Control structure, i.e. Gold, Silver and Bronze Groups, to facilitate its planning and preparations for the emerging global COVID-19 pandemic. Whilst this structure was formally stood down in May 2021 due to reduced COVID-19 transmissions, it was kept under review during 2021/22 and was reinstated in response to surges in community transmissions and hospital admissions, with Gold convening to make key decisions.

Advisory groups

The Health Board has a statutory duty to “take account of representations made by persons and organisations who represent the interests of the communities it serves, its officers and healthcare professionals”. This is achieved in part by four Advisory Groups to the Board.

Stakeholder Reference Group (SRG)

The SRG is formed from a range of partner organisations from across the Health Board’s area and engages with and has involvement in the strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves. The SRG met 4 times during 2021/22.

Staff Partnership Forum (SPF)

The SPF engages with staff organisations on key issues facing the Health Board. It provides the formal mechanism through which the Health Board works together with Trade Unions and professional bodies to improve health services for the population it serves. It is the forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. SPF met 6 times during 2021/22.

Healthcare Professionals’ Forum (HPF)

The HPF comprises of representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners with the remit to provide advice to the Board on all professional and clinical issues it considers appropriate. It is one of the key forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services. HPF met 4 times during 2021/22.

Black, Asian and Minority Ethnic (BAME) Advisory Group

The BAME Advisory Group was established in July 2020 to advise the Health Board on mainstreaming equality, diversity and inclusion and provide a forum to empower and enable BAME staff to achieve their potential through creating positive change. The BAME Advisory Group reports to both PODCC and Board, with the Vice-Chairs being invited to participate in Board meetings as in-attendance members. BAME met 6 times during 2021/22.

Joint committees

Emergency Ambulance Services Committee (EASC)

EASC was established in 2014 to be a Joint Committee of the 7 Health Boards, with the 3 NHS trusts as associate members. It has responsibility for the planning and commissioning of emergency ambulance services on an all-Wales basis. Hosted by Cwm Taf Morgannwg University Health Board, the Health Board is represented on the Joint Committee by the Chief

Executive and regular reports are received by the Board supported by a more in-depth discussion, on an annual basis, at the Board Seminar meeting

Welsh Health Specialised Services Committee (WHSSC)

WHSSC was established in 2010 by the 7 health boards to ensure the population has fair and equal access to the full range of specialised services. Hosted by Cwm Taf Morgannwg University Health Board, Hywel Dda is represented on the Joint Committee by the Chief Executive and regular reports are received by the Board supported by a more in-depth discussion, on an annual basis, at the Board Seminar meeting and a joint Executive-to-Executive team meeting.

NHS Wales Shared Services Partnership Committee

NWSSPC was established in 2012 and is hosted by Velindre NHS Trust. It is responsible for the shared services functions for the NHS, such as procurement, recruitment and legal services. Hywel Dda is represented by the Executive Director of Finance at this Committee with regular reports received by the Board following each meeting.

Statutory partnerships

Hywel Dda Public Service Board

The Health Board is a statutory member of Public Services Boards (PSBs) in Carmarthenshire, Ceredigion and Pembrokeshire. PSBs were established under the Well-being of Future Generations (Wales) Act 2015, and their purpose is to improve the economic, social, environmental and cultural well-being in its area by strengthening joint working across all public services in Wales. The effective working of PSBs is subject to overview and scrutiny by the Well-being of Future Generations Commissioner, Audit Wales (AW) as well as designated local authority overview and scrutiny committees.

West Wales Regional Partnership Board

Regional Partnership Boards (RPB), based on Local Health Board footprints, became a legislative requirement under Part 9 of the Social Services and Well-being (Wales) Act 2014 (SSWBWA). Their core remit is to promote and drive the transformation and integration of health and social care within their areas. We are fully committed to integrating health and social care planning through a co-ordinated approach, and across West Wales we have a strong track record of joint planning between agencies, and the approach set out by WG this year builds upon the foundations already in place. During the year, we have been working together to produce a regional Market Stability Report (MSR) and a refreshed Population Needs Assessment (PNA). Together, the PNA and MSR are key instruments in the integrated planning and delivery of health and care services for the region will help to shape our Joint Areas Plans.

Regionally, we have been working collectively on our transformation plan and the delivery of projects funded through the Integrated Care Fund. Any funding that became available was targeted at our improvement planning. The WG Urgent and Emergency Care Funding and the Regional Transformation Scaling Fund were all utilised to invest in our Regional Plan. The Health Board supports the co-ordination of winter planning through the RPB.

Through our joint working with partners in the RPB, we have a programme of activity that is aligned to the WG Transformation Fund and Integrated Care Funding, for which the Health Board acts as the banker. This work is reported to Board regularly and overseen by an Integrated Executive Group of directors from health, local authority and the third-sector.

A statutory partnership update report is received by the Board at every meeting.

Update reports from the Advisory Groups, Joint Committees and Statutory Partnerships can be found on our website within the Board papers section via the following link <https://hduhb.nhs.wales/about-us/your-health-board/>.

Board development

From the Autumn of 2021, a new phase of development of the Board began with members coming together periodically to participate and to get to know each other at a deeper level given the recent addition of new members to the Board. This phase of the programme will run until July 2022. The Board has already received sessions by Professor Michael West on Compassionate and Collective Leadership, and Associate Professor Stacy Johnson on Reverse Mentorship Cultural Learning. Further sessions are planned on Behaviours, Systems and Governance with Baroness Rennie Fritchie, and on Incivility: Reflections and Next Steps with Dr Chris Turner.

Over the last 12 months, the Board has been participating in a Reverse Mentoring Programme, with both Independent Members and Executives mentored by staff members. Staff mentors are of Black, Asian and Minority Ethnic backgrounds, are Generation Z and under 25, or from front line staff delivering key services. The purpose of the programme was to allow our leaders to connect with our staff on a deeper level, listen and understand their individual perceptions and experiences and take systemic action in response. An evaluation of the programme commenced, and initial feedback was very positive. This programme is providing powerful learning for all members of the Board in relation to culture and diversity issues, as well as great insights into the experiences of working in Hywel Dda by front line staff.

IM engagement visits with our staff recommenced as soon as COVID-19 restrictions were eased to better understand the pressures our staff continue to face on a daily basis, with formal patient safety visits planned to restart in April 2022.

The Board has regular professional updates on key issues as part of its ongoing bi-monthly seminar series. In addition, both the Executives and Independent Members participate in Development Programmes, with the Executives focusing on enhancing relationship building,

trust and team dynamics to create space for strategic through reflection on complex organisational changes.

Board effectiveness

The Board is required to undertake an annual self-assessment of its effectiveness and was presented with the following sources of internal and external assurance and assessments to help it to evaluate its annual effectiveness:

- Joint Escalation and Intervention Arrangements Status as the Health Board consolidated its de-escalation of our status from ‘targeted intervention’ to ‘enhanced monitoring’ (see [Targeted Intervention](#) section of the report);
- AW Structured Assessment (more information on this can be found in the [AW Structured Assessment](#) section of the report);
- Self-assessment against the Corporate Governance Code (see [Corporate Governance Code](#) of the report);
- Annual Self-assessment against the Governance, Leadership and Accountability (GLA) Standard (see [GLA Standard](#) section of the report);
- Feedback from the Board Committee self-assessment programme;
- AW Review of Quality Governance Arrangements;
- IA Reports received throughout 2021/22, including reviews of Financial Planning, Monitoring and Reporting and the Annual Recovery Plan/Planning Objectives;
- Work to achieve compliance with the Health and Safety Executive Improvement Notices; and
- Current progress on work to address the Fire Enforcement Notices.

Following due consideration of the sources of assurances and supporting documentation, the Board were asked to consider an overall level of maturity in respect of governance and board effectiveness, based on the following criteria:

Level 1	Level 2	Level 3	Level 4	Level 5
We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve.	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.	We have well developed plans and processes and can demonstrate sustainable improvement throughout the service.	We can demonstrate sustained good practice and innovation that is shared throughout the organisation and which others can learn from.

The Board concluded its maturity rating for board effectiveness and governance was 'Level 4' at its Board Seminar in April 2022.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. It has been supported in this role by the work of the main Committees, each of which provides regular reports to the Board, underpinned by a Sub-Committee structure, as shown in [Appendix 1](#) of this statement.

Capacity to handle risk

The Board is responsible for the effective management of the organisation's risks in pursuance of its aims and objectives. The Board collectively has responsibility and accountability for setting the organisation's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

The Chief Executive, as Accountable Officer, has overall responsibility for ensuring that the Health Board has an effective risk management framework and system of internal control, however Executive Directors have responsibility for the ownership and management of principal, corporate and operational risks within their portfolios.

The Health Board's lead for risk is the Board Secretary, who has responsibility for leading on the design, development and implementation of the Board Assurance Framework (BAF) and Risk Management Framework.

Risk management framework

The Health Board's Risk Management Framework aims to facilitate better decision making and improved efficiency, risk management can also provide greater assurance to stakeholders. It is important that it adds value to ensure the Health Board reduces uncertainty, informs decision-making and priorities, and achieves the best possible outcomes.

Our Risk Management Framework clearly sets out the components that provide the foundation and organisational arrangements for supporting risk management processes in the organisation. It clarifies roles and responsibilities, communication and reporting lines whilst also outlining the other components, such as the risk strategy and the risk protocols.

It is based on the “Three Lines of Defence” model which advocates that management control is the first line of defence in risk management. The various risk control and compliance oversight functions established by management are the second line of defence, and independent assurance is the third. Each of these three “lines” plays a distinct role within the Health Board’s wider governance framework; however all three lines need to work interdependently to be effective.

There are procedures, guidance, systems and tools to assist management to identify, assess and manage risks on a day to day basis. This is supported with training, support and advice from the Health Board’s Assurance and Risk team, whose role it is to embed the risk management framework and process, and to facilitate a risk aware culture across the organisation through a business partnering arrangement.

The Health Board is working with colleagues across NHS Wales to develop a consistent Training Needs Analysis and risk training modules that will align to the new Once for Wales System for Risk Management, which is likely to be implemented within the Health Board in the latter part of 2022/23.

During 2022/23, we will be reviewing our Risk Management Framework and Strategy to ensure they support the achievement of our strategic objectives. This will be informed by an assessment of its risk maturity to enable the Health Board to continue to strengthen its risk management arrangements, culture and attitude.

AW reported in their Review of Quality Governance Arrangements that while corporate structures and resources provide effective support for quality governance and improvement, inconsistencies in operational arrangements and weaknesses in operational risk management limit the provision of assurance to the Board. Work is now underway to address these findings which has included an executive led review of each operational directorate’s risk registers and included the Head of Assurance and Risk. These risk reviews will be followed up during 2022/23 as part of an ongoing programme.

Risk appetite

The Health Board’s Risk Appetite Statement provides staff with guidance as to the boundaries on risk that are acceptable and provides clarification on the level of risk the Health Board is prepared to accept. It is integrated with the control culture of the organisation to encourage more informed risk taking at strategic level with more exercise of control at operational level, as well as recognition of the nature of the regulatory environment the organisation operates within. The Risk Appetite was kept under review but was not changed during the pandemic.

The Board agreed its Risk Appetite Statement through detailed Board Seminar discussions and considered it in line with its capability to manage risk, and formally agreed the following at a Board Meeting in Public.

“Hywel Dda’s approach is to minimise its exposure to safety, quality, compliance and financial risk, whilst being open and willing to consider taking on risk in the pursuit of delivery of its objective to become a population health based organisation which focuses on keeping people well, developing services in local communities and ensuring hospital services are safe, sustainable, accessible and kind, as well as efficient in their running”.

The Health Board recognises that its appetite for risk will differ depending on the activity undertaken, and that its acceptance of risk will be based on ensuring that potential benefits and risks are fully understood before decisions on funding are made, and that appropriate actions are taken.

The Health Board’s risk appetite takes into account its capacity for risk, which is the amount of risk it is able to bear (or loss we can endure) having regard to its financial and other resources, before a breach in statutory obligations and duties occurs.”

In addition, the Board also agreed levels of tolerance for risk across its activities, aligned to its risk scoring matrix, to provide management with clear lines of the level to risk it will accept. These can be accessed via the following link:

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.4%20Board%20Assurance%20Framework%2C%20Corporate%20Risk%20Register%20and%20Risk%20Appetite.pdf>.

Risk tolerance levels have been added to the Health Board’s risk management system and risks above tolerance are reported and challenged through the Board’s Committees.

The Health Board’s risk appetite will be reviewed in 2022/23, to ensure it remains aligned to the Health Board’s new strategic objectives and its capacity to manage risk. This is particularly important as we move into recovery, and along our roadmap to financial balance, whilst at the same time, managing some significant external challenges, such as increasing utility costs.

Risk management process

The Health Board’s Risk Management Framework supports the risk management process. This is a continuous process that should methodically address all the significant risks associated with all the activities of the Health Board. All risks are assessed in terms of likelihood and impact using the Health Board’s risk scoring matrix which helps to facilitate a level of consistency and understanding of the scoring and ranking of risks throughout the organisation.

Risks are identified in a bottom-up and top-down approach throughout the Health Board. Each corporate and operational directorate is responsible for ensuring risks to achieving their objectives, delivering a safe and effective service and compliance with legislation and

standards, are identified, assessed and managed to an acceptable level, i.e. within the Board's agreed risk tolerance.

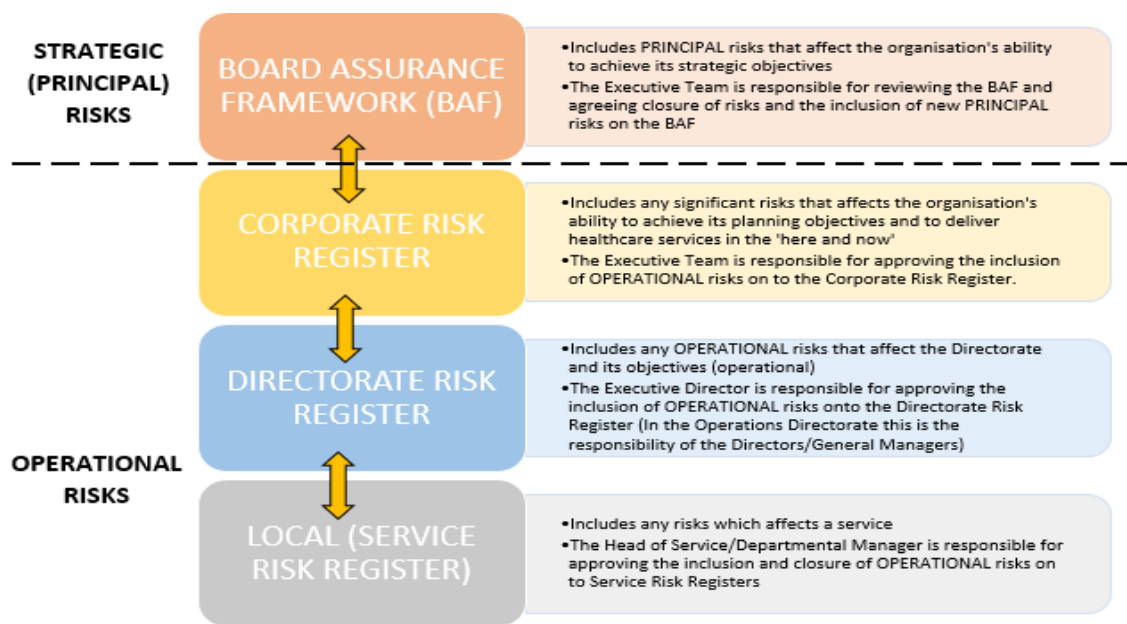
Communicating and consulting with internal and external stakeholders and partners, as appropriate, at each stage of the risk management process and concerning the process is important. The frequency of the communication will vary depending upon the severity of the risk and is discussed and agreed with the stakeholders and partners. For example, our risk related to the delivery of integrated community and acute unscheduled care services requires a whole system approach, and the Health Board has been working with its partners in WAST and local authorities to take forward work to try to improve flow within our hospitals.

Engagement of stakeholders has also taken place through multi-agency partnership working. The Regional Partnership Board is part of the Health Board governance structure that helps to support the management of risk facing the organisation through collective dialogue.

In 2021/22, Executive Directors identified a number of principal risks, those that may affect the achievement of our strategic objectives, through a series of executive team workshops, before they were collectively agreed by the Executive Team. These principal risks now form part of our Board Assurance Framework (BAF) to support the implementation of the Health Board's strategy and provide the Board with on-going assurance on the achievement of its objectives.

Executive Directors are also responsible for identifying significant operational risks for the Corporate Risk Register (CRR). These corporate risks can reflect new or emerging risks from discussions or risks escalated by individual Executive Directors from their directorate to be collectively agreed by the Executive Team for entry onto the CRR.

This is how the CRR interacts with the principal risks on the BAF and the operational risks that are on Directorate and Service risk registers.



Oversight and reporting of risk

In following the three lines of defence model (above), the Health Board ensures that operational management are supported in their role of day to day risk management by specialist functions who have expertise and knowledge to help them control risk.

Corporate and operational risks that are over the Health Board's agreed tolerance level, are aligned to the Health Board's Committees, whose role it is to provide assurance to the Board that risks are being managed appropriately.

The Executive Team review the BAF on a bi-monthly basis and hold a monthly risk session to review the CRR.

Risk profile

Delivering healthcare through the current clinical model in a large, rural geographical area presents significant quality, service, workforce and financial challenges to the Health Board. The health and care system within Hywel Dda is facing intense challenges, which are being felt across Wales. A key challenge during 2021/22 and the winter period has been the significant uncertainty about how the COVID pandemic would unfold. The emergence of the Omicron variant in early December 2021 led to unprecedented levels of community transmission. Our most significant operational risks are outlined in the [CRR section](#) below.

The Health Board's strategic and planning objectives set out how it will address some of these issues going forward whilst considering the learning, developments and changes of practice implemented during the pandemic. The [BAF section](#) below outlines the risks and controls in place for achieving its objectives.

Board Assurance Framework (BAF)

During 2021/22, we refreshed our BAF to reflect the revised strategic and planning objectives and this was presented to every Board since September 2021. The most recent BAF report can be accessed [here](#) and provides a link to [our BAF Dashboard](#). AW identified the reinvigorated interactive BAF as a model of good practice in their Structured Assessment 2021. As well as identifying the principal risks to delivery of our objectives, the controls and assurances, the BAF also seeks to align outcomes against strategic objectives, and delivery against our planning objectives.

There are 17 principal risks that have been aligned to our six strategic objectives. The most significant risks to achieving our strategy are listed below:

- **Principal risk 1186 - attract, retain and develop staff with the right skills (risk score 20)**

The Health Board's most significant challenge is to maintain the right number of people to be able to deliver safe, effective and sustainable services. There is due to a number of

factors, including geography, recognised national shortages in a number of professions and an aging workforce that mirrors our population. COVID-19 increased pressures on existing staff, not only during the response phase but also now as we try to deal with the resulting backlog, which has also led to an increasing number of retirements and reduction in hours within the older workforce. Becoming an employer of choice and attracting people to work for Hywel Dda is therefore fundamental to the achievement of our strategy.

Our plans to address this risk includes implementing a flexible and responsive recruitment process that encourages local employment for local people, constructing a comprehensive workforce programme to encourage our local population into NHS and care related careers, implementing an informative and supportive induction process, having employee policies that support work-life balance and are person centred, having equitable access and agile approaches to training regardless of personal and professional circumstances, constructing a comprehensive talent, succession planning and leadership development programme, along with a robust workforce plan that will introduce new ways of working and new roles to mitigate against national skills shortage professions.

Understanding our staff experience as we implement this work is essential. A baseline review was undertaken during the year which was reported in our second Discovery Report to understand more about staff experience so that approaches to rest, recovery and recuperation can be shaped over the next 2 years. Staff pulse engagement surveys have also been introduced to sample 1000 employees each month, selecting different staff each month.

- **Principal risk 1187 - strong enough reputation to attract people and partners (risk score 16)**

This risk links with risk 1186 above and relates not only to having the right organisational culture to make Hywel Dda an attractive place to live and work, but also about staff having access to the latest equipment and state of the art facilities for training and work.

In addition to the work that is taking place to improve the culture of the organisation, we have reviewed our capacity and capability for continuous engagement with the public in service planning and delivery, and to implement improvements over the next year. We need to develop a clinical education plan with the central aim to develop from within and attract from elsewhere, the very best clinicians. We are also working to implement a comprehensive approach to performance delivery and quality management that enables staff at all levels to strive for excellence whilst effectively delivering the basics.

- **Principal risk 1190 - capacity to engage and contribute to 'Improving Together' (risk score 16)**

This risk also links to the above risks in that success breeds success, however responding to the pandemic impacted the ability of operational teams to engage in co-designing the

implementation and developing sufficient organisational learning to move forward. Work has progressed in terms of developing outcome measures for the BAF and Integrated Performance Assurance Report (IPAR) measures have been mapped to each Planning Objective. Work is also progressing on Executive Performance Dashboards. The new team of OD relationship managers are developing the People Culture Plans Framework with staff side colleagues and will support connecting with the operational teams. Preliminary work on the Advanced Analytics Platform is underway which will establish real-time, integrated, easily accessible and comprehensible data to support our clinicians and managers with day-to-day operational delivery and planning, as well as supporting the shift of resources into primary and community settings.

- **Principal risk 1191 - wrong value set for best health and well-being (risk score 16)**

This risk reflects the risk that our overall strategy may be limited by seeing health and well-being purely through the NHS lens, using incorrect measures, not effectively engaging with individuals and communities, and under and/or over-estimating potential for best health and well-being.

Whilst the Board does undertake engagement with its population it is still defining its approach to continuous engagement, its approach to tackling inequality/inequity, and its understanding of the social model of health and well-being and what this means to its local population and communities. Well-being assessments are being updated by the PSBs, however the Board does not currently have an effective method of measuring the well-being of individuals, communities and the population. A number of plans and actions are currently in place to support mitigation of this risk, although not at population scale.

- **Principal risk 1198 - ability to support shifting of care in the community (risk score 16)**

Achieving our strategic objectives will depend on the ability to overcome complex arrangements and systems. These will need be worked through to support a new approach to the delivery of care in line with our strategy, as well as a need to support the population in changing their behaviour and the way they have historically accessed services.

Actions to address this risk is to develop a set of integrated locality plans with our local authority and third sector partners, develop and implement a comprehensive and sustainable 24/7 community and primary care unscheduled care service model, produce a final business case for the implementation of a new hospital in the south of the Hywel Dda area for the provision of urgent and planned care, and implement the remaining elements of the Transforming Mental Health Programme, The Health Board has also undertaken an assessment of all its Children and Young People Services and will implement a plan to address the findings. A five year financial plan to breakeven has also been developed and shared across the organisation and key stakeholders for feedback and support.

- **Principal risk 1199 - achieving financial sustainability (risk score 16)**

Achieving financial balance on a three-year rolling basis is a statutory requirement for the Board, and a clear requirement from the Board and WG. The Health Board's performance over the last year has demonstrated a significant improvement in the ability to operationally plan and a developing maturity within the organisation. However, the Health Board's financial deficit has significantly deteriorated, significant workforce constraints remain, and the planning function remains small with significant opportunities to develop. These issues are exacerbated given the Health Board's financial deficit, with the need to not only shift resources to more appropriate settings, however provide care at considerably lower cost.

Actions being taken forward include development of a detailed three year financial plan based on the finance team's assessment of allocative and technical value improvements, income opportunities and third-party expenditure value-for-money that can be captured within that timeframe. Also, to review and refresh the assessment of technical and allocative value improvements and income opportunities open to the Health Board, construct a five year financial plan that achieves financial balance and commands the support of the Board and WG, implement a value based health care pathway costing programme for all clinical service within three years, undertake a full analysis of our supply chain and develop a plan to deliver £16m of recurrent savings.

Corporate Risk Register (CRR)

The Health Board's CRR contains significant operational risks to the delivery of health care in the here and now and is reported to every other Board meeting. Each risk has been mapped to a Board level Committee to provide assurance to the Board, through their update report, on the management of these risks.

During 2021/22, the CRR has been dynamic and responsive to new and emerging risks:

Total number of risks on CRR on 1 April 2021	22
New risks added during 2021/22	13
De-escalated/Closed during 2021/22	17
Total number of risks on CRR at 31 March 2022	18

The most significant risks during the year have included:

- **Corporate risk 1027 - delivery of integrated community and acute unscheduled care services (risk score 20)**

Our ability to deliver our integrated community and acute unscheduled care services (risk 1027) fluctuated in-year as we responded to new waves of COVID-19 all against the

backdrop of a significant and sustained staffing challenge. Increased hospital admissions were often compounded by an increase in infection outbreaks on wards which had a direct impact on acute care capacity which reduced our ability to admit and discharge patients within the system.

For addressing our urgent and emergency care, our plan sets out a number of priorities to mitigate the level of pressures anticipated. These centred on an integrated 24/7 single point of contact model for urgent clinical assessment and streaming, so that patients access the right service at the right time in the right place. These included a 'Contact First'/Urgent Primary Care model in order to co-ordinate our urgent care response to the exacerbating health and care needs of our population and maintain people in their own homes and communities, a Clinical Streaming Hub, including Physician Streaming, Assessment and Triage (PTAS) of potential ambulance demand, Same Day Emergency Care (SDEC) models in acute and community settings, including comprehensive frailty assessment, and management of the frail elderly, including comprehensive geriatric assessment.

In addition, our Winter Preparedness model tried to prevent the pressures crossing the threshold into our Emergency Departments, using the Enhanced Bridging Service (which we set up to provide social care), and the Delta Service, the conveyance avoidance and front door turnaround to minimise this occurrence.

- **Corporate risk 1297 - risk that the Health Board's underlying deficit will increase to level not addressed by additional medium term funding (risk score 20)**

This risk replaced, in part, the previous corporate risk 1163 (Risk to the delivery of the Health Board's draft interim Financial Plan for 2021/22 of a £25.0m deficit). Issues have previously been raised over the ability of the Health Board to plan at a strategic and operational level. The Health Board's performance over the last year has demonstrated a significant improvement in the ability to operationally plan and a developing maturity within the organisation. However, the Health Board's financial deficit has deteriorated and workforce constraints remain. The Health Board's Roadmap to Sustainability is largely predicated on a reduction to, or repurposing of, acute bed capacity; however, in the current climate of unprecedented pressures within unscheduled care and delivery of challenging recovery plans, the implementation of schemes to reduce the number of acute beds is exceptionally challenging.

The medium term financial impact of COVID-19 on the underlying position is currently informed by modelling intelligence due to the fluid nature of the pandemic and the multitude of unknown variables inherent in such a situation. WG funding for the medium term impact of the Health Board's response to COVID-19 and Recovery has been confirmed, and there is currently a significant gap between the level of funding and expenditure trends and/or plans.

- **Corporate risk 1048 - risk to the delivery of planned care services set out in the Annual Recovery Plan 2021/22 (risk score 16)**

The prevalence of COVID-19 increased during the winter months, and this had a further impact on in-patient pathways which led to a number of temporary ward closures across all sites associated with COVID-19 outbreaks and the impact of the wider urgent and emergency care pressures on the planned care patient pathway.

Staffing resource, both in theatre, and post operatively, was a challenge before COVID-19 however the impact of increasing unscheduled care pressures during the autumn/winter period further reduced the available capacity to be dedicated to elective and surgical pathways. In January 2022, the Health Board approved the application of additional measures under the WG Local Choices Framework to reduce non-urgent elective outpatient and in-patient (IP) pathways to enable the further prioritisation of physical and staffing resources to support unscheduled care pathways. This was a temporary arrangement which was applied for two weeks, which resulted in the current risk score increasing to 20. Pathways that were affected have now been restored, reducing the current risk score back to 16.

Non-urgent elective surgical pathways were also temporarily suspended across all sites with urgent/cancer IP surgery continuing at Prince Philip and Glangwili hospitals only. Pathways in Bronglais and Withybush hospitals have now been restored. Discussions are continuing in respect of re-establishing the orthopaedic pathway in Prince Philip Hospital. Outsourcing programmes were supported by recovery funding provided by WG although activity rates are limited by staffing challenges at a number of independent sector locations. The significant challenge across the urgent and emergency care system continues to impact upon planned care pathways.

- **Corporate risk 1032 -timely access to assessment and diagnosis for Mental Health and Learning Disabilities clients (risk score 16)**

This risk has reflected the increasing length of time mental health and learning disabilities clients (specifically ASD, memory assessment and psychology services for intervention) are waiting for assessment and diagnosis. This was caused by new environmental (due to social distancing measures) constraints to undertake required face-to-face assessments and patients' reluctance to attend clinics due to the risk of COVID-19, as well as certain elements of some assessments being restricted due to other agencies, such as education, providing limited services at present. Management of the risk is dependent on securing recurring funding Integrated Autism Service as well as having access to appropriate clinical venues and other agencies being able to undertake their associated assessments.

- **Corporate risk 1219 - insufficient workforce to deliver services required for "Recovery" and the continued response to COVID-19 (risk score 20)**

Our risk relating to having insufficient workforce to deliver services required for "Recovery" and the continued response to COVID-19 (risk 1219) remained high all year reflecting our challenges to respond to new variants of COVID-19, as well as a lack of alignment of service, workforce and finance information on workforce requirements for unfunded service pathways could further jeopardise workforce availability in areas of need.

Through the year, there have been monthly assessments of demand undertaken linked with service discussions in preparation for current demands and anticipated increased pressure in Winter. Several recruitment campaigns have been implemented, for areas such as the bridging service, vaccination service and TTP. Maximising use of temporary workforce availability including bank, overtime and agency by undertaking monthly assessment of resourcing pipeline and continuous review of bank Healthcare Support Workers (HCSW) recruitment. Work has also been undertaken to align funded establishment and unfunded posts to understand "workforce gap" across operational services. Continued engagement with HEIW and universities on medical, nursing, AHP/HCS and pharmacy programmes.

- **Corporate risk 684 - lack of agreed replacement programme for radiology equipment across the health board (risk score 16)**

This risk has been on the CRR since January 2019 and reflects the risk around the Health Board's stock of imaging equipment which requires significant periods of urgent and planned maintenance, creating downtime in use which puts pressure on all diagnostics, significantly impacting on the Health Board's ability to meet its performance targets and the impact to patients can include delays in diagnosis and treatment. Equipment downtime is frequently up to a week which can put significant pressures on all diagnostic services. Whilst activity decreased due to COVID-19, the scanning of COVID-19 patients requires more time than non-COVID patients, which was an issue as requests for diagnostics for non-COVID patients increased as essential services resumed.

Radiology is unable to increase its service provision to other clinical directorates due to limitations on current equipment, however the new demountable CT-scanner has provided much needed resilience at Glangwili Hospital. WG agreed funding for one new CT scanner and one new MRI scanner in 2021/22 (out of 5 scanners required). Commissioning of agreed equipment was delayed during COVID-19 however some equipment has been installed and is operational resulting in the risk being recently reduced to 16. In addition, controls and processes are in place to mitigate the risk e.g. service maintenance contracts, daily quality assurance checks, disaster recovery plan in place.

- **Corporate risk 813 - failure to fully comply with the requirements of the Regulatory Reform (Fire Safety) Order 2005 (RRO) (risk score 15)**

There are a number of issues that the Health Board is working to address following a number of enforcement notices from Mid and West Wales Fire and Rescue Service (MWWFRS). One of these areas is the age, condition and scale of physical backlog, circa £20m (+), relating to fire safety (i.e. non-compliant fire doors, compartmentation defects and general fire safety management issues) across our estate significantly affects our ability to comply with the requirements of the RRO in every respect. Extensive fire safety improvement works are being undertaken at WGH, GGH and at BGH from WG agreed funding, with phased timelines fully agreed with MWWFRS.

A new system has been procured and will be implemented in 2022/23 to address the challenges of managing the actions within the current fire safety risk assessment system, and to enable complete transparency and ongoing management of actions assigned to responsible persons. Further training has also been developed for managers to improve the culture and ownership of fire safety across the Health Board.

Delivery of face-to-face fire training stalled during COVID-19 however recent implementation of fire training over MS Teams has been used to improve level two fire training compliance, and this will be rolled out to other areas of fire training levels, such as Levels three, four and five.

A number of long-standing risks such as risk of delays in transfers to tertiary centres for urgent cardiac investigations, treatment and surgery and the ability to meet the waiting times for the single cancer pathway were reviewed in light of the current context as we emerge from the pandemic. Our risk relating to cyber security was also reviewed following an external review and now reflects the current context and issues. These refreshed risks are outlined below:

- **Corporate risk 1340 - risk of avoidable harm for HDUHB patients requiring NSTEMI pathway care (risk score 16)**

This risk replaced corporate risk 117 which related to the risk of delays in transfers to tertiary centres for urgent cardiac investigations, treatment and surgery. The new risk is focused specifically on the NSTEMI pathway as NICE guidelines for Acute Coronary Syndromes (NG185) recommend 'coronary angiography (with follow-on PCI if indicated) within 72 hours of first admission (presentation) for people with unstable angina or NSTEMI who have an intermediate or higher risk of adverse cardiovascular events' (recommendation 1.1.6). In support of this target, the Health Board aims to identify and refer patients to Morriston Cardiac Centre for angiography within 24 hours of admission/presentation. For 2021 the median wait between admission/presentation and angiography for Hywel Dda patients was 213.5 hours (8.9 days) and the median time between admission/presentation and referral was 39.5 hours. For context, the 2021 position is a deterioration from that maintained in 2019 where the PPH Treat and

Repatriate Service supported a median admission/ presentation to angiography wait of 120 hours (five days) - this service was suspended at the outset of COVID-19 due to PPH site pressures.

- **Corporate risk 1352 - risk of business disruption and delays in patient care due to a cyber-attack (risk score 16)**

This risk replaced corporate risk 451 (cyber security breach) following an external assessment. There are daily threats to systems which are managed by Digital Health Care Wales and the Health Board. Cyber-attacks are becoming more prevalent, and previously hackers were not targeting health bodies, but the recent attack in Ireland, means that the possibility of an attack is ever present. A cyber-attack has the potential to severely disrupt service provision across all sites for a significant amount of time.

New actions include reviewing responsibilities for cyber security across the Health Board, training all Hywel Dda Board Members in cyber security including current threats to NHS Wales, carrying out a yearly table top exercise to practice the Health Board's response to a National Cyber Security Incident, implementing an Information Security Management System (i.e. ISO27001), conducting cyber security risk and vulnerability assessments of critical systems and supporting network infrastructure to capture and remediate risks to business continuity, as well as including cyber security (Secure by Design) in all maintenance, new digital and clinical initiatives and implementing a robust supply chain security process.

- **Corporate risk 1350 - risk of not meeting the 75% waiting times target for 2022/26 due to diagnostics capacity and delays at tertiary centre (risk score 12)**

This risk replaced corporate risk 633 which related to the Health Board's ability to meet the 75% target for waiting times in 2020/21 for the new Single Cancer Pathway (SCP). The new risk reflects the current context and issues and the new ministerial measure in respect of the SCP, with new actions identified. The impact of COVID-19 increased the risk of the Health Board being unable to meet the target. The delays are caused by diagnostic capacity issues across the Health Board in line with the infection control guidance that remain in place. The main area of concern is radiology. A decrease in capacity for appointments and results reporting within radiology, due to COVID-19 related sickness, current vacancies and planned annual leave within two of the four Health Board sites. Patients have been offered alternative appointments on other sites, however some patients have not agreed to attend and have requested an appointment close to home.

There was a downward trajectory in Cancer performance in quarter three during 2021/22. This was due to the increase in COVID-19 related sickness, management of COVID-19 related flows and the overall impact on diagnostic and critical care. The consequence of which resulted in short term planned and unplanned step down of activity within outpatients and planned surgery. Performance since September 2021 has been steadily deteriorating and was reported at 53% in December 2021.

The heat map below presents the Health Board's corporate risks (by their internal reference number) in respect of their likelihood and impact as at the end of March 2022:

HYWEL DDA RISK HEAT MAP					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5		1016	813		
MAJOR 4			1307, 1350	684, 1032, 1048, 1219, 1296, 1337, 1340, 1352	1027, 1297
MODERATE 3				129, 1328 1335, 1342	
MINOR 2					
NEGLECTIBLE 1					

Further information on corporate risks in 2021/22 can be found in our Board papers:

[Corporate Risk Register Report at July 2021 Board Meeting in Public](#)

[Corporate Risk Register Report at November 2021 Board Meeting in Public](#)

[Corporate Risk Register Report at March 2022 Board Meeting in Public](#)

Emergency preparedness/civil contingencies

The Health Board has a well-established Major Incident Plan which is reviewed and ratified by the Board on an annual basis. The Major Incident Plan meets the requirements of all relevant guidance and has been consulted upon by partner agencies and assurance reviewed by the WG's Health Emergency Planning Unit. This plan, together with other associated emergency plans, details the response to a variety of situations and how the Health Board meets the statutory duties and compliance with the Civil Contingencies Act 2004. The Major Incident Plan was activated in October 2021 in response to a major incident event in Pembrokeshire. Following the event, a debrief was held and lessons identified which have been built into major incident processes and the current review of the plan.

Within the Act, the Health Board is classified as a Category One responder to emergencies. This means that in partnership with the Local Authorities, Emergency Services, Natural Resources Wales and other NHS Bodies, including Public Health Wales (PHW), the Health

Board is the first line of response in any emergency affecting its population. To prepare for such events, local risks are assessed and used to inform emergency planning.

We continue to ensure that Executive Directors are appropriately skilled to lead the strategic level response to any major incident via Gold Command training, with additional senior managers/nurses trained in tactical and operational major incident response. During the last year, a mixture of virtual and face to face training has been delivered over the last twelve months.

Our response to the pandemic since the end of January 2020 has been based on well-established Command and Control structures (see [Command and Control](#) section on page 17 for further information) developed through the on-going delivery of the requirements of the Civil Contingencies Act 2004.

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented several challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group.

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

The control framework

Quality governance arrangements

Providing high quality care is an inherently complex and fragile process, which needs to be underpinned by robust quality governance arrangements. A key purpose of these 'quality governance' arrangements is to monitor and where necessary improve standards of care.

Quality governance is led by the Executive Director of Nursing, Quality and Patient Experience. Our Quality, Safety and Experience Committee (QSEC) provides timely evidence-based advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to quality and safety as well as providing assurance in relation to improving the experience of all those that come into contact with our services. Reports presented to QSEC in 2021/22 are listed in [Appendix 2](#) with papers available on our website [Quality, Safety and Experience Committee Meetings](#).

QSEC receive a regular assurance report which provides an overview of quality and safety across the Health Board. The Health Board uses a number of assurance processes and quality improvement strategies to ensure high quality care is delivered to patients. The report provides information on improvement work linked to themes within patient safety incident reporting, externally reported patient safety incidents, mortality review, and external inspections, for example Healthcare Inspectorate Wales (HIW).

QSEC is supported by 2 Sub-Committees. The Operational Quality, Safety and Experience Sub-Committee which is responsible for monitoring the acute, mental health and learning disabilities services, primary and community services quality and safety governance arrangements at an operational level. The Listening and Learning Sub-Committee provides clinical teams across the Health Board with a forum to share and scrutinise learning from concerns arising from the following, and to share innovation and good practice. The learning may arise from a complaint, an incident, a claim, a patient story or experience feedback, external inspection and peer reviews.

The clinical Executive Directors hold weekly Quality and Safety Intelligence (Hot and Happening) meetings which consider significant issues which have arisen or that have the potential to impact on patient safety and identify any areas where immediate attention is required to protect safety of patients and staff. The clinical Executive Directors also continue to hold quality panels when required. Quality panels are the opportunity for the Directors, Directorate Triumvirate Teams and Service Management Teams to explore quality governance issues. In 2021/22, the following Quality Panels have been held:

- Obstetrics and neonatal services
- Nosocomial COVID – update on the progress of the Health Board reviews
- Theatres
- Primary Care (General Practice)
- Health visiting
- Urology

During 2021/22, AW reviewed the Quality Governance arrangements at Hywel Dda, and found that whilst the Health Board is committed to providing safe, high-quality services and has aligned its strategy and plans with risk and quality improvement, there is an inconsistency between this strategic intent/ambition and operational delivery. The Health Board is committed to addressing these findings. An Executive led review of operational risk registers has been undertaken, and further reviews have been scheduled in 2022. A review of operational capacity has also commenced.

Quality Management System (QMS) Strategic Framework

The Health Board is developing a QMS Strategic Framework - the overarching formalised system that will achieve continuous improvement across the organisation. This will be delivered through 'Improving Together'. 'Improving Together' is the vehicle which aligns the

team vision to our strategic objectives and empowers teams to improve quality and performance across the organisation by setting key improvement measures aligned to their team vision. Visualisation of key data sets including improvement measures and regular team huddles help drive decision-making. The approach embraces coaching discussions and supports staff to develop solutions, embedding the principles of continuous improvement. The framework will offer a common approach to how we can adapt, adopt and spread good practice in a systematic way.

Health and Care Standards (HCS)

IA gave 'substantial' assurance in their review of the HCS in February 2021 confirming that the maturity of the embedded HCS within the organisation's governance framework and has resulted in information for each standard being reported through to the Board and fully adopted into day-to-day practices.

Clinical audit

The Clinical Audit programme in 2021/22 was intended to focus on the recovery from COVID-19, reflecting audits that assess care during and after, provide evidence for effective new ways of working, service redesign or areas that have been identified as a risk during the pandemic. It has become clear that this has not been entirely possible due to the continuation of the pandemic and the impact of new variants. It is hoped that the next programme for 2022/23 will instead be able to focus on these areas.

The vast majority of National Clinical Audits and Outcome Review are still running in the Health Board although some clinical teams have struggled at various points to maintain full contribution. All projects continue to be assessed by the Clinical Audit Scrutiny Panel (CASP) who are liaising with services regarding improvement plans. The Clinical Audit Department will continue to work with the services to see these projects through to completion, many of which will likely carry over to 2022/23. The use of new technology in 2022/23 will help to make clinical audit resources and engagement more visible and accessible.

The Clinical Audit Department resumed its programme of Whole Hospital Audit meetings (WHAM) for 2021 in line with pre COVID-19 plans.

Mortality reviews

The Medical Examiner Service was fully established across the Health Board in 2021/22. A Clinical Lead for Mortality was appointed, with responsibility for supporting the development and delivery of effective processes and learning from mortality review, in line with the all Wales Learning from Mortality Review Model Framework; and developing wider mortality accountability, scrutiny of all available mortality metrics and working with Clinical Directors and Clinical Leads to increase ownership and prioritisation of mortality across the Health Board.

Information governance (IG) arrangements

The Health Board has well established arrangements through information governance framework to ensure that information is managed in line with relevant information governance law, regulations and Information Commissioner's Office (ICO) guidance. The framework includes the following:

- An Information Governance Sub Committee (IGSC), whose role it is to support and drive the information governance (IG) agenda and provide the Health Board with the assurance that effective IG best practice procedures are in place within the organisation;
- A Caldicott Guardian who is the responsible person for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing;
- A Senior Information Risk Owner (SIRO) is responsible for setting up an accountability framework within the organisations to achieve a consistent and comprehensive approach to information risk assessment;
- A Data Protection Officer (DPO) whose role it is to ensure the Health Board is compliant with data protection legislation; and
- Information Asset Owners (IAOs) are in place for all service areas and information assets held by the Health Board and a programme of compiling a full asset register for the Health Board is underway.

We have responsibilities in relation to freedom of information, data protection, subject access requests and the appropriate processing and sharing of personal identifiable information.

Assurances that the organisation has compliant IG practices are evidenced by:

- Quarterly reports to the IGSC, including key performance indicators;
- A detailed operational UK General Data Protection Regulations (GDPR) work plan, taken to IGSC bi-monthly, detailing progress made against actions required to ensure compliance with data protection legislation;
- A suite of IG and information security policies, procedures and guidance documents;
- IG Intranet pages for the Health Board's employees with guidance and awareness;
- A comprehensive bi-annual mandatory IG training programme for all staff, including proactive targeting of any staff non-compliant with their IG training;
- A robust management of all reported Personal Data breaches, including proactive reporting to the ICO;
- Regular monitoring of the Health Board's systems for inappropriate accesses to patients' personal data through the National Intelligent Integrated Audit Solution (NIIAS) platform;
- An Information Asset Register (IAR) used to manage information across the Health Board; and
- All IG issues have been escalated through the People, Planning and Performance Assurance Committee (PPPAC) (until August 2021), and subsequently through Sustainable Resources Committee. The Committee papers can be viewed [here](#):

Sustainable Resources Committee and People, Planning and Performance Assurance Committee.

The NIIAS that audits staff access to patient records has been fully implemented within the organisation, with an associated training programme for staff, and procedures for managing any inappropriate access to records. In addition to the above training, there are regular staff communications, group training sessions, as well as IG 'drop in' sessions held across the Health Board. Posters, leaflets, staff briefings have all been used to disseminate information to staff around the importance of confidentiality, appropriate access to patient records and ensuring information is shared in an appropriate way.

The Health Board has undertaken a full review of its position against the Welsh Information Governance Toolkit and Caldicott Principles into Practice Assessment (CPIP). Both assessments demonstrate a good level of assurance of information governance risks.

Staff training numbers have steadily increased with the compliance at the end of March 2022 at 77.94%, a slight decrease from 78.79% over the past 12 months. This is attributed to the impact of the COVID-19 pandemic on the Health Board's workforce.

The Health Board continues to reinforce awareness of key principles of Data Protection legislation. This includes the overarching principle that users must only handle data in accordance with people's data protection rights.

Code of Corporate Governance

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, an assessment was undertaken in March 2022 against the main principles as they relate to an NHS public sector organisation in Wales. This assessment was informed by the AW Structured Assessment 2021: (Phase 2) Corporate Governance and Financial Management Arrangements, and its assessment against HCS 1 GLA Module (as noted on previous page). The Health Board is satisfied that it is complying with the main principles of and is conducting its business in an open and transparent manner in line with the Code. There were no reported/identified departures from the Corporate Governance Code during the year.

Governance, Leadership and Accountability (GLA)

The Health Board undertook a self-assessment to consider how it operated in accordance with the following criteria for the HCS for GLA Standard in 2021/22:

- Health Services demonstrate effective leadership by setting direction, igniting passion, pace and drive, and developing people;
- Strategy is set with a focus on outcomes, and choices based on evidence and people insight. The approach is through collaboration building on common purpose;

- Health services innovate and improve delivery, plan resource and prioritise, develop clear roles, responsibilities and delivery models, and manage performance and value for money; and
- Health Services foster a culture of learning and self-awareness, and personal and professional integrity.

Further information can be found in the Board Effectiveness report to ARAC in May 2022. This report is [agenda item *](#) on the following webpage [insert link](#).

Health and safety

During 2021/22, the Health and Safety Executive confirmed that the Health Board had complied with all the extended Improvement Notices and recognised the very significant improvement in the profile, understanding and leadership of health and safety management at senior level since their intervention in 2019.

Fire safety

The Health Board continues to address the 5 outstanding Enforcement Notices and 18 Letters of Fire Safety Matters issued by the Mid and West Wales Fire and Rescue Service (MWWFRS). Two additional Enforcement Notices have had all works completed, with the MWWFRS invited to inspect the completed work, by the end of March 2022. Extensive fire safety improvement works are being undertaken at Wthybush Hospital, Glangwili Hospital and at Bronglais Hospital from WG agreed funding, with regular progress updates reported to the HSC, which provides assurance to the Board on the work undertaken towards improving compliance.

Planning arrangements

In March 2020, the WG took the unprecedented decision to pause the IMTP and annual planning process to enable NHS Wales organisations to focus its attention on the immediate preparations for and response to the COVID-19 pandemic, advising that routine planning arrangements would be restarted at a more appropriate time.

Given the continuation of the pandemic, WG requested an Annual Plan for 2021/22, rather than an IMTP. In March 2021, the Board approved its Draft Annual Recovery Plan 2021/22 which set out to the organisation and WG the priorities for 2021/22. The full plan was submitted to June 2021 Board for final approval and subsequently submitted to WG. The strategic objectives and planning objectives, approved by Board in September 2020, formed the foundations of the plan with the focus, first and foremost, on how the Health Board continues to address, and recover from the COVID-19 pandemic; how it will support staff to recover after the challenges of the past year; and how it will lay the foundations to recover its system/services and support communities to thrive.

Our plan recognised a planned deficit in the 2021/22 financial year and did not recover the cumulative deficit incurred to date (which was reset to 1 April 2020). As a result of this, we

presented a budget which breached our statutory financial duty for the three-year period. The Health Board had a deficit position of £35.4 million in 2018/19, £34.9m in 2019/20 and £24.9m in 2020/21. We are cognisant that financial planning and the delivery of our strategy is needed for long-term financial stability and sustainability.

The Health Board recognises the seismic shift that COVID-19 has had on planning, deployment and implementation of systems, structures and services. The impact has been both significant and dynamic and cannot be underestimated. It has changed and advanced the way we approach our planning, meaning that many changes previously identified for the longer-term have been implemented sooner than envisaged, with digital enablement a prime example. This means that planning assumptions were re-thought, along with their timelines, as the Health Board moved into a transformational period. Despite the challenges and fundamental changes encountered during 2021/22, there have been unexpected opportunities presented to re-set, accelerate and expedite, where appropriate, the transformation of our services.

The Health Board wrote to WG in February 2022 to formally notify them through an accountability letter that, unfortunately, we would not be in a position to submit a financially balanced IMTP by 31 March 2022. Instead, it would be the Board's intention to submit a draft Three-Year Plan 2022/25, with a robust and detailed focus on 2022/23 actions, which we intend will set the foundations for an IMTP to be submitted in the summer. This notification was based on the premise that the Health Board's underlying deficit has worsened over the last two financial years following the gaps in delivery of recurrent savings in 2020/21 and 2021/22 and, as such, there is currently insufficient assurance to allow the Health Board to propose an IMTP for the March 2022 submission.

We are committed to address these savings gaps and are in the process of constructing a clear core plan, focusing on recovery, which will allow us to get back on track with our financial roadmap. For 2022/23 this will be coupled with ensuring that the exceptional economic challenges we face next year are well described and assessed. A significant review of our COVID-19 response is already underway, aimed at restoring services or embedding beneficial changes that have been made over the last 2 years – establishing our new normal.

Value based health care approaches are being taken across the whole organisation, and it is our aspiration that a target operating model can be constructed to focus our delivery of services in the most optimum way for our patients, with this forming a critical part of our approach to the medium-term outlook and aligning with the design assumptions set out in our strategy and recent Programme Business Case.

Disclosure statements

Equality, diversity and human rights

The Health Board is committed to putting people at the centre of everything it does. The vision is to create an accessible and inclusive organisational culture and environment for

everyone. This includes staff, those who receive care (including their families and carers), as well as partners who work with the organisation - whether this is statutory organisations, third sector partners or communities. This means thinking about people as individuals and taking a person-centred approach, so that everyone is treated fairly, with integrity, dignity and respect, whatever their background and beliefs.

Control measures are in place to ensure that the organisation's obligations under equality and human rights legislation are complied with.

- The Board approved a revised Strategic Equality Plan and objectives for the period 2020/24. COVID-19 exacerbated inequalities for those with protected characteristics and communities that are socio economically deprived so, in response we reviewed our plans outlining how we were going to meet those objectives;
- The requirements of the Socio-economic Duty which became law in 2021 were embedded into the Health Board's strategic decision making process;
- The Equality Impact Assessment (EqIA) process was reviewed, to incorporate the Socio-economic duty, and an EqIA training programme has been developed for staff.
- Equality and Human Rights training is mandatory for all staff;
- Progress in our work to advance equality and good relations is reported to WG, through the NHS Delivery Framework qualitative reporting process. Reports on work to address inequalities for specific groups are also periodically considered at Board Committees;
- A Strategic Equality Plan Annual Report is published annually, alongside a Workforce Equality Report and Gender Pay Gap Report.

This year, the Health Board received a Silver Award from Stonewall, the world's second-largest LGBTQ+ charity, in recognition of our commitment to the inclusion of lesbian, gay, bi, trans and queer people in the workplace.

Equality objectives

The work to progress the equality agenda is inter-linked with our work around the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Social Services and Well-being (Wales) Act 2014. For more information on the Strategic Equality Plan and objectives and progress outlined in the annual reports, visit <https://hduhb.nhs.wales/about-us/governance-arrangements/equality-diversity-and-inclusion/equality-diversity-and-inclusion-documents/>.

Examples of key highlights for 2021/22 include:

- The introduction of a Community Development Outreach Team, to engage with marginalised communities and those most affected by the COVID-19 pandemic, to be a trusted source of health promotion messages, increase the uptake of COVID-19 vaccines and remove barriers to accessing healthcare services;
- Provision of equality and diversity training for staff on a variety of topics, to give them the confidence and skills to challenge discrimination and create a fairer, more inclusive environment for all;

- Creation of a Black, Asian and Minority Ethnic Staff Network and re-launching the Enfyys Network for LGBTQ+ staff and their allies;
- Undertaking 126 Equality Impact Assessments during 2021/22, including 8 associated with service change and 70 related to clinical policies. We remain committed to conducting appropriate equality impact assessments, closely linked with our commitment towards continuous engagement.

NHS pension scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, 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. The Health Board confirms that it acts strictly in compliance with the regulations and instructions laid down by the NHS Pensions Scheme and that control measures are in place with regard to all employer obligations. This includes the deduction from salary for employees, employer contributions and the payment of monies. Records are accurately updated both by local submission (Pensions On-Line) and also from the interface with the Electronic Staff Record (ESR). Any error records reported by the NHS Pension Scheme which arise are dealt with in a timely manner in accordance with Data Cleanse requirements.

Environment, sustainability and carbon reduction

The Health Board has continued to improve performance in a number of key areas over the last year including carbon reduction, transport, waste and energy despite the impact from the COVID-19 pandemic. Improved performance has been achieved through delivery of several energy efficiency/decarbonisation projects, maintenance of the Environmental Standard ISO14001, increased agile working, encouraging reuse and delivery of source segregated recycling schemes.

Additionally, in response to the publication of the 'All Wales NHS Decarbonisation Strategy' in March 2021, the Health Board has embedded this requirement within Planning Objective 6G and will work towards achieving this objective by developing and endorsing a strategic roadmap to respond to the WG ambition for NHS Wales to contribute towards a public sector wide net zero target by 2030.

The Health Board has commissioned the Carbon Trust to develop this strategic road map by the first quarter of 2022/23. The Health Board will set out a work programme and implement this plan to meet the targets established in the NHS Wales Decarbonisation Strategic Delivery Plan in the areas of carbon management, buildings, transport, procurement, estate planning and land use, and its approach to healthcare including promoting clinical sustainability. Where feasible, through the opportunities presented via the Health Board's

transformation journey, it will look to exceed targets and establish best practice models and pilots, as exemplars for the NHS and wider public sector. In addition to the Decarbonisation Strategy, over the last year, the Health Board has also developed a Waste Strategy detailing the targets the Health Board will need to reach to meet legislative targets for waste management by 2030 and 2050. The overall aim of delivering on these strategies will be to reduce the Health Board's carbon footprint to support the wider public sector ambition to address the climate emergency and to embed the decarbonisation agenda and circular economy commitment across the organisation. In doing so, year on year performance in Environmental, Sustainability and Carbon reduction will improve.

From a climate change viewpoint, we recognise the impact of climate change in the work we do around severe weather planning and highlight this within the Dyfed Powys LRF Severe Weather Arrangements. These arrangements cover four elements: flooding, severe winter weather, heatwave and drought. The arrangements cover elements such as risk, alerting mechanisms, multi-agency command and control structures, warning and informing and training/exercising.

In 2021 an extreme heat warning service was introduced to warn of the potential impacts of these higher temperatures helping people to make better decisions to stay safe. The warning is not threshold based and hence can take into account forecast temperatures, the persistence of a hot spell, and information from partners regarding vulnerability of services to the heat etc when assessing whether a warning is required. This system is now being reflected in the Dyfed Powys LRF severe weather arrangements.

Data security

The Health Board has adopted and implemented a robust procedure for managing Personal Data Breaches across the organisation, that ensures incidents are reported in line with statutory requirements and lessons are learnt to improve future practice. The Health Board has had contact with the Information Commissioner's Office (ICO) in relation to 13 incidents during the year (self-reported by the Health Board). Nine incidents involved Health Board's medical records accessed by an unauthorised individual. Three incidents related to the Health Board's information being disclosed in error and one incident involved non-secure disposal (paper). 11 incidents have been closed by the ICO with no further action required and two incidents are still being investigated by the ICO.

Throughout the pandemic, the scale of coordination and data management required for effectively implementing strategic plans to deal with the situation remained the same, and has relied on adopting digital technology and integrating it into the Health Board. Digital health technology can facilitate responses to the pandemic in ways that are difficult to achieve manually, however the Health Board has ensured that essential controls are maintained or quickly established to mitigate issues IG related risks.

Additionally, the Cyber Security Team continues to provide security architecture advice, ensuring designs follow security best practice and follow the requirements of the Network and

Information Systems Regulations (NISR). The Cyber Security Team has also made progress with the tools and capabilities available to Hywel Dda. NISR is designed to protect critical national infrastructure against cyber-attacks. This regulation applies to all parts of the UK and EU and came into force in May 2018, alongside the GDPR/Data Protection Act. As part of NHS Wales, the Health Board is an Operator of Essential Services and has a legal obligation to comply with NISR.

Quality of data

The Health Board makes every attempt to ensure the quality and robustness of its data and has regular checks in place to assure the accuracy of information relied upon. However, the multiplicity of systems and data inputters across the organisation means that there is always the potential for variations in quality, and therefore always scope for improvement. We have an ongoing data quality improvement plan which routinely assesses the quality of our data across key clinical systems.

Good quality clinically coded data plays a fundamental role in the management of hospitals and services. Coded data underpins much of the day-to-day management information used within the NHS and is used to support healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness and can be an invaluable starting point for many clinical audits. The Clinical Coding Development Plan has taken root and the Health Board is now regularly achieving 95% completion within one month of discharge.

Work continues to be undertaken to drive towards reducing the reliance on physical case notes and pushing the use of electronic documentation in line with the development of the Clinical Record Keeping Policy. This will further support the improvement of the clinical coding data and its uses.

Ministerial Directions

The WG has issued a number of Non-Statutory Instruments during 2021/22. Details of these and a record of any Ministerial Direction given is available on the following link:

<https://gov.wales/publications>.

A schedule of the Directions, outlining the actions required and the Health Board's response to implementing these was presented to the ARAC as an integral element of the suite of documents evidencing governance of the organisation for the year. From this work it was evidenced that the Health Board was not impeded by any significant issues in implementing the actions required as has been the situation in previous years. All of the Directions issued have been fully considered by the Sustainable Resources Committee, on behalf of the Board, and where appropriate, implemented (See [Appendix 3](#)).

In respect of the Ministerial Direction issued in December 2019 regarding the NHS Pension Tax Proposal 2019 to 2020, we have made all reasonable endeavours to comply with the Direction.

The Scheme applies to the year 2019/2020 only. In the Health Board's 2021-22 accounts, a provision of £922,586 has been included which will be funded by Welsh Government.

Welsh Health Circulars (WHCs)

Welsh Health Circulars (WHCs) are published by the WG to provide a streamlined, transparent and traceable method of communication between NHS Wales and NHS organisations. WHCs relate to different areas such as policy, performance and delivery, planning, legislation, workforce, finance, quality and safety, governance, information technology, science, research, public health and letters to health professionals.

Following receipt, these are assigned to a lead Director who is responsible for the implementation of required actions. The Board has designated oversight of this process to Board level Committees, with an end of year report provided to the ARAC which can be found [here](#).

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the Internal Auditors, and the Executive Officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board and Committees rely on a number of sources of internal and external assurances which demonstrate the effectiveness of the Health Board's system of internal control and advise where there are areas of improvement. These include:

- Feedback from WG and the specific statements issued by the Minister for Health and Social Services;
- Local Counter-Fraud and Post Payment Verification Activity;
- Inspections by Healthcare Inspectorate Wales;
- Delivery of audit plans and reports by external and internal auditors;
- Feedback from statutory Commissioners;
- Feedback from staff, patients, service users and members of the public;
- Assurance provided by ARAC and other Committees of the Board;
- AW Structured Assessment.

Internal Audit (IA)

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

Throughout 2020/21, the Head of Internal Audit has met weekly with the Board Secretary and when required, the Director of Finance to discuss and consider any changes to the Internal Audit plan, either to accommodate fluctuations in operational demand or changing priorities.

Head of Internal Audit Opinion

As a result of responding to new variants of COVID-19, the IA programme has been subject to change during the year, to ensure that key developing risks are covered. Although changes have been made to the plan during the year, IA have undertaken sufficient audit work during the year to be able to provide an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Head of Internal Audit has concluded for 2021/22:

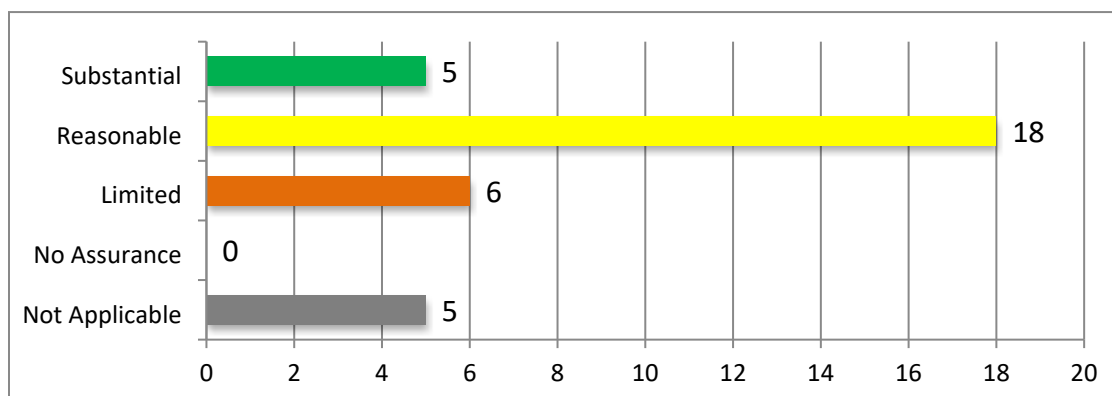
Reasonable assurance		The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
----------------------	---	--

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

During 2021/22, the Health Board has received positive audit opinions in a number of governance-related audits, including reviews on its Risk Management and Board Assurance

Framework (Reasonable), Financial Planning, Reporting and Monitoring (Reasonable), Performance Reporting and Monitoring (Substantial), Annual Recovery Plan/Planning Objectives (Reasonable), and Workforce Planning (Substantial). In addition to this, several Directorate Reviews were undertaken in Mental Health and Learning Disabilities, Women and Children, Therapies and Health Sciences and Prince Philip Hospital which all provided Reasonable Assurance.

This DRAFT opinion is based on the following opinions issued during the year:



Overall, IA have provided the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas in the table below.

DRAFT Summary of Audits 2021/22:

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> IT Back Ups Workforce Planning Performance Management & Reporting NIS Directives Organisational Values & Staff Well-being 	<ul style="list-style-type: none"> HTA Compliance Single Tender Actions Women & Child Health Directorate Governance Medical Staff Recruitment Waiting List Risk Management Mental Health & Learning Disabilities Directorate Governance Prince Phillip Hospital Directorate Governance Planning Objectives and Recovery Plan Therapies Directorate Governance Financial Management & Reporting IM&T Mental Health Patient Administration System (MH PAS) Follow up

	<ul style="list-style-type: none"> • Use of Consultancy Follow up • Waste Management • Primary Care Clusters • Women and Children Capital Scheme • Nurse Staffing Act • Partnership Governance Follow up • Infection Prevention & Control
Limited Assurance	Advisory/Non-Opinion
<ul style="list-style-type: none"> • Welsh Language Standards • Use of Consultancy • IM&T Mental Health Patient Administration System (MH PAS) • Trittech Governance • Non-Clinical Temporary Staffing • Prevention of Self Harm 	<ul style="list-style-type: none"> • Field Hospital Decommissioning • Discharges • Records Management • Bank Staff Overpayment • Blackline Reconciliation Process
No Assurance	
N/A	

Whilst there were no audited areas that resulted in 'no assurance', the following audit reports were issued with a conclusion of limited assurance. Three of these requested by the Health Board. These areas have been included on the Internal Audit Plan for 2021/22:

- **Use of consultancy**

This review highlighted one high priority matter relating to the absence of appropriate guidance setting out the definition of consultancy engagements and the impact this had on determining the appropriate level of approval required for the expenditure reviewed, along with three other medium priority recommendations. Other matters arising included incomplete evidence of progress monitoring/post completion reviews, absence of a central record and inaccurate financial coding of consultancy engagements, and that consultancy usage/spend is not collectively monitored or reported.

The follow up review resulted in 'reasonable assurance' noting that action has been taken by management to address the findings, resulting in the high and one medium priority matters arising being addressed and now closed:

- A 'Use of Consultancy' Financial Procedure has been developed setting out the circumstances, process and approval requirements for engaging external consultants. The procedure was approved by the Sustainable Resources Committee in October 2021;
- The procedure requires an exit meeting with the consultant, to identify issues, lessons learnt, establish whether objectives were met and what did/not go well. Post Project Evaluation templates have been developed to facilitate this.

Further action is required in relation to the two remaining medium priority matters arising.

- **Welsh Language Standards**

This review identified several issues such as embedding the Standards into the service plans of the organisation, the identification and recording of risks in relation to the Standards and failure by some Directorates to complete the self-assessment tool. Work has commenced with regard to the strategic approach and ambition in terms of the Welsh language and this will be incorporated Health Board's three-year plan as a planning objective which can be measured. As some of the completion dates were not due until next year, this will be followed up as part of the 2022/23 Internal Audit plan.

- **Mental health patient administration system**

This review looked at the arrangements in place for the implementation of the Welsh patient administration system in Mental Health and Learning Development and identified inadequate project management arrangements. Key matters arising concerned the lack of an internal business case, limited project planning, management and governance, inadequate resource made available to the project, both in number and skill-level, lessons learned not recorded throughout project lifecycle and post-implementation review not yet undertaken.

The follow up, which resulted in 'reasonable assurance', recognised that considerable progress has been made in addressing the five matters arising from the previous internal audit, completed only two months ago. Management acted promptly to review and update project management documentation and strengthen governance arrangements. Agreed actions relating to four of the high priority recommendations have been addressed and closed, two are ongoing and not yet due for review and two have been partially implemented.

- **TriTech governance**

This review was undertaken to evaluate and determine the adequacy of the systems and controls in place within the Health Board for governance arrangements for the TriTech Institute. Overall, the governance arrangements for the setup and establishment of the TriTech Institute have concluded 'limited assurance'. This was based on the lack of a Board-approved business case and a lack of a clear financial structure.

Whilst the lack of a Board-approved business case impacts on many of the objectives within this review, IA provided assurance on the arrangements and actions that have been undertaken. IA also identified a number of matters arising that require refinement and further development. The report identified six matters arising, with two of these being high priority in respect of submission and approval of a business plan and the financial governance. This will be followed up as part of the 2022/23 Internal Audit plan.

- **Non-clinical agency**

This review was undertaken to establish whether appropriate arrangements are in place for the appointment and monitoring of temporary staffing solutions. Two high priority matters have been identified relating to the procurement, identification and monitoring of non-clinical temporary staff. Accordingly, an overall rating of 'limited assurance' was concluded. This will be followed up as part of the 2022/23 Internal Audit plan.

- **Prevention of self-harm**

This review was undertaken to establish whether there were robust arrangements in place for the prevention of self-harm following several improvement actions identified by Health Inspectorate Wales (HIW) to mitigate points of ligature risk within the Health Board.

The arrangements in place for recording and monitoring HIW actions through to implementation were satisfactory, and no issues were identified with the arrangements for incident monitoring. However, a limited assurance rating was issued as IA identified three high priority matters requiring immediate attention relating to the arrangements for ligature audits, specifically:

- the absence of sufficient, consistent processes in place for the completion of ligature audits, resulting in a lack of clarity regarding the audit requirements for community and learning disability residential sites, and use of a very basic inadequate template to undertake the audits;
- whilst audits had been completed for most mental health inpatient sites during 2021, in some cases it was clear that they had not been completed annually; and
- failure to clearly identify, monitor and implement improvement actions to address issues arising in the ligature audits.

This will be followed up as part of the 2022/23 Internal Audit plan.

Management responses that detail the actions to address gaps in control were included in all final IA reports presented to ARAC. The delivery of these actions is tracked via the Health Board's audit tracker which is overseen by the ARAC. The minutes and all final IA reports can be found within the ARAC section of the website <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/audit-and-risk-assurance-committee-arac/>.

Where audit assignments planned this year did not proceed to full audits following preliminary planning work, these were either removed from the plan, removed from the plan and replaced with another audit, or deferred until a future audit year. The following audits were deferred.

Review Title	Objective
Quality & Safety Governance Framework	Deferred due to operational service pressures as a result of the pandemic.
Restart of Elective Work /Planned Recovery	Deferred due to operational service pressures as a result of the pandemic.
Clinical Audit	Deferred due to operational service pressures as a result of the pandemic.
Public Health	Deferred due to operational service pressures as a result of the pandemic.
Continuing Health Care	Deferred due to operational service pressures as a result of the pandemic
IT Infrastructure	Operational service pressures as a result of the pandemic impacted on timescales for infrastructure update.
Commissioning	Deferred due to operational service pressures as a result of the pandemic.
Consultants Job Planning	Deferred due to operational service pressures as a result of the pandemic.
Decarbonisation	Deferred based on changes to national deadlines and requirements.
Falls	Deferred due to operational service pressures as a result of the pandemic.

Audit Wales (AW) structured assessment

The AW Structured Assessment is a process that looks at whether the Health Board has made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources. In 2021, AW undertook the structured assessment process in two phases.

Phase one considered the Health Board's operational planning arrangements and how these are helping to lay the foundations for effective recovery. AW overall assessment was that 'the Health Board's arrangements for developing operational plans are generally effective although it does not have the processes necessary to monitor and review progress in delivering its priorities'. This is resulted in four recommendations that the Health Board is working to implement relating to alignment of plans, planning capacity, performance tracking and monitoring and reporting. The full report can be accessed on the AW website [here](#).

Phase two considered how corporate governance and financial management arrangements adapted over the last 12 months. The key focus of the work has been on the corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, and also considered how business deferred in 2020 has been reinstated and how learning from the pandemic is shaping future arrangements for ensuring good governance and delivering value for money.

AW found through their Phase Two work that 'the Health Board has effective Board and committee arrangements committed to high quality services and staff well-being and has well-developed plans that are now routinely monitored. A number of innovative approaches have been adopted to aid scrutiny and assurance, and although operational arrangements for risk and quality governance have posed some risks, improvement action is now underway'.

AW noted that the Board continues to conduct business in an open and transparent way and has maintained good governance arrangements which have been adapted when needed. Other key messages in the report included:

- The Health Board has well developed plans for continuing its response to COVID-19 and to reset and recover services, whilst also laying the foundations to deliver its longer-term strategic intent;
- Partnerships are working well and there has been good engagement with the public.
- Availability of additional capacity is presenting risks to the Health Board, but there are now good mechanisms in place to monitor and scrutinise delivery of its plans;
- The Health Board is committed to delivering high quality services and supporting staff well-being;
- An innovative approach to enable effective scrutiny of strategic risks and outcomes is in place through the interactive Board Assurance Framework and performance dashboard;
- The Health Board has a well-managed approach to monitoring the implementation of audit and review recommendations;
- Operational risk and quality governance arrangements have posed a risk to receiving the required levels of assurance, but work is now underway to address these.

In respect of managing its financial resources, AW found that 'the Health Board continues to face significant financial challenges, it has maintained appropriate financial controls and monitoring and reporting is robust. The Health Board is working hard to achieve financial recovery but is managing a number of risks and delivery is being hindered by operational capacity to develop recurring saving schemes'. Key messages in the report included:

- The Health Board was unable to meet its financial duties for 2020-21, ending the year with a deficit of £24.9 million;
- The Health Board is on track to deliver its financial plan for 2021-22 but is managing a number of risks which could have consequences for future years, and it will continue to fail to meet its financial duties due to a planned year-end deficit;

- The Health Board has robust arrangements in place for monitoring and scrutinising its financial position, supported by comprehensive and transparent reporting.

It was the second consecutive year that the Health Board has not received any recommendations in respect to its corporate governance and financial management arrangements. The full report can be accessed in the ARAC papers [here](#). This report alluded to the review of quality governance arrangements at Hywel Dda which did identify that several recommendations be addressed in respect of the effectiveness of quality and safety sub-groups, operational leadership, operational risk registers and operational risk management.

AW also undertook a number of national reports on national programmes that were established in response to COVID-19, among these was their review 'Taking Care of the Carers? How NHS bodies supported staff well-being during the COVID-19 pandemic' which provided a number of recommendations for NHS bodies across Wales that included organisations retaining a strong focus on staff well-being, considering workforce issues in recovery plans, evaluating the effectiveness and impact of the staff well-being offer, enhancing collaborative approaches to supporting staff well-being, providing continued assurance to boards and committees on staff well-being, building on local and national staff engagement arrangements, evaluating the national staff well-being offer and the all-Wales COVID-19 Workforce Risk Assessment Tool. The organisation has taken forward a number of staff well-being initiatives during the year which are outlined in the **Performance Report**.

Conclusion

At the time of preparing this Governance Statement, the pandemic continues to have an impact on service delivery. 2021/22 has been our most challenging year to date, as we have continued to respond to the pandemic, deal with the backlog of patients that has prevailed, whilst keeping one eye firmly on the future. Whilst we anticipate that COVID-19 will be with us for the foreseeable future, we are looking to respond to the legacy of the pandemic and return as much as possible to 'business as normal'.

As Accountable Officer, based on the review process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. Taking into account the evidence detailed in this Statement, together with feedback from WG regarding our current escalation status of 'Enhanced Monitoring', from AW via their Structured Assessment and from Internal Audit's assurance assessment, I have concluded that overall, the Health Board's systems of internal control have not been materially affected and am assured that our internal control and governance systems have operated satisfactorily during 2021/22.

It has been encouraging that we have remained at 'enhanced monitoring' status particularly as the Health Board's underlying deficit has worsened over the last two financial years following the gaps in delivery of recurrent savings in 2020/21 and 2021/22. We are committed to reducing our status to 'routine monitoring' by addressing this challenge and are in the

process of constructing a clear core plan, focusing on recovery, and will allow us to get back on track with our financial roadmap. For 2022/23 this will be coupled with ensuring that the exceptional economic challenges we face next year are well described and assessed.

A significant review of our COVID-19 response is already underway, which will be transitioned into the new normal through our plans. Value based health care approaches are being taken across the whole organisation. It is our aspiration that a target operating model can be constructed to focus our delivery of services in the most optimum way for our patients and population, with this forming a critical part of our approach to the medium-term outlook. This will align with the design assumptions set out in our strategy and Programme Business Case. The Health Board aims to submit an IMTP to WG in July 2022 that will reconcile the need for a balanced IMTP against the Health Board's deficit and the ongoing focus on the recovery of our services.

For the second consecutive year, AW have provided positive feedback on our corporate arrangements for ensuring that resources are used efficiently, effectively and economically during 2021, with no recommendations made in regard to our corporate and financial governance arrangements. AW reported that that we have effective Board and Committee arrangements and have a number of innovative approaches to aid scrutiny and assurance, in fact commending us on our new interactive Board Assurance Framework and performance dashboard. We are however fully cognisant of the need to build on this excellent work and strengthen our operational governance through the next year.

AW also reported that the Health Board continues to face significant financial challenges, it has maintained appropriate financial controls and monitoring and reporting is robust. Gaining financial sustainability is a key ambition for the Health Board.

During 2021/22, we have proactively identified areas requiring improvement and requested IA undertake targeted reviews to improve our internal control. As expected, these have identified areas of improvement that will be addressed by management action. IA's focus on our governance arrangements included reviews into our financial planning, reporting and monitoring arrangements, our Annual Recovery Plan, performance reporting and monitoring and our risk management arrangements which have provided the Board with **reasonable** assurance in these areas.

Despite still being in a pandemic, we have now complied with all the Improvement Notices issued by the HSE and continue to address the Fire Enforcement Notices issued by MWWFRS.

As a Board, we have continued to deliver against our strategic objectives and have made substantial developments over the last year. These have included the development of our Board Assurance Framework, the submission of our Programme Business case to WG, opening of the Special Care Baby Unit at GGH, the introduction of our Enhanced Bridging Service, the development of our decarbonisation agenda and the extension of our work around Value Based Healthcare and the Foundational Economy. During 2022/23, the Health

Board will build upon the work started in 2021/22 around our planning objectives and has developed and re-designed these objectives in order to move us towards the future we set out in our long-term health and care strategy, 'A Healthier Mid and West Wales'.

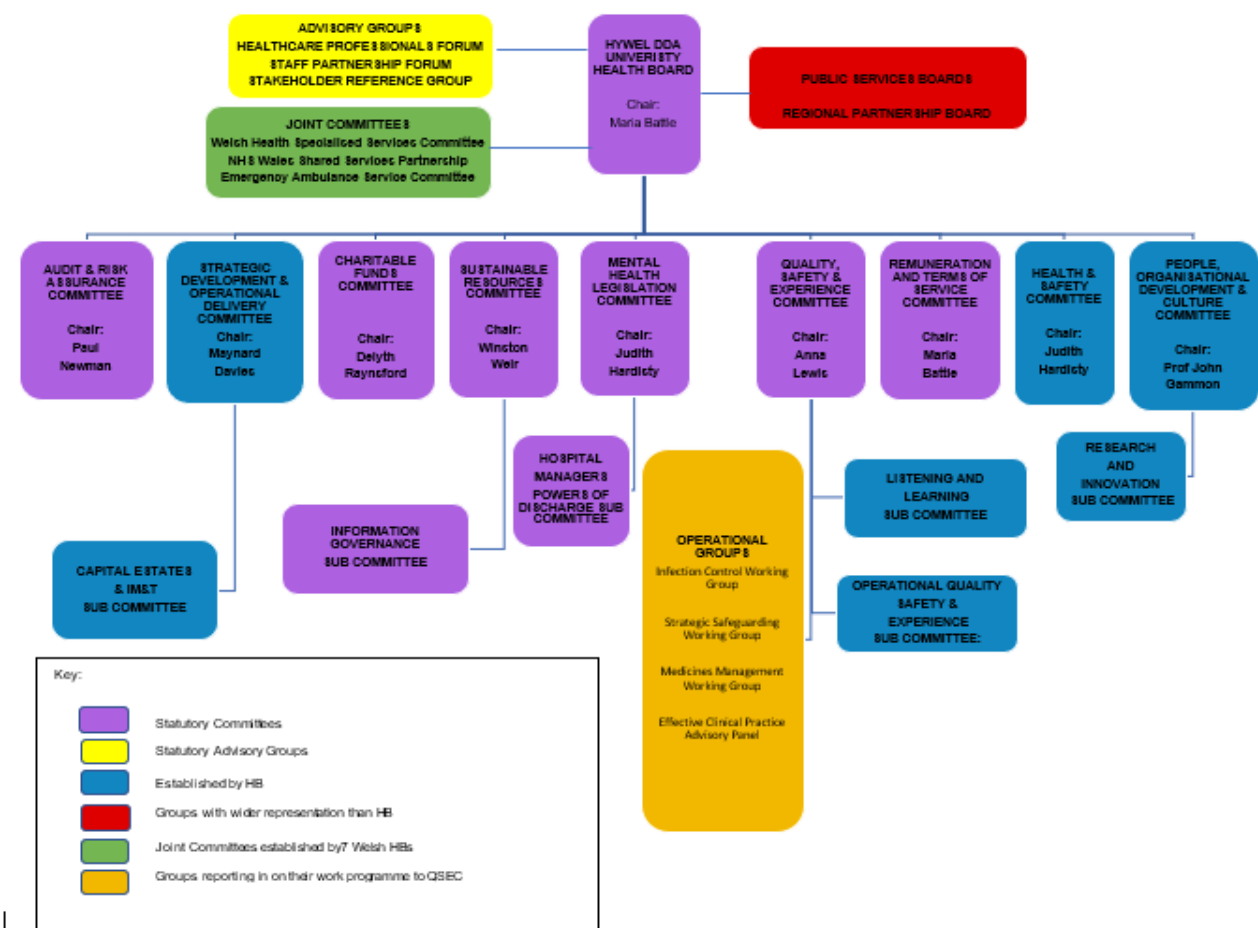
As indicated throughout this statement and the Annual Report, the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to new and unprecedented risks. The need to respond and recover from the pandemic will be with the organisation and wider society for the foreseeable future. I will ensure our Governance Framework continues to consider and respond to this need.

**Signed
by:**

Date:

**Phil Kloer on behalf of Steve Moore,
Chief Executive Officer**

Appendix 1 – Board and Committee structure



Appendix 2 – A summary of key items considered by committees in 2021/22

Audit and Risk Assurance Committee (ARAC)

The role of the Audit Committee is to advise and assure the Board, and the Accountable Officer, on whether effective arrangements are in place to support them in their decision taking and in discharging their accountabilities in accordance with the standards of good governance determined for the NHS in Wales. Items considered:

- IA Plans were submitted to each meeting providing details relating to outcomes, key findings and conclusions
- AW reports on current and planned audits
- Internal & External Audit Tracking Reports
- Post Payment Verification Reports
- Counter Fraud Reports
- Annual Accounts, Accountability and Remuneration Reports for 2020/21
- Financial Assurance Reports including single tender actions, special losses and payments
- Audit, Inspectorate and Regulator Tracker Reports
- Clinical Audit Reports
- Board Committee Assurance Reports
- Declarations of Interest Report
- Capital Governance Arrangements Internal Review

Charitable Funds Committee (CFC)

The CFC is charged with providing assurance to the Board in its role as corporate trustees of the charitable funds (CF) held and administered by the Health Board. It makes and monitors arrangements for the control and management of the Board's charitable funds within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework. Items considered:

- CF Sub Committee Update Reports
- CF Risk Reports
- CF Stories
- Approval of CF Expenditure and Decisions made through Chair's Action
- Charities performance Reports
- CF Annual Accounts Reports for 2020/21
- Planning Objective Update Reports

Health and Safety Committee (HSC)

The HSC provides assurance on the arrangements for ensuring the health, safety, welfare and security of all employees and of those who may be affected by work-related activities,

such as patients, members of the public, volunteers, contractors etc. It provides advice on compliance with all aspects of health and safety legislation, as well as advises and assures the Board on whether effective arrangements are in place to ensure organisational wide compliance of the Health Board's health and safety policy, approves and monitors delivery against the Health and Safety Priority Improvement Plan and ensures compliance with the relevant Standards for Health Services in Wales. It also provides assurance on the Health Board's Emergency Management Plan. Items considered:

- HSE Enforcement
- Health and Safety legislation and audits
- Lifting Operations and Lifting Equipment (LOLER)
- Fire Enforcement
- Fire safety governance
- PREVENT and CONTEST
- Health and safety related risks and performance
- Policies for approval
- Planning Objective Update Reports

Mental Health Legislation Committee (MHLC)

The MHLC assures the Board that those functions of the Mental Health Act 1983, as amended, which have been delegated to officers and staff are being carried out correctly; and that the wider operation of the 1983 Act in relation to the Health Board's area is operating properly, the provisions of the Mental Health (Wales) Measure 2010 are implemented and exercised reasonably, fairly and lawfully, the Health Board's responsibilities as Hospital Managers is being discharged effectively and lawfully, and that the Health Board is compliant with the Mental Health Act Code of Practice for Wales. The MHLC also advises the Board of any areas of concern in relation to compliance with mental health legislation and agrees issues to be escalated to the Board with recommendations for action. Items considered:

- Staff Story
- Specialist Child and Adolescent Mental Health Services (SCAMHS) admission and pathway
- Mental Health Act Quarterly Reports
- Health Board Response to Department of Health Consultation and Review of the Mental Health Act
- Section 117 Register
- Policies for approval
- Mental Health Review Tribunal (for Wales): use of video conference
- Risk Report
- Healthcare Inspectorate Wales visits to Mental Health and Learning Disabilities Facilities
- Updates from Power of Discharge Sub-Committee

People, Organisational Development and Culture Committee (PODCC)

PODCC was established to replace the 'People' element of the previous People, Planning and Performance Assurance Committee, to receive an assurance on all relevant planning objectives falling in the main under Strategic Objective 1 (Putting people at the heart of everything we do), 2 (Working together to be the best we can be) and 3 (Striving to deliver and develop excellent services). The Committee has a focus on education and development of staff, recruitment, retention and talent management, becoming an employer of choice, performance and quality management systems, business intelligence capabilities and improvement training, patient experience, engagement and empowerment, workforce related policies, diversity and inclusion, carers support, regulatory and professional bodies compliance, arrangements to support ongoing transformation and board assurance framework development and research, development and innovation planning/deliver. Items considered:

- Staff Story
- NHS Wales Staff Survey, Nursing Climate Survey and Medical Engagement Scale Survey Outcomes Reports
- Speciality and Associate Specialist Contract Reform Implementation
- Welsh Language Standards Report
- Strategic Equality Plan Annual Report
- Performance Appraisal Development Review Performance Report
- Domiciliary Care Provision Report
- Staff Experience Discovery Report
- Bilingual Skills Policy Compliance
- Black, Asian and Minority Ethnic Advisory Group Update Reports
- Carers Report
- Making a Difference – Customer Service Programme
- Nursing and Midwifery Strategic Framework
- Workforce Dashboard and Performance Reports
- Contractual and legislative changes
- Policies for approval
- Risk Reports
- Planning Objective Update Reports

Quality and Safety Experience Committee (QSEC)

The QSEC is responsible for providing evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of health care and services provided and secured by the Health Board. It provides assurance to the Board in relation to the organisation's arrangements for safeguarding vulnerable people, children and young people and improving the quality and safety of health

care to meet the requirement and standards determined for the NHS in Wales. Items considered:

- Maternity Services
- Nurse Staffing Levels (Wales) Act 2016 Reports
- Quality and Safety Assurance Reports
- Improving Together Report
- Children and Young People Plan for Delivery Report
- Health Board Response to the National Audit of Care at the End of Life (NACEL)
- Accessing Emergency Specialist Spinal Services Report
- Waiting List support Programme Report
- Winter Planning: Managing Urgent and Emergency Care and Quality and Safety Risks Reports
- Cardiac Surgery: Get it Right First Time Review
- Quality Management System Approach Report
- Nursing Assurance Annual Audit 2021 Report
- Clinical Audit Reports
- COVID-19 Update Reports
- Commissioned Services Assurance and Commissioning for Quality Reports
- Stroke Services Nurse Staffing Requirements Report
- Paediatric Services Report
- Long COVID-19 Patient Pathway Report
- AW Review of Quality Governance Arrangements
- National Screening Programmes Report
- Listening and Learning Sub-Committee Update Reports
- Research and Innovation Sub-Committee Update Reports
- Infection Prevention Strategic Steering Group Update Reports
- Strategic Safeguarding Working Group Update Reports
- Effective Clinical Practice Advisory Panel Update Reports
- Medicines Management Optimisation Group Update Reports
- Risk Reports and Deep Dive Reports into Cancer, Stroke, Nosocomial COVID-19 Review, Urgent Primary Care Out of Hours Service, MHLA Waiting Lists, Paediatrics, Radiology, Epilepsy and Neurology, Llwynhendy Tuberculosis, Cardiac Waiting Lists
- Policies for approval
- Planning Objectives Update Reports

Strategy Development and Organisational Delivery Committee (SDODC)

SDODC was established to replace the 'Planning' and 'Performance' elements of the previous People, Planning and Performance Assurance Committee, to receive an assurance on all relevant planning objectives falling in the main under Strategic Objective 4 (The best health and well-being for our individuals, families and our communities) and Strategic Objective 5 (Safe, sustainable, accessible and kind care). The Committee has a focus on

NHS Delivery Framework requirements, public health, health inequalities and screening services, Transformation Fund, Delivery of the “A Healthier Mid and West Wales” and Bronglais Hospital plan, Transforming MH and Transforming LD plan, integrated locality plans, children’s and young people plans, out of hours care, national clinical audits compliance, fragile services plans, care home/domiciliary care market support and development. Items considered:

- Integrated Performance Assurance Reports
- Planned Care Recovery Reports
- Developing the IMTP 2022/23 -2024/25 Reports
- A Healthier Mid and West Wales Programme Business Case Reports
- Stroke Services Redesign Report
- Palliative Care Strategy
- Dementia Strategy
- Regional Partnership Board (RPB) Population Assessment (SSWBA)
- Public Service Boards Well-Being Assessment (WBFGA)
- RPB Market Stability Report
- ARCH Update Reports
- Influenza Season 2021/22 Report
- Winter Plan 2021/22
- Fire Enforcement Business Justification Case for GGH
- Pharmaceutical Needs Assessment Report
- Women and Children Phase 2 Project Update Report
- Contact First/Urgent Primary Care Update Report
- Domiciliary Care Provision Report
- Pentre Awel Update Reports
- Transformation Fund/Plan Report
- Carmarthen Hwb Plan Report
- Discretionary Capital Programme and Capital Governance Update Reports
- Capital, Estates and IM&T Sub-Committee Update Reports
- Risk Reports
- Policies for approval
- Quarterly Annual Plan Monitoring Reports
- Planning Objectives Update Reports

Sustainable Resources Committee (SRC)

SRC was established to replace the previous Finance Committee, to receive an assurance on all relevant planning objectives falling in the main under Strategic Objective 6 (Sustainable use of resources), with a focus on financial plans and delivery of the Route Map to financial recovery, improving value, PROMS/FROMS roll out and impact, carbon reduction and green

health initiatives, foundational economy work, national IT programmes delivery, and budget setting. Items considered:

- Financial Performance and Forecast Reports
- Capital Financial Management Reports
- Financial Outlook 2021/22
- Risks to delivery of the Financial Plan for 2021/22
- Savings Plan 2021/22
- Monthly Monitoring Returns and Commentary Reports
- Draft Annual Accounts 2020/21
- Year End Debrief
- Balance Sheet Analysis Reports
- Opportunities and Savings Plan 2021/22
- Financial Mid and Long Term Planning Reports
- Accountable Officer Letter Report
- Programme Business Case Costings
- Healthcare Contracting Reports
- SMART Medical Equipment investment Report
- Investment in Clinical Equipment Report
- Strategy for Social Value Impact
- Schedule of Costs and Decisions – Field Hospitals
- Value Based Health and Care Update Reports
- Digitalisation of Health Records Interim Business Case
- New Oracle System
- Long Term Agreements – Contract Values, Approach and Development 2021/22
- Strategic and Operational Business Intelligence Report
- Business Case Approval Flowchart
- Social Value and Decarbonisation Reports
- Digital Inclusion
- Cyber Security Report
- Extension of Lightfoot Solutions
- Use of Consultancies Report
- County Resource Allocation and Consumption
- COVID-19 Fixed Term Contract Staff Report
- NWSSP Performance Quarterly Reports
- Commissioning Group Update Report
- Agile Digital Business Group Update Report
- Information Governance Sub-Committee Update Report
- Financial Procedures for approval
- Integrated Performance Assurance Reports
- Ministerial Directions Reports

- Risk Reports
- Planning Objective Update Reports

Appendix 3 – Ministerial Directions

Ministerial Directions (MDs)	Date/Year of Adoption	Action to demonstrate implementation/response
2021. No.41 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2021	April 2021	This Ministerial Direction has been enacted.
2021. No.59 – The Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021	July 2021	This Direction is currently being implemented. There is an Integrated Autism Service (IAS) established which is an integrated health and social care service, and a dedicated Neurodevelopmental Disorder(ASD) service for children and young people. The Regional Partnership Board has also established a Strategic Autism Group.
2021. No.65 – The Primary Care (PfizerBioNTech Vaccine COVID-19 Immunisation Scheme) Directions 2021	July 2021	This Ministerial Direction has been enacted.
2021. No.70 – The Primary Care (Contracted Services: Immunisations) Directions 2021	August 2021	This Ministerial Direction has been enacted.
2021. No.75 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2021	September 2021	This Ministerial Direction has been enacted.
2021. No.77 – The National Health Service (General Medical Services – Recurring Premises Costs during the COVID-19 Pandemic) (Wales) (Revocation) Directions 2021	September 2021	This Ministerial Direction has been enacted.
2021. No.83 – The Pharmaceutical Services (Fees for Applications) (Wales) Directions 2021	October 2021	This Ministerial Direction has been enacted.
2021. No.84 – The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial	October 2021	This Ministerial Direction has been enacted.

Entitlements (Amendment) Directions 2021		
2021. No.85 – The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2021	October 2021	This Ministerial Direction has been enacted.
2021. No.88 – The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No. 3) Directions 2021	October 2021	This Ministerial Direction has been enacted.
2021. No.89 – The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No. 3) Directions 2021	October 2021	This Ministerial Direction has been enacted.
2021. No.90 – The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Directed Enhanced Service) (Wales) (No. 2) (Amendment) Directions 2021	November 2021	Framework exists should Primary Care contractors intend to deliver the vaccine.
2021. No.93 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2021	December 2021	This Ministerial Direction has been enacted.
2021. No.97 – The Primary Care (Contracted Services: Immunisations) (Amendment) Directions 2021	December 2021	Framework exists should Primary Care contractors intend to deliver the vaccine.
2022. No.06 – The Pharmaceutical Services (Clinical Services) (Wales) Directions 2022	March 2022	This Ministerial Direction has been enacted.
2022. No.13 – The Wales Infected Blood Support Scheme (Amendment) Directions 2022	March 2022	N/A- for action by Velindre University NHS Trust.

Part 2 - Remuneration and Staff Report

Remuneration Report

Introduction

The HM Treasury's Government Financial Reporting Manual (FReM) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410 <https://www.legislation.gov.uk/ukSI/2008/410/contents> made to the extent that they are relevant. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" is:

"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

This section of the Accountability Report meets these requirements. The following disclosures are subject to audit:

- Single total figure of remuneration for each director;
- Cash Equivalent transfer Value (CETV) disclosures for each director;
- Payments to past directors, if relevant;
- Payments for loss of office, if relevant;
- Fair pay disclosures (Included in Annual Accounts) note 9.6;
- Exit packages, (Included in Annual Accounts) if relevant note 9.5; and
- Analysis of staff numbers.

The Remuneration and Terms of Service Committee (RTSC)

The RTSC will comment specifically upon:

- Remuneration and terms of service for the Chief Executive, Executive Directors, other Very Senior Managers (VSMs) and others not covered by Agenda for Change; ensuring that the policies on remuneration and terms of service as determined from time to time by WG are applied consistently;
- Objectives for Executive Directors and other VSMs and their performance assessment;
- Performance management systems in place for those in the positions mentioned above and its application;
- Proposals to make additional payments to medical Consultants outside of normal terms and conditions;
- Proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant WG guidance;
- Consider and ratify Voluntary Early Release scheme applications and severance payments in respect of Executive Director posts, in line with Standing Orders and extant

WG guidance. The Committee to be advised also of **all** Voluntary Early Release Scheme applications and severance payments; and

- To approve the Health Board's honours submission recommendations.

The membership of the RTSC Committee during 2021/22 was as follows:

Name	Position	Role on RTSC
Maria Battle	Chair	Chair
Paul Newman	Independent Member and Chair of Audit and Risk Assurance Committee (ARAC)	Vice Chair
Professor John Gammon	Independent Member and Chair of People, Organisational Development and Culture Committee (PODCC)	Member
Anna Lewis	Independent Member and Chair of Quality, Safety and Experience Assurance Committee (QSEC)	Member

Independent Members' remuneration

Remuneration and tenures of appointment for Independent Members is decided by the WG.

Senior Managers' remuneration

The remuneration of Senior Managers who are paid on the Very Senior Managers Pay Scale is determined by WG, and the Health Board pays in accordance with these regulations. For the purpose of clarity, these are posts which operate at Board level and hold either statutory or non-statutory positions. In accordance with the regulations the Health Board is able to award incremental uplift within the pay scale and, should an increase be considered outside the range, a job description is submitted to WG for job evaluation. There are clear guidelines in place with regards to the awarding of additional increments and during the year there have not been any additional payments agreed. No changes to pay have been considered by the Committee outside these arrangements. The Health Board does not have a system for performance related pay for its Very Senior Managers.

The Health Board can confirm that it has not made any payment to past Directors as detailed within the guidance.

Annually the RTSC receives a summary performance report of Executive Director objectives and then periodically receives an update on performance against those agreed objectives. In support of the summarised feedback completed performance appraisal documents are also available for Committee scrutiny. No external comparison is made regarding performance.

The Health Board issues All Wales Executive Director contracts which determine the terms and conditions for all Very Senior Managers. The Health Board has not deviated from this. In rare circumstances where interim arrangements are to be put in place a decision is made by the Committee with regards to the length of the interim post, whilst substantive appointments can be made.

Any termination payments would be discussed and agreed by the Committee in advance and where appropriate WG approval would be made. During the 2020/21 year, no termination payments were made.

Service contract details for senior managers

Name	Position	Date of Contract	Date of Expiration	Compensation for early termination
Steve Moore	Chief Executive Officer	05/01/2015	N/A	N/A
Lisa Gostling	Executive Director of Workforce and Organisational Development	09/01/2015	N/A	N/A
Phil Kloer	Executive Medical Director/Deputy Chief Executive	25/06/2015	N/A	N/A
Mandy Rayani	Executive Director of Nursing, Quality and Patient Experience	19/06/2017	N/A	N/A
Ros Jervis	Executive Director of Public Health	17/07/2017	01/04/2022	N/A
Alison Shakeshaft	Executive Director of Therapies and Health Science	01/01/2018	N/A	N/A
Huw Thomas	Executive Director of Finance	10/12/2018	N/A	N/A
Andrew Carruthers	Executive Director of Operations	01/12/2019	N/A	N/A
Lee Davies	Executive Director of Strategic Development and Operational Planning	12/04/2021	N/A	N/A
Joanne Wilson	Board Secretary	01/01/2018	N/A	N/A
Jill Paterson	Director of Primary Care, Community & Long Term Care	19/01/2018	N/A	N/A

Changes to Board membership in 2020/21

During 2021/22, there were the following changes to Board membership:

- Winston Weir, Independent Member (Finance) commenced duties on 1 April 2021
- Cllr Gareth, Independent Member (Local Authority) commenced duties on 1 April 2021
- Iwan Thomas, Independent Member (Third Sector) commenced duties on 1 May 2021
- Lee Davies, Executive Director of Strategic Development and Operational Planning, commenced in post on 12 April 2021

Single total figure of remuneration

The amount of pension benefits for the year which contributes to the single total figure is calculated similar to the method used to derive pension values for tax purposes, and is based on information received from the NHS BSA Pensions Agency. The value of pension benefit is calculated as follows: (real increase in pension x 20) + (the real increase in any lump sum) – (contributions made by member).

The real increase in pension is not an amount which has been paid to an individual by the Health Board during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors such as changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

2021/22

Name and title	Salary (Bands of £5k)	Bonus payments (£000)	Benefits in kind (£000)	Pension benefits (£000)	Other remuneration (£000)	Total (Bands of £5k)
Executive Members and Directors						
Steve Moore, Chief Executive Officer	200 - 205	0	0	81	0	280 - 285
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	135 - 140	0	0	57	0	195 - 200
Lee Davies, Executive Director of Strategic	115 - 120	0	0	109	0	225 -230

Name and title	Salary	Bonus payments	Benefits in kind	Pension benefits	Other remuneration	Total
	(Bands of £5k)	(£000)	(£000)	(£000)	(£000)	(Bands of £5k)
Development and Operational Planning (from 12/04/21)						
Lisa Gostling, Executive Director of Workforce and Organisational Development	135 - 140	0	0	56	0	190 - 195
Phil Kloer, Executive Medical Director/ Deputy Chief Executive	180 - 185	0	0	61	0	240 - 245
Andrew Carruthers, Executive Director of Operations	135 - 140	0	0	48	0	185 - 190
Alison Shakeshaft, Executive Director of Therapies and Health Science	120 - 125	0	0	54	0	175 - 180
Ros Jervis, Executive Director of Public Health	120 - 125	0	0	40	0	160 - 165
Huw Thomas, Executive Director of Finance	145 - 150	0	0	85	0	230 -235
Jill Paterson, Director of Primary, Community and Long Term Care	125 - 130	0	8.2	44	0	175 - 180
Joanne Wilson, Board Secretary	105 - 110	0	0	62	0	170 - 175

Name and title	Salary (Bands of £5k)	Bonus payments (£000)	Benefits in kind (£000)	Pension benefits (£000)	Other remuneration (£000)	Total (Bands of £5k)
Independent Members						
Maria Battle, Chair	55 - 60	0	0	0	0	55 - 60
Judith Hardisty, Vice Chair	45 - 50	0	0	0	0	45 - 50
Professor John Gammon	10 - 15	0	0	0	0	10 - 15
Paul Newman	10 - 15	0	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	0	10 - 15
Anna Lewis	10 - 15	0	0	0	0	10 - 15
Owen Burt (to 30/04/21)	0 - 5	0	0	0	0	0 - 5
Maynard Davies	10 - 15	0	0	0	0	10 - 15
Ann Murphy	5 - 10	0	0	0	0	5 - 10
Cllr Gareth John (from 01/04/21)	10 - 15	0	0	0	0	10 - 15
Iwan Thomas (from 01/05/21)	10 - 15	0	0	0	0	10 - 15
Winston Weir (from 01/04/21)	10 - 15	0	0	0	0	10 - 15

Name and title	Salary (Bands of £5k)	Bonus payments (£000)	Benefits in kind (£000)	Pension benefits (£000)	Other remuneration ** (£000)	Total (Bands of £5k)
Executive Members and Directors						
Steve Moore, Chief Executive Officer	195 - 200	0	0	10	0	205 - 210
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	130 - 135	0	0	23	0	155 - 160
Karen Miles, Executive Director of Planning, Performance and Commissioning (to 11/10/20)	80 - 85	0	0	0	167	250 -255
Lisa Gostling, Executive Director of Workforce and Organisational Development	130 - 135	0	0	51	0	180 - 185
Phil Kloer, Executive Medical Director/ Deputy Chief Executive	175 - 180	0	0	51	0	225 - 230
Andrew Carruthers, Executive Director of Operations	130 - 135	0	0	64	0	195 - 200
Alison Shakeshaft, Executive Director of Therapies and Health Science	115 - 120	0	0	55	0	170 - 175

Name and title	Salary (Bands of £5k)	Bonus payments (£000)	Benefits in kind (£000)	Pension benefits (£000)	Other remuneration ** (£000)	Total (Bands of £5k)
Ros Jervis, Executive Director of Public Health	115 - 120	0	0	31	0	145 - 150
Huw Thomas, Executive Director of Finance	135 - 140	0	0	5	0	140 - 145
Jill Paterson, Director of Primary, Community and Long Term Care	120 - 125	0	8.2	29	0	155 - 160
Sarah Jennings, Director of Partnerships and Corporate Services (to 04/09/20)	45 - 50	0	0	4	0	50 - 55
Joanne Wilson, Board Secretary	105 - 110	0	0	27	0	130 - 135
** Other remuneration includes VERS for Executive Director						
Independent Members						
Maria Battle, Chair	55 - 60	0	0	0	0	55 - 60
Judith Hardisty, Vice Chair	45 - 50	0	0	0	0	45 - 50
Mike Lewis	10 - 15	0	0	0	0	10 - 15
Paul Newman	10 - 15	0	0	0	0	10 - 15
Professor John Gammon	10 - 15	0	0	0	0	10 - 15
Simon Hancock	10 - 15	0	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	0	10 - 15

Name and title	Salary (Bands of £5k)	Bonus payments (£000)	Benefits in kind (£000)	Pension benefits (£000)	Other remuneration ** (£000)	Total (Bands of £5k)
Anna Lewis	10 - 15	0	0	0	0	10 - 15
Owen Burt	10 - 15	0	0	0	0	10 - 15
Maynard Davies	10 - 15	0	0	0	0	10 - 15
Ann Murphy	5 - 10	0	0	0	0	5 - 10

Remuneration relationship

The details of the remuneration relationship are reported in the Financial Statements in Section 9.6.

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

The 2021-22 financial year is the first year that disclosures in respect of:

- the 25th percentile pay ratio and 75th percentile pay ratio are required including the requirements for prior year comparatives
- the percentage change in the remuneration of the highest paid director or minister and the percentage change in the remuneration of the employees of the entity taken as a whole are required.

The banded remuneration of the highest-paid Director in the Health Board in the financial year 2021/22 was £200,000 - £205,000 (2020/21, £195,000 - £200,000). This was 6 times (2020/21: 6 times) the median remuneration of the workforce, which was £34,326 (2020/21, £34,027).

In 2021/22, 29 (2020/21, 24) employees received remuneration in excess of the highest-paid Director. Remuneration for staff ranged from £22,439 to £334,158 (2020/21, £21,879 to £318,973). The staff who received remuneration greater than the highest paid Director are all medical and dental who have assumed additional responsibilities to their standard job plan commitments and in some cases medical managerial roles, necessitating extra payment.

	2021/22	2020/21
Band of Highest paid Director's Total Remuneration £000	200 - 205	195 - 200
Median Total Remuneration £000	34	34
Median Ratio	6 times	6 times
25th percentile pay £000	24	23
25th percentile pay ratio	8 times	9 times
75th percentile pay £000	48	38
75th percentile pay ratio	4 times	5 times

* As disclosed in the Health Board's Annual Accounts Note 9.6.

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

Pension benefits disclosure

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2022 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2022 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2022 £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Steve Moore, Chief Executive Officer	5-7.5	2.5-5	60-65	135-140	1,153	1,049	99	0
Mandy Rayani, Executive Director of Nursing, Quality & Patient Experience	2.5-5	10-12.5	65-70	205-210	1,601	1,481	113	0
Lee Davies, Executive Director of Strategic Development and Operational Planning (from 12/04/21)	5-7.5	7.5-10	30-35	55-60	439	352	83	0
Lisa Gostling, Director of Workforce and Organisational Development	2.5-5	2.5-5	55-60	110-115	1,036	953	78	0
Dr Phil Kloer, Deputy Chief Executive/Executive Medical Director	2.5-5	0-2.5	60-65	120-125	1,137	1,050	83	0
Andrew Carruthers, Executive Director of Operations	2.5-5	0-2.5	40-45	70-75	570	517	50	0
Alison Shakeshaft, Executive Director of Therapies and Health Science	2.5-5	2.5-5	55-60	120-125	1,135	1,049	81	0
Ros Jervis, Executive Director of Public Health	2.5-5	0-2.5	30-35	45-50	530	478	50	0
Huw Thomas, Executive Director of Finance	2.5-5	0-2.5	25-30	5-10	310	255	53	0
Jill Paterson, Director of Primary, Community and Long Term Care	2.5-5	7.5-10	45-50	145-150	0	0	0	0
Joanne Wilson, Board Secretary	2.5-5	2.5-5	30-35	55-60	469	409	58	0

Staff Report

Staff numbers

As at 31 March 2022, the Health Board employed 12,750 staff including bank and locum staff; this equated to 9,545.85 Full Time Equivalent (FTE). The numbers (headcount) of female and male Board Members and employees are as follows:

	Female	Male	Total
Board Members	11	11	22
Employees	9,926	2,802	12,728
Total	9,937	2,813	12,750

*Included in the Board Members figures is one additional Director and the Board Secretary (both non-voting) who are members of the Executive Team and attend Board meetings.

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Executive Team	6.00	6	5.00	5	11.00	11
Independent Members	5.00	5	6.00	6	11.00	11
Total	11.00	11	11.00	11	22.00	22

Staff composition as at 31 March 2022

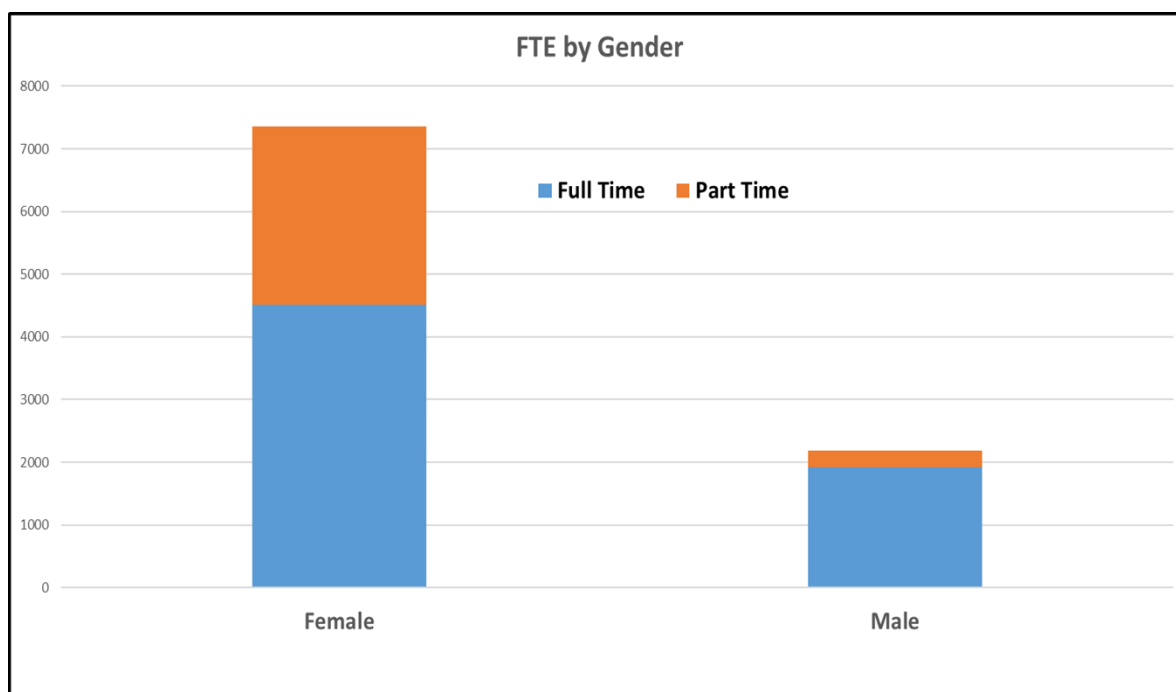
	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Add Prof Scientific and Technic	247.32	300	79.99	96	327.32	396
Additional Clinical Services	1,718.32	2,652	380.05	479	2,098.37	3,131
Administrative and Clerical	1,620.40	1,924	367.63	397	1,988.04	2,321
Allied Health Professionals	497.04	612	153.19	173	650.24	785
Estates and Ancillary	416.12	726	460.82	639	876.95	1,365
Healthcare Scientists	111.86	123	83.80	86	195.66	209
Medical and Dental	187.28	341	419.29	670	606.57	1,011
Nursing and Midwifery Registered	2,561.65	3,259	241.06	273	2,802.71	3,532
Students	0	0	0	0	0	0
Total	7,360.01	9,937	2,185.84	2,813	9,545.85	12,750

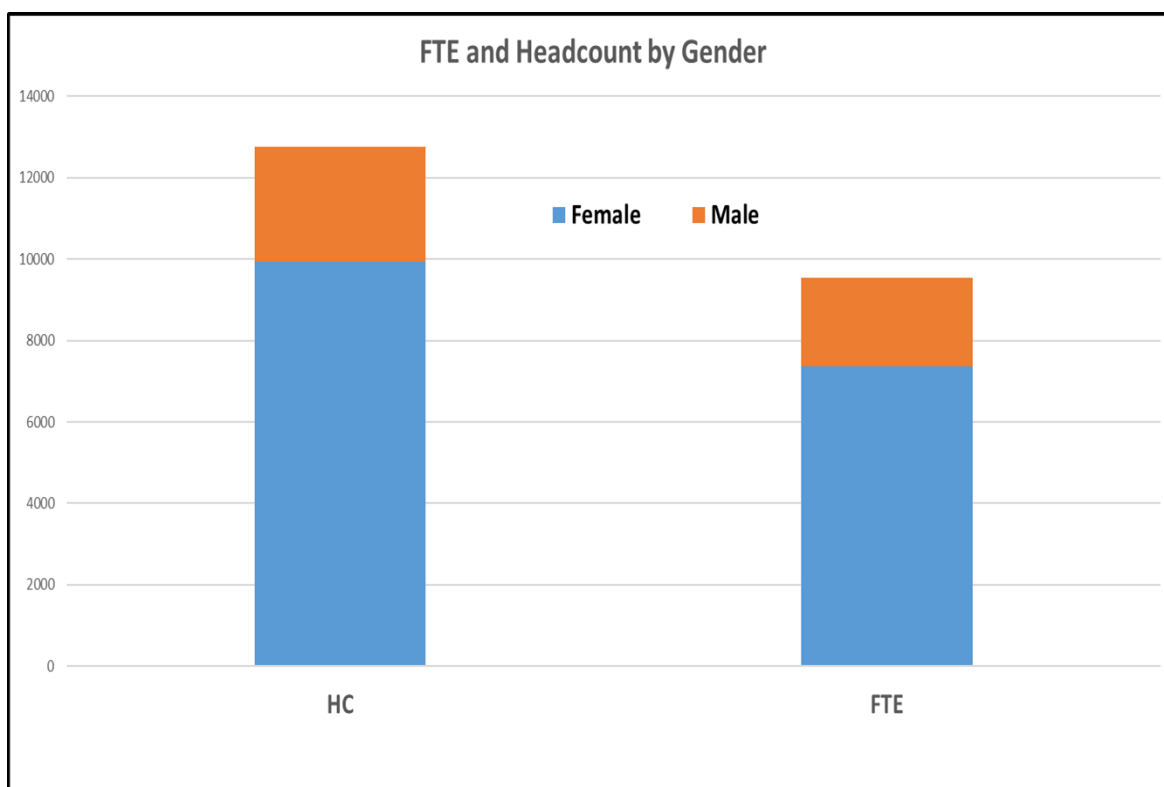
At the end of March 2022, the Health Board employed 12,750 staff including bank and locum staff; this equated to 9,545.85 FTE. 78% of the workforce was female by FTE and 22% male. The staff covered a wide range of professional, technical and support staff groups. Over 50% (by headcount) were within the Nursing and Midwifery and Additional Clinical Services staff groups. Senior Manager (Band 8a and above) were 1.7% of the workforce - 63% of these by FTE were female and 37% male.

Senior Managers are administrative and clerical staff (Bands 8a to 9)

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Band 8a	56.31	58	31.40	32	87.71	90
Band 8b	46.80	47	19.00	19	65.80	66
Band 8c	15.53	16	14.00	14	29.53	30
Band 8d	9.00	9	5.00	5	14.00	14
Band 9	3.00	3	7.85	8	10.85	11
Total	130.65	133	77.25	78	207.90	211

The Board does not have any issue with its staff composition.





Staff sickness data

The following table provides information on the number of days lost due to sickness:

	2021/22	2020/21
Days lost (long term)	172,366	153,993
Days lost (short term)	80,935	59,136
Total days lost	253,301	213,129
Total Staff Years as at 31 March	9,493.62	9,402.23
Average Working Days Lost	13.82	11.83
Total Staff employed as at 31 March (headcount)	12,750	12,476
Total Staff employed in period with no absence (headcount)	3,353	4,542
Percentage of staff with no sick leave	33.13%	45.37%

The Health Board undoubtedly experienced higher levels of sickness absence throughout 2021/22 than in the years prior to the pandemic. General sickness levels were higher throughout the year – this was particularly noticeable in the summer months when rates are usually lower. However, as the impact of the pandemic began to subside in June/July 2021, general sickness rates actually increased and many staff were demonstrating fatigue.

The cumulative average sickness rate throughout the year was around 6.06% which has included approximately 1.5% impact of COVID-19. In recognition of the impact on well-being

of the workforce, the Health Board implemented a range of measures to support staff – this is referenced in the **Performance Report**. In addition, special provisions were introduced as part of an all-Wales initiative in order to provide extended full and half pay for staff impacted with long Covid.

Whilst sickness rates were higher than usual, the rates in Hywel Dda were the lowest of all of the larger Health Boards in Wales, as was the case prior to the pandemic. The Workforce team supported individuals and managers in managing sickness absence and helping people to stay in or return to work.

Sickness absence rates proved challenging to manage over the year due to the prevalence of COVID-19. The top three reasons for sickness absence in 2021/22 were anxiety/stress/depression/other psychiatric illnesses, musculoskeletal problems and chest and respiratory problems.

Whilst the Health Board saw generally lower absence rates than other Health Boards over the year, it did experience some of the highest rates ever recorded in the Health Board. Work has commenced to identify a 12-month trend reduction target for sickness absence to replace the former national delivery framework target of 4.79%.

Staff policies

One of the Health Board's planning objectives in 2021/22, was to review our local staff policies and to develop more people-centred and relevant policies that reflect the strategic direction of the Health Board. The new approach centred on much closer collaboration with staff, Trade Union partners and other stakeholders. During 2021, the Policy Stakeholder Group reviewed all 42 policies and determined a priority order and timeframe for more in-depth review of the initial priority areas. Work commenced on the Retirement Policy, Over and Underpayments Policy and the extension of sick pay flowchart.

On an all-Wales basis, the new *Respect & Resolution Policy* implemented in May 2021 combined and replaced the former Dignity and Respect at Work and Grievance policies. In November 2021, the revised all-Wales *NHS Staff to Raise Concerns Procedure (Whistleblowing)* was ratified by the Health Board.

Equality, diversity and inclusion

The Health Board believes that all forms of discrimination are wrong and recognises that some groups and individuals are more at risk of experiencing unfair treatment in employment and when accessing public services. We are committed to undertaking any necessary steps to identify and address exclusion, discrimination, harassment, victimisation, marginalisation and exploitation of groups and individuals.

During 2021, the Health Board undertook a review of its Equality, Diversity and Inclusion Policy led by the Equality, Diversity and Inclusion Task and Finish Group and in consultation with staff networks. The policy aims to support the Health Board to implement its values and principles, comply with equality and human rights legislation and eliminate discrimination and

harassment. It outlines the steps it will take to address non-compliance and procedures for those who feel that they have been victims of discrimination. An information poster was developed for staff to promote the policy and provide a summary of the contents to support implementation.

We continued to work in close conjunction with representatives of our Black, Asian and Minority Ethnic (BAME) workforce in order to conduct listening exercises and we also established a specific task and finish group in order to address concerns of bullying and harassment of BAME staff. The task and finish group reported to the BAME Advisory group which was established by the Chair of the Health Board.

Recruitment activity

Recruiting and retaining an inclusive and diverse workforce and developing talent is crucial to the Health Board being able to deliver its ambition to be an employer of choice. Recruiting and attracting new people, retaining our existing people and managing and developing talent is essential to delivering our workforce challenges and critical to our success.

During 2021/22, a Buddy Scheme was introduced by the BAME Network Group, offering support to individuals within the medical and dental staff group as they arrive from overseas. Feedback was positive and further promotion of the scheme is planned.

As a learning organisation and in a bid to understand the reasons why some members of our community do not, or feel they cannot, apply to our Health Board and to understand what is important to them, we reached out to over 25 partner organisations across our three counties to gain intelligence to help inform positive action.

Work was commissioned to raise awareness of gender stereotyping and the gender pay gap, which included working with the local education authority/local Welsh medium schools.

Other work commenced included a targeted recruitment campaign to reach out to over 55,000 households across our 3 counties and the scoping with regional partners on targeted employment/engagement campaigns.

In a bid to ensure that our recruitment is inclusive, training was made available for staff and a guide developed for managers about reasonable adjustments.

The Health Board achieved Disability Confident Level 2 status and is undertaking a gap analysis for Disability Confident Leader status.

Supporting research, innovation and improvement

Following the first wave of the pandemic, the Health Board undertook research to understand staff views and feedback of their experience working during the pandemic. This provided us with rich intelligence, not only about our staff's reflections but also about the type of culture they wanted to see across the workplace. As a result, an action plan was developed to take forward a number of priorities:

- Growing inspirational leaders
- Creating spaces and ways of working that enable our people and services to thrive
- Creating the working experience that enable our people and services to thrive
- Putting Well-being at the heart of Hywel Dda
- Building on our Covid team spirit
- Enabling learning and innovation

Work commenced to put the plan into action and ensure that we listen and respond to staff feedback. Some highlights included:

- Securing funding for creating rest areas for staff
- Developing a programme of 'You Said, We Did' feedback for our staff
- Reviewing and evolving our leadership strategy
- Evolving our working environment to support the retention and recruitment of staff, including looking at flexible working options for nursing staff
- Reviewing and evolving the 'well-being offer' and ensuring it is fit for purpose
- Develop people culture plans to co-produce vision with teams
- Embed shared learning opportunities across the Health Board to ensure that there is dissemination of good ideas and practice

Further staff engagement exercises are planned in 2022/23 to gather further intelligence on their experiences.

Bilingual skills policy

The launch of the Health Board's Bilingual Skills Policy in March 2020 positively impacted on the Welsh Government's ambition to ensure that the number of people able to enjoy speaking and using Welsh to 1 million by 2050.

The Health Board's target is to ensure that 50% of its workforce have a skill level which is at foundation level or above within the next 10 years. This target is aligned to the 47% of the Hywel Dda population who confirmed that they were able to speak Welsh in the "Welsh Language Use Survey 2018".

We introduced definitions of the level of Welsh language skill required in our job descriptions. The number of Welsh essential vacancies advertised in 2021/22 has increased from 30 in 2020/21 to 83. As at March 2022, 36.26% of our workforce had a skill level at foundation level or above. This is a positive step forward for the Health Board in attracting and retaining Welsh speakers, enabling more patients to receive care through the medium of Welsh.

Learning and development

Customer service programme 'Making a Difference'

We designed the "Making a Difference" fully bilingual programme, which will be launched in April 2022. This programme focusses not just on the customer service needs of our

population and colleagues, but the needs of individuals. Designed through evidence-based research, it focuses on our external customers (population, patients, visitors, stakeholders), internal customers (our colleagues, considering how actions impact colleague well-being and patient experience) and ourselves (recognising that how we feel impacts each interaction we have with individuals). It gives staff some time to themselves to reflect on their learning and to rest and take time out. Being able to focus on individual needs, the Making a Difference Programme provides information and signposting to well-being services, staff benefits, community groups (BAME, Enfys, Carers, etc) and provides an opportunity for staff voices to be heard. It will provide information on how they can reach their full potential, identifying development opportunities and how to access additional support.

New induction programme

Moving from the traditional style of Induction, the 'Hywel Dda Welcome' saw a phased approach in its design, with implementation planned from April 2022. The programme begins before individuals join the organisation, with a focus on the full induction period lasting a total of six months. Designed through evidence-based research, Induction will begin from Day 0 (from unconditional offer letter). Learning will continue throughout their onboarding journey, through an automated system, from Day 1 to Month 6.

The 'Hywel Dda Welcome' workshop will focus on some of the key principles of Hywel Dda, such as the Values and Behaviour Framework, A Healthier Mid and West Wales strategy, as well as key information all new employees need to know. A platform was developed to host key information from across Hywel Dda, creating a more accessible online information source. This provides signposting to other departments including Payroll, Pensions, Training, Chaplaincy and Spiritual Care. Learning and Development will then contact new employees at regular intervals to check their onboarding progress, as well as suggesting workshops and training available to attend to broaden their professional development and support them in reaching their potential. Induction will be available in English and Welsh, offering fully bilingual resources.

Lifelong Learning Fund

The launch of the Lifelong Learning Fund enabled staff to access up to a maximum of £100 per person to learn a new skill/craft/hobby. The funds can be used to access any form of learning or self-development, which will support new skills that will help them to recover from the experience of the pandemic and support the restoration of their well-being. The benefits of lifelong learning on health and well-being include boosting self-esteem and confidence and satisfaction from personal achievement, which in turn increases motivation and progression. This initiative is now live, supporting the rest and recovery of our workforce.

Mandatory training

The support offered to increase mandatory training compliance was linked to other learning and development interventions. Departments were supported through use of monthly reports from our electronic staff record system based on department compliance. Staff who apply for study leave or higher awards and have a compliance of less than 100% are advised and supported to increase compliance. A focused role was introduced to drive compliance and offer support.

Leadership development

During 2021/22, delivery of the leadership programme progressed at pace.

Coaching network

Coaching is an invaluable tool for developing people and the Health Board is certainly embracing the benefits of coaching for leaders and staff across the organisation. The Internal Coaching Network is strongly aligned with the Health Board's organisational values and reinforces the need to pause, reflect and learn.

The internal coaching network grew, supporting and underpinning Hywel Dda's leadership development, succession planning and talent management provision. The network's vision is to have 100 internal qualified coaches and numbers steadily increased in 2021/22, with further cohorts planned in 2022. Coaching provided by our external and internal coaches exceeded 230 sessions, which shows the organisational demand for this support.

STAR programme

The STAR Programme was created for senior sisters, as leaders who play a pivotal role in upholding standards of care and compassion, quality and performance of service delivery and stewardship of resources. The programme was designed around four modules of leadership development with full support through action learning and coaching. Two cohorts completed the programme in 2021/22. The programme had a fantastic following with participants really feeling part of a leadership community.

New consultant development programme

We launched our new consultant development programme in November 2021, with 16 new consultants from varying sites and specialities across the Health Board. The programme was created in collaboration with the senior medical body in response to the medical recruitment and retention challenges. This seven-day programme is delivered over a 12-month period, exploring a range of topics including strategy, culture, performance, well-being, research and innovation, education, CPD and more. Participation in this programme will enable new consultants to learn more about the Health Board as an organisation, while simultaneously establishing themselves as a consultant. Feedback was extremely positive.

Expenditure on consultancy

Consultancy services are a provision for management to receive objective advice and assistance relating to strategy, structure, management or operations of an organisation in pursuant of its purposes and objectives. During the year the Health Board spent £1,741,293 on consultancy services as follows:

Transforming clinical services	£431,329
Demand capacity modelling/consultancy for agile working	£201,897
VAT/tax advice	£79,986
IT consultancy	£563,005
Estates advice	£147,255
Other service reviews/advice	£317,821

Tax assurance for off-payroll appointees

In response to the WG's review of the tax arrangements of public sector appointees, which highlighted the possibility for artificial arrangements to enable tax avoidance, WG has taken a zero tolerance approach and produced a policy that has been communicated and implemented across the WG. Tax assurance evidence has been sought and scrutinised to ensure it is sufficient from all off-payroll appointees.

During the year, the Health Board implemented the Tax Status of Workers financial procedure. This was developed in order to formally document the considerations and actions that must be taken by Health Board employees before entering into contracts involving the services of individuals so that payment for any such services is made by tax compliant means. In particular, the procedure discusses the Health Board's obligation to determine the employment status of such individuals for tax purposes or whether the contract entered into will be one which falls within the off-payroll working (or "IR35") legislation. This procedure was finalised in conjunction with changes to the Off-payroll Working legislation which took effect from 1 April 2021.

The Health Board is currently working on enhancing monitoring and record keeping in connection with off-payroll appointees so that it may in future publish usage data.

Exit packages

There have not been any costs associated with redundancy in the last year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). £2,500 exit costs was paid in 2021/22 in relation to settlement claims, the year of departure (2020/21 £357,287). The exit costs detailed below are accounted for in full in the year of departure on a cash basis as specified in EPN 380 Annex 13C.

Where the Health Board has agreed voluntary early retirement, the additional costs are met by the Health Board and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table below. This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

The Health Board receives a full business case in respect of each application supported by the line manager. The Executive Director of Finance and Executive Director of Workforce and Organisational Development approve all applications prior to them being processed. Any payments over an agreed threshold are also submitted to WG for approval prior to Health Board approval. Details of exit packages and severance payments are as follows:

Exit packages cost band (including any special payment element)	2021/22 Number of compulsory redundancies	2021/22 Number of other departures	2021/22 Total number of exit packages	2021/22 Number of departures where special payments have been made	2020/21 Total number of exit packages
	Number	Number	Number	Number	Number
less than £10,000	0	1	1	1	1
£10,000 to £25,000	0	0	0	0	2
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	1
more than £200,000	0	0	0	0	0
Total	0	1	1	1	5
Exit packages cost band (including any special payment element)	2021/22 Cost of compulsory redundancies	2021/22 Cost of other departures	2021/22 Total cost of exit packages	2021/22 Cost of special element included in exit packages	2020/21 Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	2,500	2,500	2,500	1,000
£10,000 to £25,000	0	0	0	0	45,287
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	143,529
£150,000 to £200,000	0	0	0	0	167,471
more than £200,000	0	0	0	0	0
Total	0	2,500	2,500	2,500	357,287

Part 3 - Parliamentary Accountability and Audit Report

Regularity of Expenditure

Common with the public sector in general the Health Board continued to face exceptional challenges in 2021/22 to deal with the on-going impact of the COVID-19 pandemic. Significant funding was again provided from WG to support with delivering the response to COVID-19 and recovery from it. However, the Health Board has not been able to deliver a balance over 3 years to meet its financial duty. The expenditure of £84.9m which it has incurred in excess of its resource limit over that period is deemed to be irregular. The Health Board will continue to identify efficiency and cost reduction measures in order to mitigate against future cost and service pressures and to establish financial balance in due course.

Fees and Charges

The Health Board levies charges or fees on its patients in a number of areas. Where the Health Board makes such charges or fees, it does so in accordance with relevant Welsh Health Circulars and charging guidance. Charges are generally made on a full cost basis. None of the items for which charges are made are by themselves material to the Health Board, however details of some of the larger items (Dental Fees, Private and Overseas Patient income) are disclosed within Note 4 of the Annual Accounts.

Managing Public Money

This is the required Statement for Public Sector Information Holders. In line with other Welsh NHS bodies, the Health Board has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money. As a result, the Health Board confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

Material Remote Contingent Liabilities

Remote contingent liabilities are those liabilities which due to the unlikelihood of a resultant charge against the Health Board are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2022:

	2021/22	2020/21
	£000's	£000's
Guarantees	0	0
Indemnities*	1,427	27
Letters of Comfort	0	0
Total	1,427	27

* Indemnities include clinical negligence and personal injury claims against the Health Board.