



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Date **08/05/2025**
Time **09:30 - 13:30**
Location **Microsoft Teams Meeting/ Ystwyth Boardroom**

Audit & Risk Assurance Committee Meeting (Review of Draft Accounts)

HDD_Audit and Risk Committee
NHS Wales

Agenda - 8 May 2025

1 Introductions

09:30, 0 min

1.1 Apologies

09:30, 0 min

Rhodri Evans (Hywel Dda UHB - Independent Member)

1.2 Declaration of Interests

09:30, 0 min

All

2 NWSSP – Audit and Assurance Services - Internal Audit

09:30, 0 min

2.1 Internal Audit Plan Progress Report

09:30, 5 min

James Johns (NWSSP - Internal Audit)

2.2 Executive Team Governance (Substantial Assurance)

09:35, 10 min

James Johns (NWSSP - Internal Audit), Philip Kloer (Hywel Dda UHB - Chief Executive), Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)

2.3 Annual Planning (Reasonable Assurance)

09:45, 10 min

James Johns (NWSSP - Internal Audit), Lee Davies (Hywel Dda UHB - Executive Director of Strategy and Planning), Shaun Ayres (Hywel Dda UHB - Director of Delivery), Daniel L Warm (Hywel Dda UHB - Head of Planning)

2.4 Digital Strategic Partner (Substantial Assurance)

09:55, 10 min

James Johns (NWSSP - Internal Audit), Huw Thomas (Hywel Dda UHB - Director of Finance), Anthony Tracey (Hywel Dda UHB - Digital Director)

2.5 Cleanliness/Cleaning Standards Follow-up

10:05, 0 min
James Johns (NWSSP - Internal Audit)

2.6 Withybush Hospital (WGH) RAAC

10:05, 0 min
James Johns (NWSSP - Internal Audit)

2.7 Continuing Health Care – Database Maintenance and Finance Processes

10:05, 0 min
James Johns (NWSSP - Internal Audit)

3 Governance

10:05, 0 min

3.1 Report on the Adequacy of Arrangements for Declaring, Registering and Handling of Interests, Gifts, Hospitality, Honoraria and Sponsorship

10:05, 10 min
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)

3.2 Year-end Processes

10:15, 10 min
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)

3.3 Draft Audit and Risk Assurance Committee Annual Report 2024/25

10:25, 10 min
Rhodri Evans (Hywel Dda UHB - Independent Member)

3.4 Draft Head of Internal Audit Opinion and Annual Report 2024/25

10:35, 5 min
James Johns (NWSSP - Internal Audit)

3.5 Assurance Report on Board Effectiveness

10:40, 10 min
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)

3.6 BREAK

10:50, 10 min

3.7 Audit Enquiries to those Charged with Governance and Management

11:00, 10 min

Huw Thomas (Hywel Dda UHB - Director of Finance)

3.8 Draft Performance Overview

11:10, 15 min

Huw Thomas (Hywel Dda UHB - Director of Finance), Alwena Hughes Moakes (Hywel Dda UHB - Communications and Engagement Director), Fiona Hancock (Hywel Dda UHB - Senior Communications Officer), Tracy Price (Hywel Dda UHB - Head of Performance)

3.9 Draft Accountability Report

11:25, 15 min

Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)

4 Financial Focus

11:40, 0 min

4.1 Banking Arrangements

11:40, 10 min

Huw Thomas (Hywel Dda UHB - Director of Finance)

4.2 Draft Annual Accounts 2024/25

11:50, 40 min

Huw Thomas (Hywel Dda UHB - Director of Finance), Rhian Davies (Hywel Dda Health Board - Assistant Director of Finance - Financial Planning & Statutory Reporting, Timothy John (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory Reporting))

5 Any Other Business

12:30, 0 min

All

6 Date and Time of Next Meeting

12:30, 0 min

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1 - Introductions

1.1

09:30, 0 Mins

1.1 - Apologies

*Rhodri Evans (Hywel
Dda UHB -
Independent
Member)*

1.2

09:30, 0 Mins

1.2 - Declaration of Interests

All

2 - NWSSP – Audit and Assurance Services - Internal Audit

2.1

09:30, 5 Mins

2.1 - Internal Audit Plan Progress Report

James Johns
(NWSSP - Internal
Audit)

| For assurance

Attachments

[2.1 SBAR IA Plan Progress Report May 2025.pdf](#)

[2.1 IA Plan Progress Report May 2025.pdf](#)



PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit & Assurance Services Progress Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Head of Internal Audit
SWYDDOG ADRODD: REPORTING OFFICER:	Head of Internal Audit

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The Audit & Assurance Services progress report provides the Audit & Risk Assurance Committee (ARAC) with an update in relation to the delivery of the approved Internal Audit Plan and outcomes from audit work.

Cefndir / Background

The work undertaken by Internal Audit is in accordance with its annual plan, which is prepared following a detailed planning process and subject to Committee approval.

The progress report provides the Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan, amendments to the agreed plan and outcomes of any audits completed since the previous meeting of the committee.

Asesiad / Assessment

The findings and assurance ratings from the Internal Audit Reports provides the Committee with a level of assurance as to the adequacy of the risk, governance and control environment in the areas audited.

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is asked to take assurance with regard to the delivery of the Internal Audit plan and the outcomes of the finalised audit reports.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.16 The Committee shall ensure that there is an effective internal audit function established by management that meets mandatory Internal Audit Standards for NHS Wales and provides appropriate independent assurance to the Committee, Chief Executive and Board. 3.17 This will be achieved by: 3.17.1 review and approval of the Internal Audit Strategy, Charter, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation; 3.17.2 review of the adequacy of executive and management responses to issues identified by audit, inspection and other assurance activity, in accordance with the Charter; 3.17.3 Regular consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources; 3.17.4 ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation; and 3.17.5 annual review of the effectiveness of internal audit.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Internal Audit reports cover a range of organisational risks.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Internal Audit Plan & Charter. Individual Internal Audit reports. Evidence gathered from the Health Board as part of the delivery of audit assignments. Health Board Risks.
Rhestr Termiau: Glossary of Terms:	Contained within the reports.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Corporate Governance Executive Directors and Senior Managers relevant to the individual audits.

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	n/a
Ansawdd / Gofal Claf: Quality / Patient Care:	n/a
Gweithlu: Workforce:	n/a
Risg: Risk:	n/a
Cyfreithiol: Legal:	n/a

Enw Da: Reputational:	n/a
Gyfrinachedd: Privacy:	n/a
Cydraddoldeb: Equality:	n/a

Hywel Dda University Health Board

Audit & Risk Assurance Committee

May 2025

Audit & Assurance Services

Internal Audit Progress Report

CONTENTS

1. Introduction
2. Outcomes from Finalised Audits
3. Internal Audit Delivery and Planning Update

Appendix A - Assignment Status Schedule



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

[Please note](#)

This report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit & Risk Assurance Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. Introduction and Background

- 1.1** This progress report provides the Audit & Risk Assurance Committee (ARAC) with the current position in relation to the delivery of the 2024/25 Internal Audit Plan. The report also includes details of the progress with the delivery of individual audits, outcomes from finalised audits and any updates required to the plan.

2. Outcomes from Finalised Audits

- 2.1** The Internal Audit Reports finalised since the previous meeting of the Committee are highlighted in the table below along with the allocated assurance ratings, where applicable. The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING	
Annual Planning	Reasonable	
Executive Team Governance	Substantial	
Digital Strategic Partner	Substantial	

3. Internal Audit Planning and Delivery Update

- 3.1** The assignment status schedule at Appendix A sets out the current position of all audits in the 24/25 plan. All remaining work from the current year plan will be completed for inclusion within the Annual Report and Opinion.
- 3.2** The Annual for 24/25 Opinion has not yet been determined and will need all work to be concluded prior to doing so, as the opinion for the year is tightly balanced
- 3.3** The current position of the audits that have not made the Committee deadline are summarised in the table below.

Audit	Current status	Current Position/ comments	ARAC
Cleanliness	Draft	Draft report now with management for response.	June

- 3.4** Regular meetings with the Director of Corporate Governance have continued, along with meetings taking place with Executive Directors and senior managers in relation to individual audits currently being planned and delivered. The schedule of liaison meetings with Audit Wales has also continued.

Appendix A – HDUHB Internal Audit Plan 2024/25 – Assignment Status Schedule

Audit Output	Outline timing	Planned ARAC	Executive Lead	Progress Status	Assurance	H	M	L
Executive Team Working Governance	Q2-3	May	CEO/Corporate Governance	FINAL	Substantial		2	
Targeted Intervention Governance	Q1-3	Feb	Chief Executive	FINAL	Reasonable		2	
Annual Planning	Q3	May	Strategy & Planning	FINAL	Reasonable			
Cash Management	Q2/3	Oct	Director of Finance	FINAL	Substantial	-	-	-
Financial Management	Q2/3	Feb	Director of Finance	FINAL	Reasonable	1	4	
<i>UHB Procurement - Contract Management</i>	<i>Q3/4</i>	<i>June</i>	<i>Director of Finance</i>	<i>WIP</i>				
Performance Management Arrangements	Q3/4	Feb	Director of Finance	FINAL	Reasonable	-	2	
Speaking up safely	Q3/4	Oct	Nursing, Quality & Patient Experience	FINAL	Reasonable	1	3	
Learning lessons	Q3	Feb	Nursing, Quality & Patient Experience	FINAL	Reasonable	-	4	
Falls Management	Q2	Oct	Nursing, Quality & Patient Experience	FINAL	Reasonable	1	4	
<i>Cleanliness / Cleaning Standards</i>	<i>Q3/4</i>	<i>Apr</i>	<i>Chief Operating Officer</i>	<i>Draft</i>				
Discharge Management	Q3/4	Dec	Chief Operating Officer	FINAL	Limited	2	2	-

Audit & Risk Assurance Committee Progress Report

Management of Bed Capacity	Q2/3	Feb	Chief Operating Officer	FINAL	Limited	4	1	
Medical Workforce (Medical Locums)	Q3	Feb	Medical Director	Defer 25/26				
Nursing Management	Q2	Oct	Nursing, Quality & Patient Experience	FINAL	Limited	3	1	-
Estates Facilities directorate			Chief Operating Officer	Defer 25-26				
Revised Operational Governance Arrangements			Chief Operating Officer	Defer 25-26				
Nurse staffing Act	Q2	Aug	Nursing, Quality & Patient Experience	FINAL	Reasonable		3	
Job Planning	Q4	Apr	Medical Director	FINAL	Reasonable	1	1	
Elective Waiting List Management	Q3/4	Feb	Chief Operating Officer	FINAL	Substantial	-	-	
Mortuary Services (Joint SBUHB)	Q3	Feb	Allied health Professionals & Health Sciences	FINAL	Limited	4	5	
Primary Care Strategy including Managed Practices	Q4	Apr	Primary, Community and Long Term Care	Defer 25/26				
Health & Safety	Q2	Feb	Allied health Professionals & Health Sciences	FINAL	Limited			
Ultrasound Corporate Risk	Q2	Aug-oct	Chief Operating Officer	FINAL	Reasonable	-	2	
Emergency and Business Continuity Planning	Q2	Oct	Director of Public Health	FINAL	Reasonable	1	2	-

Audit & Risk Assurance Committee Progress Report

Digital Strategic Partner	Q3/4	May	Director of Finance	FINAL	Substantial			
IT/Digital - benefits realisation	Q2/3	Oct	Director of Finance	FINAL	Substantial	-	-	-
IT/Digital – Data Quality/Use of Data	Q2/3	Feb	Director of Finance	FINAL	Limited	3	1	
Withybush General Hospital - RAAC.	Q3/4	June	Chief Operating Officer	draft				
Estates Assurance – Energy Management	Q3	Feb	Chief Operating Officer	FINAL	Reasonable	-	8	-
Capital Systems	Q2/3	Dec	Chief Operating Officer	FINAL	Reasonable	-	4	-
<i>Continuing Health Care - Database Maintenance & Finance Processes</i>		<i>May/June</i>	Finance/COO	<i>WIP</i>				
<i>Capital Governance Advisory</i>		<i>June</i>	<i>Chief Operating Officer</i>					
<i>Follow Up Discharge Management</i>		<i>June</i>	<i>Chief Operating Officer</i>	<i>WIP</i>				
<i>Additional follow up and recommendation tracking.</i>		<i>June</i>		<i>WIP</i>				
<i>Action Plan Implementation tracking system</i>								



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SA31 3HB

Contact details: james.johns@wales.nhs.uk
Webpage: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

2.2 - Executive Team Governance (Substantial Assurance)

*James Johns
(NWSSP - Internal
Audit), Philip Kloer
(Hywel Dda UHB -
Chief Executive),
Joanne Wilson
(Hywel Dda UHB -
Director of Corporate
Governance/Board
Secretary)*

| For assurance

Attachments

[2.2 Executive Team Governance Final IA Report.pdf](#)

Executive Team Governance

Final Internal Audit Report 2024/25

Hywel Dda University Health Board



Substantial Assurance

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Findings & Agreed Action Plan	3
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Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2425-01

March - April 2025

2 May 2025

May 2025

Phil Kloer, Chief Executive

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit



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Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services
Partnership
Audit and Assurance Services



Executive Summary

Purpose

To review the revised Executive Team governance structure. This is a high-level review focusing on the working arrangements of the Executive Team and its supporting groups.

Overview

We have concluded **substantial** assurance on this area. The matters requiring management attention include:

- The distinction between Formal and Business Executive Team meetings and what is reported/discussed at each is not clear.
- There are no workplans in place for two of the three groups supporting Executive Team

Full details of matters arising are detailed within the Findings & Agreed Action Plan. The following opportunity for enhancement / consideration has been identified that does not impact the overall opinion and is highlighted for management information:

- Whilst terms of reference for supporting groups do not require an annual self-assessment of performance/effectiveness, management may wish to consider whether there would be any benefit in undertaking a self-assessment, even if only for the first year of the new working arrangements, to ensure that they are operating and delivering in line with expectations.

Scope & Assurance Summary

Objectives The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.		Related Findings	Assurance
1	Executive Team and supporting groups are operating in line with agreed terms of reference, with effective discharge of roles and responsibilities	1, 2	Substantial

Management Actions



High Priority



Medium Priority

Themes

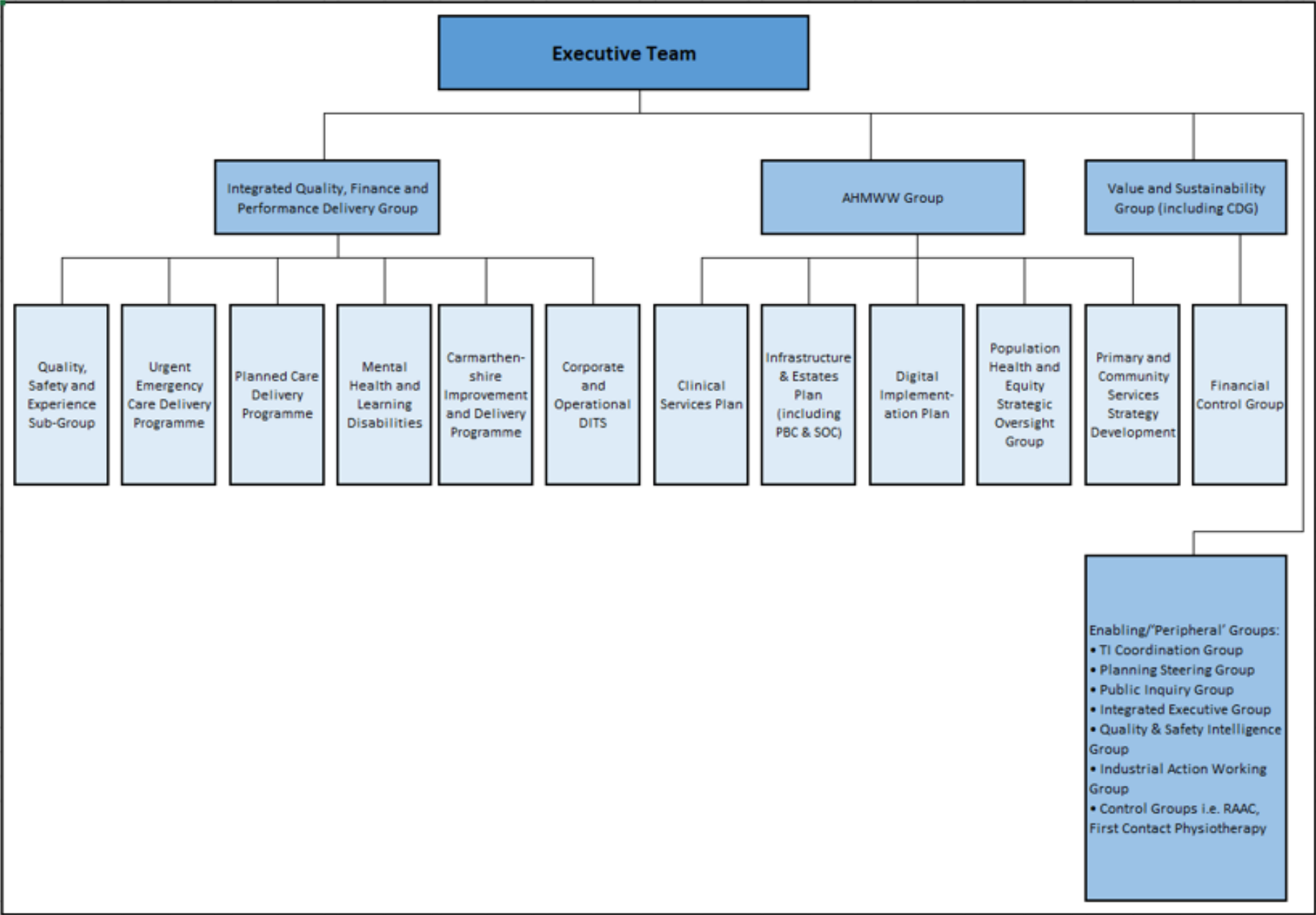


■ Governance

Risk Types

Quality or Safety Issues

Executive Team Structure [2024/25]



Findings & Agreed Action Plan

Objective 1: Executive Team and supporting groups are operating in line with agreed terms of reference with effective discharge of roles and responsibilities	Substantial

Overview / Summary of Observations

Terms of reference have been approved for the Executive Team and the three supporting groups, setting out the purpose roles and responsibilities of each.

Executive Team (ET): *primary executive decision-making body in relation to the delivery of strategic goals. Supports the Chief Executive in overseeing operational management and performance, including governance, risk management and internal controls.*

Integrated Quality, Finance & Performance Delivery (IQFPD) Group: *focuses on planning and delivery elements of the Health Board’s Annual Plan, oversees delivery and performance across the organisation.*

A Healthier Mid & West Wales (AHMWW) Group: *focuses on delivery of the Health Board’s strategy.*

Value & Sustainability (V&S) Group: *focuses on financial improvement and delivery of sustainable health care.*

Whilst the key areas of focus for each group are closely aligned, we did not identify any areas of duplication. Executive Director membership of the supporting groups supports collaborative working to align strategy, performance and financial sustainability. Meeting frequency and attendance were reviewed with no issues identified.

ET meetings are split into alternate Formal Executive Team (FET) and Business Executive Team (BET). FET is the decision-making body with meetings formally minuted, whilst action notes are maintained for the less formal BET meetings. Terms of reference do not distinguish between the two meetings and some areas such as planning, TI and finance are regularly reported/discussed at both. **[Finding 1]**

Workplans are in place for the FET and IQFPD – these are aligned to the terms of reference and meeting agendas demonstrate delivery. There are no workplans in place for the AHMWW or V&S groups. **[Finding 2]**

The supporting groups regularly report into the FET, although in some cases this is verbal, possibly due to the close proximity of meetings. There is also evidence of regular reporting of groups/programmes into the IQFPD / AHMWW / V&S groups.

Key Findings		Risk & Impact	Agreed Management Action
1	Distinction Between FET & BET Terms of reference do not distinguish between the FET and BET meetings. Whilst there is a workplan for FET, there is no workplan for BET so it is not clear what should be reported / discussed there. Some areas such as risk, supporting and peripheral group updates and items for approval are consistently reported to FET only. Other areas such as TI, finance, planning, operational updates and committee agendas are frequently covered at FET and BET meetings.	The purpose of BET is not clear. Items for decision/formal discussion may be discussed at BET instead of FET and not formally documented.	Agreed Action: Review and redefine the purpose of BET meetings, which are intended to be a space for informal discussion amongst Executives. Expected Evidence of Implementation: BET will not have the characteristics of a formal group in terms of administration and operation e.g. no formal agenda, actions etc.

		Medium Priority	Officer: Jo Wilson, Director of Corporate Governance/Board Secretary
	Theme: Governance	Control Design	Target Implementation Date: 31 July 2025
2	AHMWW and V&S Group Workplans There is a workplan in place for the FET and IQFPD but not for the AHMWW and V&S groups.	In the absence of a workplan, groups may lack direction, not operate efficiently or fail to discharge roles and responsibilities as defined within the Terms of Reference.	Agreed Action: Workplans will be developed for AHMWW and V&S groups to provide clarity of what they will achieve over the forthcoming year.
		Medium Priority	Officer: Lisa Gostling, Director of WOD (V&S Group)/ Lee Davies, Director of Strategy & Planning (AHMWW)
	Theme: Governance	Control Operation	Target Implementation Date: 31 July 2025

Appendix A

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

Disclaimer

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the Hywel Dda University Health Board. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



2.3 - Annual Planning (Reasonable Assurance)

*James Johns
(NWSSP - Internal
Audit), Lee Davies
(Hywel Dda UHB -
Executive Director of
Strategy and
Planning), Shaun
Ayres (Hywel Dda
UHB - Director of
Delivery), Daniel L
Warm (Hywel Dda
UHB - Head of
Planning)*

| For assurance

Attachments

[2.3 Annual Planning Final IA Report.pdf](#)

Annual Planning

Final Internal Audit Report

2024/25

Hywel Dda University Health Board



Reasonable Assurance

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Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2425-03

March – April 2025

30 April 2025

May 2025

Lee Davies, Director of Strategy and Planning

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit

Executive Summary

Purpose

The overall objective of the audit was to review the processes and assumptions used for developing the Annual Plan noting how finance, activity and workforce elements are included.

Overview

A robust planning process was implemented for the development of the Hywel Dda Annual Plan for 2025/26. The Annual Plan accurately reconciled to Welsh Government requirements set out in the *NHS Wales Technical Planning Guidance 2025-28* document including the triangulation of critical enablers, such as finance and workforce, in addition to the alignment with Ministerial Priorities, organisational Planning Objectives and Targeted Intervention actions.

Clear governance and reporting arrangements had been embedded that resulted in engagement with stakeholders throughout the annual plan development process. The Annual Plan 2025/26 was shared and approved by the Health Board prior to its timely submission to Welsh Government in March 2025.

A review of assumptions listed in the Annual Plan 2025/26 identified a number used to identify future/potential saving schemes as part of the financial plan. Delivery of the Ministerial Priorities, Targeted Intervention actions and Planning Objectives is dependent on the Health Board having an appropriate financial plan.

There is an underlying deficit of £51.1m carried over from 2024/25 with systems and processes identifying a projected total of £44.4m savings schemes, £19m of which is recurrent savings. Of the £44.4m savings, £38.1m are identified as a 'Red' or 'Pipeline and Planning Assumption' schemes. In addition, of the £19m recurrent savings, £12.8m are noted as a 'Red' or 'Pipeline and Planning Assumption' schemes. The conversion of these assumptions into deliverable schemes represents a significant risk for the Health Board in meeting its in-year savings requirements and highlighting the need for the earlier identification through the planning process, of a higher percentage of green schemes. We have concluded **reasonable** assurance on this area.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

Scope & Assurance Summary

Objectives ¹		Related Findings	Assurance
1	The development of the Annual Plan, with submissions from directorates and services, includes appropriate assumption including finance and workforce data, clear and measurable targets, critical enablers and actions towards delivery of ministerial priorities	-	Reasonable
2	Appropriate governance arrangements are in place, which provide effective oversight of the planning process, ensuring the Annual Plan is subject to scrutiny and review through engagement with stakeholders prior to submission to Welsh Government	-	Substantial

¹ The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Findings & Agreed Action Plan

Objective 1: The development of the Annual Plan, with submissions from directorates and services, includes appropriate assumption including finance and workforce data, clear and measurable targets, critical enablers and actions towards delivery of ministerial priorities	Reasonable

Overview / Summary of Observations

The *NHS Finance (Wales) Act 2014* outlines the Health Board’s statutory duties including the development of an Integrated Medium-Term Plan (IMTP). On the 14 February 2025, an Accountable Officer letter was submitted by the Health Board to Welsh Government (WG) notifying its intention to submit an annual plan, set within a three-year context, for 2025/26 due to its financial deficit. This has resulted in the Health Board breaching its statutory duties. A letter was received from WG on the 25 February 2025 acknowledging the Hywel Dda’s position.

The Planning Department produced a proposed approach for the development of the Annual Plan 2025/26. The document set out the organisation’s initial assumptions and key principles, such as continuation of the Targeted Intervention (TI) principles, alignment to the Clinical Services Plans, demand and capacity plans, volume and mix growth modelling. The proposed approach was submitted and approved by the Health Board in November 2024.

A review of the Annual Plan 2025/26 and supporting directorate and service submissions confirmed that critical enabling actions, including digital innovations, workforce developments, financial sustainability and ways of working had been embedded to triangulate projects and schemes.

The Annual Plan 2025/26 aligns with the Ministerial Priorities requirements set out in the *NHS Wales Technical Planning Guidance 2025-28* document, in addition to the organisational Planning Objectives and Targeted Intervention actions. Key legislation, strategic plans and frameworks were also evident including the *Well-being of Future Generations (Wales) Act 2015*, *A Healthier Mid and West Wales* plan and *National Clinical Framework*.

The annual plan development process required all directorates and services to outline key areas of delivery for 2025/26. A planning minimum dataset (MDS) was also completed that outlined projected key performance figures for 2025/26 to support plans and schemes including the identification of milestones and actions.

The MDS identified detailed funding assumptions, revenue and cost pressures facing the Health Board, whilst budget allocations for 2025/26 received a 1.77% uplift from WG on core allocations and ring-fenced funding. A £51.1m underlying deficit from 2024/25 was highlighted taking into account non-recurrent factors and macro-economic pressures, such as higher price inflation for prescribing and growth in patient demand.

Savings schemes noted a projected 'In Year' savings total of £44.4m, of which £19m are recurrent savings. Of the £44.4m savings, only £6.2m has been identified as either a 'Green' or 'Amber' scheme with £38.1m noted as a 'Red' scheme or 'Pipeline and Planning Assumption'. Of the £19m recurrent savings, only £6.2m has been identified as either a 'Green' or 'Amber' scheme with £12.8m noted as a 'Red' scheme or 'Pipeline and Planning Assumption'. This represents a significant risk for the Health Board to meet the target control total of £31.5m for 2025/26 and continues to impact on the organisation being unable to submit a financially balanced IMTP and thus breaching statutory duties.

No finding has been raised in this report due to a risk entry already recorded on the Board Assurance Framework principal risk register (Risk Ref. 1199) highlighting the organisation’s inability to achieve financial sustainability, whilst the Director of Strategy and Planning indicated at the Health Board meeting in January 2025 that the organisation has taken a balanced approach to sustained improvement with the intention of producing an IMTP from 2027/28 onwards. For this reason, we have concluded reasonable assurance for this objective.

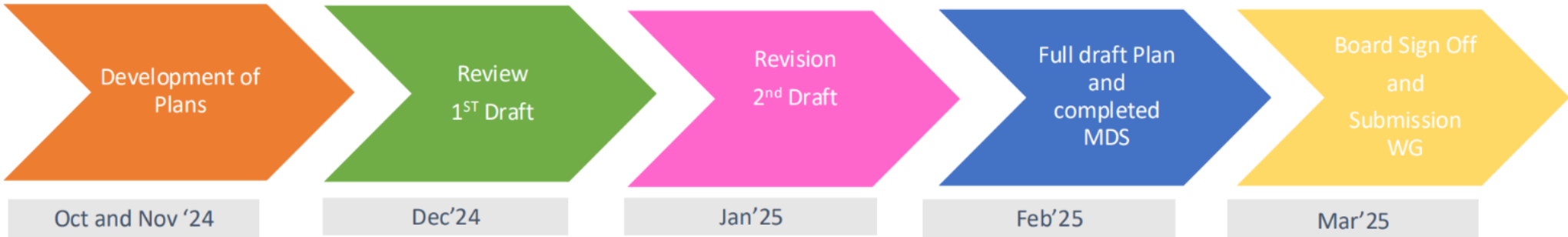
Overview / Summary of Observations

Governance and reporting arrangements were outlined in the Health Board-approved development approach of the Annual Plan 2025/26.

A series of internal workshops commenced in October 2024 that brought together service leads, Finance and Workforce to identify short-term pressures, long-term ambitions, risks and opportunities whilst peer-to-peer engagement was also implemented (used as part of the TI approach) to ensure the alignment of strategic goals and Ministerial Priorities.

Directorates and services submitted their iterative draft plans to the Planning Team in November and December 2024 with subsequent workshops taking place to refine plans, with the Planning Team providing summarised feedback and improvements following each session.

A review of papers and reports confirmed engagement with stakeholders through progress updates of the Annual Plan to the public Health Board meetings, Board seminar discussions, Stakeholder Reference Group and regular reporting to the statutory committees in line with the timetable set out in the planning approach document – see below.



A draft copy of the Annual Plan 2025/26 was submitted to the Health Board meeting on 30 January 2025 with a final version submitted to the Health Board on 27 March 2025. Meeting minutes confirmed the Health Board had approved the document and submission to WG. The Health Board formally submitted the Annual Plan 2025/26 to WG on the 31 March 2025 complying with deadline requirements.

Appendix A

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

Disclaimer

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the Hywel Dda University Health Board. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.



2.4

09:55, 10 Mins

2.4 - Digital Strategic Partner (Substantial Assurance)

*James Johns
(NWSSP - Internal
Audit), Huw Thomas
(Hywel Dda UHB -
Director of Finance),
Anthony Tracey
(Hywel Dda UHB -
Digital Director)*

| For assurance

Attachments

[2.4 Digital Strategic Partner Final IA Report.pdf](#)

Digital Strategic Partner

Final Internal Audit Report

2024/25

Hywel Dda University Health Board



Substantial Assurance

Contents

Executive Summary	1
Findings & Agreed Action Plan	2
Appendix A	8

Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2425-26

February - March 2025

24th April 2025

May 2025

Huw Thomas, Director of Finance

James Johns, Head of Internal Audit

Martyn Lewis IT Audit Manager

Sophie Corbett, Deputy Head of Internal Audit

Executive Summary

Purpose

Review arrangements relating to the contract for the strategic partner.

Hywel Dda Local University Health Board has contracted a long term digital transformation strategic partner in order to plan, access and manage the capacity necessary to fully deliver the scale of the digital ambitions. The partnership will do this by fully leveraging the capacity and expertise that exists, both within the Health Board and with a strategic partner, significantly accelerating the pace of delivery of our Digital Response and digital priorities.

Overview

We have concluded substantial assurance on this area. The matters requiring management attention include:

- Ensuring that there is an assessment of the full range digital capabilities required and how these are to be accessed.
- Ensuring the draw down against the contract fits with the overall prioritisation for the whole organisation.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

Scope & Assurance Summary

Objectives	The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.	Related Findings	Assurance
1	The contract specification was developed in conjunction with key stakeholders and clearly identifies the aims, benefits and success criteria.	-	Substantial
2	The procurement and tender adjudication process were appropriately completed with the selected contractor best meeting the criteria.	-	Substantial
3	The aims of the contract clearly links to the organisational and digital strategies and fits into the digital operating model.	1	Reasonable
4	Appropriate contract / SLA management processes are in place to ensure value for money.	2	Substantial

Management Actions

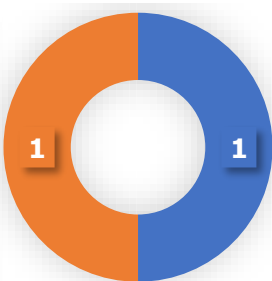


High Priority



Medium Priority

Themes



■ Resourcing

■ Finance Management & Control

Risk Types

Financial Loss

Findings & Agreed Action Plan

Objective 1: The contract specification was developed in conjunction with key stakeholders and clearly identifies the aims, benefits and success criteria.

Substantial

Overview / Summary of Observations

The aim of the contract is to provide a strategic partner who can provide resource and expertise to deliver the Health Boards digital transformation. The digital transformation programme was underpinned with a business case which identified the key drivers and challenges and which linked digital transformation to the organisational strategy.

The business case sets out what would be needed from the partner, the skills and capabilities required and the anticipated benefits and success criteria from the arrangements.

The contract specification was developed by the Director of Digital, with support provided by an external company, on the basis of gaining the resources to push forward digital transformation. The specification was then shared for comments more widely within the Health Board before being finalised and approved by the group of staff who made up the evaluation panel.

Our review of the specification confirmed that it includes a requirement to provide the capabilities and skills identified within the business case, and articulates the need to enable digital transformation, with the specific details for each aspect noted as to be agreed jointly as the contract progresses.

Objective 2: The procurement and tender adjudication process were appropriately completed with the selected contractor best meeting the criteria.

Substantial

Overview / Summary of Observations

The procurement process was led/managed by Procurement Services and used the specification as the core statement of needs for the contract. The procurement followed the appropriate procedure within appropriate timelines and utilised a pre qualification questionnaire (PQQ) to narrow down the companies invited to tender. These were assessed using pre defined and published criteria and the top suppliers invited to interview, following which the preferred supplier was identified.

Our testing noted that the tender invitation questions link to the specification, with appropriate weighting of the questions for the adjudication process. The team involved in assessing the PQQ and tender response was comprised of appropriate staff and included a representative from DHCW. We also note that it is clear how the scoring was derived from the responses received.

Subsequent to the procurement process, there was a legal challenge from one bidder. This was reviewed and responses provided to the points raised which validated the procurement process and the choices made. Following further communication the challenge was dropped.

There was regular reporting of the process to Strategic Resources Committee, with the procurement report, which set out the processes with a supplier recommendation (CGI) provided to the November 2024 meeting for approval.

Objective 3: The aims of the contract clearly links to the organisational and digital strategies and fits into the digital operating model.

Reasonable

Overview / Summary of Observations

The Digital Transformation Business Case noted that there were difficulties in establishing a digital operating model that would enable delivery of transformation. These included lack of knowledge and training, no single digital care record, infrastructure weaknesses, lack of staff and multiple ongoing pilots for digital systems. The business case set out the aim of utilising the strategic partner to deliver an effective operating model across the key domains.

The contract supports the people domain by intending to provide digital staff resource, enable knowledge transfer, and upskilling the wider staff group in the Health Board. There is to be a formal change management process alongside communication and engagement, and digital technology is intended to deliver a single patient record with integration and interfacing with other systems. Delivery of the digital programme is integrated into the governance processes for Digital within the Health Board and we note in relation to this that a new Digital Committee is in the process of being established.

We note that a draft partnership charter has been developed and is currently being reviewed that sets out the roles of the Health Board and of the company, and how the partnership fits into the digital operating model.

The operating model has HDU digital staff working alongside CGI staff to enable knowledge transfer. We note that work orders are being developed for upcoming projects and as part of that a RACI (Responsible, Accountable, Consulted, Informed) analysis has been produced that shows the staff groups that will be working on different aspects, and the associated responsibilities, which shows joint working. We also note that CGI staff will be working from HDU sites and the two groups of staff have been introduced.

The partnership enables HDU to access skills and capabilities that do not currently exist within the Health Board, and although there is a general awareness of the gaps, there has not been a formal analysis of the full range digital capabilities required and which sets out how these are to be accessed across the spectrum from fully in house to fully contracted. Without this the staffing model is not fully defined and the benefits of the contract related to upskilling may not be fully realised.

Key Findings		Risk & Impact	Agreed Management Action
1	Staffing Model There has not been a formal analysis of the full range digital capabilities required and which sets out how these are to be accessed across the spectrum from fully in house to fully contracted. Without this the staffing model is not fully defined and the benefits of the contract related to upskilling may not be fully realised.	The full benefits of the strategic partner may not be realised	Agreed Action: As part of any new business case for transformation, the Digital Team will conduct a digital capability assessment to ensure the utilisation of a diverse workforce model. This approach will include developing internal talent ("grow your own") and integrating the expertise of our strategic partner. Expected Evidence of Implementation:

			Design a capability assessment Create a system for ongoing feedback and improvement of digital capabilities and staffing models.
	Theme: Resourcing	Medium Priority Control Operation	Officer: Digital Director Target Implementation Date: August 2025

Overview / Summary of Observations

The contract specification is clear that activity under the strategic partnership will be developed on a call-off work order basis. These are to be developed in partnership and include milestones for delivery, with a focus on outcomes and outputs.

The business case sets out the overarching programme for digital transformation and shows how its to be monitored and the benefits to be delivered. There is a benefits lead in place and success evaluation processes are set out at key stages.

There is a lead contact within CGI who acts as a focal point for managing the contract and there are regular meetings with the Director of Digital with reports provided by CGI for discussion at the meetings. Our review of these meeting noted that they cover the progress being made against active work orders, future planning and pipeline, ongoing actions and risks.

Reporting on progress with the contract and partnership is within the standard governance arrangements for the Health Board, with updates provided to the Executive Team and into Committee, which in future will be the Digital, Data and Information Committee.

The costs association with the contract are monitored. The contract has a maximum annual spend of £7.5m, however the current agreed spend within Digital is £1.8m, with a pot of £2.5m within the Health Board which can be bid for. Additional finance can potentially be gained from appropriate business cases. CGI is a large, multinational company specialising in digital, as such there is a risk that they can dominate the contract. The Director of Digital noted that they are providing a lot of resource, and that programmes of work are moving faster than anticipated, with future proposed work orders being developed along with business cases. We note that as the contract progresses, there may be a risk of pressure on the Health Board to move faster which will lead to expenditure on Digital items taking up all the available funding, with other areas not being as efficient and effective in the bidding process. As such the Health Board should ensure that draw down against the contract fits with the overall prioritisation for the whole organisation. We also note an identified risk that the capacity within clinical services will not be sufficient to support the level of digital work within their areas.

The Director of Digital also noted that a number of departments have approached digital with requests for CGI input, while assuming that the costs re covered by the Digital contract. So the expectations should be managed and the costs which will be incurred should be clearly stated.

Work under the contract is called off under 2 general types of work: task and finish items and output based items, and with values over £200k requiring greater structure and planning.

There is a planned programme of work for the next 12 months and work orders are being developed accordingly. Our review of these (Flow / Integration and EPMA) noted that they are developed as a joint effort and reviewed by Procurement. The work orders have requirements and measurables set out, milestones, along with acceptance criteria and due dates, identify the resource needed and skills and note any dependencies. As such there is a clear mechanism to monitor the delivery of contracted work.

We note that the contract is in the early stages and has not yet fully bedded in. There is a framework for monitoring delivery and performance of services provided against the contract and this is operating currently. The Health Board should ensure that this oversight is maintained as the contract proceeds.

Key Findings		Risk & Impact	Agreed Management Action
Financial Risk There may be a risk of pressure on the Health Board to move faster which will lead to expenditure on Digital items taking up all the available funding, with other areas not being as efficient and effective in the bidding process.	Financial Risk	Agreed Action: Ensure that each business case and work package is processed through the established committee governance within the Board, starting with the Digital, Data, and Innovation Committee and subsequently progressing to the Board	
		Expected Evidence of Implementation: Establish a programme and work package approval process	
		Medium Priority	Officer: Digital Director Target Implementation Date: August 2025
Theme: Finance Management & Control	Control Operation		

Appendix A

Assurance Opinion

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Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
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2.5

10:05, 0 Mins

2.5 - Cleanliness/Cleaning Standards Follow-up

James Johns
(NWSSP - Internal
Audit)

DEFERRED to 24 June 2025 meeting

| For assurance

2.6

10:05, 0 Mins

2.6 - Withybush Hospital (WGH) RAAC

*James Johns
(NWSSP - Internal
Audit)*

DEFERRED to 24 June 2025 meeting

| For assurance

2.7

10:05, 0 Mins

2.7 - Continuing Health Care – Database Maintenance and Finance Processes

*James Johns
(NWSSP - Internal
Audit)*

DEFERRED to 24 June 2025 meeting

| For assurance

3 - Governance

3.1

10:05, 10 Mins

3.1 - Report on the Adequacy of Arrangements for Declaring, Registering and Handling of Interests, Gifts, Hospitality, Honoraria and Sponsorship

Joanne Wilson
(Hywel Dda UHB -
Director of Corporate
Governance/Board
Secretary)

| For assurance

Attachments

[3.1 Declaring Interests Gifts Hospitality and Sponsorship.pdf](#)

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance
SWYDDOG ADRODD: REPORTING OFFICER:	Sian-Marie James, Assistant Director of Corporate Legal Services and Public Affairs

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This report is intended to enable the Audit and Risk Assurance Committee (ARAC) to review and to provide assurance to Board regarding the adequacy of arrangements in place within Hywel Dda University Health Board (the Health Board) for declaring, registering and handling Board Members' and staff interests, gifts, hospitality, honoraria and sponsorship during 2024/25.

This is in line with the following paragraphs of the Health Board's Standing Orders 2024:

- 8.4.1 *'The Audit Committee will review and report to the Board upon the adequacy of the arrangements for declaring, registering and handling interests at least annually'*
- 8.7.5 *'The Director of Corporate Governance/ Board Secretary will arrange for a full report of all offers of Gifts, Hospitality and Sponsorship recorded by the LHB to be submitted to the Audit Committee (or equivalent) at least annually. The Audit Committee will then review and report to the Board upon the adequacy of the LHB's arrangements for dealing with offers of gifts and hospitality.'*

Cefndir / Background

Effective arrangements to manage potential risks to decision-making arising from interests, gifts, hospitality, honoraria and sponsorship constitute an important element of the Health Board's governance arrangements. These arrangements are designed to safeguard the principles of selflessness and objectivity, and to provide members of the public with confidence that decisions are being taken in their best interests and not for the benefit of elected or appointed officials or their close personal associates.

In common with other public sector bodies, the Health Board has established arrangements to manage such risks, including:

- A 'Standards of Behaviour' policy that includes the acceptance and declaration of interests, gifts, hospitality, honoraria and sponsorship;

- Maintenance of publicly available registers of Board Members' and staff members' declarations;
- Procedures to record interests, gifts, hospitality, sponsorship and honoraria in the relevant registers;
- Processes to remind Board Members and staff of the policy's requirements; and
- Regular reporting on the adequacy of arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria to the Health Board's Audit and Risk Assurance Committee.

Asesiad / Assessment

The Standards of Behaviour Policy

In accordance with its review schedule, the Health Board's [Standards of Behaviour Policy](#) was revised in August 2022 and approved by the People, Organisational Development and Culture Committee (PODCC) on 28 October 2022. The policy has been made available on both the Hywel Dda UHB intranet and internet sites and, in line with its review schedule, is currently subject to consultation and revision before being presented for approval to PODCC on 4 November 2025.¹

The Standards of Behaviour Policy, together with the requirement to submit Declarations of Interests (DoI) and to declare offers and acceptance of gifts, sponsorship, hospitality and honoraria, are highlighted to Board Members and to staff by the following means:

- Reference to the Standards of Behaviour Policy is included within staff Contracts of Employment issued to new employees within 12 weeks of commencing in post², and to all existing employees on a change of role. When signing their contract of employment, all staff must sign to confirm that they accept their appointment on the terms and conditions set out within the contract and contained within the Standards of Behaviour Policy.
- The requirement to declare any interests, and awareness of the Policy, are highlighted to Health Board employees in the Hywel Dda Induction Pack.
- On commencement in post, Independent Members receive a programme of induction and are provided with an Independent Member Handbook referencing the Standards of Behaviour Policy.
- Regular messages, including links to the policy and relevant forms, are circulated via Global E-mail to remind employees and Board Members to report offers and acceptance of gifts, hospitality, sponsorship and honoraria and to declare any interests.
- Advice and awareness-raising regarding standards of behaviour are included on an *ad hoc* basis in the Health Board's Counter-Fraud Newsletter which is circulated to all Health Board staff.
- Meetings with individual teams have been held on request to provide guidance in relation to Standards of Behaviour Policy requirements; for example, acceptance and declaration of gifts received from patients and their families.

¹ As such, some links – eg. to forms – which are included in the current version of the policy are out-of-date and will be removed.

² Where it is referred to as 'The Standards of Business Conduct for NHS Staff'

The contents of the Registers of Interests and Gifts, Hospitality, Honoraria and Sponsorship will be periodically reviewed by the Assistant Director of Corporate Legal Services and Public Affairs on behalf of the Board Secretary to assist with the verification of the accuracy of the information which is recorded.

Review of the Adequacy of Arrangements in Place for Declaring, Registering and Handling Interests of Board Members and Staff

Board Members' Interests

It is a requirement within the Health Board's Standing Orders that all Board Members must declare any personal or business interests they may have which may affect, or be perceived to affect, the conduct of their role as a Board Member and their judgement in the course of conducting the Board's business. Board Members must be familiar with the Standards of Behaviour policy and must notify the Board of any such interests at the time of their appointment and as they arise throughout their tenure.

Provision is made at the beginning of each Public Board and Board Committee meeting for individual Board Members to identify and declare interests relating to any aspect of business included on the meeting agenda in order that appropriate action can be taken in response. All declarations of Members' interests made at a meeting are recorded within the formal minutes.

In line with Standing Orders, a Register of Members Interests (including interests held by family members or persons or bodies with which they are connected) is maintained by the Health Board. This records the interests of Board Members at the time of their appointment, and is updated, as appropriate, to record any new interests or changes to their interests throughout the year. An annual review of interests is undertaken as part of related party transactions/ year-end processes, where each Board Member is required to confirm the accuracy and completeness of the Register relating to their own interests. The Register of Members' Interests for 2025/26 is currently being compiled and will be published on the Health Board's internet site when complete.

The Health Board's Standing Orders 2024 (p.17) require all Board Members to confirm their eligibility to hold office on an annual basis and also require the Chair, Vice Chair and Independent Members (and Associate Members) to confirm their understanding of their indemnity in relation to activity undertaken in their role. In order to record these confirmations, the Declaration of Members' Interests form incorporates annual Declarations of Board Members' Eligibility and Chair and Independent Members' Indemnity.

Staff Interests

Paragraph 8.3.1 of the Standing Orders also requires that *'The Board must ensure that the Director of Corporate Governance/ Board Secretary, on behalf of the Chief Executive, establishes and maintains a system for the declaration, recording and handling of LHB officers' interests in accordance with the Values and Standards of Behaviour Framework.'*

In line with this requirement, a Register of Staff Interests is maintained to formally record Dols made by employees (including any interests held by their spouse, civil partner, partner or other relation). Each declaration made by staff members requires the approval of the relevant Director or Departmental/ Line Manager to confirm that the Dol form has been reviewed and appropriate safeguards have been identified to address any conflicts or potential conflicts of interest. Positive Dols are actively followed up with employees' line managers, to confirm that all necessary and appropriate safeguards are in place, prior to recording the interest on the Register.

In compliance with Standing Orders, the Registers of Members' and Staff Interests are published on the Health Board's website:

[Register of interests, gifts, sponsorship and hospitality - Hywel Dda University Health Board \(nhs.wales\)](#)

The Standards of Behaviour Policy specifies 'high risk' groups of employees who are required to complete an annual DoI form; this includes Assistant Directors, Senior and General Managers, senior staff within the Finance Directorate, senior clinical staff, independent prescribers and pharmacy staff, those whose role necessarily brings them into contact with external companies, contractors or suppliers, those who are able to initiate orders and those who are budget holders. Lists of staff included in each of the 'high risk' groups are refreshed annually, using data provided by Workforce and OD teams, to ensure that they are current.

All staff members included in 'high risk' groups are individually contacted by email requesting them to complete a DoI form, even in the case of 'Nil' declarations. During 2024/25, individual requests/reminders were issued to approximately 1,800 staff included in the 'high risk' groups, with a response rate of only 23% (412 out of 1,817). Consideration will, therefore, be given to means to improve this response rate during the current year.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to review the adequacy of the arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria during 2024/25 for onward assurance to the Board.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.11: To receive annually a full report of all offers of gifts, hospitality, sponsorship and honoraria recorded by the UHB and report to the Board the adequacy of these arrangements.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	HDdUHB Standards of Behaviour Policy Declaration Registers
Rhestr Termiau: Glossary of Terms:	Included within the body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Corporate Governance/ Board Secretary Assistant Director of Corporate Legal Services and Public Affairs

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

3.2 - Year-end Processes

Joanne Wilson
(Hywel Dda UHB -
Director of Corporate
Governance/Board
Secretary)

- Compliance with Ministerial Directions
- Compliance with Welsh Health Circulars

| For assurance

Attachments

[3.2 Ministerial Directions ARAC May 2025.pdf](#)

[3.2 Welsh Health Circulars ARAC May 2025.pdf](#)

PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	NHS Non-Statutory Instruments Update (Ministerial Directions)
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance/Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	Charlotte Wilmshurst, Assistant Director of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Er Sicrwydd/For Assurance

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

To provide the Audit and Risk Assurance Committee with a status report and assurance that all NHS Non-Statutory Instruments (referred to as Ministerial Directions (MDs)) received from the Welsh Government (WG) in 2024/25 have been complied with or are in the process of being implemented.

Cefndir / Background

Acts of Parliament, Assembly Measures and Assembly Acts enable Welsh Ministers to make more detailed legislation, known as secondary or subordinate legislation, usually by means of Statutory Instruments (SIs).

Non-Statutory Instruments (NSI) are legislative in character, they alter legal rights and duties however they are not statutory instruments. Non-Statutory Instruments which are issued by Welsh Ministers include codes of practice and guidance.

In complying with the requirements of various governance codes and the Annual Governance Statement requirements, the University Health Board (UHB) has a duty to provide assurance that the non-statutory instruments have been complied with.

Asesiad / Assessment

In order to provide assurance to the Board and Committees on the progress of implementation of MDs, services across the Health Board provide progress updates via the Audit Management and Tracking (AMAT) system.

Compliance with MDs is monitored via Directorate Improving Together sessions, which are attended by Executive Team, Function senior managers and clinical leads, Finance Business

Partners and representatives from the Performance Team. During 2024/25, MDs were reported to Board committees three times a year, with assurance provided to People, Organisational Development and Culture Committee (PODCC), Quality, Safety and Experience Committee (QSEC), Strategic Development and Operational Delivery Committee (SDODC) and Sustainable Resources Committee (SRC), that processes were in place to review and monitor compliance with WHCs, and provide understanding of any barriers to their delivery, including those dependent on funding.

Appendix 1 details the 24 MDs issued during 2024/25, and provides confirmation that all have been complied with.

Appendix 2 details outstanding MDs issued in 2021 and 2023:

- WG21-59 (The Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021) which will be implemented by October 2025.
- WG23-08 (Local health boards and NHS Trusts reporting on the introduction of new medicines into the National Health Service in Wales Directions 2023), the implementation of this Ministerial Direction has been delayed on an All-Wales basis, with discussions ongoing nationally to resolve and progress.

In 2024/25 the following MD from 2023 was implemented:

Direction Number	Name of Direction	Date Issued	Description
WG23-27	The Primary Care (E-Prescribing Pilot Scheme) Directions 2023	06/01/2023	Directions to local health boards surrounding the roll out of the Primary Care E-Prescribing Pilot Scheme.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to note the status of Ministerial Directions received by the Health Board and take an assurance that the Health Board has systems and processes in place in respect of monitoring the implementation of Ministerial Directions.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:	Not applicable

Datix Risk Register Reference and Score:	
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Ministerial Directions
Rhestr Termau: Glossary of Terms:	Incorporated within the main body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Director of Corporate Governance

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Non-statutory Instruments are legal tools which often have a financial impact on the organisation.
Ansawdd / Gofal Claf: Quality / Patient Care:	Non-statutory Instruments are legal tools which can impact patient care.
Gweithlu: Workforce:	Not applicable

Risg: Risk:	Non-Statutory Instruments are legislative in character, they alter legal rights and duties and must be implemented by the Health Board.
Cyfreithiol: Legal:	Non implementation of Non-Statutory Instruments may result in the Health Board being less likely to defend itself in a legal challenge which could lead to fines/penalties and damage to reputation.
Enw Da: Reputational:	As above
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

Welsh Government Non-Statutory Instruments used in relation to the National Health Service in Wales
(Ministerial Directions 2024/25)

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2024 No.10	Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2024	18/04/24	These Directions are given to Local Health Boards. They relate to the payments to be made by Local Health Boards to a GMS contractor under a GMS contract. These Directions come into force on 1 April 2024.	This Ministerial Direction has been enacted.
2024 No.17	The Managed Introduction of New Medicines Into The NHS in Wales Directions 2009 (Amendment)(Wales) Directions 2024	29/04/24	These Directions came into force on 1 May 2024 and apply in relation to every Local Health Board and NHS Trust in Wales. They relate to amendments made to the 2009 Directions outlining circumstances whereby healthcare intervention and medicine availability after a 2 month implementation period do not apply.	This Ministerial Direction has been enacted.
2024 No.20	The Primary Medical Services (Directed Supplementary Services) (Wales) Directions 2024	12/06/24	These Directions relate to the establishment of directed supplementary services schemes and are given to Local Health Boards and apply in relation to Wales. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2024 No.21	The Primary Medical Services (Pertussis Immunisation for Pregnant and Post-natal Women) (Directed Supplementary Services) (Wales) Directions 2024	12/06/24	These Directions are given to Local Health Boards and relate to the Pertussis immunisation for pregnant or post-natal women. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.
2024 No.22	The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Supplementary Services) (Wales) Directions 2024	12/06/24	These Directions relate to the Influenza and Pneumococcal Immunisation Scheme are given to Local Health Boards. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.
2024 No.23	The Primary Medical Services (Oral Anti-coagulation with Warfarin) (Directed Supplementary Service) (Wales) Directions 2024	12/06/24	These Directions relate to oral anti-coagulation with Warfarin and are given to Local Health Boards. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.
2024 No.24	The Primary Medical Services (Hormone Treatment Scheme for Adult Transgender Patients) (Directed Supplementary Service) (Wales) Directions 2024	12/06/24	These Directions relate to the hormone treatment scheme for adult transgender patients and are given to Local Health Boards. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.
2024 No.25	The Primary Medical Services (Antivirals for Prophylaxis of Seasonal Influenza in Care Home Outbreaks) (Directed Supplementary Service) (Wales) Directions 2024	12/06/24	These Directions are given to Local Health Boards in relation to the antivirals for prophylaxis of seasonal influenza in care home outbreaks. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2024 No.26	The Primary Medical Services (Type 2 Diabetes Mellitus Care Scheme for Adults) (Directed Supplementary Service) (Wales) Directions 2024	12/06/24	These Directions are given to Local Health Boards in relation to the Type 2 Diabetes mellitus care scheme for adults. These Directions came into force on 13 June 2024.	This Ministerial Direction has been enacted.
2024 No.28	The Alternative Provider Medical Services (Wales) Directions 2024	01/07/24	These Directions outline the requirements for all Local Health Boards in Wales when entering into contracts Alternative Provider Medical Services contracts. These Directions came into force on 2 July 2024.	This Ministerial Direction has been enacted.
2024 No.38	The Primary Care (Contracted Services: Immunisations) (RSV) Directions 2024	23/08/24	These Directions are given to Local Health Boards and relate to the Immunisations Scheme for RSV. These Directions came into force on 1 September 2024.	This Ministerial Direction has been enacted.
2024 No.39	The Directions to Local Health Boards and NHS Trusts in Wales on the National Framework for Commissioning Care and Support 2024	27/08/24	These Directions relate to the Commissioning care and support provided by all Local Health Boards in Wales. These Directions came into force on 1 September 2024.	This Ministerial Direction has been enacted.
2024 No.42	The Pharmaceutical Services (Clinical Services) (Wales) (Amendment) Directions 2024	27/09/24	These Directions came into force on 1 October 2024. The Directions outline the amendments made to The Pharmaceutical Services (Clinical Services) (Wales) Directions 2022.	This Ministerial Direction has been enacted.

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2024 No.43	Statement of Financial Entitlements (Amendment) (No. 3) Directions 2024	09/10/24	These Directions relate to the payments to be made by Local Health Boards to a GMS contractor under a GMS contract. The Directions were made on 9 October 2024, came into force on 10 October 2024.	This Ministerial Direction has been enacted.
2024 No.26	Statement of Financial Entitlements (Amendment) (No. 4) Directions 2024	26/11/24	These Directions are given to Local Health Boards. They relate to the payments to be made by Local Health Boards to a GMS contractor under a GMS contract. The Directions were made on 26 November 2024 and came into force on 1 October 2024.	This Ministerial Direction has been enacted.
2024 No.49	The Local Health Board Medical Services (Wales) Directions 2024	02/12/24	These directions relate to the Local Health Boards creating practice statements when providing primary medical services pursuant to section 41(2)(a) of the Health Service (Wales) Act 2006. These Directions came into force on 03 December 2024.	This Ministerial Direction has been enacted.
2024 No.53	The Primary Medical Services (Complex Multi-Morbidity and Frailty) (Directed Supplementary Service) (Wales) Directions 2024	18/12/24	These Directions came into force on 19 December 2024 and expired on 31 March 2025. They relate to the establishment of a Complex Multi-Morbidity and Frailty Scheme.	This Ministerial Direction has been enacted.

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2025 No.02	The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2025	28/01/25	These Directions relate to amendments made in respect of payments made for vocational Training. These Directions came into force on 29 January 2025 but had effect from 1 April 2022.	This Ministerial Direction has been enacted.
2025 No.03	The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) Directions 2025	28/01/25	These Directions relate to amendments made in respect of payments made for vocational Training. These Directions came into force on 29 January 2025 but had effect from 1 April 2022.	This Ministerial Direction has been enacted.
2025 No.04	The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2025	30/01/25	These Directions relate to amendments made to negotiated annual contract values and payments made in respect of vocational Training. These Directions came into force on 31 January 2025 but had effect from 1 April 2023.	This Ministerial Direction has been enacted.
2025 No.05	The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2025	30/01/25	These Directions relate to amendments made to negotiated annual contract values and payments made in respect of vocational Training. These Directions came into force on 31 January 2025, but had effect from 1 April 2023.	This Ministerial Direction has been enacted.
2025 No.06	Directions to Local Health Boards as to the Statement of Financial	06/02/25	These Directions are given to Local Health Boards. They relate to the payments to be	This Ministerial Direction has been enacted.

	<u>Entitlements (Amendment) Directions 2025</u>		made by Local Health Boards to a GMS contractor under a GMS contract. These Directions were made on 06 February 2025 and came into force on 07 February 2025.	
2025 No.07	<u>The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025</u>	13/02/25	These Directions relate to amendments made to negotiated annual contract values and payments made in respect of vocational Training. These Direction came into force on 14 February 2025 but have effect from 1 April 2024.	This Ministerial Direction has been enacted.
2025 No.08	<u>The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025</u>	13/02/25	These Directions relate to amendments made to negotiated annual contract values and payments made in respect of vocational Training. These Direction came into force on 14 February 2025 but have effect from 1 April 2024.	This Ministerial Direction has been enacted.

**Welsh Government Non-Statutory Instruments used in relation to the National Health Service in Wales
issued in previous financial years**

Direction Number	Name of Direction	Date Issued	Description	Progress on implementation
2021 No.59	<u>The Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021</u>	26/07/21	Directions to Local Health Boards and NHS Trusts on autism services for 2021. Each Local Health Board and each NHS Trust must exercise its functions in accordance with the relevant provisions of the Code of Practice on the Delivery of Autism Services, which was issued by the Welsh Ministers on 16 July 2021, and which came into force on 1 September 2021.	There are now the NHS Executive Recommendations for Children & Young People (CYP) in respect of Neurodevelopmental (ND) services (Autism Spectrum Disorder (ASD) / Attention Deficit Hyperactivity Disorder (ADHD)), which the service have developed an integrated Plan for, and will be working to implement jointly across ND services and Child Health. Focus is on strengthening joint working and pathways. A series of task and finish groups have been established to strengthen links and increase alignment with Children and Adolescent Mental Health Service (CAMHS) and Children's ASD services, and to strengthen transition arrangements from children's to adult neuro-developmental services. This is in addition to the existing task and finish group to develop a 3 county, multiagency approach to offering early help and support. In relation to timely assessment of autism, referral rates remain exponentially high. However, dedicated premises have now been identified for children and adult ASD Services, with some clinical space which will help to increase capacity. The procurement exercise to outsource a number of diagnostic assessments to external providers is progressing well. In addition to the 728 assessments for Children and Young People (CYP) and adults outsourced between 2022-2025, an additional 86 assessments (66 children and 20 adults) were procured during Quarter 4 of 2023/24 using Regional Integration Funding (RIF) and Neurodivergent Improvement Programme (NDIP) slippage. It is noted that the Directorate has a corporate risk relating to the timely diagnosis and treatment of Mental Health & Learning Disabilities (MH&LD)

				clients due to demand and capacity, with specific actions relating to ADHD and ASD, which has a current risk score of 20 at April 2024. An additional risk is also noted on the directorate risk register regarding clients not being provided with timely interventions due to waiting lists for assessment & diagnosis of ASD, which also has a current risk score of 20.
2023 No. 08	Local health boards and NHS Trusts reporting on the introduction of new medicines into the National Health Service in Wales Directions 2023	24/03/23	Directions regarding the Implementation of the high-cost drugs reporting system.	The Health Board is aiming to implement and adopt all available (first phase) drug profiles by April 2024. The Health Board has representation on the Blueteq Steering Group, with national drug approval templates being developed on a Once for Wales approach. The Lead Clinical Development Pharmacist confirmed that there is a delay in implementation due to information governance issues with one of the health boards in Wales, with discussions ongoing nationally to resolve and progress.



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Welsh Health Circulars (WHCs)
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	See list included in Assessment section of report
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance/Board Secretary

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report to the Audit and Risk Assurance Committee (ARAC) provides a status report as at end of March 2025 on all WHCs issued by Welsh Government (WG), and assurance that there are arrangements in place to monitor implementation.

Cefndir / Background

WHCs were reintroduced in 2014 to replace Ministerial Letters. WHCs are numbered documents which are sent widely across the NHS in Wales and are designated a category and topic area and given a date for review/expiry. WHCs are sent to a core distribution list (Local Health Board and NHS Trust Chief Executives, Chairs and Board Secretaries) and other additional recipients. WHCs provide a streamlined, transparent, and traceable method of communication between the NHS Wales and NHS organisations relating to different areas such as workforce, finance, estates, quality and safety, legislation, governance, performance / delivery, information technology, science, research, planning, public health, policy, and health professional letter.

WHCs will be characterised as one of the following:

- Compliance: Must be complied with by the recipient
- Action: Specific action is required by the recipient
- Information: For information only

WHCs are published on the Welsh Government website. The Health Professional Letter category (formerly CMO Letters, etc.) will continue to be published on the relevant websites.

The Board has devolved responsibility to its Committees for overseeing that WHCs are implemented by the stated timescales, to gain assurance on the compliance and delivery of the outstanding WHC, as well as an understanding of the impacts resulting from late/non-delivery.

Asesiad / Assessment

In order to provide assurance to the Board and Committees on the progress of implementation of WHCs, services across the Health Board provide progress updates via the Audit Management and Tracking (AMAT) system. Where a specific date is not provided in the guidance itself, a planned date for implementation from the nominated Health Board lead is required. In instances of non-compliance with WHCs, leads are also required to undertake a risk assessment on Datix and complete a quality impact assessment.

Non-compliance with WHCs is monitored via the Directorate Improving Together sessions. During 2024/25, the status of WHCs was reported to Board committees three times a year, with assurance provided to People, Organisational Development and Culture Committee (PODCC), Quality, Safety and Experience Committee (QSEC), Strategic Development and Operational Delivery Committee (SDODC) and Sustainable Resources Committee (SRC), that processes were in place to review and monitor compliance with WHCs, and provide understanding of any barriers to their delivery, including those dependent on funding.

39 WHCs were issued during 2024/25. Appendix 1 details WHCs issued since February 2018 with a current RAG status of red, as they are yet to be implemented, along with the risk associated with each WHC.

The table below shows the number of WHCs under each RAG status up until the end of March 2025:

RAG Rating	No. of WHCs
<i>Red (Not completed/behind schedule)</i>	7
<i>Amber (Not completed but on schedule)</i>	15
<i>External (Outside the gift of the Health Board)</i>	3
<i>Green (Completed)</i>	393
Total	418

See Appendix 1

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to take an assurance that there is a process in place within the University Health Board to monitor the implementation of Welsh Health Circulars.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y Pwyllgor:

3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:
Datix Risk Register Reference and Score:

Risks to delivery of WHC's should be identified on directorate/service risk registers.

Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Welsh Health Circulars
Rhestr Termiau: Glossary of Terms:	CMO – Chief Medical Officer WG – Welsh Government WHC – Welsh Health Circular
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Contained within the report

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Dependent on individual WHC
Ansawdd / Gofal Claf: Quality / Patient Care:	Dependent on individual WHC
Gweithlu: Workforce:	Dependent on individual WHC
Risg: Risk:	Dependent on individual WHC
Cyfreithiol: Legal:	Dependent on individual WHC
Enw Da: Reputational:	Dependent on individual WHC

Gyfrinachedd: Privacy:	Dependent on individual WHC
Cydraddoldeb: Equality:	Dependent on individual WHC

WHCs not been implemented/behind schedule (Red RAG Status)

WHC reference & name	Date Issued	Lead Executive	UHB implementation date	Current position	Datix risk reference	Current Risk Score
006-18 Framework of Action for Wales, 2017-2020 (<i>online link not available</i>)	01/02/18	Chief Operating Officer	Not known – dependent on additional resources	An Ear Wax management service has been successfully implemented across the health board, however funding is required to complete the second part of this WHC, monitored via Risk 1457 “Risk of patients not having access to Advanced Practitioner Audiologists-WHC/2018/006” (current risk score 12). The completion of a QIA by the Head of Audiology has been delayed due to unexpected staff absences. As reported to QSEC in April 2025, the service is required to complete a QIA, and to escalate the inability to proceed with its implementation via the Clinical Care Group (CCG) management structures to agree next steps.	1457 - Risk of patients not having access to Ear Wax Management pathways due to lack of Advanced Practitioner Audiologist	12
033-18 Airborne Isolation Room Requirements	25/07/18	Director of Nursing, Quality and Patient Experience	Not known - dependent on additional resources	The Health Board's Architectural Projects Team undertook a Project Feasibility Report in July 2024 and provided a provisional estimate of out-turn costs of £1,419,946.25 (including a contingency fund of £109,416), with a project time of around 48 weeks from project brief development to completion of works to install a negative pressure isolation suite in the Clinical Decisions Unit (CDU), Glangwili General Hospital (GGH). Funding has not been allocated for this major capital project and whilst the issue has been raised at the 'All Wales High Consequence Infectious Disease Group' hosted by Public Health Wales (as a result of the threat of MPOX in the UK) and the NHS Executive, there has been no indication of any central funding being considered by Welsh Government to support improvement and to move this work forward. Out turn costs continue to escalate and it is recognised that the estimated costs of 2024 may well have increased. Discussions were held at the Infection Prevention Strategic Steering Group (IPSSG) in March 2025, when it was agreed that steer is required from the Executive Director given the investment required and the stagnation of progress. As reported to QSEC in April 2025, the service is required to complete a QIA, and to escalate the inability to proceed with its implementation via CCG management structures to agree next steps.	1640 - Risk of harm to patients due to a lack of recommended Airborne Isolation Suites at GGH and WGH	15

WHC reference & name	Date Issued	Lead Executive	UHB implementation date	Current position	Datix risk reference	Current Risk Score
017-19 Living with persistent pain in Wales guidance	07/05/19	Chief Operating Officer	January 2026	Implementation is being staggered as each work stream comes to fruition e.g, referral criteria, adherence to clinical guidelines, new and follow up pathway validation in line with new evidence and guidelines. The timescale for implementation has been revised to January 2026 to allow time to progress the medical pain service to meet guidelines, improve waiting list and demand and capacity. A review of how to upscale the service and evidence of progress to date has been attached to AMaT.	No risk noted on Datix	n/a
009-21 School Entry Hearing Screening pathway	25/03/21	Chief Operating Officer	Not known – dependent on additional resources	This WHC requires the shift of school hearing examinations from School Nursing to Audiology in order to provide a higher standard of hearing assessment. Funding is required to bring about this service change. The completion of a QIA by the Head of Audiology has been delayed due to unexpected staff absences. As reported to QSEC in April 2025, the service is required to complete a QIA, and to escalate the inability to proceed with its implementation via CCG management structures to agree next steps.	1456 - Risk of sub-standard/ inconsistent School Entry Hearing Screening due to lack of staff, training and equipment	8
004-22 Guidance for the provision of continence containment products for children and young people: a consensus document	21/10/22	Chief Operating Officer	~~July 2023~~ August 2025	The Nursing post required in order to fully implement this WHC was approved by Financial Control Group in February 2025. The implementation date for this WHC has been amended to August 2025 to account for the recruitment process.	1615 - Risk of CYP with continence problems not receiving containment products or service required due to lack of cohesive service	12

Appendix 1

WHC reference & name	Date Issued	Lead Executive	UHB implementation date	Current position	Datix risk reference	Current Risk Score
006-24 National Clinical Guideline for Stroke, for the UK and Ireland	21/03/24	Chief Operating Officer	N/K - until completion of the wider Clinical Service Plan	The Health Board has identified Stroke as being one of the nine fragile services that is being reviewed by the Clinical Services Plan (CSP). As such cannot be fully implemented until the outcomes of the CSP have been determined. The WHC focusses on 5 key recommendations, namely: • Organisation of stroke services; • Acute Care; • Rehabilitation and recovery; • Long-term management and secondary prevention; and • Life after stroke. As reported to QSEC in April 2025, a QIA is required to be undertaken.	233 - Risk of poor patient outcome due to insufficient stroke therapy staff & lack of 7 day Consultant affecting the Health Board	12
039-24 Pre-Transfusion Sample taking Compliance with the confirmatory sample rule	03/10/24	Chief Operating Officer	Not known	All policies currently in use stress the severity of taking two group and screen samples simultaneously. All training delivered to clinicians also stress this. A collaborative project with Swansea University and Hywel Dda transfusion team also covers the consequences of not following the two-sample rule. The Hywel Dda transfusion team have advised that every policy, risk assessment and training opportunity under its responsibility is up to date. The service is in the process of uploading all relevant evidence to AMAT in order to formally close this WHC.	1542 - Risk of failing to identify Wrong blood in tube event (WBIT) due to staff not following HB policy	10

3.3

10:25, 10 Mins

3.3 - Draft Audit and Risk Assurance Committee Annual Report 2024/25

*Rhodri Evans (Hywel
Dda UHB -
Independent
Member)*

| For approval

Attachments

[3.3 SBAR Draft ARAC Annual Report.pdf](#)

[3.3 ARAC Annual Report 2024-25.pdf](#)

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Draft Audit and Risk Assurance Committee Annual Report 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Cllr. Rhodri Evans, Chair of Audit and Risk Assurance Committee
SWYDDOG ADRODD: REPORTING OFFICER:	Cllr. Rhodri Evans, Chair of Audit and Risk Assurance Committee

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u> The purpose of this report is to present the Audit and Risk Assurance Committee (ARAC) Annual Report to Members. The attached report provides assurances in respect of the work that has been undertaken by ARAC in the 2024/25 financial year and provides information relating to the continued development of the role of the Committee and its members. The attached report supports the compilation of the Annual Governance Statement and sets out how ARAC has met its Terms of Reference. The report has been compiled by the Chair of ARAC, based upon the work of the Committee. <u>Cefndir / Background</u> The Committee, through its in-year reporting, has regularly kept the Board informed about the results of its reviews of assurances, together with any exceptional issues that arose. In accordance with the NHS Wales Audit Committee handbook and generally accepted standards of good practice, the ARAC Chair is required to issue an Annual Report of the matters that have been considered by the Committee during the financial year. The report provides the Board and the Accountable Officer with assurance in respect of the adequacy and effectiveness of the Health Board's procedures and systems in maintaining a sound system of internal control and the conclusions drawn for the 2024/25 financial year. This is to include assurance about the rigour of the processes and the quality of the data which lie behind the statements and provide its own assurance about the reliability of the disclosures when they are subsequently submitted to the Board for approval. <u>Asesiad / Assessment</u> Please see the attached ARAC Annual Report. Please note that Chair's Action will be required, as the report will need to be updated following completion of the Internal Audit Plan for 2024/25 and the Final Head of Internal Audit Opinion

being issued, before the report can be submitted to Board at its meeting scheduled for 26 June 2025.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to feed back comments on the ARAC Annual Report within one week and request Chair's action to approve the content of the report, prior to onward submission to the Board.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	10.5 The Committee Chair, supported by the Committee Secretary, shall: 10.5.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report as well as the presentation of an annual report within six weeks of the end of the financial year and timed to support the preparation of the Accountability Report. This should specifically comment on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self assessment activity against relevant standards. The report will also record the results of the Committee's self assessment and evaluation.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	ARAC Agenda and Papers
Rhestr Termau: Glossary of Terms:	Not Applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	ARAC Chair

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	A sound system of financial control enacts robust financial control, safeguards public funds and the Health Board's assets and resources. Robust governance arrangements underpinning financial management contribute towards internal control and value for money being achieved.
Ansawdd / Gofal Claf: Quality / Patient Care:	A sound system of internal control ensures that any risks to the achievement of the Health Board's objectives are identified, assessed and managed.
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	- Has EqIA screening been undertaken? No - Has a full EqIA been undertaken? No

AUDIT AND RISK ASSURANCE COMMITTEE

ANNUAL REPORT

2024/25

1. Introduction and Chair's summary

The Audit and Risk Assurance Committee (ARAC) was established under Board delegation with approved Terms of Reference and Operating Arrangements that are aligned to the NHS Wales Audit Committee Handbook, published by the Welsh Government (WG). The Committee is an independent Committee of the Board and has no Executive powers other than those specifically delegated in the Terms of Reference.

The Committee, through its in-year reporting, has regularly kept the Board informed regarding the results of its reviews of assurances, together with any exceptional issues that arose. In accordance with the NHS Wales Audit Committee Handbook guidance and generally accepted standards of good practice, the Committee is required to issue an Annual Report, constituting a formal report of the matters that it has considered during the year. The purpose of this report, therefore, is to provide the Board and the Accountable Officer with assurance in respect of the adequacy and effectiveness of the Health Board's procedures and systems in maintaining a sound system of internal control, and the conclusions drawn for the 2024/25 financial year.

This report supports the compilation of the Accountability Report and sets out how the Committee has met its Terms of Reference.

2. Role and Purpose

The Committee supports the Board by critically reviewing governance and assurance processes on which the Board places reliance. The primary role of the Committee is, therefore, to ensure the system of assurance is valid and suitable for the Board's requirements; as such, it reviews whether:

- Processes to seek and provide assurance are robust and relevant;
- The controls in place are sound and complete;
- Assurances are reliable and of good quality; and
- Assurances are based on reliable, accurate and timely information and data.

The Committee provides a key source of assurance to the Board, ensuring that the organisation has effective controls in place to manage the significant risks to achieving its objectives and that controls are operating effectively. The Committee's principal duties have consistently included reviewing *"the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, both clinical and non-clinical"*.

The Committee discharges this duty by fulfilling its responsibilities as outlined in its Terms of Reference. In performing its duties, the Committee works to an approved workplan, based on scheduled agenda topics, together with a range of specific issues, which are subject to review. It is supported by the activities of Audit Wales (AW) as the External Auditor; **NHS Wales Shared Services Partnership** (NWSSP): Audit and Assurance – Internal Audit (IA) and Specialist Services Unit (SSU), and Local Counter Fraud Specialists.

In discharging these responsibilities, the Committee is required to review:

- Internal financial control matters, such as safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information;
- Adequacy of disclosure statements (Annual Report and Annual Accounts), which are supported by the opinion of the Head of IA, the AW Annual Audit Report and other opinions;
- The adequacy of relevant policies, legality issues and the Codes of Conduct;
- The policies and procedures relating to fraud and corruption;
- The system for risk management, to ensure this is robust in identifying and mitigating risks, enabling the Committee to provide the Board with assurance.

3. Terms of Reference and Workplan

The [Terms of Reference](#) (TOR) for ARAC are reviewed on an annual basis or following any significant changes. The TORs were approved by Board at its meeting in July 2024. Changes of note included the number of members, and the alignment of the Committee to one of the six domains agreed by WG to achieve de-escalation from the Health Board's current status of Targeted Intervention (TI).

The ARAC has a [workplan](#) to enable forward planning for the forthcoming year. The workplan is produced to incorporate the duties outlined in the Committee's Terms of Reference and any suggested areas of focus identified during the self-assessment process.

The ARAC Committee workplan covers a range of activities, including statutory reporting duties, regular items of business and priority planned pieces of work which support Board and Committee objectives.

The workplan is regularly updated throughout the year, to ensure that it remains responsive to emerging issues and risks.

The Committee reviewed and approved the audit strategies and plans for the auditors as listed below, and received audit reports produced in support of them during 2024/25:

- Audit Wales;
- NWSSP Audit and Assurance Services:
 - Internal Auditors;
 - Specialised Services Unit.

Acting upon the outcomes of effectiveness reviews is as important as undertaking them and it is essential that outcomes and associated actions are reported appropriately. Throughout the year, Executive Directors and Lead Officers of audit reports have been requested to attend Committee meetings to provide an opportunity to discuss the reports more fully, and for the Committee to satisfy itself that the findings raised in the reports were being addressed, with recommendations implemented to address control weaknesses or compliance issues.

The Committee continues to receive progress updates directly as and when requested, as well as referring reports to the Board and other Board Committees to ensure the wider aspects or impacts of the report are fully understood.

4. Committee Structure and Meetings

A key element of the Committee is that it comprises solely of Independent Members, providing a basis for it to operate independently of any decision-making process and to apply an objective approach in the conduct of its business.

Although invited to attend certain meetings to provide assurances and explanations to the Committee on specific issues, neither the Health Board Chair, Chief Executive Officer (CEO), nor any other Executive Director of the Health Board, are members of the Committee. The CEO is invited annually to present the Accountability Report and to co-present progress reports at each meeting on the Health Board's Escalation Status and Joint Executive Team (JET) meetings with WG.

Having a key role to play in establishing and maintaining a sound system of internal financial control, the Executive Director of Finance has been in attendance at all meetings. The Committee has also been supported on key matters by means of the attendance of the Director of Corporate Governance/Board Secretary, who is the Lead Officer for the Committee, and who has been present at all meetings.

The Committee also has regular attendance from representatives of:

- The Auditor General/AW;
- NWSSP Audit and Assurance Services (Internal Audit and Specialised Services Unit);
- NHS Counter Fraud Services.

The membership of the Committee for 2024/25 was as follows, along with attendance at meetings:

Name	16.04.24	09.05.24	18.06.24	09.07.24	13.08.24	15.10.24	10.12.24	11.02.25
Members								
Cllr Rhodri Evans – Committee Chair	✓	✓	✓	✓	✓	✓	✓	✓
Winston Weir – Committee Vice-Chair	✓	x	✓	x	✓	✓	x	✓
Maynard Davies - Committee Member	✓	✓	✓	✓	✓	✓	✓	✓
Michael Imperato - Committee Member	✓	✓	✓	✓	✓	✓	✓	x
Eleanor Marks - Committee Member	✓	✓	✓	✓	✓	✓	✓	✓
In Attendance								
Huw Thomas – Director of Finance	✓	✓	✓	✓	✓	✓	✓	✓



Jo Wilson – Director of Corporate Governance / Board Secretary	✓	✓	✓	✓	✓	✓	✓	✓
Charlotte Wilmshurst – Assistant Director of Assurance and Risk	✓	✓	✓	x	✓	✓	✓	✓
Audit Wales Representative	✓	✓	✓	✓	✓	✓	✓	✓
James Johns – Head of Internal Audit	✓	✓	✓	✓	✓	✓	✓	✓
Benjamin Rees – Local Counter Fraud Specialist	✓	x	✓	x	✓	✓	✓	✓
Clinical Audit Representative (when required)	x	x	✓	x	x	x	✓	x

All meetings were quorate.

5. Private meeting of Audit and Risk Assurance Committee Members with the Auditors

In line with the Audit Committee Handbook and the Committee Terms of Reference, Committee Members met privately at individual meetings with Internal Audit and Counter Fraud on 13 March 2025, and Audit Wales on 8 April 2025. The meetings were attended as follows:

Independent Members	Attended by
• Cllr Rhodri Evans, Committee Chair • Mrs Eleanor Marks, Committee Member • Mr Maynard Davies, Committee Member • Mr Michael Imperato, Committee Member	Meeting with Internal Audit • Mr James Johns, Head of Internal Audit • Ms Sophie Corbett, Deputy Head of Internal Audit Meeting with Counter Fraud • Mr Benjamin Rees, Head of Local Counter Fraud Services • Mr Terry Slater, Local Counter Fraud Specialist Meeting with Audit Wales • Mr Anthony Veale, Engagement Director and Audit Director • Ms Anne Beegan, Audit Manager • Ms Urvisha Perez, Audit Lead • Mr David Williams, Audit Manager

Health Inspectorate Wales (HIW) was offered a private meeting with Committee Members, however declined. Further discussions will be held with HIW to determine if a meeting is required at a future date.

The purpose of holding a private session between Members and auditors, without management present, is to build a relationship of trust and to support the independence of the audit functions. It also provides an opportunity for the auditors to provide feedback to the Committee on its own performance. The discussion is not minuted, although the Chair provides appropriate feedback to the Lead Officer of the Committee where there are areas of improvement required.

6. Committee Activities – Alert and Advise

The Committee is required to report to the Board after each Committee meeting by presenting a report highlighting the key discussion items at the Committee. Items which the Committee sought to either Alert or Advise the Board during 2024/25 are summarised below:

Alert – *The following matters were areas where the Committee was unable to take an assurance or had a lack of confidence that the action in place was sufficient to address the issue satisfactorily and/or it was within the scope of the operational team to resolve, and was alerting the Board as engagement action or intervention was required.*

- An internal audit on **Standards of Cleanliness**, presented to the Committee in May 2024, received limited assurance and focussed on two acute sites (Withybush General Hospital (WGH) and Glangwili General Hospital (GGH)) highlighted several concerns. These included no evidence of written assurance or escalation of issues through Health Board governance structures, the Environmental Cleaning Policy not reflective of the new cleaning standards, inconsistent training and subsequent record keeping, the lack of Service Level Agreements (SLAs) in place, cleaning schedules not in place for all wards (with variations in these schedules), and the frequency of cleaning audits not compliant with standards or policy. Whilst assurance was provided by the intended internal governance review of cleaning standards, the Committee requested the Board to support the proposal that the Quality, Safety and Experience Committee (QSEC) oversee this matter. IA were requested to undertake a follow-up review of the recommendations raised, and to undertake a review of cleaning standards at Bronglais General Hospital (BGH) and Prince Philip Hospital (PPH) during 2024/25. The Board noted the plans to undertake an internal review and further internal audits, together with the intended detailed discussion of the matter at QSEC.
- The follow-up report issued by internal audit on **Discharge Management** received limited assurance, and was presented to the Committee at its meeting in December 2024. This was the same rating as awarded to the initial report issued in April 2024. Whilst the Board was advised at its meeting in September 2024 of the number of recommendations which had not been implemented, it was alerted to the findings of the follow-up report issued in

December 2024. This was due to the level of concern which remained around the complexities of the discharge processes and compliance with relevant policies and guidance, that progress is taking longer than desired, and that no further action could be taken, and the second Limited Assurance rating awarded. The Board at its meeting in January 2025 noted its disappointment in the findings of the review in an intrinsically important area for the Health Board, with the hope that the next follow-up audit would show an improved position. The Board requested that outstanding recommendations be resolved as soon as possible and, if not achieved by the next audit, that the matter would be referred to QSEC. Findings from a further follow-up audit will be presented to the Committee in June 2025.

Advise – *The following matters were areas of concern where assurance had been taken on actions in place but required close monitoring.*

- A review of **Contract and Procurement Processes**, presented to the Committee in April 2024, led to the ceasing of the use of the G-Cloud Framework unless approved by the Financial Control Group. The Committee was informed of robust measures in place to ensure appropriate procurement processes are followed, with assurance provided that additional processes and safeguards were now in place.
- The Internal Audit report on **Glangwili General Hospital – Fire Precautions Phase 1** provided limited assurance around progress in the delivery of the project against its delivery objectives, primarily attributable to the financial risk of the unfunded forecasted position of the project. The Committee was informed that, since the issuing of the report, WG had confirmed additional funding of £4.5m which was immediately available, with a further £2.7m available subject to scrutiny by NWSSP Specialist Estate Services.
- The **Draft Head of Internal Audit Opinion and Annual Report for 2023/24**, presented to the Committee in May 2024, provided a limited assurance overall opinion on the adequacy and effectiveness of the Health Board's framework of governance, risk management and control, based primarily on the number of limited assurance reports issued during the year. The Head of Internal Audit advised that all limited assurance audits would be re-audited during 2024/25. The Committee was notified at its meeting in June 2024 that the report had been finalised with an overall opinion of limited assurance. Whilst it was noted that the opinion was disappointing, it demonstrated that the Health Board engages with the process as intended, by demonstrating openness and honesty in responses.
- An Internal Audit **Follow-up Review of Consultant Job Planning** was presented to the Committee in April 2024 with a limited assurance rating awarded. Key findings included that issues remained with the quality of job plans and their documentation, Supporting Professional Activities (SPA) activity, and that job plan sessions required to be appropriately reflected in the Electronic Staff Record (ESR) system. The Committee noted the progress made in the job planning process and the implementation of the internal audit action and took assurance from the steady rise in percentage job plan review

compliance at its meeting in August 2024. A further follow-up was reported to the Committee in April 2025, which showed a significant improvement in the number of job plans in place and provided reasonable assurance.

- Recommendations raised within **Audit Wales's Review of Operational Governance Arrangements** were initially presented to the Committee in June 2024, and related to the delays to the implementation of the operational governance structure and lack of clarity around lines of accountability and reporting. Whilst assurance was taken from the updates presented to the Committee in February 2025, concerns remained around the capacity of operational managers to fully implement the recommendations alongside other requirements, and the implementation of the new operational governance structure following handover from the corporate governance team. Of particular note were the concerns around the demands placed on a relatively small group of managers to implement, in addition to the small corporate teams who provide support. It was agreed that an internal audit will be undertaken on the new operational governance arrangements.
- A briefing paper from Internal Audit in relation to the **BGH Chemotherapy Day Unit (BGH CDU)** investigated the reasons for the discrepancy between the estimated costs, and final tender return relating to associated redevelopment costs, in addition as to the process for escalating the funding shortfall. The paper highlighted areas for improvement when presented to the Committee in June 2024. An update was provided to the Committee in August 2024, who took assurance that all management actions arising from the paper were complete, and that the project was on schedule and within budget at the time of reporting.
- Key findings from the **Audit Wales Review of Cost Savings Arrangements**, presented at the August 2024 meeting, highlighted that the Health Board did not meet its financial targets for 2023/24, and recognised a poor track record on delivering recurrent savings. Recommendations raised highlighted the requirement for the Health Board to urgently address its cost drivers, and strengthen its overall arrangements for identifying, delivering, and monitoring savings. As at 31 March 2025, two recommendations remain outstanding.
- The need to be cognisant of the potential financial implications of service and staffing changes was highlighted via the Internal Audit on **Nurse Staffing Levels (Wales) Act 2016**, reported to the August 2024 meeting, which provided a reasonable assurance rating.
- The Committee was unable to take assurance from the report prepared by Internal Audit relating to the progress made on **Transforming Urgent and Emergency Care** at its meeting in August 2024, with an update requested at the meeting scheduled for October 2024. It was highlighted that emergency care in particular is the source of high numbers of concerns and complaints, emphasising the importance of defined timescales and effective monitoring. The Committee received confirmation at its meeting in October 2024 that all outstanding recommendations had been completed, with relevant evidence submitted; however, it was recognised that this area requires further focus.

- The Committee noted at its meeting in October 2024 in relation to the effectiveness of the **Internal Escalation Framework Arrangements**, particularly in respect of governance, that whilst engagement with the escalation process is good, there is a variability in responsiveness across the Health Board. Discussions were also required to determine an approach to ensure the Committee can take assurance on the delivery of recommendations in addition to the process.
- Findings from the Internal Audit on **Falls Management**, presented at the Committee meeting in October 2024, found that issues previously identified still remained, with further action required to ensure the associated risks are fully addressed. Concerns were specifically noted in relation to the timely completion of multifactorial falls risk assessments (MFRSAs), however the Committee received assurance.
- Concerns were highlighted in the Internal Audit on **Nursing Management** report, issued with a limited assurance and presented to the Committee in December 2024, including the management of sickness, annual leave utilisation, approval of agency use, roster review / approval arrangements and processes for bank and agency escalation. The Committee noted that, whilst actions had either been undertaken or were planned, there was a lack of evidence to demonstrate their impact. It was agreed to conduct a follow-up review within the next six months, with a wider scope across the whole Health Board.
- Concerns were raised via the **Clinical Audit Update** at the December 2024 meeting around the potential quality and safety implications involved in instances of non-participation with clinical audits, when they are a mandatory requirement. Quality Impact Assessments (QIAs) were required to be completed to enable an understanding of the impact on patients and care. The Committee received a progress update at its meeting in April 2025, and was informed that all current mandatory audits were being participated in, and that processes are now in place to ensure that in instances of non-participation, QIAs are required to be undertaken.
- Findings from the Internal Audit on **Management of Bed Capacity**, presented to the Committee in February 2025, raised concerns relating to lack of evidence to support established core bed numbers for Section 25A wards, variances in established core bed numbers, multiple sources of established core bed numbers with varying figures, and a lack of formal service change process. The recommendations will be followed up as part of the Internal Audit Plan for 2025/26.
- A joint review with Swansea Bay University Health Board undertaken by Internal Audit on **Mortuary Services**, to support the effective provision of mortuary services across the region, provided limited assurance in February 2025. Key concerns raised included the strengthening of documentation regarding roles and responsibilities, and clarification on financial arrangements between the health boards. Other identified concerns included a need to review governance structures, impacts of funding issues on the

delivery of the Regional Pathology Programme, and key leadership roles not having been recruited to. In addition, the Health Board was asked to consider how it could continue to deliver services if new hospital proposals were not approved. The recommendations will be followed up as part of the Internal Audit Plan for 2025/26.

- Findings from the Internal Audit on **Health and Safety**, issued with a limited assurance rating, and presented to the Committee in February 2025. The report included concerns relating to participation rates for non-mandatory health and safety training, the monitoring of actions arising from site visits, the significant volume of outstanding actions and limitations in their prioritisation, non-compliance with Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reporting timescales and limitations related to the assurances provided to the Health and Safety Committee. A follow-up will be required as part of the Internal Audit Plan for 2025/26.
- Whilst the Internal Audit on **Data Quality**, presented to the Committee in February 2025, noted that arrangements in place were robust, challenges remained with their implementation at operational level. These relate to availability of quality metrics, a lack of accountability for data quality within service areas, and the absence of a formal information/intelligence strategy. A limited assurance rating was issued for this report. The recommendations will be followed up as part of the Internal Audit Plan for 2025/26.

7. Committee Activity – regular reporting

The Committee regularly receives the following reports at its meetings, with items which the Board were either alerted to or advised of during 2024/25 noted:

Escalation Status Reports

The Health Board's escalation status with WG at the start of the financial year was Targeted Intervention (TI) due to significant concerns across six critical domains:

- Finance, Strategy and Planning;
- Performance and Outcomes;
- Fragile Services;
- Governance;
- Leadership, Capability and Culture; and
- Quality of Care.

The Health Board were de-escalated to Enhanced Monitoring status in March 2025 for:

- Performance and Outcomes related to Planned Care and Children and Adolescent Mental Health;
- Leadership, Capability and Culture; and
- Governance.

The tri-partite arrangements relating to the Health Board's escalation status with WG involve information sharing and dialogue between the WG, the Auditor General for

Wales and Healthcare Inspectorate Wales (HIW). Under these arrangements, bi-annual meetings are held to discuss the overall position of the Health Board (as with all other Health Boards and Trusts in Wales), and to agree the best way to respond to any issues affecting service delivery, quality and safety of care and/or organisational effectiveness.

WG continue to provide the necessary support and advice to address issues raised, including regular Joint Executive Team (JET) and Integrated Quality and Planning and Delivery Group (IQPD) meetings with subject-specific discussions as and when considered necessary.

The Escalation Status Report, provided at each meeting, aims to provide the Committee with assurance on the Health Board's progress in addressing WG's TI requirements. A new report format was presented to the Committee at its meeting in December 2024, which was considered effective and further assists the Committee in taking the required assurance on progress made against TI criteria.

The Board was:

- **Advised** that overarching assurance could not be provided due to financial targets not being met as at June 2024. However, assurance was taken in relation to the Health Board's responses and actions taken to address Targeted Intervention status. Further discussions at the Committee meeting in August 2024 highlighted the challenges which the Health Board faces to achieve the WG Control Total, along with the risks to achieving the forecast deficit of £64m.
- **Advised** regarding the Health Board's escalation status, due to concerns around the achievement of financial targets via the 100-day cycle, and the need for cash contingency plans. Concerns were also raised relating to capacity, capability and governance, as highlighted in the report presented to the Committee in August 2024. The need to ensure longer-term embedding of a culture of continuous improvement and cost savings was emphasised, and consideration of how directorates and services are supported through the change process.
- **Advised** that a detailed and lengthy discussion was had at the Committee meeting in October 2024 on the actions being taken in response to targeted intervention, and the need for completion dates to be agreed quickly was emphasised. The clear challenge of achieving the Welsh Government Control Total of £44.8m was highlighted. Whilst the organisation had set a forecast deficit for this year of £64m, risks to achieving this remained, and the figure does not allow the Health Board to meet its statutory duty or Welsh Government expectations.

Financial Assurance Report

The Executive Director of Finance provided the Committee with the Financial Assurance Report at every meeting throughout 2024/25. This is consistent with the Committee's role of maintaining an appropriate financial focus by demonstrating robust financial reporting and ensuring that the maintenance of sound systems of financial control is enacted. In order to comply with Standing Orders and Standing Financial Instructions (SOs and SFIs), the Committee must review losses and

special payments reports and where appropriate, recommend them to the Board for approval. This element of the Committee's work is discharged through consideration and approval of the losses and debtors' write-offs provided in the Financial Assurance Report.

Matters discussed by the Committee during the year and on which assurances were provided included:

- Scheme of delegation changes;
- Compliance with Purchase to Pay requirements (Public Sector Payment Policy);
- Compliance with Income to Cash requirements;
- Losses and Special payments and Write offs;
- Compliance with Capital requirements;
- Compliance with Tax requirements; and
- Compliance with Reporting requirements

The Board was:

- **Advised** in relation to the breaches of Standing Financial Instructions (SFIs) highlighted to the Committee in February 2025, noting the work being undertaken with the operational team to mitigate and avoid recurrence.

Risk Assurance Report

The Committee is responsible for reviewing the adequacy of the underlying assurance processes that indicate the degree of the achievement of strategic and planning objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.

The purpose of the Risk Assurance Report is to provide assurance on the effectiveness of the Risk Management Framework, the implementation of the Risk Management Strategy and progress made against the objectives contained within. The report also provides a high-level summary of each Directorate's escalation status within the Improving Together Framework in relation to risk management processes. This is consistent with the Committee's role of reviewing the establishment and maintenance of an effective system of good governance and risk management across the whole of the organisation's activities that supports the achievement of the organisation's objectives.

The Committee agreed at its meeting in August 2024 to amend the frequency of the Risk Assurance Report from a bi-annual time frame to every other meeting.

The Committee was presented with the outcomes of the annual risk maturity self-assessment at its meeting in February 2025, undertaken in accordance with the Orange Book, which is a recognised risk management standard for the public sector. The outcomes of the assessment will inform the revised Risk Management Strategy, due for approval in September 2025, and its objectives for the next 12 months.

The Board was:

- **Advised** that, while there was recognition that services were not being escalated to Level 3 within the Governance domain as part of the Health Board's internal

escalation framework as presented to the Committee in December 2024, concerns remained around outstanding external audit recommendations relating to the Mental Health and Learning Disabilities Directorate.

Audit Tracker Report

Audits, inspections and reviews play an important independent role in providing the Board with assurance on internal controls and that systems and processes are sufficiently comprehensive and operating effectively. Therefore, it is essential that recommendations from audits, inspections and reviews are implemented in a timely way.

All reports from audits, reviews and inspections carried out across the Health Board are logged and tracked on the Audit Management and Tracking (AMaT) system, with progress updated by relevant service leads regarding the implementation against each recommendation. Due to the strengthened performance management arrangements introduced in April 2024 as a result of the implementation and embedding of the revised internal escalation framework, the format of the Audit Tracker report to ARAC was reviewed and updated in order to provide a high-level summary of report activity from auditors, inspectorates and regulators, and report on each Directorate's escalation status. This replaced the previous process of highlighting "services of concern", and was first presented to the Committee in August 2024. Data is assessed as at the most recent month-end position, to align with the escalation framework. The report aims, therefore, to provide assurance on the progress made in respect of implementing recommendations as raised from audits and inspections.

The Committee agreed at its meeting in August 2024 to amend the frequency of the Audit Tracker report from being presented at each meeting, to every other meeting.

The Board was:

- **Advised** following the meeting held in April 2024 that the Mental Health and Learning Disabilities Directorate was noted as a service of concern in April 2024, the fourth time in 12 months where the service has been highlighted. The Committee agreed that the service was required to show an improved position by its scheduled meeting in August 2024, with the Audit Tracker paper presented at that meeting noting MHLDD as being a "Service with Limited Assurance" as opposed to "Service of Concern".

8. Committee Activity – other Committee work

Other items identified by the Committee as requiring Board attention during 2024/25 included:

- The ratification of the **Health Board's Standing Orders (SOs) at its meeting in May 2024**, and approved by Board at its meeting on 30 May 2024;
- The review of the adequacy of the **Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship** arrangements currently in place via its annual review in May 2024;

- The approval of all year-end documentation for 2023/24 at its meeting on 9 July 2024;
- The ratification of the **Risk Assessment Procedure** at its meeting in June 2024, and approved by Board at its meeting in July 2024;
- The ratification of the **Scheme of Delegation** at its meeting in October 2024, and approved by Board at its meeting in November 2024;
- The approval of **Policy 175 – Standard Operating Procedure** for the Management of Board and Committees at its meeting in October 2024;
- The **Annual Summary of Single Tender Action and Quotation Reports** was presented to the Committee in June 2024, detailing the Single Tender Actions awarded by the Health Board during 2023/24, to obtain assurance that there were no consistent or recurring themes which might indicate any attempt to circumvent due process, thereby enabling any trends or other issues of concern to be monitored and acted upon.

The Committee received the Annual Statement of Financial Procedures at its meeting held 11 February 2025, detailing planned reviews of the financial systems operated by the Health Board planned to be undertaken during 2025/26.

9. External Audit

The provision of the external audit service is provided by Audit Wales (AW), with its work in 2024/25 falling under the two broad headings of:

- Audit of financial statements, and providing an opinion thereon;
- Performance audit work, including All-Wales thematic review of planned care, and local project work.

The outline AW Annual Plan 2024 was discussed in April 2024 by the Committee. The plan set out proposed AW work to examine the Health Board's financial statements, expenditure and measures to secure economy, efficiency and effectiveness in the use of resources. An appropriate programme of performance audit work will also be undertaken. Areas to be tested have been selected based upon identified financial risk specific to the Health Board.

Progress against the AW Audit Plan is monitored via regular update reports presented to the Committee with some timings changing in-year.

Outcomes of Structured Assessment 2024

In 2024, the [AW Structured Assessment](#) focussed on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. This was presented to the Public Board meeting held on 30 January 2025 following presentation to the Committee on 10 December 2024. The overall conclusion was that *'the Health Board's corporate arrangements continue to operate effectively, despite a period of significant change, with a small number of areas that could further improve. Whilst the financial position for 2024-25 remains extremely challenging, the health board is taking positive steps to get onto a more sustainable footing'*.

AW noted that “whilst managing a period of significant change, the Board and its committees continue to work well, maintaining a clear focus on public transparency, good governance, continuous improvement and hearing from patients and staff”. Other key messages in the report relating to Board transparency, effectiveness and cohesion included:

- We continue to have a strong commitment to public transparency;
- We have robust arrangements to support the effective conduct of Board and committee business;
- Our Board and committee meetings are conducted appropriately and effectively, with strengthened arrangements to escalate high-risk matter to the Board;
- We are progressing well with preparations to establish a joint committee with Swansea Bay University Health Board;
- Our Board and committees continue to receive good quality, timely papers, which continue to strengthen as part of ongoing improvements;
- Our Board continues to hear from a range of patients and staff, and has enhanced arrangements for patient safety walkabouts;
- Our Board is managing a significant period of change well and taking positive steps to ensure its cohesion and effectiveness through Board development opportunities and continuous improvement.

AW found that, in relation to corporate systems of assurance, “the health board continues to have appropriate arrangements for corporate oversight of risk, performance, tracking recommendations, and the quality and safety of services. The performance management framework however needs to be updated to reflect current performance arrangements, and more frequent updates on the implementation of the Quality Improvement Strategic Framework should be provided”.

In respect of the corporate approach to planning, Audit Wales found that “development and delivery of the health board’s plans continue to be supported by appropriate oversight, underpinned by a pragmatic approach to addressing planning team capacity issues. There is scope to review well-being objectives as part of a planned long-term strategy refresh.”

In respect of managing its financial resources, Audit Wales found that “whilst the financial position for 2024-25 remains extremely challenging, the health board is taking positive steps to improve its financial position and to develop a roadmap to ensure financial sustainability. There remains a clear approach for financial planning and managing and monitoring the financial position, but there is a need to strengthen the approach to delivering cost savings opportunities”.

Of the 12 recommendations raised in previous AW reports, nine were confirmed as complete, and three in progress.

Three new recommendations were raised in Structured Assessment 2024, with management responses approved at the Committee meeting in February 2025.

ISA26 Report and Letter of Representation

The Committee received the AW ISA 260 report and Letter of Representation at its meeting held on 9 July 2024, setting out the results of the audit of the Health Board's financial statements. There were no uncorrected misstatements above the agreed trivial level but lower than materiality. Initial misstatements in the accounts were corrected by management. Issues arising from the report included concerns around controls over theatre stock. Management had responded to the recommendations arising in the report and AW will follow-up progress against them during next year's audit.

Performance Audits 2024/25

AW reported on the following performance work during 2024/25:

- **Review of Operational Governance Arrangements** – the report which was presented to the Committee in June 2024 found that overall, “the Health Board's current operations structure is complex resulting in blurred lines of accountability, and governance arrangements within directorates are inconsistent. Whilst the Health Board is progressing its new operations structure, presenting opportunities to improve governance arrangements, delays in rolling out the new structure is causing instability within directorate leadership teams. Governance arrangements within the Finance, Digital and Performance Directorate are clearer, but there is scope to strengthen them”. Four recommendations were raised.
- **Review of Cost Savings Arrangements** – the report, presented to the Committee in August 2024, found that overall, “the Health Board did not meet its financial targets for 2023/24 and its track record on delivering recurrent savings is poor. Given the Health Board's challenging financial position for 2024/25, it urgently needs to address its cost drivers and strengthen its overall arrangements for identifying, delivering, and monitoring sustainable cost savings opportunities to prevent its financial position from deteriorating further”. 10 recommendations were raised within the report.

The following reports were deferred during 2024/25:

- **Review of Urgent and Emergency Care** – the review will examine different aspects of the urgent and emergency care system and include analysis of national data sets to present a high-level picture of how the unscheduled care system is currently working. The work will include an examination of the actions being taken by NHS bodies, local government, and Regional Partnership Boards to secure timely and safe discharge of patients from hospital to help improve patient flow. AW also plan to review the progress being made in managing urgent and emergency care demand by helping patients access services which are more appropriate for their care needs. It is planned that the report will be presented to the Committee in June 2025.
- **Planned Care Review** – this review will follow on from the national report on tackling the planned care backlog. The focus of the work is likely to consider the extent that health boards have achieved Welsh Government targets for recovering planned care services; the efficacy of local plans and activity to recover waiting lists; and the use of additional Welsh Government financial

allocations to improve waiting lists. It is planned that the report will be presented to the Committee in June 2025.

- **Review of Arrangements for Capital Programme Prioritisation** – this work will review the Health Board's arrangements for prioritising its capital programme, including estates and equipment maintenance within the context of operating within significant financial pressures. It is planned that the report will be presented to the Committee in August 2025.

10. Internal Audit

At the direction of the Minister for Health and Social Services, Internal Audit (IA) services are provided by the NHS Wales Shared Services Partnership (NWSSP). The service provision is in accordance with a Service Level Agreement agreed by the Shared Services Partnership Committee, on which the Health Board has permanent membership.

IA provide an independent and objective opinion to the Accountable Officer, the Board and the ARAC, on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives. The Committee approved the content of the 2024/25 NWSSP IA Strategy, Plan and Charter at its meeting held on 16 April 2024, following a detailed review. The Committee requested the need for audits to be delivered to the agreed timescales and were kept informed of any slippages in the Internal Audit Plan 2024/25.

The Head of IA has met weekly with the Director of Corporate Governance/Board Secretary throughout 2024/25, to discuss and consider any changes to the IA plan, and in discussion with the Chair of the Committee with any changes approved by the Committee. Changes to the IA plan resulted from the need to accommodate fluctuations in operational demand, or to support the Health Board in response to emerging concerns and the increase in its escalation status. The Head of Internal Audit has also met with the Chair of the Committee on a regular basis to monitor the audit programme.

The Committee has received progress reports against delivery of the IA Plan at each meeting, with individual assignment reports also being received. Executive Directors, accompanied by lead officers, have been requested to attend in order to be held to account and to provide assurance that remedial action is being taken to address the findings within the IA reports. The outcome of each audit, providing an overall conclusion on the adequacy and application of internal controls for each area under review, was considered by the Committee. The assessment of adequacy and application of internal control measures is graded in terms of 'no assurance' through to 'substantial assurance'.

The Audit and Assurance Shared Services Unit (SSU) provides an objective assessment of whether the Health Board's systems and controls for capital and estates projects are working effectively. During 2024/25, the Committee has continued to work effectively with the Audit Team to further strengthen the Health Board's internal control processes surrounding capital projects and estates assurance.

The assurance ratings for these audits are outlined below. In considering the IA reports the Committee engaged in discussion with the Head of IA where felt appropriate, to obtain further information about the assurance rating given by IA. The audit reviews reported as part of the IA Plan for 2024/25 are outlined below:

To be inserted following completion of remaining audits

The new Global Internal Audit Standards (the Standards), issued by the Institute of Internal Auditors in January 2024 and effective in January 2025, and apply to UK public sector audits from 1 April 2025, and has informed the Internal Audit Plan for 2025/26. The new Standards require that a risk-based internal audit plan is created that supports the achievement of the organisation's objectives. The Plan will be delivered in accordance with the Internal Audit Mandate and Charter and agreed Key Performance Indicators.

Head of Internal Audit Opinion (Section to be updated when Head of Internal Audit Opinion has been finalised)

The IA plan has been agile and responsive during the year to ensure that key developing risks are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Committee. In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, IA have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Head of Internal Audit has concluded the following assurance rating for 2024/25:

To be inserted following completion of remaining audits

Whilst there were no audited areas that resulted in 'no assurance', the following audit reports were issued with a conclusion of limited assurance during 2024/25:

Report Title and Date of Issue	Lead Director	Total Number of Recommendations	Of Which High Priority
Follow-Up: Consultant Job Planning (April 2024)	Medical Director	3	2
Transforming Urgent and Emergency Care – Discharge Management (April 2024)	Chief Operating Officer	6	3
Glangwili General Hospital Fire Precautions – Phase 1 (May 2024)	Chief Operating Officer	12	1
Standards of Cleanliness (May 2024)	Chief Operating Officer	10	7
Discharge Management (December 2024)	Chief Operating Officer	4	2
Nursing Management (December 2024)	Chief Operating Officer	4	3

Mortuary Services (February 2025)	Director of Therapies and Health Science	9	4
Health and Safety (February 2025)	Director of Therapies and Health Science	5	2
Management of Bed Capacity (February 2025)	Chief Operating Officer	5	4
Data Quality (February 2025)	Director of Finance	4	3

Table above to be updated should any further limited assurance reports be presented to Committee in May

Management responses that detail the actions to address gaps in control were included in all final IA reports presented to the Committee. The delivery of these actions is tracked via the Health Board's audit tracker which is overseen by the Committee. The minutes and all final IA reports can be found within the ARAC section of our website: <https://hduhb.nhs.wales/about-us/governance-arrangements/board-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. Subsequent to the approval of the plan in April 2024, the following audits were deferred:

Review Title	Reason (to be updated when Head of Internal Audit Opinion has been finalized)
Governance – Executive Team working	
Annual Planning	
UHB Procurement – Contract Management	
Cleanliness / Cleaning Standards	
Medical Workforce (Medical Locums Planned Care)	Deferred to 2025/26
Estates Facilities Directorate	Deferred to 2025/26
Revised Operational Governance Arrangements	Deferred to 2025/26

IA is aware of the plans and actions put in place by the Health Board in response to

their recommendations and will follow these up in 2025/26 to ensure they have been enacted.

11. Counter Fraud

The Health Board must effectively seek to promote the Counter Fraud agenda and ensure that appropriate action is taken when an allegation of fraud is received. The role of the Committee is to ensure the promotion and implementation of the Counter Fraud policy, with compliance monitored by the Committee through the reports of Counter Fraud activity received and the Annual Counter Fraud Work Plan.

The Committee received and approved the 2024/25 Annual Work Plan of the Local Counter Fraud Officer at its meeting held on 16 April 2024, ensuring that it had an appropriate level of coverage, and subsequently received regular reports to monitor progress against the plan. These reports provided an overview of current cases, details of concluded fraud investigations, policy and procedure reviews, actions being taken to deter and prevent fraud and to raise fraud awareness throughout the Health Board.

The Committee received the Counter Fraud Annual Report 2024/25 at its meeting held on 15 April 2025. The Health Board's Counter Fraud provision has demonstrated compliance with the requirements of the WG Directions to NHS Bodies on Counter Fraud Measures. The overall 'green' rating from the Quality Assurance assessment ("Self-Review Tool" (SRT)), demonstrates the continued efforts from the Local Counter Fraud Service (LCFS) in working in an innovative way to achieve a balance of both reactive and proactive work to meet the NHS Counter Authority's Standards. Key areas of work for next year will be to maintain focus on inform and involve, continuing to raise awareness of fraud, bribery and corruption and further embedding a counter fraud culture fostered over preceding years as well as further developing work associated with Prevent and Deter, including building on fraud risk analysis, identifying specific fraud risk based proactive exercises and recording outcomes on Clue3 against the Government Functional Standards 013 – Counter Fraud and NHS Requirements.

The Local Counter Fraud Officer has been in regular attendance at Committee meetings during 2024/25, and issues have been discussed in detail, as appropriate, with Committee members. Progress details for cases highlighted as part of the Counter Fraud Investigations Report have regularly been provided at In-Committee meetings.

12. Committee Effectiveness – Feedback from self-assessment process

As stipulated within the Standing Orders, the Board introduced during 2023/24 a process of regular and rigorous self-assessment and evaluation of the performance of the Committee. This involves the completion of a short digital form which requests feedback on the following areas:

- Governance and administration
- Committee's inputs
- Conduct of Committee meetings
- Interface with other Committees, including the Board

- Committee's impact
- Individual role on Committee

The Committee was presented with a progress update at its meeting in August 2024 on the actions in response to the outcomes of the 2023/24 self-assessment, noting that six of the nine actions were complete. Two actions had revised completion dates of January 2025, and one action was re-assessed in relation to considering developing a periodic legal and regulatory issues report to be presented to the Committee, which will be included in the CEO Report to Board.

Outcomes from the self-assessment for 2024/25 were presented to the Committee at its meeting in December 2024, with five actions identified with completion dates ranging from January – April 2025.

13. Assurance on Clinical Governance

It is a requirement of the NHS Wales Audit Committee Handbook that the Committee reviews the Clinical Audit Programme at the beginning of each year. The role of the Committee is to seek assurance on the overall plan and to consider the following:

- Does the Health Board have a plan which is fit for purpose and is completed on time?
- Does it cover all relevant issues?
- Is it making a difference and leading to demonstrable change?
- Is change supported by recognised improvement methodologies?
- Does the organisation support clinical audit effectively?

The Committee was presented with an update on the Health Board's Clinical Audit functions and programmes, and an update on plans for 2024/25 at its meetings on 18 June 2024 and 10 December 2024. Whilst the Committee took assurance from the update presented at the June meeting, the Committee agreed to **advise** the Board due to concerns such as limited involvement in three of the NCAORP projects. An update provided to the Committee in April 2025 confirmed that there is an element of participation for all mandatory National Clinical Audits.

The 2025/26 programme will be shared with this Committee, Clinical Audit Scrutiny Panel (CASP) and Operational Quality and Safety Forums.

14. Assurance on regulatory directions

The Committee monitors on an annual basis the Health Board's compliance with NHS Non-Statutory Instruments (also referred to as Ministerial Directions (MDs)). MDs are legislative in character, however they are not statutory instruments. These are issued by Welsh Ministers. The Committee received an assurance report on compliance with MDs for 2024/25 in May 2025, noting that all MDs issued in the year have been implemented. The paper also notes three MDs issued in previous financial years which are ongoing:

- MD issued in 2021 is due to be fully implemented by October 2025 with regards to the Delivery of Autism Services;

- MD issued in 2023 which has an unknown implementation date due to factors external to the Health Board with regards to the reporting on the introduction of new medicines into the NHS in Wales; and
- MD issued in 2023 is due to be implemented by March 2025 with regards to the Primary Care E-prescribing pilot scheme

The Committee also monitors on an annual basis the Health Board's compliance with Welsh Health Circulars (WHCs). WHCs are guidance documents issued to Health Boards, providing a streamlined, transparent and traceable method of communication between the NHS Wales and NHS organisations relating to areas including workforce, finance, estates, quality and safety, legislation, governance, performance / delivery, information technology, science, research, planning, public health, policy, and health professional letters. The Committee received an assurance report on compliance with WHCs for 2024/25 in May 2025, in which 11 WHCs are noted as being non-compliant, and details of corresponding risks raised in relation to these instances of non-compliance. Reasons for non-compliance include the requirement of additional funding and resources to fully implement the requirements of WHCs, along with awaiting national guidance. Services should consider the inclusion of any financial resources required to implement WHCs during the planning cycle.

15. Forward Plan

The Committee, in addressing issues identified in previous years, has continued to provide additional assurance that the Board is functioning effectively.

The Committee will continue to focus on those areas which will be subject to increased scrutiny, and ensuring those areas which received limited assurance during 2024/25 improve.

The Committee will continue to closely oversee the implementation of audit, inspectorate and regulatory recommendations to ensure the pace of delivery is improved.

Any areas of Committee concern raised during 2024/25, including scrutiny of outstanding improvement plans, will be followed up in 2025/26. Any learning taken from the self-assessment of committee effectiveness exercise will be acted upon as appropriate.

In order to continue the triangulation of assurance for the Board and provide the required degree of scrutiny, it is the Committee's intention to further build relationships, by referring matters of concern, with the Quality, Safety and Experience Committee (QSEC), People, Organisational Development and Culture Committee (PODCC), Strategy and Planning Committee (SPC), Finance and Performance Committee (FPC), Digital, Data and Innovation Committee (DDIC) and Health and Safety Committee (HSC). This is being taken forward through the Chairs of Committees meeting.

16. Conclusions

It is acknowledged that the Committee is a well-established Committee of the Board with a detailed annual workplan in place. It provides a key source of assurance to the Board that the organisation has effective controls in place to manage the significant risks to achieving its objectives and that controls are operating effectively. It is vital that risk management is at the heart of this process. The Committee will continue to receive assurance during 2025/26 on the effectiveness of the risk management framework via the risk assurance report, and the implementation of its risk management objectives outlined in the Risk Management Strategy.

The Committee believes it has met the duties of its Terms of Reference, through the completion of a comprehensive workplan, and has provided assurance to the Board on a significant number of matters in respect of the adequacy and effectiveness of the organisation's functions and systems to maintain a sound system of governance and internal control. However, during the course of the year, the Committee also alerted and advised the Board on a number of areas (through the Committee Update Report) where it was not being provided with the required degree of assurance to enable it to discharge its duties.

Focus will continue to be placed on work that is undertaken in collaboration and partnership, with the Committee seeking assurance that robust processes and reporting arrangements are in place where significant activity is shared with another organisation, e.g. NWSSP, or the new Joint Commissioning Committee.

It is the opinion of the Committee that the Accountability Report, incorporating the Governance Statement, which was received at the Committee meeting held on 8 May 2025, is consistent with the view of the Committee on the Health Board's system of internal control. **TO BE COMPLETED FOLLOWING RECEIPT OF THE HEAD OF INTERNAL AUDIT OPINION.**

The Board is therefore asked to endorse the contents of this report as a summary of the work and findings of the Audit and Risk Assurance Committee for the financial year 2024/25.

3.4

10:35, 5 Mins

3.4 - Draft Head of Internal Audit Opinion and Annual Report 2024/25

James Johns
(NWSSP - Internal Audit)

DEFERRED

| For assurance

3.5

10:40, 10 Mins

3.5 - Assurance Report on Board Effectiveness

Joanne Wilson
(Hywel Dda UHB -
Director of Corporate
Governance/Board
Secretary)

| For assurance

Attachments

[3.6 Board Effectiveness ARAC May 2025.pdf](#)

[3.6 Appendix 1 - HDdUHB Board Maturity Matrix 2024-25.pdf](#)

[3.6 Appendix 2 - Corporate Governance Code 2017 2024-25 Assessment.pdf](#)



PWYLLGOR ARCHWILIO A SICRWYDD RISG AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Assurance Report on Board Effectiveness Assessment 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance/Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	Charlotte Wilmshurst, Assistant Director of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

To comply with Standing Orders, the Board should introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. This is one of the mandatory requirements set out within the Governance Statement (GS) that the Health Board prepares for Welsh Government.

This report is to provide the Audit and Risk Assurance Committee (ARAC) with assurance of the process the Health Board has undertaken to review the effectiveness of the Board, recognising this has been discussed by the Board at the Board Seminar meeting held on 17 April 2025.

Cefndir / Background

Section 10.2.1 of Standing Orders states 'the Board shall introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. Where appropriate, the Board may determine that such evaluation may be independently facilitated'.

Asesiad / Assessment

In response to the Health Board's escalation status to targeted intervention (level 4) for the entire organisation, the Board undertook a refreshed approach to assessing its effectiveness for 2024/25. This was partly in response to the de-escalation criteria within the 'governance' domain which required a 'self-assessment against an agreed governance maturity matrix with evidence of the agreed level', but also the Board's own recognition that it needed to take a more nuanced approach to assessing its effectiveness to ensure it continues to evolve and mature.

The Board has developed a maturity matrix based on the [Good Governance Handbook](#) from the Healthcare Quality Improvement Partnership, which is a collaborative document first produced by the Healthcare Quality Improvement Partnership (HQIP) and the Good Governance Institute (GGI) in 2015, but more recently updated in 2021. This matrix describes

10 key areas of good governance for NHS organisations and provided a maturity matrix which has been amended to better align to NHS Wales requirements and expectations.

At the Board Seminar on 17 April 2025, the Board reviewed the evidence to support the assessment of its effectiveness against the criteria in the maturity matrix (Appendix 1). This included the following assurances:

- The Health Board has completed a self-assessment against the Corporate Governance in Central Governance Departments: Code of Good Practice 2017. The Health Board used the “Comply” or “Explain” approach in relation to the Code of Good Practice. The Self-Assessment is available at Appendix 2 confirming there are no matters to explain.
- Board Committee Effectiveness – There is a programme in place to ensure the Committees delegated by the Board review or undertake the following activity on an annual basis:
 - Terms of Reference and Operating Arrangements
 - Committee Self-Assessment of Effectiveness Exercise and 6 month follow up review of agreed actions
 - Committee Cycle of Business/Work Plan
 - Annual Committee Report on Activity to the Board
 - This committee effectiveness review process which informs both the board development programme and also improve the effectiveness of the committees of the Board.
- External Assurances
 - Joint Escalation and Intervention Arrangements status – The Health Board has been in targeted intervention (level 4) for the entire organisation since January 2024. In March 2025, the Health Board was de-escalated for Child and Adolescent Mental Health Services, Planned Care, Governance and Leadership; with these all moved from targeted intervention to enhanced monitoring status (Level 4 to Level 3). Welsh Government continue to provide the necessary support and advice to address issues raised, including regular Joint Executive Team (JET) and Integrated Quality and Planning and Delivery Group (IQPD) meetings with subject specific discussions as and when considered necessary. Governance and scrutiny arrangements have been established within the Health Board and approved by the Board.
 - Audit Wales (AW) Structured Assessment 2024 - The structured assessment in 2024 (available to read here: [Hywel Dda University Health Board – Structured Assessment 2024](#)) focused on our corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. The overall assessment concluded that “the health board’s corporate arrangements continue to operate effectively, despite a period of significant change, with a small number of areas that could further improve. Whilst the financial position for 2024-25 remains extremely challenging, the health board is taking positive steps to get onto a more sustainable footing”.
 - Internal Audit Reports - ARAC have scrutinised internal audit reports throughout the year, seeking assurance on behalf of the Board that management responses are robust and will reduce risk in the areas reviewed. Whilst the Internal Audit Plan for 2024/25 will not conclude until June 2025; to date, below is a summary of reports as per assurance level:

Substantial Assurance	Reasonable Assurance
• Digital benefits realisation • Cash management • Performance management • Elective waiting list management	• Nurse Staffing Levels (Wales) Act 2016 • Falls management • Emergency and business continuity planning

	• Speaking Up Safely • Energy management • Capital systems • Targeted Intervention governance • Consultant job planning follow-up • Financial management • Lessons learnt
Limited Assurance	Advisory/Non-Opinion
• Nursing management • Discharge management follow-up • Management of bed capacity • Mortuary services • Health and safety • Data quality	<i>None</i>
No Assurance	
N/A	

Following due consideration of the evidence outlined against the Board Maturity Matrix (see Appendix 1) at Board Seminar on 17 April 2025, the Board agreed the following levels:

Key Criteria	Maturity level	Maturity level description
1. Clarity of Purpose, Roles & Behaviours	3	The Board has agreed cultural and ethical values and strategic objectives, combined with a robust mechanism for developing care services and settings against these
2. Oversight & Administration Principles	4	Using these principles has helped Board members to better understand their roles in governance. Governance activities that provide little value and do not meet the principles have been stopped
3. Leadership & Strategic Direction	3	An induction and development programme is in place for Board/ and aspirant members. Diversity is embedded in the approach.
4. Effective External Relationships	3	Effective citizen involvement is in place, and evidenced by improvement initiatives that are put into operation as a result.
5. Effective Internal Relationships	3	The organisation prioritises staff and internal stakeholder involvement, and formal and informal input and feedback from all staff, new staff, and leavers, is sought and valued.
6. Transparency & Public Reporting	3	The Board publicly demonstrates conflicts are examined and covered within contracts; Limited use of In-Committee meetings; integrated public reporting is central to organisational finance, quality, and performance management.
7. Systems & Structures: Quality & Safety	3	Quality management system strategic framework implementation demonstrates improvements the domains within the within the health and care quality standards.

8. Delivery of Agreed Outcomes	2	Performance reports including benchmarking data and key performance indicators are in development.
9. Risk Management & Compliance	4	The Board Assurance Framework is central to the management of risks to achieving strategic objectives, with a quarterly update and annual action planning to drive business. Emergency and Business Continuity Plans are improved through a range of scenario tests in year
10. Effectiveness & Added Value	3	The annual cycle of business is planned and the Board Assurance Framework is used by the Board to identify opportunities for increased effectiveness and added value.

The improvement work being undertaken by the Health Board in respect of its escalation status will help to strengthen the effectiveness of the Board, as well as embedding the new operational governance arrangements.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to take an assurance from the process that has been undertaken this year to review the Board's effectiveness, recognising this has been discussed by the Board at the Board Seminar meeting held on 17 April 2025.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Internal and External sources of assurance listed in report
Rhestr Termiau: Glossary of Terms:	Contained in the report.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Chair Chief Executive Board

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No direct impacts.
Ansawdd / Gofal Claf: Quality / Patient Care:	No direct impacts.
Gweithlu: Workforce:	No direct impacts.
Risg: Risk:	No direct impacts.
Cyfreithiol: Legal:	No direct impacts.
Enw Da: Reputational:	Board effectiveness is a core component of good corporate governance, and it is essential that the Board addresses any areas of weakness.
Gyfrinachedd: Privacy:	No direct impacts.
Cydraddoldeb: Equality:	No direct impacts.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
1. Clarity of Purpose, Roles & Behaviours	None	The members of the Board have agreed that a formal statement of organisational purpose, values, and priorities needs to be developed, and have plans for doing so	National targets and local priorities have been agreed with stakeholders. Purpose and vision is affirmed in public and partnership document.	The Board has agreed cultural and ethical values and strategic objectives, combined with a robust mechanism for developing care services and settings against these	Evidence that national targets and local priorities are being met. Regular reviews of strategy in line with strategic objectives	Annual Board debate on in-year achievements against strategic objectives, issues impacting achievements, action planning and re-affirming or adjusting strategic objectives for the coming year.	Success has allowed both the Board and the organisation to redefine/extend its purpose and roles
2. Oversight & Administration Principles	None	The Board is actively reflecting on how they work and how governance is structured, and is testing whether what is in place makes the best use of these underlying principles.	As a result of discussion around these principles, changes have started to be made to the governance of the organisation.	The annual review of governance and developing cycle of Board business planning will be used to test these principles, and where required, change governance arrangements.	Using these principles has helped Board members to better understand their roles in governance. Governance activities that provide little value and do not meet the principles have been stopped	As the organisation develops, these principles have led to improvements in governance arrangements to efficiently and effectively support new challenges.	Other organisations have referred to the structure and systems of the organisation, to understand the application of these principles and support similar changes.
3. Leadership & Strategic Direction	None	The roles of all Board/ members are clear, agreed and specified.	A Board succession plan is in place for both Executive and Non-Executive Directors/ Lay Members. Board diversity is valued.	A Board succession plan is in place for both Executive and Non-Executive Directors/ Lay Members. Board diversity is valued.	The organisation is recognised by partner organisations as a leader in the local health and wellbeing system.	The Board is leading, rather than following, national and local agendas.	The Board is recognised as a national thought leader.
4. Effective External Relationships	None	Engagement and consultation policies are in place and consistent with the NHS Constitution. Service users, staff, and the public are recognised as a resource to help design and deliver service improvement	A system of accountability to and involvement of the local community is in place to design and deliver service improvement.	Effective citizen involvement is in place, and evidenced by improvement initiatives that are put into operation as a result.	Effective citizen codesign is in place and evidenced through improvements made as a result.	Effective citizen codesign has led to improved outcomes. A review against the NHS Constitution shows our organisation is trusted by patients, service users, and citizens.	Co-production has led to tangible operational and strategic benefits, as well as measurable improved outcomes for the population.
5. Effective Internal Relationships	None	Staff and other internal stakeholder engagement strategies are developed and these include feedback mechanisms.	The Board receives reports about staff and internal stakeholder engagement, including actions taken as a result of findings.	The organisation prioritises staff and internal stakeholder involvement, and formal and informal input and feedback from all staff, new staff, and leavers, is sought and valued.	The Chair, Independent Members, Directors, and Partners are effective ambassadors for the organisation, involving all staff and internal stakeholders and partners in organisational development.	Board and senior leadership recruitment is competitive and reputational audit finds that staff and internal stakeholder involvement is an asset to robust organisational development.	The organisation can demonstrate they are an employer of choice, and staff retention is high.

6. Transparency & Public Reporting	None	Board members absent themselves from discussions due to conflicts of interest; public reporting takes place when required.	The conflicts of interest register is updated by the Board monthly and identified conflicts are reviewed and appropriate actions taken; edited performance reports are publicly shared.	The Board publicly demonstrates conflicts are examined and covered within contracts; integrated public reporting is central to organisational finance, quality, and performance management.	Identified conflicts are publicly addressed; patients, service users, citizens, and staff are involved in developing integrated finance, quality, and performance metrics	Integrated finance, quality and performance reports steer organisational development, with public oversight and input into required improvements.	Demonstrable improvements have been made due to public involvement in integrated reporting.
7. Systems & Structures: Quality & Safety	None	A quality management system strategic framework which focusses on, a system-wide approach to achieving quality of care using the health and care quality standards is in development	A Board approved quality management system strategic framework which focusses on a system-wide approach to achieving quality of care using the health and care quality standards is in use.	Quality management system strategic framework implementation demonstrates improvements the domains within the-within the health and care quality standards.	Integrated quality reports demonstrate quantifiable improvements in the domains within the-within the health and care quality standards. . The organisation is to demonstrate the duty of quality in some services.	Resources are used to make quality improvements, with measurable returns that demonstrate innovation and improvement. This is demonstrable in all of the domains (STEEP) within the health and care quality standards. The organisation is to demonstrate the duty of quality in its services on an annual basis.	Significant resources are invested in continuous innovation, improvement, and integration between value-based health care and quality improvement programmes which evidence efficiency and improvements. There is equal importance in the six domains and six enablers of the health and care quality standards. The organisation is to demonstrate the duty of quality in its services throughout the year through routine reporting.
8. Delivery of Agreed Outcomes	None	The Board has agreed how outcome measures will be used in performance reports, including benchmarking data and key performance indicators	Performance reports including benchmarking data and key performance indicators are in development.	There are no surprises when the organisation is inspected or otherwise challenged, as there is full awareness of performance and action plans are in place for improvements as required	The Board is fully satisfied that its strategic objectives have been met, as a result of performance monitoring and action.	Board members report confidence in using integrated reporting to support constructive challenge where required.	Demonstrable improvements have been made as a result of the delivery of agreed outcomes.
9. Risk Management & Compliance	None	A process is in place to proactively evaluate risk, and a Board Assurance Framework is organised to promote focused discussion on key business issues	A risk appetite statement has been agreed, and built into the Board Assurance Framework, which covers the risks to achieving strategic objectives, including quality, performance, finance, and activity, aligned to targets, standards, and local priorities	Regular review of the Board Assurance Framework supports the management of risks to achieving strategic objectives, and an annual exercise ensures review of the organisation's Emergency and Business Continuity Plan.	The Board Assurance Framework is central to the management of risks to achieving strategic objectives, with a quarterly update and annual action planning to drive business. Emergency and Business Continuity Plans are improved through a range of scenario tests in year	The Board is confident that it is aware of risks faced, including risks associated with compliance, these are managed, and required actions are prioritised and planned.	The organisation has proactively identified and managed all known risks and opportunities, and successfully meets its strategic objectives
10. Effectiveness & Added Value	None	More effective practices are being adopted. A review of governance mechanisms is agreed.	The Board has reviewed governance practices for efficiency savings, and agreed improvements to add value	The annual cycle of business is planned and the Board Assurance Framework is used by the Board to identify opportunities for increased effectiveness and added value.	The annual cycle of business is planned and the Board Assurance Framework and integrated reports are used by the Board to identify opportunities for increased effectiveness and added value.	The annual cycle of business is planned, the Board Assurance Framework and integrated reports are used by the Board to identify opportunities for increased effectiveness and added value, and external governance reviews.	Demonstrable savings and efficiencies have been made as a result of streamlined governance arrangements.

(based on the [Good Governance Handbook](#), Healthcare Quality Improvement Partnership, 2021)

BOARD MATURITY ASSESSMENT AS AT MARCH 2025

1. CLARITY OF PURPOSE, ROLES & BEHAVIOURS – Agreed level of maturity – 3

Evidence

- A Healthier Mid and West Wales Strategy and strategic objectives approved by Board in September 2018. Refreshed strategic objectives agreed by Board in January 2025, with Board advised of intention to review AHMWW Strategy in 2025/26.
- Annual Plan agreed by Board every March with plans aligned to ministerial priorities and planning objectives – latest approved March 2025
- Board agreed Values and Behaviour Framework – approved by Board ?? with refresh in 2025/26
- In January 2024, WG increased the escalation status to targeted intervention (level 4) for the entire organisation. Targeted Intervention targets and local priorities agreed with WG and incorporated into Annual Plan. De-escalated to level 3 for Child and Adolescent Mental Health Services, Planned Care, governance and leadership domains in March 2025.
- West Wales Regional Partnership Board priorities agreed
- Public Service Board Well-Being Plans in place for Carmarthenshire, Ceredigion and Pembrokeshire with an over-arching theme of reducing inequalities, inequity and poverty agreed in 2023, and monitored by the Board
- New Joint Regional Committee developed to strengthen arrangements for planning and delivering healthcare services on a regional basis where it is appropriate to do so to ensure continued safety, quality and ongoing viability of services, agreed purpose and vision priorities – Board January 2025
- [Annual Planning Matrix](#) undertaken and reported to Board May 2024 – Internal Audit Review (Reasonable Assurance – Jun24) – Assessment across the 9 domains (level 3 Results Initial achievement (1), Level 2 Early Progress in development (4), Level 1 Basic Level Principle accepted & commitment to action (3), Level 0 No progress (1))
- Ethic panel in place since 2020.
- Internal escalation framework in place to oversee internal delivery of performance across a number of domains and delivery of Health Board priorities
- Board assurance framework measure success against the strategic objectives
- Internal Audit on Annual Planning scheduled (due May2025)
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s:
 - *Corporate Approach to Planning*, that ‘that development and delivery of the Health Board’s plans continue to be supported by appropriate oversight, underpinned by a pragmatic approach to addressing planning team capacity issues. There is scope to review well-being objectives as part of a planned long-term strategy refresh’.
 - *Corporate approach to producing strategies and plans*, that ‘there continues to be appropriate corporate arrangements in place to support the development of plans, underpinned by a pragmatic approach to overcome planning team capacity issues. While the Health Board remains focused on its long-term strategy, plans to refresh it provide an opportunity to align its well-being objectives’.
 - *Corporate approach to overseeing the delivery of strategies and plans*, that ‘planning oversight arrangements remain robust, supported by focused and further streamlined planning objectives designed to progress strategic change programmes’.

Maturity levels	0	1	Basic Level – Principle Accepted and Commitment to Action	2	Early Progress – In Development	3	Firm Progress – In Development	4	Results being achieved	5	Maturity – Comprehensive Assurance in place	6	Exemplar
Key criteria	None												
Clarity of Purpose, Roles & Behaviours	None	The members of the Board have agreed that a formal statement of organisational purpose, values, and priorities needs to be developed, and have plans for doing so		National targets and local priorities have been agreed with stakeholders. Purpose and vision is affirmed in public and partnership document.		The Board has agreed cultural and ethical values and strategic objectives, combined with a robust mechanism for developing care services and settings against these		Evidence that national targets and local priorities are being met. Regular reviews of strategy in line with strategic objectives		Annual Board debate on in-year achievements against strategic objectives, issues impacting achievements, action planning and re-affirming or adjusting strategic objectives for the coming year.		Success has allowed both the Board and the organisation to redefine/extend its purpose and roles	

2. OVERSIGHT & ADMINISTRATION PRINCIPLES - Agreed level of maturity – 4

Evidence

- Standing Orders including Standing Financial Instructions and Scheme of Delegation reviewed and approved at least annually – last reviewed May 2024
- Robust appointments system in place for all Board Members – current Board Members are identified in Annual Report and on the HB website
- Chairs, Vice-Chair, Executive Directors appraisal process in place, undertaken at least annually
- Board and Committee Terms of Reference reviewed annually
- Board Schedule and Workplans developed and maintained throughout the year and reported to each meeting – these routinely monitor quality, provide assurance, and identify and mitigate emerging risks.
- Committee Self-Assessment process undertaken annually, with feedback report to Committees, action plans and 6 monthly review, high level messages are also fed into the Board Development programmes
- Internal, External and Clinical Audit Plans are agreed and reported through relevant Board Committees
- ARAC hold private meetings with internal and external audit, and Counterfraud
- Remuneration and Terms of Service Committee in place and reports decisions to the Board
- Board Development Programme is in place
- Committee Annual Reports undertaken annually to report activity undertaken through the year and detailing the results of a review of its performance
- Board Committee structure regularly reviewed – latest review January 2025 [Revised Board Committee Governance](#)
- Limited use of In-Committee meetings, Private Board agenda items are published in advance and report of meetings provided to the Board
- Operational governance structure and governance arrangements reviewed in 2024/25 – to be implemented and reviewed in 2025/26
- Joint Regional Committee TORs agreed in January 2025, with supporting governance structure developed and approved by Board in March 2025
- Triple A (Alert, Advise, Assure) reporting process to strengthen Board/Committee assurance and escalation.
- Code of Corporate Governance – The code operates on a “comply or explain” basis, any deviation must be explained as part of the Governance Statement - no matters to ‘explain’
- Escalation domain of governance has been de-escalation from level 4 (targeted intervention) to level 3 (enhanced monitoring) in March 2025
- Internal Audit Reviews of Financial Governance and Targeted Intervention Governance provided *Reasonable Assurance*
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s:
 - *Effectiveness of Board and committee meetings*, that ‘Board and committee meetings continue to be conducted appropriately and effectively, with strengthened arrangements to escalate high-risk matters to the Board. Preparations to establish a joint committee with Swansea Bay University Health Board are progressing well’.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Oversight & Administration Principles	None	The Board is actively reflecting on how they work and how governance is structured, and is testing whether what is in place makes the best use of these underlying principles.	As a result of discussion around these principles, changes have started to be made to the governance of the organisation.	The annual review of governance and developing cycle of Board business planning will be used to test these principles, and where required, change governance arrangements.	Using these principles has helped Board members to better understand their roles in governance. Governance activities that provide little value and do not meet the principles have been stopped	As the organisation develops, these principles have led to improvements in governance arrangements to efficiently and effectively support new challenges.	Other organisations have referred to the structure and systems of the organisation, to understand the application of these principles and support similar changes.

3. LEADERSHIP & STRATEGIC DIRECTION - Agreed level of maturity – 3

Evidence

- The Board managed a period of significant change through 2023/24 and 2024/25, with change of Chair-Vice-Chair and CEO/DCEO posts. There were also a number of new Executive Directors in 2023/24 (Director of Public Health and Director of Allied Health Professions and Health Science), and interim Directors in place in 2024/25 (Medical Director and Director of Nursing, Quality and Patient Experience).
- Balance of male (5) and females (5) on Board up to March 2025
- Local Induction programme in place for new Independent Members, with IM Handbook, and new National Programme of Induction for all Board Members introduced in 2025
- Optional Lunch and Learn sessions in place for Board Members cover topics such as patient safety walkarounds, finance, patient service and complaints, risk and estates/capital projects
- Board succession plan
- Board Development programme in place
- Patient Safety Visits undertake by Board members
- Board adoption of the HEIW Compassionate Leadership pledge in July 2024
- Supporting the WG Aspiring Board Members programme
- Agreed programme of OD support to support the new Clinical Care Groups
- Equality, Diversity and Inclusion (EDI) Task Force established, led by an Independent Member, to drive a set of actions to improve equity across the Health Board
- Escalation domain of leadership has been de-escalation from level 4 (targeted intervention) to level 3 (enhanced monitoring) in March 2025
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s:
 - *Board cohesiveness and commitment to continuous improvement*, that ‘the Board is managing a significant period of change well and is taking positive steps to ensure it remains cohesive and effective through Board development opportunities and arrangements for continuous improvement’.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Leadership & Strategic Direction	None	The roles of all Board/ members are clear, agreed and specified.	A Board succession plan is in place for both Executive and Non-Executive Directors/ Lay Members. Board diversity is valued.	An induction and development programme is in place for Board/ and aspirant members. Diversity is embedded in the approach.	The organisation is recognised by partner organisations as a leader in the local health and wellbeing system.	The Board is leading, rather than following, national and local agendas.	The Board is recognised as a national thought leader.

4. EFFECTIVE EXTERNAL RELATIONSHIPS – Agreed level of Maturity – 3

Evidence

- The Health Board has a longstanding commitment to continuous engagement with our patients, public, staff, and stakeholders. In 2019, and updated in 2022, the Health Board developed its Framework for Continuous Engagement and Consultation in partnership with the then Community Health Council (now Llais). The Framework provides a basis for the Health Board’s engagement work, both from a formal perspective and a wish to move towards ongoing engagement that is part of our day-to-day business as an organisation.
 - This work is underpinned by several key pieces of legislation and guidance, including the National Health Services (Wales) Act 2006 s184, Social Services and Well-being (Wales) Act 2014, Well-being of Future Generations Act (Wales) 2015, Health and Social Care (Quality and Engagement) (Wales) Act 2020, and the Welsh Government Guidance for Engagement and Consultation on Changes to Health Services 2022, Gunning and Bracking principles, Equality Act 2010 – Public Sector Equality Duty s149, including the Socio-Economic Duty, and other legislation and guidance . This approach aims to ensure that a diverse range of voices from across the Hywel Dda community are integral to the planning, development, and decision-making process.
- Reports received by the Board show the Health Board’s commitment to hearing from the public and stakeholders to inform its decisions. The Health Board invites feedback from the public and stakeholders using a variety of methods such as in-person drop-in events, postal and online surveys and via email and telephone. Examples include managed dispersal at St David’s GP Practice in Pembrokeshire, and in-patient beds in Tregaron Community Hospital in Ceredigion. Health Board’s on-going approach to continuous engagement with our communities - discussion paper to Board March 2025
- Best Practice Quality Assurance accreditation achieved from The Consultation Institute for the consultation process for the selection of a site for the new hospital and for the consultation process for the selection of an option for the future provisions to urgent and emergency services for children and young people at Withybush and Glangwili Hospital
- Stakeholder Reference Group, advisory group to the Board - quarterly meetings for early strategic engagement, service improvement advice, and social care and wellbeing discussions. Health Board is a member of networks and partnerships including Public Services Boards (PSBs) in Carmarthenshire, Ceredigion, and Pembrokeshire, West Wales Regional Partnership Board. A Regional Collaboration for Health (ARCH), Mid Wales Joint Committee for Health and Care, Dyfed Powys Local Resilience Forum (LRF)
- Siarad Iechyd/Talking Health, the health board’s involvement and engagement scheme, includes members of local community, in place since 2011 [Speak Up](#) framework in place for reporting concerns openly or anonymously, including whistle-blowing, suggestions for improvement.
- Llais attendance and active participation at discussions at Board meetings
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s:
 - Board commitment to hearing from patients/service users and staff, that ‘the Board continues to hear from a range of patients and staff and has enhanced arrangements for patient safety walkabouts’.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Effective External Relationships	None	Engagement and consultation policies are in place and consistent with the NHS Constitution. Service users, staff, and the public are recognised as a resource to help design and deliver service improvement	A system of accountability to and involvement of the local community is in place to design and deliver service improvement.	Effective citizen involvement is in place, and evidenced by improvement initiatives that are put into operation as a result.	Effective citizen codesign is in place and evidenced through improvements made as a result.	Effective citizen codesign has led to improved outcomes. A review against the NHS Constitution shows our organisation is trusted by patients, service users, and citizens.	Co-production has led to tangible operational and strategic benefits, as well as measurable improved outcomes for the population.

5. EFFECTIVE INTERNAL RELATIONSHIPS – Agreed level of Maturity – 3

Evidence

- Values and Behaviours Framework in place
- Staff stories heard at People, Organisational Development and Culture Committee (PODCC) and Health and Safety Committee (HSC)
- Staff Partnership Forum established which reports into the PODCC
- Staff Survey undertaken in 2024/25 – results reported to PODCC February 2025, with action plan to be developed for April PODCC
- Speak Up framework, guardians, guidance, reporting and platform in place on staff intranet to report issues. Internal Audit on Speaking up Safely provided Reasonable Assurance, however a high priority matter arising was identified with lack of a single report of formal and informal raised concerns, nor the triangulation of lessons learned. A number of medium priority matters arising were also identified.
- Corporate induction for new starters and local induction explained in [Organisational Induction Policy](#)
- Stay and Exit interview process and digital and paper questionnaire available on staff intranet can be completed on own, with line manager, with member of OD team
- Learning Development policy in place that promotes a learning culture through statutory, mandatory, and CPD
- Hywel Dda whole organisational meeting – Q&A from staff
- Organisational Development information available on staff intranet
- Leadership Development programmes available
- Staff engagement is reported in the IPAR
- The Health Board also continues to have active staff networks and advisory groups such as BAME network, carers group, Respectability group, LGBTQ+ and armed forces groups.
- Inclusion EDI Task Group has been established led by an Independent Member to drive a set of actions to improve equity across the Health Board
- Audit Wales Structured Assessment 2024 found that respect of the Health Board's:
 - *Board commitment to hearing from patients/service users and staff*, that 'the Board continues to hear from a range of patients and staff and has enhanced arrangements for patient safety walkabouts'.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Effective Internal Relationships	None	Staff and other internal stakeholder engagement strategies are developed and these include feedback mechanisms.	The Board receives reports about staff and internal stakeholder engagement, including actions taken as a result of findings.	The organisation prioritises staff and internal stakeholder involvement, and formal and informal input and feedback from all staff, new staff, and leavers, is sought and valued.	The Chair, Non-Executive Directors, Members, and Governors are effective ambassadors for the organisation, involving all staff and internal stakeholders and partners in organisational development. Internal stakeholder engagement is sought at earliest opportunity.	Board and senior leadership recruitment is competitive and reputational audit finds that staff and internal stakeholder involvement is an asset to robust organisational development	The organisation can demonstrate they are an employer of choice, and staff retention is high.

6. TRANSPARENCY & PUBLIC REPORTING – Agreed level of Maturity – 3

Evidence

- Declarations of interest are declared annually by all Board members and are included at the start of all Board and Committee meetings
- A register of interests is published on the health board website. Any conflicts are managed appropriately and members withdraw from discussions
- gifts, sponsorship and hospitality is maintained and published on the health board website
- All Board and Committee papers are published on our website ahead of meetings
- Limited use of Private Board and Committee meetings to ensure openness and transparency with our stakeholders
- The Integrated Performance Assurance Report, which summarises progress against a range of national and local performance measures, is presented at every Board meeting
- Improving People and Community Experience Report presented to every Board, summarises feedback from experience to enable the Board to demonstrate that it is actively listening to individuals who access our services, and is undertaking measures to improve the quality of services provided to further enhance that experience
- The Finance Report presented to every Board outlines the Health Board's financial position to date against the Annual Financial Plan and assesses the key financial projections, risks and opportunities for the financial year, including the implications of in-year recurrent delivery for the forthcoming financial year.
- The Annual Report and Accounts details how we have performed against Welsh Government targets and actions planned to improve our performance, how we have spent our money and met our obligations under The NHS Finance (Wales) Act 2014, our key accountability requirements and about how we manage and control our resources and risks and comply with governance arrangements
- The Duty of Quality and Candour Report demonstrates how we met the duties set out in the Health and Social Care (Quality and Engagement) (Wales) Act 2020
- The Internal Audit is prepared on a risk based planning approach, including areas that the health board had specifically identified as know risks areas and areas of potential concerns.
- Audit Wales Structured Assessment 2024 found that respect of the Health Board's:
 - *Public transparency of Board business*, that 'the Health Board continues to maintain a strong commitment to public transparency'
 - *Arrangements to support the conduct of Board business*, that 'the Health Board has maintained robust arrangements to support the effective conduct of Board and committee business'

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Transparency & Public Reporting	None	Board members absent themselves from discussions due to conflicts of interest; public reporting takes place when required.	The conflicts of interest register is updated by the Board quarterly and identified conflicts are reviewed and appropriate actions taken; edited performance reports are publicly shared.	The Board publicly demonstrates conflicts are examined and covered within contracts; Limited use of In-Committee meetings; integrated public reporting is central to organisational finance, quality, and performance management.	Identified conflicts are publicly addressed; patients, service users, citizens, and staff are asked which finance, quality, and performance metrics are made routinely available	Integrated finance, quality and performance reports steer organisational development, with public oversight and input into required improvements.	Demonstrable improvements have been made due to public involvement in integrated reporting.

7. SYSTEMS AND STRUCTURES: QUALITY AND SAFETY – Agreed level of Maturity – 3

Evidence

- The Quality Management System Strategic Framework was approved by Board in March 2023. A SharePoint page is in place to provide guidance and updates as further support materials become available.
- New templates for the Clinical Care Group's Integrated Governance Group (focus on quality) have been developed. These templates include terms of reference; agenda; and regular report to Quality, Safety and Experience Sub-Committee.
- Routine quality assurance reporting to Quality, Safety and Experience Committee using Health and Care Quality Standards
- Our Safety Dashboard available providing information to services and directorates.
- WalkRounds™ (Board to Floor / Walkarounds), Clinical Audit, NICE and National Guidance, Healthcare Inspectorate Wales improvement action plans, and other assurance reports captured and monitored through AMaT
- Internal Audit Review of Learning Lessons provided Reasonable Assurance, however (still in draft – to go to ARAC Apr25)
- Audit Wales Structured Assessment 2024 found that respect of the Health Board's:
 - *Board commitment to hearing from patients/service users and staff*, that 'the Board continues to hear from a range of patients and staff and has enhanced arrangements for patient safety walkabouts'.
 - *Corporate approach to overseeing the quality and safety of services*, 'whilst there is appropriate corporate oversight and scrutiny of the quality and safety of services, there is a need for more regular updates on the implementation of the Quality Improvement Strategic Framework'.
- The Duty of Quality and Candour Report demonstrates how we met the duties set out in the Health and Social Care (Quality and Engagement) (Wales) Act 2020

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Systems & Structures: Quality & Safety	None	A quality management system strategic framework which focusses on, a system-wide approach to achieving quality of care using the health and care quality standards is in development	A Board approved quality management system strategic framework which focusses on a system-wide approach to achieving quality of care using the health and care quality standards is in use.	Quality management system strategic framework implementation demonstrates improvements the domains within the-within the health and care quality standards.	Integrated quality reports demonstrate quantifiable improvements in the domains within the-within the health and care quality standards. . The organisation is to demonstrate the duty of quality in some services.	Resources are used to make quality improvements, with measurable returns that demonstrate innovation and improvement. This is demonstrable in all of the domains (STEEEP) within the health and care quality standards. The organisation is to demonstrate the duty of quality in its services on an annual basis.	Significant resources are invested in continuous innovation, improvement, and integration between value-based health care and quality improvement programmes which evidence efficiency and improvements. There is equal importance in the six domains and six enablers of the health and care quality standards. The organisation is to demonstrate the duty of quality in its services throughout the year through routine reporting.

8. DELIVERY OF OUTCOMES – Agreed level of Maturity – 2

Evidence

- The IPAR includes a range of national* and local performance measures and is reported to every Board and relevant Board Committees. Key areas for improvement are included in the report.
- The Power BI dashboard provides benchmarking data and key performance indicators. Context, actions, risks and mitigation, current target and when we will meet target are included for some of the measures.
- A targeted intervention tracker is maintained which provides reports to WG, Board, Committees and Executive Team on progress against key TI criteria. Action plans are in place to address areas of Alert and Advise.
- The internal escalation framework for 2024/25 included domains of (1) finance, strategy and planning, (2) performance, (3) Quality, (4) fragile services, (5) governance and (6) leadership, and helped to drive improvements in a number of areas, such as finance, and resulted in WG de-escalation for governance and leadership. *This framework has been refreshed for 2025/26 to include population health.*
- Delivery of strategic objectives (SO) is measured through the Board Assurance Framework presented to Board 3 times a year. 3-4 outcome measures aligned to each of the SOs. SOs are delivered through our planning objectives which are developed and agreed annually as part of the annual planning process.
- Outcomes dashboard in development for 2025/26, which will include PROMs for specific pathways
- Internal Audit Review of Performance Management Arrangements provided *Substantial Assurance*
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s:
 - *Corporate approach to overseeing organisational performance*, that ‘Board and corporate oversight of organisational performance has been strengthened, however there is a need to update the performance management framework to ensure it reflects current arrangements’.

*The 2024/25 NHS Wales Performance Framework2024/25 provides a set of indicators developed by Welsh Government to reflect the National Programme areas as outlined in the NHS Wales Planning Framework 2024-2027. The framework outlines the Ministerial priorities for this financial year, along with key targets

Maturity levels	0	1	Basic Level – Principle Accepted and Commitment to Action	2	Early Progress – In Development	3	Firm Progress – In Development	4	Results being achieved	5	Maturity – Comprehensive Assurance in place	6	Exemplar
Key criteria	None												
Delivery of Agreed Outcomes	None		The Board has agreed how outcome measures will be used in performance reports, including benchmarking data and key performance indicators		Performance reports including benchmarking data and key performance indicators are in development.		There are no surprises when the organisation is inspected or otherwise challenged, as there is full awareness of performance and action plans are in place for improvements as required		The Board is fully satisfied that its strategic objectives have been met, as a result of performance monitoring and action.		Board members report confidence in using integrated reporting to support constructive challenge where required.		Demonstrable improvements have been made as a result of the delivery of agreed outcomes.

9. RISK MANAGEMENT & COMPLIANCE – Agreed level of Maturity – 4

Evidence

- Board approved Risk Management Framework is in place and is updated to reflect changes in process and systems – risks are assessed against objectives, operational quality and delivery and compliance
- Corporate risk register is in place – reviewed monthly by Executive Team, reported to Board and Committees 3 times a year
- Operational risk registers in place reported to Committees 3 times a year to provide assurance on risk management
- Board Assurance Framework is in place and is reported to the Board 3 times a year, includes principal risks, planning objections, actions, and outcome measures. This has been recognised by Audit Wales as a good practice model.
- Board approved Risk Appetite Statement and tolerance approach in place which is included in the BAF.
- Board approved Major Incident Plan in place which is reviewed annually.
- Disclosures made in Annual Governance Statement in respect of compliance with Civil Contingencies Action and breaches with GDPR
- Emergency Preparedness, Resilience and Response Annual report submitted to WG NHS Executive annually
- Internal Audit Review of Emergency and Business Continuity Planning provided *Reasonable Assurance* however there was one high priority finding was identified with operational teams not fulfilling their responsibilities to develop business continuity plans and undertake regular testing as outlined in policy. Satisfactory governance arrangements were evident with the attendance of key individuals at Health Board, LRF and WG meetings to discuss and plan activities to respond to local and national risks. The review identified 6 areas out of 161 areas did not have a business continuity plan – as at 31/03/2025 only one outstanding. Emergency planning dashboard in development, with oversight through the Improving Together Framework.
- We have concluded *Substantial assurance* for this objective. Last live exercise of major incident plan was in February 2025.
- Audit Wales Structured Assessment 2024 found that respect of the Health Board’s risk management arrangements:
 - *Corporate approach to overseeing strategic and corporate risks*, that ‘the Board continues to have a mature approach to overseeing strategic and corporate risks and risk management arrangements’.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Risk Management & Compliance	None	A process is in place to proactively evaluate risk, and a Board Assurance Framework is organised to promote focused discussion on key business issues	A risk appetite statement has been agreed, and built into the Board Assurance Framework, which covers the risks to achieving strategic objectives, including quality, performance, finance, and activity, aligned to targets, standards, and local priorities	Regular review of the Board Assurance Framework supports the management of risks to achieving strategic objectives, and an annual exercise ensures review of the organisation’s Emergency and Business Continuity Plan.	The Board Assurance Framework is central to the management of risks to achieving strategic objectives, with a quarterly update and annual action planning to drive business. Emergency and Business Continuity Plans are improved through a range of scenario tests in year	The Board is confident that it is aware of risks faced, including risks associated with compliance, these are managed, and required actions are prioritised and planned.	The organisation has proactively identified and managed all known risks and opportunities, and successfully meets its strategic objectives

10. EFFECTIVENESS & ADDED VALUE – Agreed level of Maturity – 3

Evidence

- Board annual workplan is developed and maintained throughout the year, and contains periodic matters of business, approval of annual accounts
- Duty of Quality and Candour Report is produced annually to demonstrate the quality of services within the health board
- AW Structured Assessment 2024 evaluates Board effectiveness and found that arrangements for reviewing the Board's effectiveness remain strong, and has a mature and open approach to reviewing its effectiveness, concluding in this area (*Board cohesiveness and commitment to continuous improvement*) that:
 - the Board is managing a significant period of change well and is taking positive steps to ensure it remains cohesive and effective through Board development opportunities and arrangements for continuous improvement.
- Annual Board Effectiveness assessment undertaken
- Board Assurance Framework is in place and is reported to the Board 3 times a year
- The IPAR includes a range of national and local performance measures and is reported to every Board and relevant Board Committees
- Board regularly reviews its governance arrangements to ensure it is streamlined and fit for purpose (last reviewed January 2025 and responded to feedback received in last year's Committee self-assessment process)
- Review of operational governance arrangements undertaken in 2024/25 – to be implemented and reviewed in 2025/26
- Strategic Approach to Financial Recovery report to Board (January 2025) outlining the macro and micro challenges facing Hywel Dda
- Primary care governance reviewed in 2024/25
- Internal Audit on Targeted Intervention Governance provided Reasonable Assurance, with two medium priority recommendations, acknowledged that challenges still faced the Health Board in the delivery of the TI actions
- Internal Audit on Executive Team working (due May2025)
- Audit Wales Structured Assessment 2024 found that respect of the Health Board's
 - Effectiveness of Board and committee meetings, that 'Board and committee meetings continue to be conducted appropriately and effectively, with strengthened arrangements to escalate high-risk matters to the Board. Preparations to establish a joint committee with Swansea Bay University Health Board are progressing well'.

Maturity levels	0	1	2	3	4	5	6
Key criteria	None	Basic Level – Principle Accepted and Commitment to Action	Early Progress – In Development	Firm Progress – In Development	Results being achieved	Maturity – Comprehensive Assurance in place	Exemplar
Effectiveness & Added Value	None	More effective practices are being adopted. A review of governance mechanisms is agreed.	The Board has reviewed governance practices for efficiency savings, and agreed improvements to add value	The annual cycle of business is planned and the Board Assurance Framework is used by the Board to identify opportunities for increased effectiveness and added value.	The annual cycle of business is planned and the Board Assurance Framework and integrated reports are used by the Board to identify opportunities for increased effectiveness and added value.	The annual cycle of business is planned, the Board Assurance Framework and integrated reports are used by the Board to identify opportunities for increased effectiveness and added value, and external governance reviews.	Demonstrable savings and efficiencies have been made as a result of streamlined governance arrangements.

2024/25 HYWEL DDA UNIVERSITY HEALTH BOARD SELF ASSESSMENT AGAINST THE CORPORATE GOVERNANCE – CODE OF PRACTICE 2017

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 1	Each organisation should have an effective board, which provides leadership for the business, helping it to operate in a business-like manner. The board should operate collectively, concentrating on advising on strategic and operational issues affecting the organisation's performance, as well as scrutinising and challenging organisational policies and performance, with a view to the long-term health and success of the organisation. (2.1 and 2.2)	The Board is scheduled to meet every alternate month. During 2024/25, 2 extraordinary Board meetings were held. These were held for the following purposes: - To consider the update the update in regard to the conclusion and the recommended option for the Emergency Medical Retrieval and Transfer Service (EMERTS) - To approve the Health Board's Annual Report and Accounts for submission to Welsh Government by 15 July 2024 A Board Cycle of Business is in place. This is developed on an annual basis and updated throughout the year. The Board routinely receives information on strategic activity, risk and performance matters as standing agenda items. The Annual Plan is scrutinised by the Board and its Committees. Joint Executive Team and Targeted Intervention meetings are held with Welsh Government colleagues. The Board collaborates with partners and key stakeholders as described in the Annual Plan. Board stability has improved during 2024-25 following both Chair and Chief Executive leaving their posts in 2023-24. The Board started 2024-25, with interim arrangements in place for both these roles (CEO). Substantive appointments were made during 2024-25, with a new Chair starting on 1 June 2025 and the interim CEO, taking up as substantive CEO on 22 October 2024. The Executive Director of Workforce and OD, was also appointed substantively as Deputy CEO, following being in the post on an interim basis since December 2023. The Executive Director of Nursing, Quality and Patient Experience was also appointed substantively in the post having undertaken the role on an interim basis. There are interim arrangements in place for one further Executive Director role, the Executive Medical Director. The recruitment process is underway for this post.	Title: AW Structured Assessment 2024 Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	Board and Committee Minutes – demonstrate scrutiny and support. Board Papers. Board Work Plan 2024/25. Joint Executive Letters. AW Structured Assessment report 2024.
CGC 2	The Board does not decide policy or exercise the powers of the ministers. The organisation's policy is decided by ministers alone on advice from officials. The Board advises on the operational implications and effectiveness of policy proposals. The Board will operate according to recognised precepts of good corporate governance in business:	The submission of a three year Integrated Medium Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. However, for an IMTP to be approvable it must show financial balance over the lifecycle of the Plan and, as such, HDdUHB has not produced an approvable Plan to date. Given the financial position and the raising of our targeted intervention status to the entire organisation in January 2024, the health board submitted an Annual Plan for the period 2024-25. The Annual Plan set out the key actions and ambitions for the Health Board for 2024-25 in order to provide services whilst	Title: AW Structured Assessment 2024 Reference Point: Corporate Approach to Planning – Paragraph 65-79	Comply	Annual Plan 2024/25 Annual Plan 2024/25 reports to Board during 2024/25 CEO Reports to Board include updates on Escalation status Escalation Status update reports to ARAC

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	- Leadership – articulating a clear vision for the organisation and giving clarity about how policy activities contribute to achieving this vision, including setting risk appetite and managing risk - Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance - Accountability – promoting transparency through clear and fair reporting. - Sustainability – taking a long-term view about what the organisation is trying to achieve and what it is doing to get there. (2.3)	responding to operational, workforce and financial pressures and making progress towards our long term strategy 'A Healthier Mid and West Wales and our Strategic Objectives. In March 2025, the Board approved the Annual Plan for 2025/26, recognising that whilst the financial Plan met the WG Target Control total, it would not deliver against the breakeven duty and will consequently breach the Health Board's statutory duty and will consequently receive a qualified regularity opinion. The Annual Plan outlines how the Health Board engages and ensures that it considers the principles of citizen engagement, the Wellbeing of Future Generations Act and also the Health Boards Wellbeing Statement. The Health Board has been in Targeted Intervention escalation status since September 2022 for 'finance' and 'planning' and enhanced monitoring for some quality issues related to performance resulting in long waiting times and poor patient experience. However, due to WG concerns of the Health Board's lack of sustained progress over a period of time on integrated planning, finance and delivery, in January 2024, WG increased the escalation status to targeted intervention for the entire organisation. In March 2025, the Health Board was de-escalated to level 3 (enhanced monitoring) for Child and Adolescent Mental Health Services and Planned Care, in recognition of improvements, performance and outcomes, and for governance and leadership, in recognition of improvements, related to improved Board stability and an increased degree of confidence in the organisation's leadership and governance. The Health Board adopted its revised Model Standing Orders (SOs) in May 2024. The Standing Orders and Standing Financial Instructions (SFIs) are designed to translate the statutory requirements set out in the National Health Service Trusts (Membership and Procedure) Regulations 1990 (S.I.1990/2024) into day to day operating practice, and, together with the adoption of a Schedule of Decisions reserved to the Board of Directors; a Scheme of Decisions to Officers and Others, they provide the regulatory framework for the business conduct of the Health Board. These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of its Values and Behaviour Framework and Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales. The Board approved its Risk Appetite Statement in January 2025 and new approach to risk tolerance in March 2025.	Corporate Approach to Managing Financial Resources – Paragraph 80-101.		Standing Orders and Standing Financial Instructions. AW Structured Assessment report 2024 Well-being Statement. Risk Appetite Statement

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 4	The Board should meet on at least a quarterly basis; however, best practice is that boards should meet more frequently. The Board advises on five main areas: • Strategic Clarity • Commercial Sense • Talented People • Results focus • Management information (2.4 and 3.10)	The Board meets every alternate month. During 2024/25, 2 extraordinary Board meetings were also held (see CGC 1 for further detail). The Board also holds a Board Seminar meeting in the alternate month with additional Board Development sessions through the year. There is a Board Cycle of Business in place, developed on an annual basis and updated throughout the year. Board agendas are divided into Preliminary Matters, Delivering on our Purpose – Quality, Safety and Performance, Maintaining Good Governance, and Working in Partnership. The Board routinely receives information on strategic activity, annual plan delivery, business cases, improving patient experience, risk and integrated performance, as standing agenda items. Towards the end of 2024, the Board agreed the need for a refresh of its A Healthier Mid and West Wales strategy, due to the time that had elapsed since it was approved in 2018 and significant changes that have taken place during the intervening period. In January 2025, the Board received a further report which considered the emerging scope for the strategic refresh and was produced in conjunction with a report on the Strategic Approach to Financial Recovery, which provided further analysis on the economic, demographic and productivity context for the Health Board. This was followed by a further report in March 2025, which provided a closer look at the challenges and options in respect of the Health Board's estate.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 17-31.	Comply	Standing Orders and Standing Financial Instructions. AW Structured Assessment report 2025 Board Annual Workplan Board agendas and papers throughout 2024/25
CGC 5	The Board also supports the accounting officer in the discharge of obligations set out in <i>Managing Public Money</i> for the proper conduct of business and maintenance of ethical standards. (2.7)	The Board approves the Accountability Report on an annual basis which includes the Statement by the Accountable Officer assuring the Board on the System of Internal Control. This is reviewed by Audit Wales, as part of the Annual Report and Accounts, prior to submission of the final documents.	Audit Wales and Internal Audit receive and review the Accountability Report for comment and ensuring compliance with the Manual for Accounts.	Comply	Annual Accountability Report Board papers AW Structured Assessment 2024
CGC 6	Where Board members have concerns, which cannot be resolved, about the running of the organisation or a proposed action, they should ensure that their concerns are recorded in the minutes. (2.12)	Any concerns raised at Board and Committee meetings will be formally recorded in the minutes. Following each meeting, Committee Chairs meet with Independent Members to reflect on the meeting and whether there is any learning. These reflections and any concerns are considered at the Committee Chairs Meeting with the Health Board Chair, whilst these have met infrequently during the latter end of 2024/25, these meetings are being reinvigorated for 2025/26. The role of the Director of Corporate Governance (DoCG)/Board Secretary is to be responsible for ensuring these matters are effectively managed, recorded and resolved where possible.	Title: AW Structured Assessment Reference Point: Board cohesiveness and commitment to continuous improvement – Paragraph 37-42.	Comply	Role of the DoCG/Board Secretary AW Structured Assessment report 2024 Board and Committee Minutes – available on the Health Board Internet site.

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 7	The Board should have a balance of skills and experience appropriate to fulfilling its responsibilities. The membership of the board should be balanced, diverse and manageable in size. (3.1, 3.11, 3.12 and 3.13)	Constitution is set out in the Organisation's Establishment and Membership Orders and the Health Board abides by this composition. Standing Orders also capture the composition of the Board. Executive Director skill mix is considered prior to recruitment to align with organisational objectives and required Executive Portfolios, and this is considered prior to new appointments. Recruitment process includes internal and external stakeholder panels. The Board is made up of 7 females and 12 males. The IM roles are appointed in areas of expertise to ensure appropriate skill mix. Gaps between outgoing and incoming IMs have been minimal, with no implications on attendance or continuity at Board and committee meetings. There were delays with the public appointments' recruitment process at the beginning of 2024-25, therefore the new Chair was unable to have a handover period with the previous substantive Chair. The Vice-Chair acted up on an interim basis to provide continuity in the short-term. Public Appointments Unit support the process – set criteria within an IM Role. Maximum of 2 tenures of up to 8 years. IM membership on Board Committees is rotated at appropriate times to ensure there is a mix and balance of experience across all meetings.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	Establishment Orders Standing Orders AW Structured Assessment report 2024 Board and Committee Terms of Reference
CGC 8	The roles and responsibilities of all board members should be defined clearly in the organisation's board operating framework. (3.2)	Constitution is set out in the Organisation's Establishment and Membership Orders and the Health Board abides by this composition. Standing Orders also outline the composition of the Board.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	Establishment Orders Standing Orders AW Structured Assessment report 2024
CGC 9	The Finance Director should be professionally qualified. (3.3)	Executive Director of Finance is professionally qualified.	N/A	Comply	Recruitment and appointment documentation for the Executive Director of Finance
CGC 10	Independent Members will exercise their role through influence and advice, supporting as well as challenging the executive. (3.5)	Annual Committee Self-Assessment process addresses the effectiveness of how Committees operate and conduct meetings, allowing debate and constructive challenge. Meeting principles adopted that support this constructive challenge.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	AW Structured Assessment report 2024 Committee Self-Assessment Approach and Outcome Reports Standing Orders

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		The WG IM training captures effective challenge and scrutiny role on the Board. There is also a new national and local induction programme in place to advise Board Members on to discharge their role. Standing Orders outline the role of the Board Members. Reflective exercise held at the end of each Committee meeting. Board Seminars which are held every other month provide the Board with the opportunity for debate on key issues facing the organisation and enable IMs to influence and advise the Executive Team. The committee chairs meetings which meet to triangulate information from the Committees are being reinvigorated for 2025/26. As part of their roles, IMs also undertake engagement visits and quality visits across services within Hywel Dda, to gain knowledge and assurance on systems and processes, and will key findings are reported back to Committees on the key outcomes and themes.			
CGC 11	The board should agree and document in its board operating framework a <i>de minimis</i> threshold and mechanism for board advice on the operation and delivery of policy proposals.	Standing Orders detail how the Board regulates its proceedings and business. There is a Board Cycle of Business in place developed on an annual basis and updated throughout the year. The Terms of Reference Operating Arrangements for the Board Committees articulate their remit and the information that should be received. Committee Workplans are in place and updated throughout the year to support the flow of information through the Board Committees. The Scheme of Delegation outlines the information that should flow through to Board and its Committees as appropriate. The Scheme of Delegation for Officers details 'top level' delegations and responsibilities within the Health Board.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	AW Structured Assessment report 2024 Committee Terms of Reference and Operating Arrangements Board and Committee Cycles of Business. Standing Orders and Scheme of delegation Scheme of Delegation for Officers
CGC 12	The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including: 1. formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials	IMs Terms of Office are monitored by the Chair with support from the DoCG/Board Secretary to ensure succession planning is timely and managed in conjunction with the Public Appointments Unit in WG. Agenda planning is managed by the Chair and supported by DoCG/Board Secretary and CEO to ensure adequate time is spent on the appropriate matters at Board meetings.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	AW Structured Assessment report 2024 Terms of Reference and Operating Arrangements Board and Committee Cycles of Business Standing Orders and Scheme of delegation

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	2. allowing sufficient time for the board to discharge its collective responsibilities effectively 3. induction on joining the board, supplemented by regular updates to keep board members' skills and knowledge up-to-date 4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively 5. a mechanism for learning from past successes and failures within the organisational family and relevant external organisations 6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members 7. a dedicated secretariat with appropriate skills and experience (4.1)	National induction programme in place for new Board Members. The Health Board has a robust induction programme for IMs. This programme consists of the following areas to ensure that a robust and supportive induction plan is in place for all new Board appointments: - Attendance at the Mandatory Welsh Government Induction Training. - Provision of a detailed induction pack/manual which includes information about the role of each Board Committee, their role as a Trustee as well as an IM. - Core Induction Programme – planned within the first month, three months and six months. This includes meeting with Executive Directors, Directors and site visits - A mentoring / shadow arrangement with an existing/experienced IM. - To further support IMs ongoing development, the Chair undertakes regular and robust Personal Appraisal and Development reviews in accordance with WG guidance. - The Health Board has a schedule of Board Development Sessions throughout the year to discuss topical issues. Committee Terms of Reference direct that agenda and papers are circulated to members at least 7 days prior to meeting. The Standard Operating Procedure for the Management of Board and Committees provides guidance in relation to Board and Committee arrangements and management of papers. Report templates are continually reviewed to ensure they support effective reports being received at the Board. Dedicated Committee Services Officers support the Board and Committee business to ensure high quality and consistency of papers. Annual Board effectiveness assessment and annual Committee Self-Assessment of Effectiveness process ensures Board and Committees remains fit-for-purpose and identifies areas of improvement.			Committee Terms of Reference Standing Operating Procedure for the Management of Board and Committees Board Effectiveness Assessment Committee Self-Assessment Reports
CGC 13	The terms of reference for the nominations committee will include at least the following three central elements: - scrutinising systems for identifying and developing leadership and high potential - scrutinising plans for orderly succession of appointments to the board and of senior management, in order to maintain an appropriate balance of skills and experience - scrutinising incentives and rewards for executive board members and senior	Remuneration and Terms of Service (RTSC) Committee Terms of Reference. The RTSC key responsibilities are as follows: With regard to its role in acting on behalf of the Board, and in providing advice and assurance to the Board, the Remuneration and Terms of Service Committee will comment specifically upon: 1. 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 Welsh Government are applied consistently;	N/A	Comply	RTSC Terms of Reference and Operating Arrangements. Board and Committee Cycles of Business Standing Orders and Scheme of delegation

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	officials, and advising on the extent to which these arrangements are effective at improving performance (4.5)	- 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 provision of the Regulations and in accordance with Ministerial instructions; - Consider and approve Voluntary Early Release applications and redundancy/severance payments in respect of Executive Director/Director posts, in line with Standing Orders and extant Welsh Government guidance. The Committee to be advised also of all Voluntary Early Release Scheme applications and severance payments; - Approve any Strategic Advisor arrangements, including scope and pay; - To approve the University Health Board's honours submission recommendations.			
CGC 14	The attendance record of individual board members should be disclosed in the governance statement and cover meetings of the board and its committees held in the period to which the resource accounts relate. (4.6)	Board Members attendance record for Board and Committees is captured in the Accountability Report on annual basis. Attendance at meetings is also considered at annual appraisal discussions.	N/A	Comply	Accountability Report
CGC 15	Where necessary, board members should seek clarification or amplification on board issues or board papers through the board secretary. The board secretary will consider how officials can best support the work of board members; this may include providing board members with direct access to officials where appropriate. (4.10)	This is the relationship between the DoCG/Board Secretary and the Board Members. Before each Board meeting, there is a meeting with the Chair, IMs and the Board Secretary to discuss the Board papers. The role of the DoCG/Board Secretary is to act as principal advisor to the Board and the organisation as a whole on all aspects of governance and to ensure that it meets the standards of good governance set for the NHS in Wales. Regular IM meetings with Chair and DoCG/Board Secretary. Chairs of committees have also retained a touchpoint meeting with the relevant lead executive officer between committee meetings.	N/A	Comply	Board Secretary role description Standing Orders
CGC 16	An effective board secretary is essential for an effective board. Under the direction of the Welsh Government, the board secretary's responsibilities should include: - developing and agreeing the agenda for board meetings with the chair and lead non-executive board member, ensuring all relevant items are brought to the board's attention - ensuring good information flows within the board and its committees	DoCG/Board Secretary works closely with the Chair and Chief Executive to agree the next Board agenda following each meeting. Board agendas are based on the Board Workplan which is updated after each meeting. The DoCG/Board Secretary meets regularly with the Chair. Each Committee provides a report to Board after every meeting. DoCG/Board Secretary attends Health Board Chairs and Independent Board Members meeting prior to Board to discuss agenda and papers.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 11-42.	Comply	Director of Corporate Governance/Board Secretary role description Standing Orders IM Handbook Board and Committees Decision log and Table of Actions

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	and between senior management and non-executive board members, including: - challenging and ensuring the quality of board papers and board information - ensuring board papers are received by board members according to a timetable agreed by the board - providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements - ensuring the board follows due process - providing assurance to the board that the organisation complies with government policy, as set out in the code - adheres to the code's principles and supporting provisions on a comply or explain basis (which should form part of the report accompanying the resource accounts) - acting as the focal point for interaction between non-executive board members and the organisation, including arranging detailed briefing for non-executive board members and meetings between non-executive board members and officials, as requested or appropriate - recording board decisions accurately and ensuring action points are followed up - arranging induction and professional development of board members (including ministers) 4.11	Papers are issued at least 7 days prior to each meeting in accordance with Standing Orders. DoCG/Board Secretary provides advice on governance matters, structures and arrangements. DoCG/Board Secretary ensures minutes are recorded, with table of action and decision log maintained. DoCG/Board Secretary led on the development of interactive handbook for IMs. DoCG/Board Secretary meets regularly with the Chair to discuss governance. DoCG/Board Secretary ensures that robust induction programme for IMs, as well as ongoing development through a formal Board Development Programme.			
CGC 17	Evaluations of the performance of individual board members should show whether each continues to contribute effectively and corporately and demonstrates commitment to the role (including commitment of time for board and committee meetings and other duties). 4.14	Board Member Appraisal process in place. Committee Effectiveness Exercises. Attendance record reported in Accountability Report.	N/A	Comply	Accountability Report Appraisal Documentation and Process

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 18	All potential conflicts of interest for non-executive board members should be considered on a case by case basis. Where necessary, measures should be put in place to manage or resolve potential conflicts. The board should agree and document an appropriate system to record and manage conflicts and potential conflicts of interest of board members. The board should publish, in its governance statement, all relevant interests of individual board members and how any identified conflicts, and potential conflicts, of interest of board members have been managed. 4.15	The Health Board has an agreed process in place for managing Declarations of Interest. All Board Members are asked to formally declare on an annual basis and advised of their responsibility to notify of any changes in year. Declarations of interest are captured on a register which is available for public inspection, a link to which is included in the Accountability Report. A report on Declarations of Interest is received by the Audit and Risk Assurance Committee on an annual basis. Declarations of Interest are captured at the start of each Board and Committee meeting. The Standards of Behaviour Policy details the responsibility under Declarations of Interest. Standing Orders also outlines the responsibilities for Declarations of Interest. The Declarations of Interest form includes how declarations and potential conflicts are managed and these are recorded on the register.	Title: AW Structured Assessment Reference Point: Board transparency, effectiveness and cohesion – Paragraph 21.	Comply	Standards of Behaviour Framework Policy Accountability Report Standing Orders Declarations of Interest Process and Register Annual Report of the Adequacy of Arrangements for Declaring, Registering and Handling Interests, gifts and Hospitality presented to Audit and Risk Assurance Committee Structured Assessment 2024
CGC 19	The board should ensure that there are effective arrangements for governance, risk management and internal control for the whole organisational family. Advice about and scrutiny of key risks is a matter for the board, not a committee. The board should be supported by: - an audit and risk assurance committee, chaired by a suitably experienced non-executive board member - an internal audit service operating to <i>Public Sector Internal Audit Standards</i>¹ - sponsor teams of the organisation's key arm's length bodies (ALBs) (5.1 and 5.8)	The Audit and Risk Assurance Committee is chaired by an experienced IM, with a Vice-Chair with a financial background. NWSSP Internal Audit Services are appointed as the Health Board's Internal Auditors. The Annual Internal Audit Plan is informed by the Board Assurance Framework, Corporate Risk Register, and previous audit work as appropriate. The Board has approved its Risk Management Framework in July 2022 and its latest Risk Management Strategy in March 2024. ARAC is provided with assurance on risk management activities through the Risk Assurance Report. This also includes an annual risk maturity assessment.	Title: AW Structured Assessment Reference Point: Corporate systems of assurance – paragraph 43 - 64	Comply	Structured Assessment 2024 Terms of Reference & Operating Arrangements for the Audit and Risk Assurance Committee. Accountability Report Board Approved Risk Management Framework Board Approved Risk Management Strategy Risk Assurance Reports
CGC 20	The board should take the lead on, and oversee the preparation of, the organisation's governance statement for publication with its resource accounts each year. The annual governance statement (which includes areas formerly covered by the statement on internal control) is	The Governance Statement is included within the Accountability Report which is received by the Audit and Risk Assurance Committee to endorse prior to approval formally by the Board each year.	Audit Wales and Internal Audit receive and review the Accountability Report for comment and ensuring compliance with the Manual for Accounts.	Comply	Accountability Report Board and Committee Minutes Annual Report Timetable

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	published with the resource accounts each year. In preparing it, the board should assess the risks facing the organisation and ensure that the organisation's risk management and internal control systems are effective. The audit and risk assurance committee should normally lead this assessment for the board (5.2 and 5.13)				
CGC 21	The board's regular agenda should include scrutinising and advising on risk management (5.3 and 5.10)	The Health Board has approved the following key documents within the Health Board: • Risk Management Framework • Risk Management Strategy The Health Board receives the following key documents within the Health Board: ○ Board Assurance Framework (every other meeting) ○ Corporate Risk Register (every other meeting) The Risk Appetite and tolerance levels are defined and approved by the Board. The Audit and Risk Assurance Committee provide assurance to the Board on the Risk and Assurance Framework.	Title: AW Structured Assessment Reference Point: Corporate approach to overseeing strategic and corporate risks- Paragraph 45-50.	Comply	Board Cycle of Business AW Structured Assessment 2024 Corporate Risk Register reports to Board and Committees Operational Risk Reports to Committees and Sub-Committees of the Board Board Assurance Framework Reports to Board Board approved Risk Appetite Statement Committee Update Reports to the Board
CGC 22	The key responsibilities of non-executive board members include forming an audit and risk assurance committee. The board and accounting officer should be supported by an audit and risk assurance committee, comprising at least three members. An audit and risk assurance committee should not have any executive responsibilities or be charged with making or endorsing any decisions. It should take care to maintain its independence. The audit and risk assurance committee should be established and function in accordance with the <i>Audit and risk assurance committee handbook</i>. The board should ensure that there is adequate support for the audit and risk assurance committee, including a secretariat function. The terms of reference of the audit and risk assurance committee, including its role and the authority delegated to it by	Standing Orders are explicit that the Health Board as a minimum must establish Committees that cover certain aspects, one of which is the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee was established in 2010. The Terms of Reference and Operating Arrangements in respect of the Audit and Risk Assurance Committee are clear in relation to its authority and delegated responsibilities. These include the review the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation's activities, both clinical and non-clinical. DoCG/Board Secretary is the lead officer for the Audit and Risk Assurance Committee, however only IMs are 'members'. Officer members are invited to attend for individual agenda items. Full secretariat function in place supporting the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee Terms of Reference are published as an appendix to the Standing Orders on the Health Board's website.	Title: AW Structured Assessment	Comply	Standing Orders Terms of Reference for the Audit and Risk Assurance Committee Internet Site: Board Papers, Standing Orders and Statutory Committees of the Board webpages Audit and Risk Assurance Committee Annual Report AW Structured Assessment 2024

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	the board, should be made available publicly. The organisation should report annually on the work of the committee in discharging those responsibilities Boards should ensure the scrutiny of governance arrangements, whether at the board or at one of its subcommittees (such as the audit and risk assurance committee or a nominations committee). This will include advising on, and scrutinising the organisation's implementation of, corporate governance policy. (5.4 and 5.9, 5.11, 5.12 and 5.14 and 5.15)	The Audit and Risk Assurance Committee also has its own webpage which publishes the Terms of Reference and papers for each meeting. Audit and Risk Assurance Committee Annual Report produced and presented to Board. The focus of the AW Structured Assessment is to review the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on Board transparency, cohesion, and effectiveness, corporate systems of assurance, corporate approach to planning, and corporate approach to financial management. The findings are reported to Board and the Audit and Risk Assurance Committee.			
CGC 22	The head of internal audit (HIA) should periodically be invited to attend board meetings, where key issues are discussed relating to governance, risk management processes or controls across the organisation and its ALBs (5.5)	The role of the HIA is clearly set out in Standing Orders. The HIA attends all Audit and Risk Assurance Committee meetings which report to Board. Audit and Risk Assurance Committee Terms of Reference state that the HIA has access to the Committee Chair. The HIA has a private meeting with members of the Audit and Risk Assurance Committee at least once a year. If there was anything specifically escalated to the Board then the HIA would be invited to attend. DoCG/Board Secretary has fortnightly meetings with HIA. Regular meetings between Chair of Audit and Risk Committee, HIA and CoCG/Board Secretary.	N/A	Comply	Standing Orders Terms of Reference for the Audit and Risk Assurance Committee Internet Site: Audit and Risk Assurance Committee webpage
CGC 23	The board should assure itself of the effectiveness of the organisation's risk management system and procedures and its internal controls. The board should give a clear steer on the desired risk appetite for the organisation and ensure that: - there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently - there is clear accountability for managing risks - organisational officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.	The Health Board approved the following key documents within the Health Board: - Risk Management Framework which sets out the foundation and organisational arrangements for supporting the risk management process in Hywel Dda - Risk Management Strategy which sets out the key risk management objectives that the Health Board wants to achieve for the next 18 months. The Health Board's Risk Management Framework is based on the 3 lines of Defence model whereby management control is the first line of defence in managing risk, the various specialist functions such as Finance, Workforce, Quality, etc are the second line of defence, with the third line provided by independent assurance on effectiveness of the risk management framework. The Audit and Risk Assurance Committee receive a Risk Assurance Report which provides assurance on the	Title: AW Structured Assessment Reference Point: Corporate Systems of Assurance – Paragraph 43-62.	Comply	AW Structured Assessment 2024 Risk Management Framework Risk Management Strategy Corporate Risk Register reports to Board and Committees Operational Risk Reports to Committees and Sub-Committees of the Board Board Assurance Framework Reports to Board Internet Site: Board Papers, Standing Orders and Statutory Committees of the Board webpages

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	The board should also ensure that the organisation's ALBs have appropriate and effective risk management processes through the organisation's sponsor teams Advising on key risks is a role for the board. The audit and risk assurance committee should support the board in this role. (5.6, 5.7 and 5.10)	effectiveness of the risk management framework and the implementation of the Risk Management Strategy. The Health Board has agreed and implemented its Risk Appetite and Tolerance levels. Managers take a lead on risk management and are responsible for role modelling a risk aware culture within their area. Managers receive training 121 training on the Health Board's Risk Information Management System. Tools, procedures and guides are available on the staff intranet site. Operational services are challenged on their risk management through the Executive operational Risk Reviews The Board receives the Board Assurance Framework and the Corporate Risk Register 3 times a year. Principal risks are aligned to the Board whereas each corporate risk is aligned to the Board's Committees who ensure that risks are being effectively managed on behalf of the Board. The Health Board makes an annual assessment of its risk maturity which is reported the Audit and Risk Assurance Committee as part of the Risk Assurance Report.			Staff intranet: risk management webpage Terms of Reference for the Audit and Risk Assurance Committee Committee Update Reports Risk Assurance Reports Risk Maturity Assessments Risk Training Presentation

3.6

10:50, 10 Mins

3.6 - BREAK

3.7

11:00, 10 Mins

3.7 - Audit Enquiries to those Charged with Governance and Management

Huw Thomas (Hywel Dda UHB - Director of Finance)

| For approval

Attachments

[3.7 Audit Enquiries 2024-25.pdf](#)

[3.7 Appendix 1 - Audit Enquiries Letter \(2024-25\) Hywel Dda Draft.pdf](#)

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit Enquiries To Those Charged With Governance and Management
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u> Both the management of Hywel Dda University Health Board and 'those charged with governance' (the Board) must provide reasonable assurance to the Auditor General for Wales that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The Audit and Risk Assurance Committee (ARAC) is asked to note the evidence requested by Audit Wales to gain this assurance. A draft response is attached for review by ARAC that, subject to any amendment, will be forwarded to Audit Wales to meet the required deadline of 31 May 2025.
<u>Cefndir / Background</u> The Auditor General for Wales is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Assurance is sought, in compliance with the International Standard for Auditing (UK and Ireland), in relation to four main areas namely fraud, laws and regulations, regularity and related party relationships and transactions that impact on the audit of the financial statements.
<u>Asesiad / Assessment</u> The letter (attached at Appendix 1) details the assurance required, from both the management of Hywel Dda University Health Board and 'those charged with governance' (the Board), together with the evidence provided, in response to a number of governance areas that impact on the audit of the financial statements.
<u>Argymhelliad / Recommendation</u> The Audit and Risk Assurance Committee is asked to review the response prepared and, subject to any required amendment, ratify for onward submission to Audit Wales.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.25 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on: 3.25.1 the ISA 260 report to those charged with governance; 3.25.2 changes in, and compliance with, accounting policies and practices; 3.25.3 unadjusted mis-statements in the financial statements; 3.25.4 major judgemental areas; 3.25.5 significant adjustments resulting from the audit; 3.25.6 other financial considerations include review of the Schedule of Losses and Compensation.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	The Board's system of Internal Control and related processes.
Rhestr Termiau: Glossary of Terms:	Included within body of the report.

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	A sound system of financial control safeguards public funds and the Health Board's assets and resources. Robust governance arrangements underpinning financial management contribute towards internal control and value for money being achieved.
Ansawdd / Gofal Claf: Quality / Patient Care:	No specific impact
Gweithlu: Workforce:	No specific impact
Risg: Risk:	No specific impact
Cyfreithiol: Legal:	Compliance with statutory responsibilities
Enw Da: Reputational:	Provides assurance regarding governance
Gyfrinachedd: Privacy:	No specific impact
Cydraddoldeb: Equality:	No specific impact

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Professor Philip Kloer
Chief Executive
Hywel Dda University Health Board

Reference: HDUHB 2024-25

Date issued: 26 March 2025

Dear Philip,

Audit enquiries to those charged with governance and management

We write to you making enquiries to both those charged with governance and management. The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter and the enclosed tables formally seek the documented consideration and understanding on a number of governance areas, which impact on our audit of the financial statements.

There is a section for management; a section for 'those charged with governance' (the Board); and a section with background information.

The responses will inform our understanding of the Health Board and its business processes; and support our work in providing an audit opinion on your 2024-25 financial statements.

The completed tables should be formally considered and communicated to us, on behalf of both management and those charged with governance, by 31 May 2025. We have also included the 2023-24 responses for reference.

In the meantime, if you have queries, please contact David Williams on 02920 829326 and David.Williams@audit.wales or myself on 07896 271873 and Anthony.Veale@audit.wales.

Yours sincerely



Anthony Veale

Engagement Director

Cc Mr Huw Thomas, Director of Finance

Enquiries of management

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
1. Are there significant matters and/or events that have occurred since April 2024 that could influence our audit approach or the Health Board's financial statements?	The Health Board's deficit has increased during the year. The position improved in the final quarter however, it was unable to meet the control total set by Welsh Government (WG). In 2023/24, the Health Board was unable to meet its statutory duties to breakeven over a rolling three-year period and to prepare a three-year Integrated Medium- Term Plan for approval by the Minister for Health and Social Services, in line with NHS Finance (Wales) Act 2014. Therefore, was not able to comply with both planning and finance statutory duties. Due to WG concerns on the lack of sustained progress over a period of time on integrated planning, finance and delivery the Health Board's escalation status was increased to 'targeted intervention' in January 2024.	In 2024/25, the Health Board was unable to meet its statutory duties to breakeven over a rolling three-year period and to prepare a three-year Integrated Medium-Term Plan for approval by the Minister for Health and Social Services, in line with NHS Finance (Wales) Act 2014. Therefore, was not able to comply with both planning and finance statutory duties. However, the Health Board was allocated additional funding by Welsh Government (WG) in year. As a consequence, WG also set a revised Target Control Total of £31.55m. The Health Board has achieved the revised control total with a yearend deficit of £24.1m (subject to audit). Having placed the entire Health Board in 'targeted intervention' in January 2024, WG has de-escalated three areas to enhanced monitoring due to the progress seen. The three de-escalated areas are Child and Adolescent Health and Mental Health (CAHMS), Planned Care, and Leadership and Governance. While this is a positive step forward, it

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
		is acknowledged that pressures remain across the organisation.
2. What are your general views on the Health Board's risk assessment process relating to financial reporting?	The risk assessment process for financial reporting follows the Health Board risk management framework. The Health Board has a 'monitoring and review' structure in place to ensure risks are effectively identified and assessed and that appropriate controls and responses are in place. The Sustainable Resources Committee is responsible for scrutinising and seeking assurance on behalf of the Board that the risks relating to financial reporting on the Corporate Risk Register are being appropriately managed and mitigated in accordance with the risk management framework. The Audit and Risk Assurance Committee (ARAC) provide assurance on financial compliance on behalf of the Board. The Executive Team has approved the content of the Corporate Risk Register prior to this being	The risk assessment process for financial reporting follows the Health Board risk management framework. The Health Board has a 'monitoring and review' structure in place to ensure risks are effectively identified and assessed and that appropriate controls and responses are in place. The Sustainable Resources Committee* is responsible for scrutinising and seeking assurance on behalf of the Board that the risks relating to financial reporting on the Corporate Risk Register are being appropriately managed and mitigated in accordance with the risk management framework. The Audit and Risk Assurance Committee (ARAC) provide assurance on financial compliance on behalf of the Board. The Executive Team has approved the content of the Corporate Risk Register prior to this being

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
	discussed at both Board and Committee level. Risks have been identified via a top-down and bottom-up approach. The Sustainable Resource Committee ensures that the risks assigned to it are being managed appropriately, taking into account gaps, planned actions and agreed tolerances, and to provide assurance regarding the management of these risks to the Board through Committee Update Reports.	discussed at both Board and Committee level. Risks have been identified via a top-down and bottom-up approach. The Sustainable Resources Committee* ensures that the risks assigned to it are being managed appropriately, taking into account gaps, planned actions and agreed tolerances, and to provide assurance regarding the management of these risks to the Board through Committee Update Reports. *Following a review of committee structures the Sustainable Resources Committee will be dis-established from 31 March 2025 and a Finance and Performance Committee established from 1 April 2025 that will take over the scrutiny of the risks relating to financial reporting.
3. Are you aware of significant transactions that are outside the normal trading activities of the Health Board's business?	There are no significant transactions outside the normal trading activities of the Health Board's business.	There are no significant transactions outside the normal trading activities of the Health Board's business.

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
4. Are you aware of any transactions, events or changes in circumstances that would cause impairments of the Health Board's non-current assets (i.e. its fixed assets, such as land and buildings)?	Reinforced Autoclaved Aerated Concrete (RAAC) has been identified at Withybush Hospital and detailed surveys have identified those planks which require urgent remediation work. A significant programme of capital works has been undertaken in 2023/24 which will continue into 2024/25. The District Valuer has made an impairment assessment as of March 2024 which has been reflected within the Annual Accounts. Planks will continue to be monitored via annual surveys and assessments will be made whether there could be any additional impairments.	Reinforced Autoclaved Aerated Concrete (RAAC) has been identified at Withybush Hospital and detailed surveys identified those planks which required urgent remediation work. A significant programme of capital works has completed in March 2025. The District Valuer has made an impairment assessment as of March 2025 for those capital works completed during 2024/25 which has been reflected within the Annual Accounts. Planks will continue to be monitored via annual surveys and assessments will be made whether there could be any additional impairments.
5. Are you aware of any transactions, events and conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement?	Due to the timescale available to complete the accounts, significant estimates have been made for primary care expenditure where the actual amounts are not known prior to account submission. This includes – primary care prescribing, general medical services and community pharmacy.	Due to the timescale available to complete the accounts, significant estimates have been made for primary care expenditure where the actual amounts are not known prior to account submission. This includes – primary care prescribing, general medical services and community pharmacy. There is also an estimate for

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
		the Band 2 to 3 Health Care Support Worker (HCSW) re-banding issue.
6. Does the Health Board have any new estimates in respect of the 2024-25 year of account?	No new estimates.	The Band 2 to 3 Health Care Support Worker (HCSW) re-banding issue.
7. Have there been any issues that may impact the preparation of the 2024-25 financial statements?	None of which we are aware.	None of which we are aware.
8. Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the Health Board's ability to continue as a going concern?	None of which we are aware. However, cash is a significant issue. The Health Board is highly likely to utilise its cash allocation prior to financial year end with no line of sight at present as to how this shortfall will be managed without support from Welsh Government.	None of which we are aware. However, cash continues to be a significant issue. The Health Board is highly likely to utilise its cash allocation prior to financial year end with no line of sight at present as to how this shortfall will be managed without support from Welsh Government.

General enquiries (including financial reporting) of management		
Question	2023-24 Response	2024-25 Response
9. Are there any issues around the use of service organisations or common functions, including uncorrected misstatements from service organisations? This would include the NHS Wales Shared Services Partnership.	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.
10. Please provide information on the status of the disclosed contingencies from the prior year.	The movement on contingent liabilities is disclosed within the 23/24 annual accounts. The disclosure made in the 22/23 annual accounts in respect of Reinforced Autoclaved Aerated Concrete (RAAC) has been removed as this is now included as an impairment.	The movement on contingent liabilities is disclosed within the 24/25 annual accounts.

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
11. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?	The Counter Fraud team is not aware of any incidents of fraud that would impact materially on the Health Board's financial statements. As such, the risk is deemed minimal. The Health Board has in place financial controls and standard operating procedures to mitigate the risk of financial misstatements. Furthermore, the Health Board's Counter Fraud strategy includes a series of proactive measures to mitigate this risk, which includes developing a counter fraud culture and raising awareness of the risks identified. The risk assessment process for financial reporting follows the Health Board risk management framework. The Health Board has a 'monitoring and review' structure in place to ensure risks are effectively identified and assessed and that appropriate controls and responses are in place. To date, no fraud themes have been identified and reported to the Local Counter Fraud Specialists (LCFS).	The Counter Fraud team is not aware of any incidents of fraud that would impact materially on the Health Board's financial statements. As such, the risk is deemed minimal. The Health Board has in place financial controls and standard operating procedures to mitigate the risk of financial misstatements. Furthermore, the Health Board's Counter Fraud strategy includes a series of proactive measures to mitigate this risk, which includes developing a counter fraud culture and raising awareness of the risks identified. The risk assessment process for financial reporting follows the Health Board risk management framework. The Health Board has a 'monitoring and review' structure in place to ensure risks are effectively identified and assessed and that appropriate controls and responses are in place. To date, no fraud themes have been identified and reported to the Local Counter Fraud Specialists (LCFS).
12. Do you have knowledge of any actual, suspected or	Yes, but nothing which would affect the materiality level. All cases are recorded on a national database,	Yes, but nothing which would affect the materiality level. All cases are recorded on a national database, which is overseen by Counter Fraud Services Wales,

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
alleged fraud affecting the Health Board?	which is overseen by Counter Fraud Services Wales, who review and approve all new referrals and case closures. All cases are reported to Audit, Risk and Assurance Committee (ARAC) sessions, including any outcomes that pose a risk to the organisation. The Counter Fraud Team has actively investigated and closed 37 reports of financial crime in this year. Of these, two cases resulted in arrests being made, 3 criminal sanctions were applied, including one successful prosecution at Swansea Crown Court, one Police Caution and one Community Resolution Order. A further 10 civil sanctions were instigated, including the recovery of funds totalling £64,273 and 9 internal disciplinary referrals were made to Workforce and OD. This is in addition to the proactive exercises undertaken and reported throughout the year. Given this work, it is reasonable to conclude the accounts have not been subject to a risk of material fraud.	who review and approve all new referrals and case closures. All cases are reported to Audit, Risk and Assurance Committee (ARAC) sessions, including any outcomes that pose a risk to the organisation. During 2024/25, the Counter Fraud Team has actively investigated and closed 56 reports of financial crime. 11 cases remain open and under review and will be carried over into the next financial year. Of the investigations that were closed, 4 criminal sanctions were applied, including 1 successful prosecution at Aberystwyth Magistrates Court and 3 Police Cautions. A further 12 civil sanctions were instigated, including the recovery of funds totaling £56,106. There were 8 internal disciplinary referrals, of which 2 members of staff resigned prior to the completion of proceedings and 4 members of staff received written warnings. This is in addition to the proactive activities undertaken and reported throughout the year. Given this work, it is reasonable to conclude the accounts have not been subject to a risk of material fraud.

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
13. What is management's process for identifying and responding to the risks of fraud in the Health Board, including any specific risks of fraud that management has identified or that have been brought to its attention?	The Health Board has a Counter Fraud (CF) Policy & Response Plan which includes the overall strategic aims of counter fraud work and operational response aligned to the NHS Counter Fraud Authority (NHSCFA) counter fraud, bribery, and corruption strategy. The Health Board Standards of Behaviour Policy incorporates professional behaviour with reference to fraud, corruption, and the Bribery Act 2010. To develop a robust CF culture within the organisation, the Policy is actively promoted within the Health Board's programme of awareness. In addition, a mandatory online ESR training package is in place for all staff. A top-down approach to maintaining professional scepticism, by way of collaborative working with directorates and the Director of Corporate Governance (Board Secretary), who is the Health Board's appointed Fraud Champion. This provides a level of support to the Counter Fraud function which is independent of the Executive Leadership and management of the Executive Director of Finance, who is responsible for the provision of the Counter Fraud Service.	The Health Board has a Counter Fraud Policy & Response Plan which includes the overall strategic aims of counter fraud work and operational response aligned to the NHS Counter Fraud Authority (NHSCFA) counter fraud, bribery, and corruption strategy. The Health Board Standards of Behaviour Policy incorporates professional behaviour with reference to fraud, corruption, and the Bribery Act 2010. To assist in the development of a robust CF culture within the organisation, the Policy is actively promoted within the Health Board's programme of awareness. In addition, a mandatory online ESR CF training package is in place for all staff. A top-down approach to maintaining professional scepticism, by way of collaborative working with directorates and the Director of Corporate Governance (Board Secretary), who is the Health Board's appointed Fraud Champion. This provides a level of support to the Counter Fraud function which is independent of the Executive Leadership and management of the Executive Director of Finance, who is responsible for the provision of the Counter Fraud Service. Collaborative work and sharing of information across Wales with both NHS and Non-NHS bodies is undertaken to appropriately identify known fraud and

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
	Collaborative work and sharing of information across Wales with both NHS and Non-NHS bodies is undertaken to appropriately identify known fraud and associated risks. This is supported by the National Fraud Initiative, which assists in identifying public sector fraud across multiple sectors. Risks identified at a service level or via the LCFS are assessed in line with Health Board procedure and where applicable they are recorded on Datix. Risks with a fraud theme can be raised by service users on Datix, which in turn get reported to the LCFS. Fraud risks identified will be reported to ARAC (in-committee) and those applicable will be recorded on the Health Board's Risk Register. In terms of proactive management, the LCFS are the primary point of contact for all economic crime concerns within the Health Board. They are professionally trained and accredited and equipped to respond to any concerns raised by staff.	associated risks. This is supported by the National Fraud Initiative, which assists in identifying public sector fraud across multiple sectors. Risks identified at a service level or via the LCFS are assessed in line with Health Board procedure and where applicable they are recorded on Datix. Risks with a fraud theme can be raised by service users on Datix, which in turn get reported to the LCFS. Fraud risks identified will be reported to ARAC (in-committee) and those applicable will be recorded on the Health Board's Risk Register. In terms of proactive management, the LCFS are the primary point of contact for all economic crime concerns within the Health Board. They are professionally trained and accredited and equipped to respond to any concerns raised by staff.
14. What classes of transactions, account	An increase in mandate fraud, whereby fraudsters seek to change bank account details of suppliers to divert	The cyber element of Mandate Fraud means that the risk of fraud in this area is ever evolving and present,

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
balances and disclosures, within the financial statements, have you identified as most at risk of fraud?	payments to accounts they control, have targeted the NHS throughout 2023/24 with new digitally enabled methods deployed. This resulted in NHSCFA issuing a Fraud Prevention Notice around Cyber Enabled Mandate Fraud risks, which was shared with relevant stakeholders. A risk assessment was undertaken in response to the Notice by both the local and NWSSP shared services Counter Fraud teams.	although significant controls have been implemented to mitigate its impact on the organisation. These controls have directly resulted in the identification of suspicious invoices prior to them being actioned. The risk assessment process for financial reporting follows the Health Board risk management framework. The Health Board has a 'monitoring and review' structure in place to ensure risks are effectively identified and assessed and that appropriate controls and responses are in place. To date, no fraud themes have been identified and reported to the Local Counter Fraud Specialists (LCFS), however, areas of risk have been identified internally and these centre around procurement of goods and services.
15. Are you aware of any whistleblowing or complaints by potential whistle-blowers? If so, what has been the Health Board's response?	We are not aware of any whistleblowing or complaints of potential whistle-blowers relating to fraudulent activity.	We are not aware of any whistleblowing or complaints of potential whistle-blowers relating to fraudulent activity. Should a concern be received the Health Board would follow the process outlined in the All Wales Raising Concerns Policy.

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
	Should a concern be received the Health Board would follow the process outlined in the All Wales Raising Concerns Policy.	As stated, concerns of Fraud have been raised and these have been recorded and investigated. Please see question 12 for further information.
16. What is management's communication to those charged with governance (the Board) regarding their processes for identifying and responding to risks of fraud?	The steps undertaken are outlined in question 13. The LCFS attends all meetings of ARAC and regularly presents reports on counter fraud activity and any material changes to the annual work plan.	The steps undertaken are outlined in question 13. The LCFS attends all meetings of ARAC and regularly presents reports on counter fraud activity and any material changes to the annual work plan. Fraud risks / themes are recorded internally by CF and details are provided to relevant risk owners. Each risk is then assessed and where applicable, outcomes are reported in line with HB policy and in line with CF guidance, which includes, reporting each exercise as a piece of pro-active work on the Counter Fraud national crime recording system, Clue3.

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
17. What is management's communication to employees regarding their views on business practices and ethical behaviour?	The Health Board Standing Orders articulate the standards of behaviour expected by Board Members, Health Board Officers, and others as appropriate within the organisation. The Standards of Behaviour Policy sets out the Health Board's commitment to ensuring that its employees and Independent Members practice the highest standards of conduct and behaviour. The policy sets out the expectations and provides supporting guidance in delivering that requirement. The CF Team has an on-going work programme to develop an anti-fraud culture within the NHS as outlined in question 13. A programme of raising awareness exists where fraud risks impacting the organisation are reviewed and shared, highlighting key policies and processes currently in place to mitigate associated risks.	The Health Board Standing Orders articulate the standards of behaviour expected by Board Members, Health Board Officers, and others as appropriate within the organisation. The Standards of Behaviour Policy sets out the Health Board's commitment to ensuring that its employees and Independent Members practice the highest standards of conduct and behaviour. The policy sets out the expectations and provides supporting guidance in delivering that requirement. Counter Fraud assisted in the review of this policy in quarter four 2024/25. The CF Team has an on-going work programme to develop an anti-fraud culture within the NHS as outlined in question 13. A programme of raising awareness exists where fraud risks impacting the organisation are reviewed and shared, highlighting key policies and processes currently in place to mitigate associated risks.
18. For the Health Board's service organisations, have you reported any fraud or	To date, there has been no requirement to report fraud to any affected parties.	To date, there has been no requirement to report fraud to any affected parties.

Enquiries of management - in relation to fraud		
Question	2023-24 Response	2024-25 Response
potential fraud to any affected parties?		

Enquiries of management – in relation to laws and regulations		
Question	2023-24 Response	2024-25 Response
19. What are the policies and procedures in place to identify applicable legal and regulatory requirements to ensure compliance?	The Health Board has taken reasonable endeavours to comply with identified relevant legislation and has a number of policies and procedures in place to comply with legislation relating to health and safety and employment matters, as well as specific Acts for example the Health and Social Care (Quality and Engagement) (Wales) Act 2020 which came into force on 1st April 2023. Legal implications are considered as necessary in all papers to the Board or its Committees. This is supported by internal and external and assurance testing by auditors/inspection and regulators. Executive Directors also have delegated responsibilities which are captured in the Scheme of Delegation. The Health Board's risk management framework places the responsibility for identifying, assessing and managing risks of potential areas of non-compliance with legislation and regulations with services and directorates.	The Health Board has taken reasonable endeavours to comply with identified relevant legislation and has a number of policies and procedures in place to comply with legislation relating to health and safety and employment matters, as well as specific Acts for example the Health and Social Care (Quality and Engagement) (Wales) Act 2020 which came into force on 1st April 2023. Legal implications are considered as necessary in all papers to the Board or its Committees. This is supported by internal and external and assurance testing by auditors/inspection and regulators. Executive Directors also have delegated responsibilities which are captured in the Scheme of Delegation. The Health Board's risk management framework places the responsibility for identifying, assessing and managing risks of potential areas of non-compliance with legislation and regulations with services and directorates.
20. Are you aware of any instances of non-compliance with laws or regulations? Has the Health Board received any	In 2023/24, the Health Board did not receive any new Enforcement Notices in respect of The Regulatory Reform (Fire Safety) Order 2005: Article 30. The Health Board closed 1	In 2024/25, the Health Board received 2 new Fire Enforcement Notices in respect of The Regulatory Reform (Fire Safety) Order 2005: Article 30. The Health Board closed 2 Enforcement Notice issued by Mid and

Enquiries of management – in relation to laws and regulations		
Question	2023-24 Response	2024-25 Response
notice of any such known of possible instances of non-compliance?	Enforcement Notice issued by Mid and West Wales Fire and Rescue Service (MWWFRS) and continues to address the 3 outstanding Enforcement Notices (2 relating to GGH have received formal extensions from MWWFRS in February 2024). There is also an issue of full compliance with the European Working Time Directive (EWTd), with switchboard staff working in the Finance, Digital and Performance directorate. Switchboard modernisation has been implemented which allows calls to be transferred to other sites for the break periods however the Health Board is looking to strengthen arrangements further by introducing double handed shifts on weekends and evenings, subject to consultation with staff and unions in 2024/25. The Health Board has had contact with the Information Commissioner's Office (ICO) in relation to five incidents during the year (self-reported by the Health Board). Incidents involved misfiling paper records, access to medical records by unauthorised individuals, records lost in transit and information disclosed in error. Two incidents have been closed by the ICO with no further	West Wales Fire and Rescue Service (MWWFRS) and continues to address the 2 outstanding Enforcement Notices (1 relating to GGH with a completion date of December 2027 and 1 related to WGH with a completion date of August 2027 – these dates have been agreed in principle with MWWFRS). There is also an issue of full compliance with the European Working Time Directive (EWTd), with switchboard staff working in the Finance, Digital and Performance directorate. Switchboard modernisation has been implemented which allows calls to be transferred to other sites for the break periods however the Health Board is looking to strengthen arrangements further by introducing double handed shifts on weekends and evenings, subject to consultation with staff and unions by March 2026. The Health Board has had contact with the Information Commissioner's Office (ICO) in relation to four incidents during the year (self-reported by the Health Board). Incidents involved access to medical records by unauthorised individuals and information disclosed in error. One incident has been closed by the ICO with no further action required and three incidents are still being investigated by the ICO.

Enquiries of management – in relation to laws and regulations		
Question	2023-24 Response	2024-25 Response
	action required and three incidents are still being investigated by the ICO. The Health Board is in breach of its statutory duties relating to finance and planning as the Health Board has been unable to break even over a three-year period; and has been unable to submit a balanced three-year Integrated Medium-Term Plan.	The Health Board is in breach of its statutory duties relating to finance and planning as the Health Board has been unable to break even over a three-year period; and has been unable to submit a balanced three-year Integrated Medium-Term Plan.
21. Have there been any examinations or inquiries performed by licensing, tax, or other authorities/ regulators?	HMRC did not commence any new examinations or inquiries during the year. Communications with HMRC during the year related to matters routine in nature or related to matters which arose in prior financial years but which remain not settled at the start of the financial year.	HMRC did not commence any new examinations or inquiries during the year. Communications with HMRC during the year related to matters routine in nature or related to matters which arose in prior financial years but which remain not settled at the start of the financial year.
22. Has there been any significant communications with regulators?	In respect of the fire enforcement notices, MWWFRS are kept fully informed of the extensive fire safety improvement works that are being undertaken at Withybush Hospital, Glangwili Hospital and at Bronglais Hospital with WG agreed funding. MWWFRS inspect all fire	The Health Board accepted an invitation from HMRC to participate in a National Minimum Wage (NMW) Employer Support Programme. The programme offers an opportunity for the organisation to utilise HMRC's expert advice and support to check that it is paying all workers in accordance with NMW regulations. This opportunity comes following a rapid increase in the

Enquiries of management – in relation to laws and regulations		
Question	2023-24 Response	2024-25 Response
	improvement works when completed and close enforcement notices, as appropriate. There have been regular communications with Healthcare Inspectorate Wales (HIW) throughout the year in respect of off-site and on-site inspection activity which have resulted in areas of improvement for the Health Board to address and ensure lessons learnt are shared through the organisation.	NMW over recent years, which has brought more staff groups within its range. The programme commenced in January 2025 with an interactive face-to-face workshop hosted by HMRC. The Health Board will be working with HMRC over the coming months as the programme proceeds. There have been regular communications with all our regulators throughout 2024/25. This includes Healthcare Inspectorate Wales (HIW), in respect of off-site and on-site inspection activity which has resulted in areas of improvement for the Health Board to address and ensure lessons learnt are shared through the organisation. MWWFRS have provided 51 LOFSM (11 have been closed) throughout 2024/25 which have resulted in areas of improvement for the Health Board to address.
23. For the Health Board's service organisations, have you reported any non-compliance with laws and regulations?	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.

Enquiries of management – in relation to regularity		
Question	2023-24 Response	2024-25 Response
24. What is your assessment of the risk of material irregularity, in respect of the 2024-25 financial statements?	Annual accounts are prepared in accordance with all relevant accounting guidelines including Manual of Accounts; the Treasury's Financial Reporting Manual (FReM); Standing Orders and Standing Financial Instructions. Therefore, the risk of material irregularity has been minimised to a low level.	Annual accounts are prepared in accordance with all relevant accounting guidelines including Manual of Accounts; the Treasury's Financial Reporting Manual (FReM); Standing Orders and Standing Financial Instructions. Therefore, the risk of material irregularity has been minimised to a low level.
25. What is the process for responding to the risk of irregularity?	As per point 24, all available guidelines are followed to ensure the risk of irregularity is addressed and minimised to a low level.	As per point 24, all available guidelines are followed to ensure the risk of irregularity is addressed and minimised to a low level.
26. What is your knowledge of actual, suspected, or alleged irregularity?	We are not aware of any actual, suspected or alleged irregularity.	We are not aware of any actual or suspected irregularity. Allegations of irregularity were made during the year which the Health Board investigations have not been able to substantiate.
27. Where service organisations are used by the Health Board, have any irregularities been reported to any affected parties?	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.	None of which we are aware. Details of the performance of the NHS Wales Shared Services Partnership are routinely reported through Board meetings.

Enquiries of management in relation to related parties		
Question	2023-24 Response	2024-25 Response
28. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships?	Changes to related parties will be reflected in Annual Accounts disclosures. Likely change to related party note following changes to Board/Senior Management (key personnel).	Changes to related parties will be reflected in Annual Accounts disclosures. Likely change to related party note following changes to Board/Senior Management (key personnel).
29. What transactions have been entered into with related parties during the period? What is the purpose of these transactions?	As per point 28 above.	As per point 28 above.
30. What controls are in place to identify, account for and disclose related parties?	Register of Board Members Interests is maintained and reviewed by the Corporate Governance directorate.	Register of Board Members Interests is maintained and reviewed by the Corporate Governance directorate.

Enquiries of management in relation to related parties		
Question	2023-24 Response	2024-25 Response
31. What controls are in place to authorise and approve significant transactions and arrangements: • with related parties; and • outside the normal course of business?	Standing Orders, Standing Financial Instructions, Standards of Behaviour Policy together with declarations of interest forms are all in place. No transactions outside the course of normal business.	Standing Orders, Standing Financial Instructions, Standards of Behaviour Policy together with declarations of interest forms are all in place. No transactions outside the course of normal business.

Enquiries of those charged with governance

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
32. Do you have any knowledge of actual, suspected, or alleged fraud affecting the entity?	Yes. The CF Team has actively investigated and closed 37 reports of Fraud or theft this financial year. All cases are recorded and managed with oversight from CFS Wales on the approved crime reporting system, Clue 3.	Yes. The CF Team has actively investigated and closed 56 reports of Fraud or theft this financial year. All cases are recorded and managed with oversight from CFS Wales on the approved crime reporting system, Clue 3. All cases are reported to Audit, Risk and Assurance Committee (ARAC) sessions, including any outcomes that pose a risk to the organisation.
33. What is your assessment of the risk of fraud within the entity, including those risks that are specific to the Health Board's business sector?	Overall, the risk of fraud can be described as low risk of individual high loss but an increased risk of high volume, low loss frauds. However, this can be mitigated by a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.	Overall, the risk of fraud can be described as low risk of individual high loss but an increased risk of high volume, low loss frauds. However, this can be mitigated by a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
34. How do you exercise oversight of:	Oversight is achieved by way of having in place an effective Counter Fraud, Bribery and Corruption	Oversight is achieved by way of having in place an effective Counter Fraud, Bribery and Corruption

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
- Management's processes for identifying and responding to the risk of fraud in the Health Board; and - The controls to manage these risks?	workplan, which aligns itself to the Health Board's Anti-Fraud, Bribery and Corruption Policy. The Health Board is required to demonstrate compliance with NHS Requirements of Government Functional Standard 013 Counter Fraud. Component 3 of the functional standards requires the Health Board to undertake comprehensive local risk assessments to identify fraud, bribery, and corruption risks in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and record and manage risks in line with the organisation's risk management policy and included on the appropriate risk registers where necessary.	workplan, which aligns itself to the Health Board's Anti-Fraud, Bribery and Corruption Policy. The Health Board is required to demonstrate compliance with NHS Requirements of Government Functional Standard 013 Counter Fraud. Component 3 of the functional standards requires the Health Board to undertake comprehensive local risk assessments to identify fraud, bribery, and corruption risks in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and record and manage risks in line with the organisation's risk management policy and included on the appropriate risk registers where necessary.
35. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the Health Board?	In 2023/24, the Health Board was unable to meet its statutory duties to breakeven over a rolling three year period and to prepare a three year Integrated Medium Term Plan for approval by the Minister for Health and Social Services, in line with NHS Finance (Wales) Act 2014. This has resulted in the Health Board escalation status being increased to targeted intervention by Welsh	In 2024/25, the Health Board was unable to meet its statutory duties to breakeven over a rolling three year period and to prepare a three year Integrated Medium Term Plan for approval by the Minister for Health and Social Services, in line with NHS Finance (Wales) Act 2014. The Health Board has not been able to submit a balanced financial plan for 2025/26. Therefore was

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
	Government for the organisation as a whole in January 2024. The Health Board has not been able to submit a balanced financial plan for 2024/25. Therefore was non-compliant with both planning and finance statutory duties. There is also an issue of full compliance with the European Working Time Directive (EWTD), with switchboard staff working in the Finance, Digital and Performance directorate. Switchboard modernisation has been implemented which allows calls to be transferred to other sites for the break periods however the Health Board is looking to strengthen arrangements further by introducing double handed shifts on weekends and evenings, subject to consultation with staff and unions in 2024/25.	non-compliant with both planning and finance statutory duties. Also, as per response to Q20.
36. Are you aware of any instances of non-compliance with relevant laws and regulations?	As above in respect of its statutory duties under the NHS Finance (Wales) Act 2014, fire enforcement notices and EWTD.	As per response to Q20.

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
37. What is the process for identifying and responding to the risks of fraud?	In order to effectively identify and respond to the risks of fraud, the LCFS actively undertakes inform and involve work to raise awareness of fraud in the NHS, empowering employees to identify and report their concerns. Employees can also report concerns / fraud risks via Datix or through the Working Together programme. The Health Board is required to demonstrate compliance with NHS Requirements of Government Functional Standard 013 Counter Fraud. The LCFS undertakes local assessments to identify fraud, bribery, and corruption risks in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and records and manages risks in line with the organisation's risk management policy and includes on the appropriate risk registers where necessary.	To effectively identify and respond to the risks of fraud, the LCFS actively undertakes inform and involve work to raise awareness of fraud in the NHS, empowering employees to identify and report their concerns. Employees can report concerns of Fraud or fraud risks direct to Counter Fraud, via an anonymous reporting hotline, online or via Datix or through the Working Together programme. The Health Board is required to demonstrate compliance with NHS Requirements of Government Functional Standard 013 Counter Fraud. The LCFS undertakes local assessments to identify fraud, bribery, and corruption risks in line with Government Counter Fraud Profession (GCFP) fraud risk assessment methodology and records and manages risks in line with the organisation's risk management policy and includes on the appropriate risk registers where necessary. The CF workplan includes Preventative work, which is aimed at testing the effectiveness of existing controls and where applicable, develop new processes to further mitigate any identified risks. Such activities are known as Local Proactive Exercises and are recorded

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
		and reported to ARAC. Any recommendations are noted and where applicable tracked via the Audit Tracker function. Fraud risks are also identified via the review of internal controls by internal audit, who will report to CF any emerging Fraud Risks.
38. Are there any matters which those charged with governance consider require particular attention during the audit?	No	No
39. Are there any other matters which those charged with governance consider may influence the audit of the financial statements?	No	No
40. Are those charged with governance aware of any	All significant communications with regulators are shared with the Board via its Committee structure	All significant communications with regulators are shared with the Board via its Committee structure in

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
significant communications with regulators?	in public/open session, who seek assurance that issues are being addressed.	public/open session, who seek assurance that issues are being addressed.
41. What arrangements are in place to oversee the effectiveness 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 Cabinet Secretary for Health and Social Care • Local Counter-Fraud and Post Payment Verification Activity; • Inspections by Healthcare Inspectorate Wales; • Delivery of audit plans and reports by external and internal auditors;	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 Cabinet Secretary for Health and Social Care • Local Counter-Fraud and Post Payment Verification Activity; • Inspections by Healthcare Inspectorate Wales; • Delivery of audit plans and reports by external and internal auditors;

Enquiries of those charged with governance		
Question	2023-24 Response	2024-25 Response
	• 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.	• 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 • Head of Internal Audit opinion

Background information

Matters in relation to fraud

International Standard for Auditing (UK) and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and 'those charged with governance', which for the Health Board is the Board itself. Management, with the Board, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by the Board.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures, we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the Board exercises oversight of management's processes. We are also required to make enquiries of both management and the Board as to their knowledge of any actual, suspected, or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, (the Board), is responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures, we are required to make inquiries of management and the Board as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions, and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the Health Board's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the Health Board's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Regularity

Regularity is the concept that transactions that are reflected in the financial statements must be in accordance with the Health Board's framework of authorities.

Frameworks of authorities are external frameworks, specific to an audited entity, with which the audited entity's transactions must conform. These frameworks are set up by bodies able to issue and/or enforce the authorities for that entity and might include, for example:

- authorising legislation;
- regulations issued under governing legislation;
- parliamentary authorities; and
- government or related authorities (for example Managing Welsh Public Money, issued by the Welsh Government).

Further information is available in [Practice Note 10](#).

What are we required to do?

The Practice Note includes an overview, from page 56 of the Practice Note, of what we are required to do

3.8

11:10, 15 Mins

3.8 - Draft Performance Overview

Huw Thomas (Hywel Dda UHB - Director of Finance), Alwena Hughes Moakes (Hywel Dda UHB - Communications and Engagement Director), Fiona Hancock (Hywel Dda UHB - Senior Communications Officer), Tracy Price (Hywel Dda UHB - Head of Performance)

| For approval

Attachments

[3.8 SBAR Annual Report Performance Section ARAC 8 May 2025.pdf](#)

[3.8 Draft Performance Report ARAC 8 May 2025.pdf](#)

[3.8 Performance Report IIA ARAC 8 May 2025.pdf](#)

PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Draft Performance Report Chapter of the Hywel Dda University Health Board Annual Report 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Alwena Hughes Moakes, Communications and Engagement Director

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

The Committee is asked to recommend the Performance Report chapter of the Hywel Dda University Health Board (HDdUHB) 2024/25 Annual Report for approval by the Board.

In recommending the report, it ensures that it reflects an analysis of the main business, performance and accountabilities, key achievements and successes of the organisation between April 2024 and March 2025, in line with guidance in the NHS Wales Manual for Accounts 2024/25.

Cefndir / Background

All NHS bodies are required to publish, as a single document, the Annual Report and Accounts following strict guidance set out by Welsh Government in the NHS Wales Manual for Accounts 2024/25 (Chapter 3). The Annual Report and Accounts is a suite of reports and includes:

- A **Performance Report** is to provide information on the Health Board, its main objectives and strategies and the principal risks that it faces. It must provide a fair, balanced and understandable analysis of the entity's performance, in line with the overarching requirement for the annual report and accounts to be fair, balanced and understandable.
- An **Accountability Report** which must include a Corporate Governance Report, Governance Statement, a Remuneration and Staff Report and a Senedd Cymru/Welsh Parliament Accountability and Audit Report;
- A full set of **Audited Accounts** to include the primary financial statements and notes.

The above suite of documents is ratified independently through the University Health Board and its committees. The final publication comprises the entire suite of documents and must be made available for distribution at the Health Board's Annual General Meeting, which will be held no later than 30 September 2025.

Asesiad / Assessment

Our health and care system is currently facing unprecedented challenges due to multiple, simultaneous events impacting our way of life. As a health board, we encounter pressures in several key areas:

- Workforce availability, including social care
- Affordability and inflationary pressures
- Population health and demand for healthcare

These pressures result in backlogs and delays in patient care, excessive strain on staff, reduced system efficiency, and significant financial challenges. Additionally, we are at the start of a long-anticipated demographic shift, with many people living longer. In Hywel Dda, it is well known that we have an ageing estate and an unsustainable model of care.

Addressing these challenges will require sustained and co-ordinated efforts. Our focus is on improving access to services for our patients while balancing the need for financial sustainability and adhering to our control total.

The Health Board's performance for 2024/25 has shown some improvements, driven by the Ministerial priorities outlined in the 2024/25 Planning Framework, our planning objectives, the 'accountability conditions' issued in September 2024, and the Targeted Intervention process.

We continue to work towards our strategy, 'A Healthier Mid and West Wales,' prioritising objectives aligned with the Planning Framework, Ministerial priorities, and essential initiatives. This includes progressing our Clinical Services Plan to address current operational challenges and provide a roadmap for our service provision in the short and medium term.

Details of our approach and progress against these priorities are included in the Performance Overview and the Annual Report.

The Chair, Executive Directors, and the Chairs of the new Finance and Performance Committee, the outgoing Strategic Development and Operational Delivery Committee (SDODC) and the Quality, Safety and Experience Committee (QSEC) have reviewed this first draft of the Performance Report virtually.

Please note that the draft report is subject to further design changes and a final proofread once feedback from ARAC members, Welsh Government, and Audit Wales has been received and incorporated.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to **RECOMMEND** the Performance Report chapter of the 2024/25 Annual Report for approval by the Board.

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 Performance 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
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	NHS Wales 2024/25 Manual for Accounts
Rhestr Termau: Glossary of Terms:	Contained within the body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	The Performance Report has been reviewed by the Chair of HDdUHB, Executive Directors, including the Director of Finance, and the Chairs of SDODC and QSEC.

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable

Risg: Risk:	Associated risk is non-compliance due to unforeseen circumstances and tight deadlines. The process has been actively managed to minimise risks.
Cyfreithiol: Legal:	Associated legal impact is non-compliance with statutory duty to produce Annual Report and Accounts in time for the Annual General Meeting due to unforeseen circumstances and tight deadlines. The process is being actively managed to minimise risks.
Enw Da: Reputational:	Potential for media interest once the Annual Report is published.
Gyfrinachedd: Privacy:	Not applicable – statutory requirement.
Cydraddoldeb: Equality:	Not applicable – statutory requirement.



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Hywel Dda
University Health Board

2024/2025 Annual Report

Hywel Dda University Health Board



At a glance...

Our Annual Report explains what we do as a Health Board, the care we provide, how we plan, deliver, and improve your local healthcare services.

It describes our achievements and challenges throughout 2024/25 across a wide range of areas:

About us	Our performance	Governing what we do	Managing our resources	Looking ahead
				

How to contact us

Publications in print or alternative formats/languages are available on request by contacting us:

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Visit us at: <https://hduhb.nhs.wales/>

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YouTube: [hywelddahealthboard1](#)

Hywel Dda University Health Board is a local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

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1. Foreword

Welcome to our 2024-25 Annual Report. This year's report reflects on the past year in terms of our performance, the challenges we have faced, the achievements we have gained and the good progress we have made.

Firstly, we want to express our heartfelt appreciation to all our staff, volunteers, partners and our communities for getting us through what has been another tough year for everyone. Together, we have worked hard to address our financial and staffing pressures, and the ongoing demand on our services, particularly in emergency and urgent care, all while continuing to deliver the best possible healthcare services to our local population.

We particularly wish to thank our patients for your forbearance during times when you have been directly affected by the impact of the pressures on our systems. We know that many of you have waited too long for your care and we are truly sorry for this. We want to reassure you that we are doing everything we can to improve this as quickly as possible.

Despite these challenges, we have improved in some areas, like reducing some waiting times, recruiting more nurses and continuing our community vaccination programme. We have also received and welcomed support from the Welsh Government which has helped us to deal with some of these issues.

We continue to move forward with our plans to build a stronger health system, adapting these when needed. This includes deciding to refresh our strategy 'A Healthier Mid and West Wales' for the current environment, which has changed since we created it six years ago. We have already made progress towards our strategy, for example, supporting more patients in the community, recruiting more nurses, using fewer agency staff, successfully bringing together some services, and reducing the number of patients staying in hospital for a long time. However, challenges have continued, and in some areas worsened.

With that in mind, and given that plans for a new urgent and planned care hospital are likely to be at least 10 years from now (and still subject to funding approval), we need to support services that are currently fragile. We have already started this work through [our Clinical Services Plan](#).

Throughout this annual report, you can read about our performance across a range of areas in more detail, including urgent and emergency care, cancer, planned care, diagnostics, therapies, mental health, neurodevelopmental, infection control, patient experience, workforce and our financial position. We also explain what progress we have made in meeting the requirements of the Well-being of Future Generations Act, how we are developing our Welsh language culture and what actions we have taken to reduce carbon and bring sustainable practices into our day-to-date activities.

In the meantime, some of the key changes we needed to make during 2024-25 include:

- introducing temporary changes to ensure safe care in children's services at Bronglais Hospital and the Minor Injuries Unit at Prince Philip Hospital;
- introducing a new model of care in north Ceredigion providing additional healthcare and support in or close to people's homes;

- responding to General Medical Services contract changes in relation to St David's Surgery and Solva (now Peninsula) GP Surgery, and launching a central waiting list for routine dental care patients.

We made some improvements too, such as:

- re-opening areas affected by the concrete repair works at Withybush Hospital;
- extending the opening hours of our Same Day Urgent Care service in Cardigan, temporarily from January to March, to help relieve pressures on hospital emergency departments;
- introducing a new Fracture Liaison Service across our acute hospital sites;
- proactively caring for people living with frailty, through our Acute Frailty Unit at Withybush Hospital and our South Carmarthenshire Rapid Access Multidisciplinary Services at Prince Philip Hospital;
- providing more than 62,000 patient consultations in our Community Pharmacy Common Ailment Service compared to 43,000 the previous year, and 25,700 consultations in our Pharmacy Independent Prescribing Service, an increase of 12,000 compared to 2023/24;
- implementing the new Dental Access Portal, raising awareness for people to register their interest for routine NHS dental treatment, and providing 14,491 urgent dental appointments across Hywel Dda to ensure access to care for patients with an urgent dental need;
- completing an Eye Health Needs Assessment, as required by Welsh Government, which will help us review our eye health services and ensure we are meeting the needs of our local population.
- implementing additional optometry services in the community to support patients with medical retina and glaucoma eye care needs, avoiding a hospital visit;
- appointing an Acute Kidney Injury (AKI) nurse specialist, the first role of its kind in Wales;
- supporting children living with asthma through our programme in Pembrokeshire schools;
- beginning our Shades of Green project at Prince Philip and Glangwili hospitals;
- supporting people's health and well-being through arts and creativity, like our Arts Boost programme and our Arts and Health Charter, which is the first in Wales, and
- more teams and services achieving Investors in Carers awards.

We continued to embrace excellent research and development opportunities, securing several funding grants. This year we have shown consistent improvement, helped by a growing team of researchers with dedicated time, in women's health, respiratory, metabolic disorders, orthopaedics and primary care. Three of our clinicians (Alan Treharne, Consultant Gynaecologist, Dr Karen Brown, Clinical Lead for Acute Medicine and Dr Paul Underwood, Consultant Physician) were selected for The Bevan Commission's Fellows programme to lead, research and implement innovative projects to improve people's health and well-being outcomes.

Engaging our communities in shaping future healthcare services continues to be an important focus for us. During the year, we have listened to people's views and ideas about future primary and community care services, changes to inpatient care in Tregaron Hospital, temporary changes to some children's services in Bronglais Hospital and our Minor Injuries Unit at Prince Philip Hospital, and specialist healthcare services for people with learning disabilities.

The dedication, innovation and hard work of our staff has been recognised in many local and national awards. Winners have included our Nuclear Medicine Team's 'Walter the Penguin' video to reassure children in their care; the PROSTAD joint initiative to tackle the delay in diagnosing

prostate cancer; and an initiative to improve how patients with sensory loss access local healthcare services, to name a few.

In addition, our Paediatric Diabetes Team was the best performing in Wales according to figures from the National Paediatric Diabetes Audit (January 2025); we became the first Health Board in Wales to achieve 'Autism Understanding' status; our Health Visiting Service maintained its UNICEF 'Baby Friendly' accreditation; and for the fourth year running, our Nutrition and Dietetics Service has retained its top nutritional screeners award, and one of our clinicians, Trudy Smith was appointed as national speciality lead by Health and Care Research Wales.

There has been some Royal recognition to celebrate too, with Carys Davies, Senior Midwife and Neonatal Lead at Bronglais Hospital awarded a British Empire Medal (BEM) in the King's Birthday Honour List for services to midwifery, and a visit from HRH The Princess Royal to the ongoing build of Bronglais Hospital's new chemotherapy unit.

Our partners from various sectors play a crucial role in helping us deliver health and care services to our community. In March 2025, we joined partners in signing the Social Model for Health and Well-being Charter in which we commit to building and supporting healthier communities. We deeply appreciate these strong and effective collaborations and welcome the opportunities they bring.

We are extremely proud of and grateful to everyone for all you do to help us provide safe, sustainable, accessible and kind healthcare to people in Carmarthenshire, Ceredigion and Pembrokeshire.

Thank you all.



Dr Neil Wooding
Chair



Professor Phil Kloer
Chief Executive

2. About us



2.1 Our vision

We are working in our communities to provide more joined-up support and care as close to home as possible.

Our hospitals also have an important role to provide quality specialist support when needed, and we want to improve hospital services so they provide you with the very best standards and safety in care, with better outcomes for you.

2.2 Our Board

Governance across the organisation is managed by our executive directors and independent board members.

Our Board meets publicly every two months and is supported by committees and advisory groups. This year, there have been several changes in our Board and Executive, detailed in the [Directors' Report](#). For information about our Board visit our website: <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>.



2.3 Our structure

We plan and provide NHS healthcare services for people living in Carmarthenshire, Ceredigion, Pembrokeshire, and bordering counties.

With over 13,000 staff we provide primary, community, acute (in-hospital), mental health and learning disabilities services.

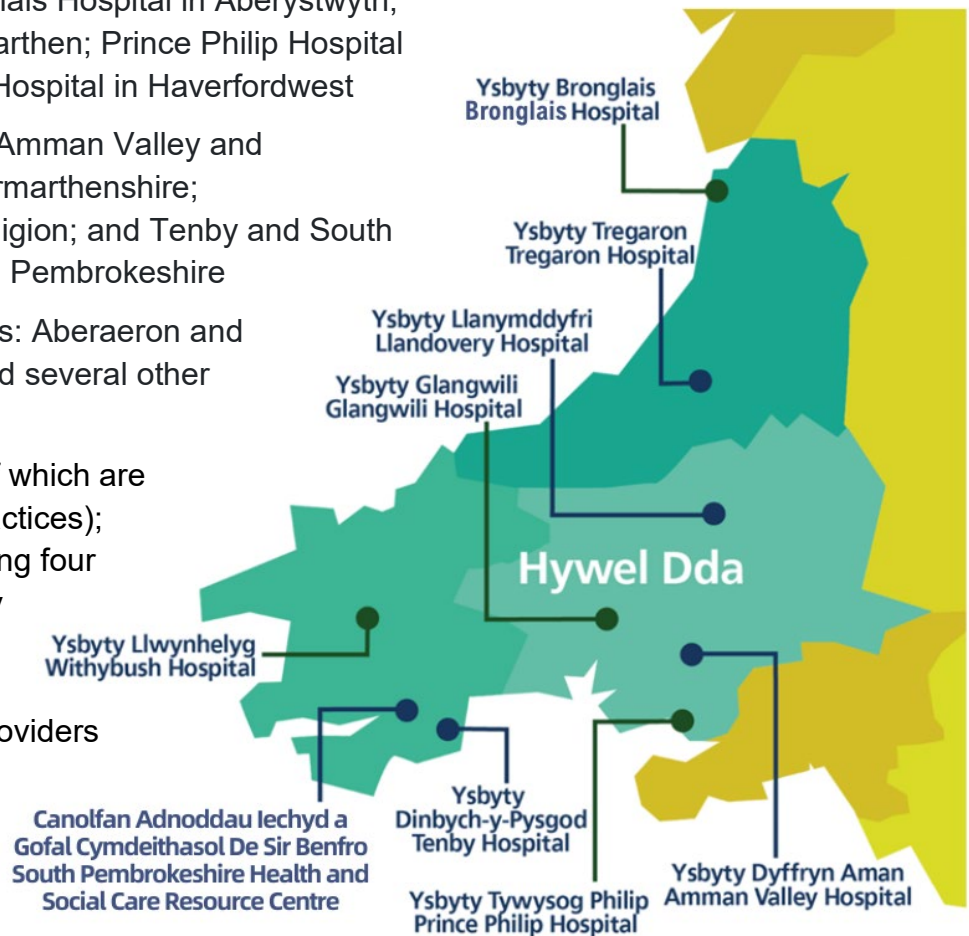
We provide specialised services commissioned by the Joint Commissioning Committee, and Sure Start services with local authorities. We work in partnership with local authorities, as well as public, private and



third sector colleagues, including our valued volunteers.

2.4 Our services are provided in:

- Four main hospitals: Bronglais Hospital in Aberystwyth; Glangwili Hospital in Carmarthen; Prince Philip Hospital in Llanelli; and Withybush Hospital in Haverfordwest
- Five community hospitals: Amman Valley and Llandovery hospitals in Carmarthenshire; Tregaron Hospital in Ceredigion; and Tenby and South Pembrokeshire hospitals in Pembrokeshire
- Two integrated care centres: Aberaeron and Cardigan in Ceredigion, and several other community settings
- 47 general practices (six of which are Health Board managed practices); 38 dental practices (including four orthodontic); 97 community pharmacies; 43 general ophthalmic practices; and 8 ophthalmic domiciliary providers
- Numerous mental health and learning disabilities services





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Part 1: Our Performance

2024/2025



3. An overview of our performance

The performance overview is a summary of the Performance Report. It gives you an overview of the challenges we have faced and how we have addressed them, as well as our achievements and progress.

It also includes a summary of how we have performed against Welsh Government targets, our actions to improve and how we have maintained a focus on safety and quality.

3.1 Statement of our Chief Executive Officer

Our health and care system is facing some of the toughest challenges we've ever seen. Despite making some good progress during 2024/25, the main issues for us in Hywel Dda continue to be staff availability (including social care), costs and inflation, population health and high demand on our services.

Our staff across our organisation have been working incredibly hard to address these pressures and improve people's experience of services. As a result, we have started to reduce some of the backlogs and delays in patient care, but we know there is much more still to do.

We are committed to improving access to services for our patients while also working towards financial stability within our budget. The Welsh Government set a 'control total' for us, recognising a short-term deficit of £44.8m. Following additional funding from Welsh Government, our deficit for the year ending 31 March 2024 reduced from £64m to £31.55m.

All health boards in Wales need to create a three-year plan called an Integrated Medium-Term Plan (IMTP) and get it approved by the Welsh Government. This plan must be financially balanced over the three years. However, in January 2024, we recognised that we would not be able to submit a balanced IMTP by the end of March 2024 and so instead, we produced a one-year [Annual Plan for 2024/25](#).

Our main goal of this plan is to sustain high quality and safe services within our organisation's financial limits. More detail on our performance across a range of areas can be found in the [Performance Report](#) from page 23.

The plan focused on a smaller set of objectives to make sure we could achieve them within the year. These objectives were aligned with the Welsh Government's priorities and included:

Value and sustainability		
Planning objective 1	Workforce stabilisation Ensuring we have enough staff and reducing reliance on agency staff	Critical enabler
Planning objective 2	Financial recovery and route map Creating a clear path to improve our financial health	Statutory duty

Quality and performance		
Planning objective 3	Transforming urgent and emergency care Improving how we handle urgent and emergency cases	Ministerial priority
Planning objective 4	Planned care, diagnostics and cancer Enhancing access to planned treatments and care	Ministerial priority
Planning objective	Mental health and CAMHS Improving mental health and child and adolescent mental health services (CAMHS)	Ministerial priority
A Healthier Mid and West Wales		
Planning objective 6	Clinical Services Plan Developing a plan to address service fragilities	Service fragilities
Planning objective 7	Primary and Community Strategic Plan Creating a strategy for primary and community care	Ministerial priority and service fragilities
Planning objective 8	Estates plans Addressing issues with our buildings and facilities	Estate fragilities
Planning objective 9	Digital plan Enhancing our digital capabilities	Critical enabler
Planning objective 10	Population health Focusing on keeping people healthier for longer	Long-term sustainability

Our aims for 2024/25 were therefore to:

- improve our financial position and work towards a balanced budget;
- stabilise our nursing workforce and reduce medical agency spending;
- improve patient access to planned care, including cancer treatments, referral to treatment waiting times and diagnostics;
- continue transforming urgent and emergency care;
- complete phase two of our Clinical Services Plan (options development);
- create a strategic plan for primary and community care;
- implement a new organisational structure, with enhanced clinical leadership and governance.

We have a robust accountability system to manage our progress, tracking 56 criteria across six key areas. This system ensures clear lines of accountability and regular reviews to maintain momentum and address any issues promptly, as part of Welsh Government's 'targeted intervention' support.

Three areas have now been de-escalated from targeted intervention to enhanced monitoring (level 3), reflecting the progress our teams made in these areas. The areas are Child and Adolescent Health and Mental Health (CAMHS), planned care, and leadership and governance. The rest of the organisation remains in targeted intervention, which means we must continue to drive improvements, address key concerns, and maintain the highest standards of patient care.

In terms of savings, we have successfully delivered over £30m of savings and significantly reduced our reported deficit to £24.1m. We have also seen improvements in stabilising our workforce through international recruitment and reduced agency reliance, mental health services consistently exceeding targets and progress in infection control measures.

Overall, while we still face significant challenges, our structured approach and focused objectives provide a solid foundation for sustainable improvement, financial stability and the basis for our **2025/26 Annual Plan**.

We've prioritised objectives aligned with the Planning Framework, Ministerial priorities, and essential initiatives. This includes developing our Clinical Services Plan to address current operational challenges and provide a roadmap for our services in the short and medium term.

Alongside this work, our Board agreed in November 2024 to refresh our strategy 'A Healthier Mid and West Wales' (published in 2018), which aims to provide people with the safe, quality, sustainable and preventative care they deserve, in community settings whenever possible.

This is not a radical change of direction, but instead a review of how we deliver the strategy in the current environment, which is different to what it was six years ago. We look forward to engaging and working with our staff, patients, partners and our local communities on refreshing our strategy in the year ahead.

We have already made progress towards the strategy, for example, supporting more patients in the community, improving nursing staff sustainability and successfully bringing together some services. However, challenges have continued, and in some areas worsened.

A key part of our strategy would see a new urgent and planned care hospital built in the south of the Hywel Dda area, though, this is likely to be at least 10 years from now and funding has yet to be agreed. So, in the meantime, we need to support services that are currently fragile and this work has already begun through our [Clinical Services Plan](#).

Our approach and progress on these priorities is described in more detail in this Annual Report.

The Health Board will continue to operate its business as appropriate for the foreseeable future. We are not aware of any circumstances that would call this into doubt.



Professor Philip Kloer
Chief Executive



3.2 Our strategic journey

3.2.1 A Healthier Mid and West Wales

Our vision is to provide more preventative care and delivery in community settings whenever possible.

In 2018, we published our strategy 'A Healthier Mid and West Wales' and while we have made significant progress towards this, such as supporting more patients in the community, improving nurse staff sustainability, and successfully bringing together some services, many challenges remain and have worsened in some areas.

We need to refresh our strategy and consider further changes needed to provide safe, quality, and sustainable care for our population. We will engage and work with our communities of staff, patients, partners and our local population on refining our strategy together.

A key part of the existing strategy is our plan for a new urgent and planned care hospital in the south of the Hywel Dda area. However, it is now highly unlikely that the new hospital would be operational for at least a decade following the delays brought on by the pandemic and other factors.

This means that we need to consider some of the key service changes now, ahead of a new facility and within our existing hospitals. Work to support fragile services in the interim of a new hospital has already begun through a programme of work called the Clinical Services Plan (detailed below).

3.2.2 Developing a Strategic Plan for Primary and Community Care

We are developing a strategic plan for primary care services (these are contractor services such as GP practices, dental services, optometric practices, and community pharmacies) and community care.

We have engaged with our staff and communities in Autumn 2024 as part of the 'My Health, My Choice' programme. Common themes that arose from the feedback include support for more

integrated ways of working, improving access to care, as well improving knowledge on the range of community and primary care services available. We are now developing the options for future primary and community services.

3.2.3 Our Clinical Services Plan

Our Clinical Services Plan focuses on nine healthcare services in greatest need of change to ensure their safety and future sustainability. Services included in the Clinical Services Plan are critical care, emergency general surgery, stroke, endoscopy, radiology, dermatology, ophthalmology, orthopaedics, and urology. These nine clinical services were chosen because of the risks of them being able to continue to offer safe, quality services or timely care.

Our long-term plans for services remain as set out in our 'A Healthier Mid and West Wales' strategy. However, a key enabler of this strategy is our plan to build a new urgent and planned care hospital in the south of the Hywel Dda area. Financial support for a new hospital is not yet secured and it could take at least ten years to complete a new hospital, if funded. We need to consider how we provide our services in the meantime.

The Clinical Services Plan aims to address service fragilities, so that we can provide safe and sustainable care to our communities, improve standards, and reduce the time people are waiting for treatment.

The plan in stages

Phase one of our Clinical Services Plan explored the issues affecting the nine service areas. A paper was produced to highlight the range of issues that impact on our services and includes the feedback received through staff, patient and contractor surveys. The issues paper was presented to our public Board meeting on 28 March 2024 and is available to read here:

<https://hduhb.nhs.wales/clinical-services-plan-issues-paper-pdf/>

Phase two of the Clinical Services Plan began with a 'deliberative event' to find services and organisations that depend on each other. Patient representatives reviewed the issues and shared ideas to solve the challenges faced. At a range of different workshops between February 2024 and September 2024, the nine service areas worked to develop draft options to address these issues and improve services. The Clinical Services Plan programme focuses on providing care that is safe, sustainable, accessible, and kind.

Workshops brought together smaller groups of staff from each of the nine service areas, alongside colleagues from connected services, for focused collaboration. A long list of five potential options was developed, and four options continued to the shortlisting stage. All options had to meet certain criteria, to ensure they were clinically sustainable, deliverable, accessible, strategically aligned and financially viable.

Some workshops involved a wider range of staff, patient representatives, and stakeholder representatives to 'check and challenge' the work the smaller group carried out. This allowed a broader range of viewpoints to be considered in developing and scoring the options.

The scoring of options in the shortlist and identification of interdependent services and organisations, was completed on 6 September 2024. In November 2024, Board members received a Closing Report that summarised the work that had taken place during phase one and phase two

of the Clinical Service Plan programme. The report is available to read here:

hduhb.nhs.wales/about-us/your-health-board/board-meetings-2024/board-agenda-and-papers-28-november-2024/board-agenda-and-papers-28-november-2024/3-7-update-on-a-healthier-mid-and-west-wales-strategy-pdf/

We are currently in phase three of the Clinical Services Plan programme. The shortlisted options have been tested further with senior operational and clinical leads, including representation from the nine services.

Next steps

In January 2025, our Board approved the proposal for a public consultation to engage on the options to deliver care across the nine clinical services. This is in accordance with the Welsh Government Guidance for Engagement and Consultation on Changes to Health Service. The consultation will run for 12 weeks from Monday 2 June 2025 to Sunday 31 August 2025 and will be supported by independent quality assurance and consultancy services.

Whilst the options are being finalised, there are currently no preferred solutions. Additional options or ideas submitted by our communities will also be considered as part of the consultation process. The consultation will seek to gather people's views on their preferred options for each of the nine service areas, how they are delivered in our hospitals, and concerns around any of the options or the impacts they may have.

There will also be consultation on the future role of our acute hospitals going forward: Glangwili Hospital and Prince Philip Hospital in Carmarthenshire, Bronglais Hospital in Ceredigion and Withybush Hospital in Pembrokeshire.

The consultation is a key part of our commitment to ensuring that all voices are heard in shaping the future of healthcare in the region.

Further information about the Clinical Services Plan is available here:

<https://hduhb.nhs.wales/about-us/healthier-mid-and-west-wales/clinical-services-plan/>

3.3 Engaging with our local communities



It is important that we listen to, and take action on, the views, opinions and ideas of people in our communities in helping us to improve what we do. We want local people to have an opportunity to have their say in how local health services are planned, developed and delivered. During 2024/25, we engaged with people on the following key areas.

3.3.1 Improving our clinical services

In March 2023, our Board decided to create a plan to improve nine key health services: critical care, dermatology, emergency general surgery, endoscopy, ophthalmology, orthopaedics, radiology, stroke and urology.

By March 2024, we had identified the main issues affecting these services and held workshops with staff and patients to come up with ideas for improvement. Representatives from seven different localities also joined three workshops to share their thoughts. The final workshop for this phase of the programme happened in September, where we assessed and scored potential options for each service. At its meeting on 30 January 2025, our Board approved a timeline for public consultation on the plan, starting in May 2025 for 12 weeks. During this time, we will ask people across our organisation and our communities for their opinions on how we can improve these nine services.

[Click here to read more about our Clinical Services Plan.](#)

3.3.2 Our plan for better primary and community care

From 2 September to 11 October 2024, we held our 'My Health, My Choice' engagement exercise to gather people's views on delivering future primary care and community-based healthcare services. The events showcased services from various public and third sector providers. Seven public drop-in and two online events were held in primary care cluster areas, attended by over 200 people, including: Tywi/Taf, Llanelli, Aman-Gwendraeth, South Pembrokeshire, North Pembrokeshire, South Ceredigion, and North Ceredigion.

Emily and Margaret pictured right chatting with our South Ceredigion Frailty Team at the primary and community care well-being event in Llandysul in September.

Four targeted sessions were also held with specific groups: Sign and Share Club, Pembrokeshire People First, Portfield School, and Ysgol Heol Goffa. [Click here for further information about this plan.](#)



3.3.3 Phlebotomy services in Llanelli

A public engagement period about the impact on patients of moving blood test services from the Antioch Centre to the Mass Vaccination Centre at Dafen in Llanelli ran from 29 April until 26 June 2024. Two drop-in events were held on 8 and 14 May at the Antioch Centre, Llanelli, with a supporting survey. 81 survey responses were received.

3.3.4 St David's Surgery, Pembrokeshire

We held a public engagement process between 13 May and 19 June 2024, to determine the future of General Practice (GP) services for the patients of St David's Surgery in Pembrokeshire. This followed the resignation of the General Medical Services (GMS) contract by the single-handed GP with effect from 31 October 2024.

Over 500 people attended our drop-in event held at City Hall, St David's on 14 June 2024. In addition, the GP practice sent a survey to all patients, which was also available online, and receive 1,072 responses. A dedicated session with St David's Care in the Community residents (people with learning disabilities) was held on 10 June 2024, with 15 residents and four staff sharing their views.

3.3.5 Inpatient beds at Tregaron Hospital, Ceredigion

During a four-week engagement period in August 2024, we invited feedback on removing nine inpatient beds at Tregaron Community Hospital and replacing them with community services in Ceredigion. The proposal, part of the Cylch Caron project and in line with our vision for a healthier mid and west Wales, aims to move inpatient care to people's homes. Public events included a drop-in at Tregaron Memorial Hall and an online event, alongside a survey, receiving 174 responses.

On 26 September 2024, the Health Board approved the community healthcare model, replacing inpatient beds with home-based care in north Ceredigion.

As part of the Cylch Caron project, an integrated resource centre will be developed in partnership with Ceredigion County Council, the Health Board and the Welsh Government, to provide care, health and housing services in a central hub for Tregaron and surrounding areas.

3.3.6 Chemotherapy Day Unit, Bronglais Hospital, Aberystwyth

Our Bronglais Hospital Chemotherapy Day Unit (CDU) project aims to establish a new anti-cancer therapy unit in Aberystwyth. Since November 2021, we have kept local communities updated on the project's progress together with our Hywel Dda Health Charity.

A public task and finish group is working on the arts element, focusing on the colour scheme and participatory activities. This included a questionnaire to gather feedback between 18 October and +25 November 2024. Responses showed that the project looked good but took longer than expected, and the improved environment would enhance care and provide a more relaxed experience for patients.

3.3.7 Minor Injuries Unit, Prince Philip Hospital, Llanelli

Our Board approved a temporary overnight closure of the Minor Injury Unit at Prince Philip Hospital from 1 November 2024. Before the temporary closure, we held a drop-in event at the Antioch Centre in Llanelli on 23 October 2024 to explain the reasons for the change. The event was attended by 119 people. We also met with Llanelli Rural and Llanelli Town councils as part of our engagement process, and ran a survey for local people to share their views.

We created an Options Development Group, including membership from Llais West Wales, SOSPPAN, the local community, staff and partners, to consider and evaluate a longlist of potential options for the future of the Minor Injury Unit.

Two more public drop-in events were held on 6 and 17 March 2025 in Llandybie and Llanelli, along with an online meeting for councillors before our public Board meeting on 27 March 2025 to review shortlisted options and agree next steps. On 27 March 2025 our Board agreed to proceed with a public consultation in spring of this year on four options developed, and invited new ideas that have not yet been considered.

Around 2,000 local people, including families like Stephanie Roberts from Llanelli and Emily Williams from Garnant (pictured right), continued to have their minor injuries treated at Prince Philip Hospital's Minor Injury Unit in the first month of the temporary changes to opening times.



3.3.8 Community Development Outreach Team

Our Community Development Outreach Team regularly engages with diverse communities and vulnerable groups across our three counties to understand and improve access to healthcare. We aim to break down barriers and inequalities, serving as a bridge between communities and the Health Board. These groups include Gypsies, Roma, Traveller communities, the homeless, vulnerably housed, asylum seekers, refugees, and Black, Asian and minority ethnicities.

3.3.9 Pembrokeshire County Show

The 2024 county show was a chance for us to talk with people and share information about our services. Held in mid-August, our show stand featured various Health Board teams, including diabetes, school nursing, immunisation, future workforce, community cardiology, waiting list support, Pembrokeshire management, Narberth surgery, community occupational therapy, community development outreach, recruitment, organ donation, engagement and communications.

How to get involved

If you are interested in taking part in future engagement activities or you would like to keep up-to-date with the Health Board's work, you can join our Hywel Dda engagement scheme [Siarad Iechyd/Talking Health](#).





4. Our performance

4.1 Quality and safety

Providing high quality care is a complex and fragile process. Throughout 2024-25, we have continued to review and identify areas for improvement to ensure we can meet our duty of quality and provide quality services for our patients across the Health Board.

This Performance Report reflects the actions we have taken, and continue to take, to improve the quality and safety of the care and services we provide for our local population.

Further information on our quality governance arrangements can be found in the [Accountability section](#) of this Annual Report.

Our amazing Maternity and Neonatal Risk and Governance Team won three awards at the 2025 UK MUM (Maternity Unit Marvels) Awards™ in recognition of the role they play in improving safety for mums-to-be (pictured right).

This year, we are producing our Annual Quality Report, our Duty of Candour Annual Report and our Putting Things Right Annual Report, all of which will be available once published, on our website: <https://hduhb.nhs.wales/quality-and-engagement-act/>.

These reports detail the improvements we have made to ensure our services are safe, timely, effective, efficient, evidence-based and person-centred, in line with the Duty of Quality: <https://hduhb.nhs.wales/duty-of-quality/>



4.2 A summary of our performance

The table below summarises performance against our key improvement performance measures for 2024/25. These include measures relating to our enhanced monitoring (targeted intervention) by Welsh Government, and relating to actions in our Annual Plan 2024/25 known as accountability conditions, along with the Minister for Health and Social Care’s priorities for this financial year.

Details about why we use statistical process control (SPC) charts, can be found here: hduhb.nhs.wales/about-us/governance-arrangements/board-committees/strategic-development-and-operational-delivery-committee-sdodc/sdodc-27-february-2025/5-3-integrated-performance-assurance-report/

Variation	Assurance	Trajectory
How are we doing over time	Performance against target	Performance against our ambition
 Improving trend	 Always hitting target	 Trajectory met or improved upon
 Usual trend	 Hit and miss target	 Within 5% of trajectory
 Concerning trend	 Always missing target	 More than 5% off trajectory

Insert IPAR summary table and key – due end of April

Further details on the measures above, and the issues and risks that impacted our performance in 2024/25, are detailed in the section below.

4.3 Our performance assessment (key priorities, performance, challenges and risks)

4.3.1 Urgent and emergency care (including the national six goals)

Our vision for urgent and emergency care is to provide accessible, timely, and close-to-home services, following the Welsh Government's National Six Goals Framework

(<https://www.gov.wales/six-goals-urgent-and-emergency-care-policy-handbook-2021-2026>).

Health and care organisations are working together to ensure people get the right care, in the right place, at the right time.

All services, whether community or hospital based, saw an increase in demand, particularly during the winter months when cases of flu, RSV (human respiratory syncytial virus) and Norovirus were high.

We've been listening to our patients, carers and partner organisations to improve access to urgent and emergency care. We know that being in our hospital sites, especially our emergency departments, at times of extreme pressure, can be a difficult experience for everyone, in particular our patients who are ill or in pain. We apologise to anyone who has a poor experience when using our services and we are constantly striving to improving this.

Despite this, we've made significant progress over the past year. We set up three 24/7 urgent care hubs in Carmarthenshire, Pembrokeshire and Ceredigion. Working with GPs, ambulance services and community nurses, these hubs help avoid unnecessary hospital admissions by providing advice and visits, averaging 500 prevented admissions each month.



We've also focused on enhancing our Same Day Emergency Care (SDEC) and Same Day Urgent Care (SDUC) services. This year, we extended these services to weekends and opened a new SDEC for surgical patients at Glangwili Hospital.

In terms of inpatient care, we've worked to improve patient flow from admission to discharge. Our goal is to ensure patients receive the best care and are discharged when ready, reducing unnecessary hospital stays. We've created discharge information for patients and staff, and

implemented an electronic system to support patient flow.

Our Hospital@Home service has been expanded to provide hospital-level care at home for patients with acute medical issues. We've also secured funding to test technologies that help patients stay at home, like remote monitoring of heart rate and blood pressure.

These efforts have made a noticeable difference. The number of ambulances waiting over an hour to hand over patients has decreased, indicating better emergency department performance.

Fewer people are staying in the hospital for over 21 days, which improves hospital flow and frees up emergency department space.

Additionally, the number of people ready to leave the hospital but delayed due to various reasons has reduced, allowing for earlier and safer discharges.

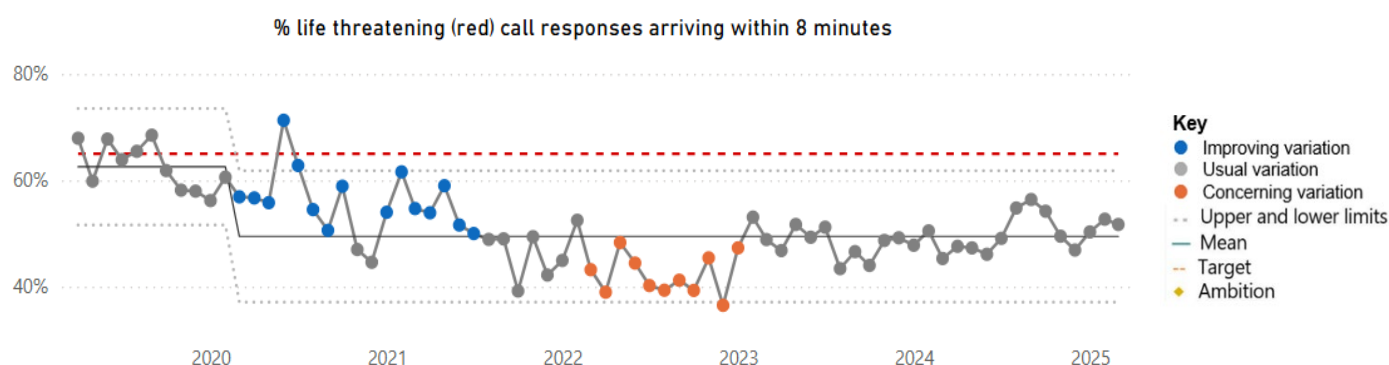
➡ **% life threatening ambulance calls responded within 8 minutes**

In 2024/25, we aimed to respond to as many calls as possible within 8 minutes, hoping to hit the national target of 65%. By the end of March, we managed to meet this goal for 51.7% of calls (367 out of 710).

The main reasons we couldn't respond to life-threatening calls within 8 minutes were:

- No available response vehicle at an approved location, often because vehicles were held at hospitals waiting to hand over patients.
- A vehicle was at the nearest approved location, but the incident was too far to reach within 8 minutes.

To tackle these challenges, the Welsh Ambulance Service NHS Trust uses a weekly review of the national framework called the Resource Escalation Action Plan (REAP). This helps us maintain an effective and safe response, manage service pressures, and dynamically review demand and area-specific issues. We also have a Clinical Safety Plan, work together to improve patient pathways, and use Advanced Paramedic Practitioners for pre-hospital clinical screening to avoid unnecessary admissions.



➡ **Ambulance to hospital handovers taking longer than 1 and 4 hours, and patients waiting in emergency departments (AandEs) / minor Injuries units (MIUs)**

Our main aim is to speed up the handover of patients from ambulances to our AandE/MIU staff and reduce the time patients spend waiting in AandE/MIU.

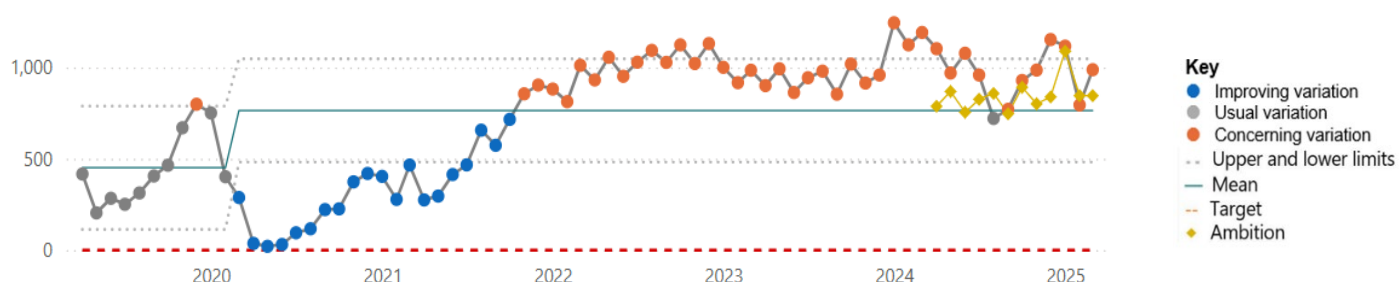
In 2024/25, our performance was up and down and didn't improve as much as we hoped. By March 2025, there were 988 ambulance handovers that took over an hour (our target was zero) and 343 that took over four hours (target was zero).

However, fewer patients waited in AandE/MIU for over 4 and 12 hours. About 69% of patients spent less than 4 hours, but 1,412 patients still waited over 12 hours by March 2025.

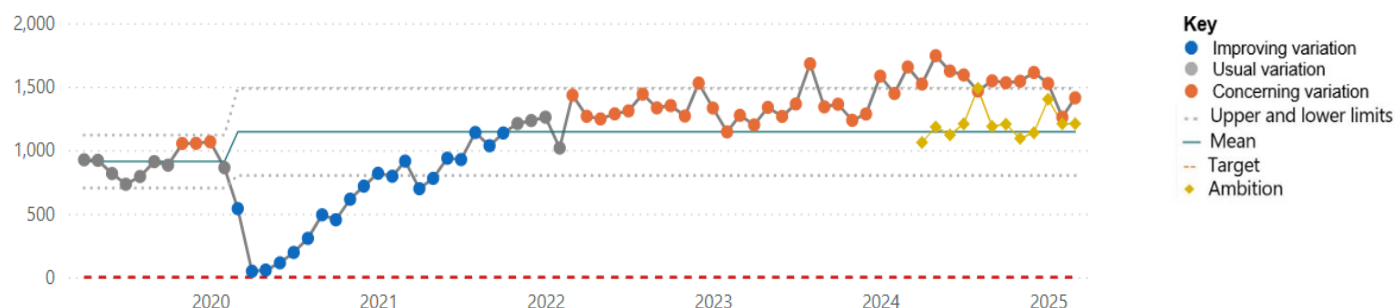
We're working on several initiatives to ease the pressure on our AandE/MIUs and improve patient experience:

- We have protocols to prioritise handovers from high-priority ambulances (Red: 8 minutes, Amber 1: 20 minutes) to free up vehicles quickly.
- Same-day emergency and urgent care pathways have reduced the number of patients coming into AandE/MIU.
- We've set up urgent care hubs to review GP referrals and ambulance calls to see if patients need to go to hospital or if they can get alternative care.

Number of ambulance handovers taking over one hour



Number of patients who spend 12 hours or more in A&E / MIU



Number of patients in hospital with a delayed discharge

We carry out daily internal reviews to understand why there are delays in patient discharges and try to fix these issues whenever possible. Although the number of delayed discharges slightly decreased from 220 in March 2024 to 218 in March 2025, the main reason is due to assessment delays. To address this, we've increased the number of Trusted Assessors, who work to prevent delays by removing barriers that slow down patient referrals to other teams or services.

The Health Board and local authorities meet weekly to discuss and monitor actions for patients with delayed discharges and those with longer-than-expected hospital stays. We continue to work closely with local authorities, third sector and independent sector partners, such as care homes and the Welsh Ambulance Service NHS Trust, to ensure smooth patient flow, safe transfers, and better community care.

4.3.2 Cancer



% patients on single cancer pathway starting treatment within 62 days

We aim to increase the percentage of patients who start their first definitive treatment within 62 days from the point of suspicion. Over the past year, our performance has been inconsistent, and we haven't met the national target of 75%. However, thanks to various improvement actions, we've seen encouraging signs of progress recently, with March 2025 showing the best performance of the year at **XXX%**. **March data to be available early May**

We receive around 2,000 referrals each month. Urology and lower gastrointestinal pathways still have the highest number of patients waiting over 62 days from referral to treatment. The biggest challenges have been capacity and staffing shortages in our radiology diagnostic services. To address this, we've implemented recovery plans across all cancer pathways to increase the percentage of patients starting treatment within 62 days, with extra investment and capacity directed to our most challenged areas. We'll continue focusing on this in 2025/26 to further improve our performance and patient experience.

4.3.3 Planned care, diagnostics and therapies



New outpatient appointment waits over 52 weeks

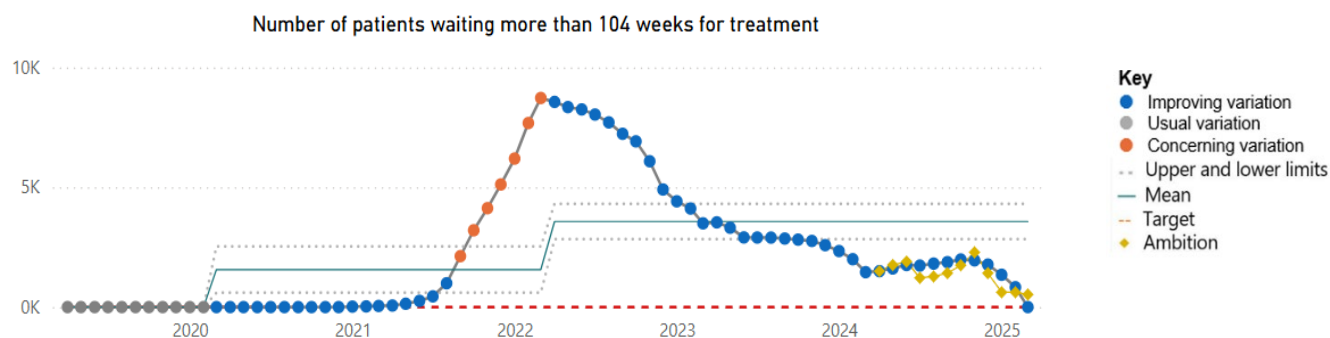
Referral to Treatment (RTT) waits over 52 weeks

Referral to Treatment (RTT) waits over 104 weeks

Follow ups delayed over 100% of target date

Our main goal is to reduce the longest waiting times for our patients. In August 2024, we eliminated waits over three years and continued our recovery efforts through to March 2025. By then, we were one of only two Health Boards in Wales to ensure no patients were waiting longer than two years for treatment, no patients were waiting longer than one year for a new outpatient appointment, and we had the lowest number of patients waiting over one year for treatment compared to the rest of Wales.

While the number of patients waiting for a follow-up outpatient appointment is much lower than elsewhere in Wales, the number of patients whose follow-up appointment is delayed by 100% stayed the same throughout the year, totalling 16,504 in March 2025. However, our clinical teams made significant progress by implementing new, innovative approaches to reviewing patients, including extensive use of 'See On Symptoms (SOS)' and 'Patient Initiated Follow Up (PIFU)' pathways. These pathways allow patients to contact our teams when their symptoms or conditions change.



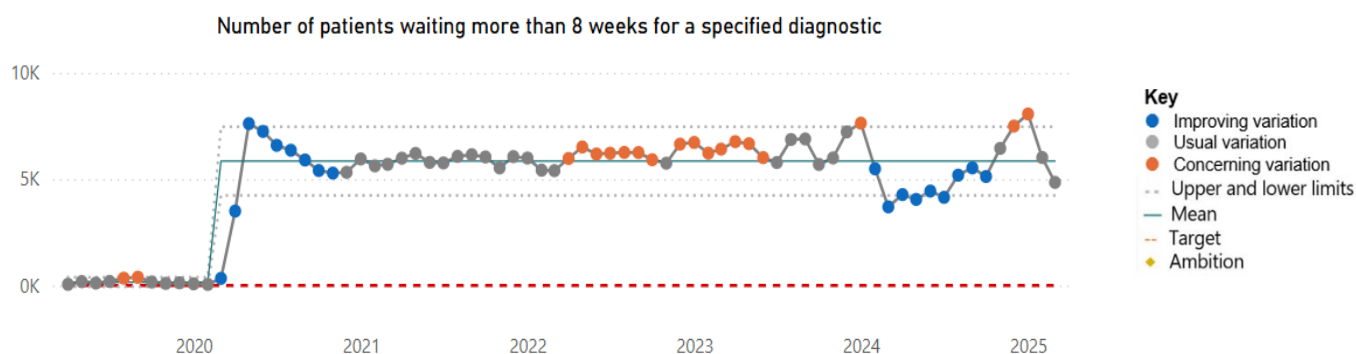
➡ **Ophthalmology R1 (high-risk) patients attending appointments without significant delay from their target date (delayed no more than 25% beyond their target date)**

Our main aim is to increase the percentage of high-risk (R1) ophthalmology patients who attend their appointments without significant delay from their target date (delayed no more than 25% beyond their target date). Unfortunately, we didn't achieve this, with 57.5% of R1 appointments attended within the 25% delay by March 2025.

Workforce challenges have limited our capacity for R1 patients with glaucoma and those needing Intravitreal Injection Therapy (IVT). To improve performance, we're working on several actions, including a shared approach between hospital and community-based optometrist eye care teams, improvements to the glaucoma patient pathway, staff recruitment, and training. Additionally, short-term funding provided extra appointments in the private sector for some IVT patients during the latter part of 2024/25. We expect planned investment into long-term dedicated space for ophthalmology appointments within our Health Board through 2025/26 to positively impact overall R1 performance.

➡ **Number of patients waiting 8 weeks and over for a specified diagnostic test**

We aim to have no patients waiting 8 weeks or more for a diagnostic test. This was not achieved, with 4,851 patients waiting by end of March 2025. The diagnostic services with the most patients waiting over 8 weeks are radiology (4,587), cardiology (150), and endoscopy (72).



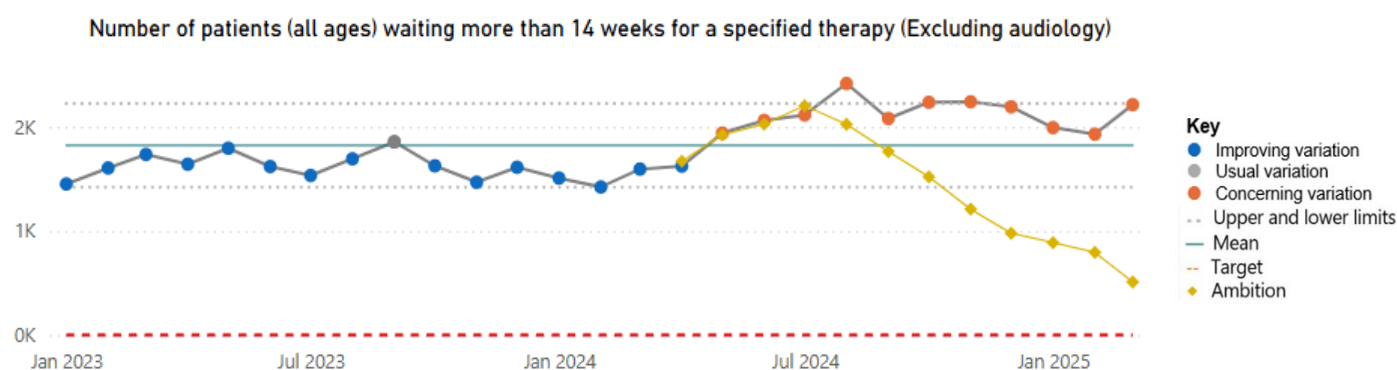
Radiology faced higher demand than capacity, especially in non-obstetric ultrasound, MRI, and CT, leading to more patients waiting over 8 weeks. Staffing shortages also affected obstetric ultrasound services. Since December 2024, performance has improved thanks to recovery actions like adding more ultrasound capacity, a mobile MRI unit, locum consultant radiologists, and extra agency staff.

Cardiology also had higher demand than capacity. In echocardiography, we needed alternative plans to address staffing gaps. Cardiologist job plans were reviewed and continue to be adjusted to reduce the number of patients waiting over 8 weeks. We also brought in additional physiologists to help meet the demand for heart rate and blood pressure monitoring.

Endoscopy demand previously exceeded the service's capacity to provide timely access. Over the past year, we prioritised additional investment to increase capacity. Now, service capacity matches projected demand.

➡ Number of patients waiting 14 weeks or more for a specified therapy

Our key aim is to reduce the number of patients waiting 14 weeks or more for a specific therapy to 510 by 31 March 2025. Unfortunately, we didn't meet this goal, with the actual number being 2,216 in March 2025. The highest numbers of patients waiting 14 weeks or more were in physiotherapy (1,192), podiatry (570), and occupational therapy (322).



Physiotherapy faced staff recruitment challenges in the community and musculoskeletal (MSK) service, with demand exceeding capacity in 2024/25. To address this, we've launched a targeted recruitment campaign, developed a short-term staff bank system, used agency staff to support vacancies, and started an MSK telephone triage pilot to guide patients to self-care resources.

Podiatry has also struggled with staff recruitment and increased demand due to chronic vascular and diabetic foot issues throughout 2024/25. We're mixing skills among existing staff across all areas of podiatry, recruiting to fill vacancies, managing patient waiting lists, and maintaining open access (no appointment needed) walk-in clinics for high-risk lower limb problems. Our telephone triage has been well received, allowing quicker access and maximising capacity.

Occupational therapy has a large backlog of patients in paediatrics, worsened by staff sickness and vacancies. We've continued to prioritise patients, manage staff sickness according to policy, and recruit to address capacity shortfalls.

4.3.4 Mental health

Figures to be updated once available in May

% adults and children having a mental health assessment within 28 days of referral

Our goal is to increase the percentage of adults and children getting a mental health assessment within 28 days of referral, aiming for the national target and our own ambition of 80%. By the end of March, **we met the national target and achieved our performance aims for March 2025:**

- **98.7%** for adults in **February 2025**
- **95.5%** for children in **February 2025**

Despite challenges with recruitment, staff absence, and accommodation, we continue to improve efficiency by using the Welsh Patient Administration System (WPAS) to record all clinical activity. This helps with demand and capacity planning. We've also established access arrangements, rolled out digital platforms, offered individual and online group work, and held contract monitoring meetings with external providers. Referrals are risk-assessed to prioritise urgent cases.

% adults and children starting therapeutic interventions within 28 days following a Local Primary Mental Health Support Service (LPMHSS) assessment

Our aim is to increase the percentage of adults and children starting therapeutic interventions within 28 days after an LPMHSS assessment, to achieve the national target and meet our own ambition of 80%. By the end of March, **we met the national target and achieved our aims for March 2025:**

- **96.3%** for adults in **February 2025**
- **97.7%** for children in **February 2025**

We keep a close eye on performance to ensure patients get an initial appointment within 28 days, set goals, and agree on self-management steps, with further intervention arranged as needed. We've introduced Cognitive Behavioural Therapy (CBT) groups for adults and are trialling group programmes for children and young people, including online group and individual work. Challenges include staff absence, increased demand, and access to rooms in GP surgeries or other suitable locations. However, we've implemented a new system after reviewing care pathways across the service to improve oversight and ensure we stay on track.

% adults waiting less than 26 weeks for a psychological therapy

Our goal is to increase the percentage of adults waiting less than 26 weeks for psychological therapy, aiming for the national target of 80% and our own ambition of 61%. By the end of March, **we showed an improving trend but haven't yet reached the national target: 63.8% in February 2025**, compared to 48.5% in March 2024.

The improvement is linked to rolling out group therapies as part of the patient journey in psychological therapies, offering 1:1 sessions when needed, providing remote sessions, and recruiting to fill vacancies. We've also adopted a 'Grow your Own' initiative to address long-term

workforce challenges. Challenges include staff absence and a higher number of complex cases, including court protection work. To manage these, we've consolidated the waiting list across the three counties and used practitioners across the service to prioritise the most urgent cases.

4.3.5 Neurodevelopmental

Figures to be updated once available in May



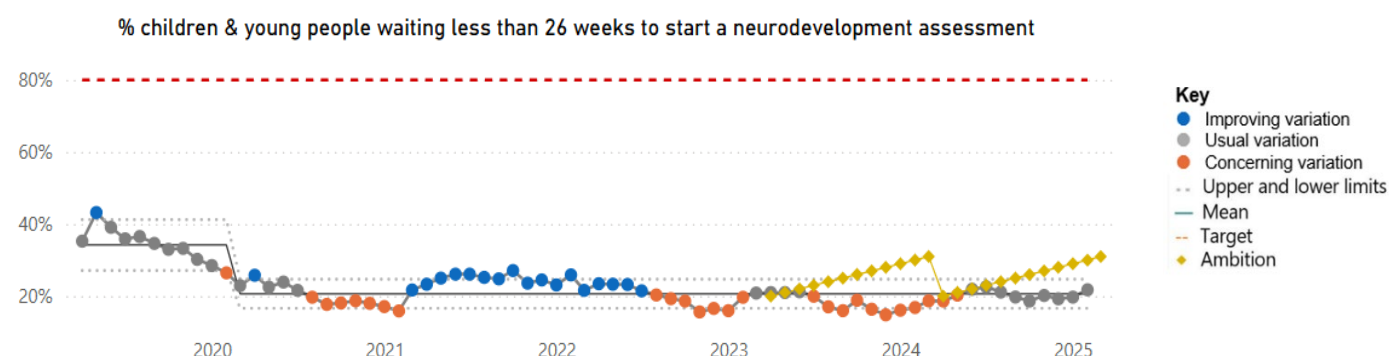
% children waiting less than 26 weeks for a neurodevelopment assessment

Our aim is to increase the percentage of children waiting less than 26 weeks for a neurodevelopment assessment, to achieve the national target of 80% and our own ambition of 31%. By the end of March, we didn't meet our aim or the national target, with only 21.8% in February 2025.

Assessments for Attention Deficit Hyperactivity Disorder (ADHD) and Spectrum Disorder (ASD) in children and young people are delayed due to a continued increase in referrals, including a 100% rise in ADHD assessments over the past year. We have robust caseload allocation and monitoring in place, and we've recently mapped out current pathways to ensure efficiency. We're exploring new models to reduce demand and have rolled out digital platforms. We're promoting a 'Grow your Own' culture and introduced a skill mix to teams to attract more interest in specialist roles to address long-term workforce challenges.

While waiting for an assessment, we send 'keeping in touch' letters to parents and carers with sources of support. We also hold weekly Autism Advice hubs to provide advice and support, offer dedicated workshops, and have a specialist nurse to support vulnerable children and young people.

Chart to be updated once March data published



Despite our progress against the measures described above, we acknowledge that the waiting times are too long and we are continuing our focus on bringing them down.

4.3.6 Infection control

- ➡ **C.difficile: Number of laboratory confirmed infection cases (in-month)**
E.coli: Number of laboratory confirmed blood stream infection cases (in-month)
S.aureus: Number of laboratory confirmed blood stream infection cases (in-month)

Our aim is to eliminate all avoidable infections, and we've been working hard to reduce the numbers of Clostridioides difficile (C.difficile) infections, along with Escherichia coli (E.coli), and Staphylococcus aureus (S.aureus) blood stream infections. Across Wales, C.difficile and S.aureus cases have increased during 2024/25, while E.coli cases have decreased. In the Hywel Dda area, there was a 21% (23 cases) increase in S.aureus cases compared to 2023/24, 70% of these blood stream infections were acquired in the community, 39 cases occurred in hospital.

We had 184 C.difficile cases this year, 2 more than last year, 42% of these were acquired in hospital. 380 patients were diagnosed with E.coli this year, an improvement on last year, with 84% of these occurring in the community.

The high number of patients within our hospitals, together with our ageing estate, have made it challenging to keep the environment clean, which increases the risk of infection. We're addressing this by changing our cleaning processes and products in all our inpatient areas. As part of our healthcare-acquired infection (HCAI) improvement plan, we're focusing on reducing hospital-acquired C.difficile and bloodstream infections. This includes weekly infection ward rounds with a microbiologist and pharmacist to ensure correct management and treatment for patient safety, monitoring antibiotic use to make sure they're prescribed only when necessary and appropriate. This helps improve patient outcomes and reduces the risk of adverse events from antibiotic use.

Education and training are crucial to make sure staff are aware of infection prevention and control practices. We regularly audit to ensure we meet standards.

Each HCAI is reviewed in monthly meetings to find the cause and share lessons to prevent future infections. For patients with confirmed C.difficile infections, we send a letter to their GP to review future antibiotic treatments, and patients receive letters and information to help manage their infection at home. We're also improving patient outcomes by increasing the number of patients receiving faecal microbiota transplantation (FMT) to prevent further C.difficile episodes.

We monitor E.coli infections across the Health Board and continue to educate staff on device management and care. We review hospital-onset cases to learn and share insights across the Health Board.

Our data shows that most C.difficile cases are acquired in hospitals, rather than care homes or the general population. About half of these infections are hospital-acquired. To prevent this, we use DiffX products and hydrogen peroxide vapour (HPV) for environmental decontamination, working with hotel facilities and estates. The C.difficile improvement group, overseen by the Deputy Medical Director, has been set up and provides more insight into antibiotic prescribing and management of C.difficile.

The data suggests that most S.aureus and E.coli infections come from within the community, so we're focusing on health promotion and healthier living in our community messaging. We also work closely with Public Health Wales.

4.3.7 Workforce



% of sickness absence rate of staff

In the past year, we didn't meet our goal of reducing staff sickness absence to the target of 4.79%. In July 2024, staff sickness absence increased to 6.6% and has stayed at that level since.

Anxiety, stress, and depression are the main reasons for long-term absences across most of our directorates, while coughs, colds, and flu are the top reasons for short-term absences.

We've started a programme to review areas with high sickness rates. We've also supported an increase in stress risk assessments to better understand the issues staff face. Our Workforce Team has provided focused support to help managers understand the sickness absence process and how to best support their staff, including creating bespoke action plans and offering additional training.

4.3.8 End of year financial position



XXX

To follow

4.3.9 Fraud, anti-corruption and anti-bribery

We have two full-time Accredited Local Counter Fraud Specialists and a Counter Fraud Policy: hduhb.nhs.wales/about-us/governance-arrangements/policies-and-written-control-documents/policies/counter-fraud-bribery-and-corruption-policy/

This policy, along with staff training and promotional activities, outlines our strategy to combat fraud. It aligns with the NHS Counter Fraud Authority (NHSCFA) and Government standards.

Our annual workplan covers four main areas:

1. **Inform and Involve:** Raising awareness about fraud in the NHS and promoting a strong anti-fraud culture.
2. **Prevent and Deter:** Reviewing and improving controls to prevent fraud, bribery, and corruption.
3. **Hold to Account:** Recording and investigating instances of fraud, bribery, and corruption, and holding people to account where wrongdoing is proven.
4. **Strategic Governance:** Reporting and demonstrating our governance practices.

The workplan is approved by our Director of Finance and the Chair of our Audit and Risk Assurance Committee. We provide bi-monthly updates to the committee and quarterly statistics to the Welsh Government. An annual self-review is also completed and monitored by the NHSCFA.

You can read our reports and workplans here: [Audit and Risk Assurance Committee \(ARAC\) - Hywel Dda University Health Board](#).



5. The well-being of future generations

The Well-being of Future Generations (Wales) Act 2015 sets out duties for 44 public bodies, including Health Boards. Our Health Board is part of three *Public Services Boards (PSBs) in Carmarthenshire, Ceredigion and Pembrokeshire (*described in more detail below).

Our well-being goals are our long-term plans to put the Well-being of Future Generations (Wales) Act 2015 into action. These goals cover multiple national objectives and fit well with our strategic and operational plans, as well as our PSBs' well-being plans. [Click here for more on The Well-being of Future Generations \(Wales\) Act - Hywel Dda University Health Board](#)

We work closely with our three PSBs and the West Wales Regional Partnership Board to build a strong integrated community care service for Wales, giving people a better quality of life.

In March, our Dementia Well-being Team (pictured right) won the Citizen and Third Sector Choice Award at the 2025 West Wales Regional Partnership Board Conference.

Each PSB aims to reduce inequalities, inequity and poverty through four priority areas. They were created under the Well-being of Future Generations (Wales) Act 2015 to improve the well-being of their communities by working together across public services. PSBs are overseen by the Well-being of Future Generations Commissioner, Audit Wales, and local authority committees. They must create well-being plans based on local assessments, which were last updated in 2022, and aim to meet seven national well-being goals.



The latest well-being plans were published in 2023 for a three-year period and are available below:

- [Click here for Carmarthenshire PSB Local assessment and well-being plan](#)
- [Click here for Ceredigion PSB Local assessment and well-being plan](#)
- [Click here for Pembrokeshire PSB Local assessment and well-being plan](#)

In 2024-25, PSBs achieved several key milestones:

Carmarthenshire

implemented the 'Making Every Contact Count' approach, focusing on improving practices, training, and exploring joint web presence and data sharing.

Ceredigion

formed a 'Fair Work' group to create a charter and developed a toolkit to address poverty stigma.

Pembrokeshire

held a Poverty Summit with contributions from various organisations, including The Bevan Foundation and National Energy Action, to discuss the lived experiences of poverty.

Health inequalities continue to exist, alongside climate and nature emergencies. To improve public health and well-being, we need to work together to tackle issues like poverty, environmental problems, poor housing, and social isolation. Our progress against each of the objectives and our plan to review and improve our well-being objectives during 2024/25 is detailed below.



Plan and deliver services to increase our contribution to low carbon.



Develop a skilled and flexible workforce to meet the changing needs of the NHS.



Promote the natural environment and capacity to adapt to climate change.



Improve population health through prevention and early intervention, supporting people to live happy and healthy lives



Offer a diverse range of employment opportunities which support people to fulfil their potential



Contribute to global well-being through developing international networks and sharing of expertise



Plan and deliver services to enable people to participate in social and green solutions for health. Encouraging community participation through the medium of Welsh.



Transform our communities through collaboration with people, communities and partners.

Carmarthenshire Public Service Board Well-being Plan 2023-28 - Well-being Objectives

Ensuring a sustainable economy and fair employment	 
Improving well-being and reducing health inequalities	  
Responding to the climate and nature emergencies	 
Tackling poverty and its impacts	 
Helping to create bilingual, safe and diverse communities	  

Ceredigion Public Service Board Well-being Plan 2023-28 - Well-being Objectives

Work together to achieve a sustainable economy that benefits local people and builds on the strengths of Ceredigion.	 
Work together to reduce inequalities in our communities and use social and green solutions to improve physical and mental health.	 
Work together to deliver decarbonisation initiatives within Ceredigion to protect and enhance our natural resources.	 
Work together to enable communities to feel safe and connected and will promote cultural diversity and increase opportunities to use the Welsh language.	  

Pembrokeshire Public Service Board Well-being Plan 2023-28 - Well-being Objectives

Support growth, jobs and prosperity and enable the transition to a more sustainable and greener economy	   
Work with our communities to reduce inequalities and improve well-being	 
Promote and support initiatives to deliver decarbonisation, manage climate adaptation and tackle the nature emergency	 
Enable safe, connected, resourceful and diverse communities	   

Our well-being objectives are achieved through the hard work of our staff and partners who together support, sustain and improve people's well-being. Here are some examples:



[Our Well-being Objectives Annual Report 2023-2024 is available to read here.](#) It provides details on how we have performed against our eight well-being objectives, including case studies showing how these are linked to our overall strategic and planning objectives.

It also shows how we're aiming for better integration by working together with partners, involving the public and stakeholders in long-term planning to meet our community's needs, focusing on preventing ill-health, and collaborating with other Health Boards and trusts across the NHS in Wales and the wider public sector.

We will review our well-being objectives in Spring 2025 to ensure they continue to reflect our organisational values and strategic aims.



We are driving a shift towards a [Social Model for Health and Well-being](#) focusing on actions to reduce health inequalities, and enable people and communities to achieve and maintain the best possible health. This model focuses on prevention, early disease detection and timely intervention.

We have agreed on six principles to reinforce our commitment and help partners and organisations adopt this model. These principles are outlined in a charter that connects to our well-being objectives.



Principle 1 A Social Model for Health and Well-being will complement and integrate with other ways of working, values, principles and objectives.



Principle 2 Leaders will be bold and brave and will strategically commit to supporting a shift towards a Social Model for Health and Well-being



Principle 3 Involvement with individuals and communities will take place to understand their needs and support the co-production of solutions.



Principle 4 Meaningful collaborations with partners will be strengthened and developed to make the most of the building blocks of health and well-being, with the goal of enabling individuals and communities to build resilience, reducing health inequalities and improving health equity.



Principle 5 A more preventative approach, including earlier identification and intervention, will be taken to support people to maintain and improve their health and well-being.



Principle 6 A culture of testing and learning will be encouraged, enabled, supported and celebrated.



6. Working together for positive change

We believe in working together with our partners to improve and deliver better services to support the health and well-being of our communities.

Here are some examples of where we are working in partnership to improve access to the right level of care, closer to home:

- The Health and Well-being Centre in Cross Hands, the Pentre Awel Project, and the Carmarthen Hwb
- The Delta Well-being and Home First team service
- Ceredigion patients receiving physiotherapy treatment closer to home
- The development of a Pembrokeshire alliance with local authority and third sector partners
- The development of the integrated Porth Preseli streaming hub
- The HealthPathways portal for healthcare professionals
- Arts Boost, an award-winning arts programme for children and young people known to our Specialist Children and Adolescent Mental Health Service (S-CAMHS)

There are many great joint initiatives taking place across Carmarthenshire, Ceredigion and Pembrokeshire that benefit our communities and we have listed a few examples here:

- Promoting well-being through a series of community events across Carmarthenshire, Ceredigion and Pembrokeshire in partnership with local authorities, third sector and voluntary sector colleagues.
- Partnering our Perinatal Department with SilverCloud's online mental health platform with direct referral pathways, offering self-help programmes based on cognitive behavioural therapy for managing a range of mental health issues.
- Preventing frailty related hospital admissions through the work of our South Carmarthenshire Rapid Access Multidisciplinary Service at Prince Philip Hospital.
- Proactively managing the care of people living with frailty through the Acute Frailty Unit at Withybush Hospital.

- Supporting people through the creative home delivery service, an arts and health service designed and delivered by People Speak Up in partnership with Carmarthenshire Council and Connecting Carmarthenshire.
- Easing staff parking pressures at Glangwili Hospital, Carmarthen through a joint car parking solution with Gwili Railway Company.
- Supporting patients ready for discharge from hospital through a temporary arrangement with Ceredigion County Council and Hafan y Waun Residential Care Home in Aberystwyth.
- Enhancing the patient environment in Bronglais Hospital's new cancer treatment unit through local artists and poets selected to co-create an artistic vision for the unit.
- Supporting parents and children aged between 0-5 years with complex needs through an initiative with third sector organisation SNAP at Withybush Hospital, Haverfordwest.
- Reducing demand on emergency services through a new Welfare and Falls Rapid Response Service in Pembrokeshire in partnership with St John Ambulance Cymru.
- Providing support and activities for neurorehabilitation patients through Pembrokeshire's first therapeutic neurorehabilitation gardening group. The HUG (Heads-Up Gardening Group) is run by our community neurorehabilitation service and Scolton Manor Park.

Launching our Arts and Health Charter, a promise to the public to integrate arts into our work. The charter is a first in Wales and will be delivered through eight arts and health principles and pledges, making it an integral part of how we deliver health and well-being services.

We also work closely with a number of national and regional organisations, including Health Education and Improvement Wales; Digital Health and Care Wales; ARCH (A Regional Collaboration for Health: with Swansea Bay and Hywel Dda university Health Boards and Swansea University); and the multi-agency Dyfed Powys Local Resilience Forum.





7. Research and innovation

We support research and innovation to improve patient care and services.

2024/25 was the final year of our current Research and Innovation Strategic Plan (2021–2024). Alongside significant engagement to develop our new Strategic Plan (2025-2030), which will soon be considered by the Board, we have seen several achievements during the past year:

- We opened a new research office at Withybush Hospital, which means there is now a dedicated and visible research presence at each of our acute hospitals
- We have advanced plans to locate some research and innovation functions at the new Pentre Awel scheme, which is due to open later this year
- Our key Health and Care Research Wales indicators have shown consistent improvement, helped by a growing team of researchers with dedicated time in areas such as women's health, respiratory, metabolic disorders, orthopaedics and primary care
- We have secured several funding grants, allowing staff more time for research
- One of the first orthopaedic robot research studies undertaken in Hywel Dda reached its conclusion and we have opened one of our first commercial studies at Bronglais Hospital
- Together with Swansea University and Cancer Research UK's TET Programme, we developed a new prostate cancer rapid diagnosis pathway (PROSTAD) to tackle the delay in diagnosing prostate cancer. The initiative won the 2024 NHS Wales Efficient Care Award.
- We have implemented an innovative service, Spike on a Bike, which is a novel harm reduction service and a partnership between Dyfed Drug and Alcohol Service, Swansea University, Public Health Wales and University of Wales Trinity St David's are evaluating its impact.
- We have initiated Building Bridges between Housing and Health, which is a Bevan Exemplar project delivering work on housing and health with our local partners, including fuel poverty charities, housing associations, local authorities and the University of South Wales. The project has moved from Phase 1, which was about delivering an evidence-based good practice guide, to Phase 2, implementing further practical solutions to help individuals and families, most

notably on indoor warmth during colder weather, with the aim of prevention of ill health, particularly amongst the elderly and families with young children.

In addition, we have taken important steps to improve regional working practices, including identifying measures to improving patient access to cancer studies.

Despite this progress, we continue to challenge the level of investment we receive from funders, which does not match our population size and the health issues we face. We're also trying to align our efforts with the Health Board's challenges, including making some changes to how we are organised.

Our innovation programme, assisted by our TriTech Institute, has also grown and developed.

We've started several new projects with large pharmaceutical and medical technology companies, focusing on asthma care and preventing heart disease. We've also strengthened our relationship with the NHS Executive by evaluating national initiatives to improve respiratory health and community care pathways.

Our work with other European countries through the Horizon 2020 programme is progressing well, including projects to plan for future health crises and develop social prescribing. Our growing reputation could lead to a closer relationship with the EU in 2025.

We'll soon complete a peer review to guide how we strengthen our TriTech and innovation model in the coming years. We're also enhancing our partnerships with Aberystwyth University, Swansea University, and the University of Wales Trinity St David. This includes patenting new technologies for lung cancer diagnosis and promoting innovations, with the Centre for Social Innovation, to address broader health and well-being issues.



In Hywel Dda, we are working hard to find new ways to better connect people with arts and health activities in their local community, with the aim to help people live well for longer in their own homes and communities.

We're thankful to Shirley for sharing her experience with creative prescribing and how it has improved her health and well-being.

[Click here to read Shirley's story](#)



8. Our workforce

We are dedicated to putting people at the heart of everything we do. This means treating everyone fairly and with respect, regardless of their background or beliefs, and creating an inclusive environment for all.

Here, we share with you some of our key workforce highlights during 2024/25.

8.1 Recognition and appreciation

We continue to showcase and celebrate our outstanding staff through various awards. This includes the Chair's Commendation Awards, which has received 238 nominations since it began and our Hywel's Applause Staff Awards which have been well-received, with many staff feeling appreciated.

8.2 Staff experience

We achieved a response rate of 20% for the 2024 NHS Wales staff survey, with 2,397 of our staff participating which was a significant increase on the previous year. We are improving our Speak Up culture to ensure staff feel safe to voice their concerns by improving accessibility, visibility, and trust in the process. We have also incorporated psychological safety into leadership development programmes, to ensure leaders are equipped to create environments where staff feel able to speak up.

8.3 Managing people

We work closely with our Trade Union colleagues on initiatives to improve staff health and well-being. We have reduced the number of employment policies, reducing them by 27% and ensuring they are concise and effective. We handle employee relations issues informally, using investigations only as a last resort. This approach protects staff well-being and minimises the impact on patient care.

8.4 Keeping and stabilising our workforce

We have focused on strengthening our staff retention. For example, we have significantly reduced nurse agency use (from 324 full-time in June 2023 to 93 in February 2025) and participated in international recruitment programmes. We have recruited 296 Internationally Educated Nurses and 10 Doctors since 2022.

In addition, we are progressing some 'day in the life' stories to share experiences and good practice, as well as working with our

Trade Unions on supporting flexible working assessments and flexible retirement conversations. Three of our internationally educated nurses shared their personal stories about moving to west Wales as part of our Health Board's annual general meeting on 26 September 2024. To watch Sithara, Soniya and Kandace share their stories, click here and go to timestamp 1:07:07: [To watch Sithara, Soniya and Kandace share their stories, click here and go to timestamp 1:07:07: Annual General Meeting 26.09.2024/ Cyfarfod Cyffredinol Blynyddol 26.09.2024](#)



8.5 Our future workforce

We have continued to work with young people and engaged with 8,567 pupils, including 2,855 through the medium of Welsh, covering all secondary schools in Hywel Dda. Our programmes supported 1,527 students with health masterclasses and 337 work experience opportunities and 36 virtual taster sessions. 67 students also started the "Becoming a doctor" programme. Simulation activities have increased interest in Health Board careers from 35% to 63%.

19 students with additional support needs were supported to gain work experience, with community engagement activities about careers in the NHS held throughout the year. This contributed to improving the diversity of our 210 active volunteers. 42 apprentices were recruited, bringing our total number of apprentices to 162 within our workforce. We were delighted when one of our apprentices was selected as a Welsh Language Ambassador by Coleg Cymraeg Cenedlaethol, highlighting the importance of Welsh Language in patient care.

In recognition of our work to support young adults, the Health Board was presented with the Careers Wales Outstanding Achievement Award.

8.6 Staff well-being

Our Staff Psychological Well-being Service promoted various support services, with our Staff Gateway resource receiving nearly 35,000 hits in 2024 and we supported over 700 staff with one-to-one support and mental health sessions. Over 400 colleagues referred themselves for support, and 64 attended our Recovery in Nature programme, which improves mental health and reduces burnout.

The Willow Garden, a peaceful, green space offering a sanctuary in nature for patients, staff and visitors away from the busy hospital environment, opened in August 2024 at Withybush Hospital.

Working with the Health Board's Chaplaincy, we held a multicultural carol service in December to share in a moment of unity and reflection. The event marked the festive season and honoured the dedication of our staff, patients and emergency services, featuring a performance of Silent Night in British Sign Language.

8.7 Leadership and development

126 leaders attended the LEAP (Leadership Engagement with Awesome People) programme and our coaching network has grown to 40 qualified coaches. We have provided approximately 330 coaching sessions and delivered the Coach Approach programme to 311 attendees; this is now an integral part of Hywel Dda Manager, LEAP and New Consultant programmes.

Our compliance with statutory training has increased to 87%, which is above the Welsh Government target. 1,386 staff were supported to undertake higher awards or benefit from study leave opportunities. Our 'Grow Your Own' pathways have 256 staff progressing through the academic nursing pathway and 16 accessing various allied healthcare profession qualifications. As an Agored Cymru accredited centre, 960 training units have been achieved in a number of clinical areas.

Ellie Dawe and Aelwen Lee achieved their Qualified Nurse status, having been supported by our 'Grow Your Own' nurse training programme. They continued to work while managing their studies and have successfully secured posts in our District Nursing Team.



73 educators have accessed 'Essentials of Simulation' courses, enabling them to design and deliver simulated learning sessions. Together with Swansea University, we have delivered a virtual reality project creating seven modules, enhancing staff development and ensuring our communities benefit better care.

8.8 Workforce strategy and planning

We have developed our approach to workforce planning, working closely with Health Education Improvement Wales (HEIW). We have over 70 operational people plans to support services with their workforce challenges.

8.9 Equality, diversity and inclusion

We aim to create an inclusive environment where everyone has a sense of belonging. In the last year, we have offered 57 training sessions on equality, diversity, and inclusion to equip our staff with the skills and knowledge to implement best practice and demonstrate respectful and non-discriminative values. We are committed to conducting equality impact assessments to support good governance and decision making, and 222 equality impact assessments were completed. We produced an information video to accompany our Strategic Equality Annual Report to highlight to our staff and our communities how we are delivering our strategic equality objectives.

Further information on the measures we have in place to ensure that our obligations under equality and human rights legislation are complied with, and progress against our strategic equality objectives can be found in the [Accountability section](#) of this Annual Report.

8.10 Welsh language

We want to be the first Health Board in Wales where Cymraeg and English as languages are treated with equal status (Health and Care Standards: Dignified Care).

The Welsh Language Standards are statutory requirements that clearly identify our responsibilities to provide excellent bilingual services. These can be accessed via the Welsh Language Services section on our website here: [Welsh language services - Hywel Dda University Health Board](#)

We strive to not only comply with the Welsh Language Standards, but to embrace their spirit. However, we recognise that how we deliver this across our sites and teams is not always consistent. Our culture and practice needs to evolve for us to deliver a seamless bilingual service to people who use the NHS and care services, and this is a long-term ambition.

We aim to deliver a bilingual healthcare service to our public and enable our staff to use Cymraeg naturally within the workplace. We strive to be an exemplar in this area by promoting and enabling more use of Cymraeg by our workforce. Whether our staff are fluent, lacking in confidence, or a new speaker, the workplace provides opportunities to use, practise and learn Cymraeg.

Cara, one of our pharmacy technicians enjoys the opportunity to work and talk with patients in her first language. She has written about how patients react when they know they can talk to her through their first language. As a patient or a service user, you have the right to receive your care in Cymraeg.



We continue to work with National Centre for Learning Cymraeg that provides us with funding to appoint a tutor to specifically work with staff who have Welsh Language skills at Level 3 or above but who lack the confidence to use their Cymraeg. This programme has been in place for two years and continues to grow. The outcomes of this post have been measured and reviewed and can be found in the evaluation report here: [Welsh language services - Hywel Dda University Health Board](#).

We will report progress on this and other key actions to achieve our ambitions and statutory obligations for the Welsh language in our Annual Welsh Language Report, which will be published in summer 2025 on our website: [Welsh language services - Hywel Dda University Health Board](#)

8.10.1 Staff language skills

The language skills of our staff, in accordance with Standard 116 and 117, are captured and recorded on the electronic staff management system (ESR).

As at 31 March 2025, 97.4% of staff have recorded their Welsh language skills as follows:

Skill Level	0 – No Skills / Dim Sgiliau	1 – Entry / Mynediad	2 - Foundation / Sylfaen	3 - Intermediate / Canolradd	4 - Higher / Uwch	5 - Proficiency / Hyfedredd	Not Yet Recorded on ESR
Number	4,891	2,676	1,075	884	922	1,355	312
%	40.4%	22.1%	8.9%	7.3%	7.6%	11.2%	2.6%

8.10.2 Vacant posts

The number of new and vacant posts that were advertised during the year, recorded as those where Welsh language skills were essential or desirable, the number where Welsh needs to be learnt or where Welsh was considered not necessary are reported below:

- **22** Welsh language skills were essential
- **0** Welsh language skills needed to be learnt when appointed to the post
- **2,175** Welsh language skills were desirable
- **288** Welsh language skills were not necessary
- **2,485** Total vacancies advertised

Out of the 2,485 vacancy advertisements, 2,616 posts were offered and 529 individuals appointed to these posts hold Welsh language skill levels 3 to 5.

8.10.3 Welsh language related complaints

Three Welsh language service complaints were received during 2024-25. One investigation has been conducted by the Welsh Language Commissioner within the year under section 71 of the Welsh Language Measure. Full details can be found in the Annual Welsh Language Report, which will be published on our website: [Welsh language services - Hywel Dda University Health Board](#)



9. Sustainability Report

9.1 Environment, sustainability and carbon reduction

Over the last year, we have continued to look at options to reduce carbon and bring sustainable practices into our day-to-day activities.

In the last two years we have installed renewable energy generation and energy efficiency technologies to reduce our carbon footprint, contributing to Welsh Government's 2030 net zero public sector target, including:



Solar panels at Hafan Derwen, in Carmarthen, South Pembrokeshire Hospital in Pembroke Dock and Brynmair Clinic in Llanelli



Battery storage at Hafan Derwen in Carmarthen



Upgraded building management controls at Bronglais Hospital in Aberystwyth, Amman Valley Hospital in Glanamman, Brynmair and Elizabeth Williams clinics in Llanelli



LPG heating fuel supply to displace a proportion of the oil usage at Glangwili Hospital in Carmarthen



LED lighting where old fittings have been replaced with full site replacements being planned across multiple sites



Contractors have checked the heating systems at Prince Philip Hospital in Llanelli, Bronglais Hospital in Aberystwyth and Withybush Hospital in Haverfordwest. They are creating reports to see how we can make these systems more efficient, using money from the UK Government's Heat Network Efficiency Scheme.

Our 'Switch It Off' campaign launched in October 2024, encouraging staff to switch off electrical items not in use. The campaign has been showcased by Climate Action Wales as an example of good practice.

We have kept our performance and systems up to the standards of ISO14001, and set goals that we regularly check and review.

Our approach to agile working is robust and we have an approved agile working plan and toolkit to help our staff work from the most appropriate location for their role. We're also streamlining our properties to make sure they're fully used and performing well.

We're working to cut emissions from our fleet vehicles and have a plan to switch to electric ones (EVs). We've also applied for a grant to install EV charging stations for our fleet at Hywel Dda sites to support this transition.

Cutting waste and increasing recycling are top priorities for us. We're expanding our programme to recycle absorbent hygiene products to lower carbon emissions and improve recycling rates. Recently, we won a Medi Wales award for this project, and it was highlighted in Climate Action Wales and Life Stories magazine as an example of good practice in health and life sciences.

We're focusing on using sustainable products, creating green health frameworks, cutting waste, and reducing single-use items and plastics. Here are some other projects we've been working on to cut waste and make Hywel Dda more eco-friendly.

- Laundering and reusing or recycling staff uniforms
- 'Gloves Off' campaign to reduce overuse of single-use plastic gloves
- Testing reusable tourniquets instead of disposable ones
- Switching from paper to digital prescriptions
- Switching to recyclable/reusable items, such as curtains, plastic bags, medicine pots, nappies/incontinence products, nutritional supplement bottles, medication blister packets and speculums
- Piloting the re-use of specimen bags
- Using our online Warp-It system to recycle and reuse equipment
- Changing from meter dose inhalers to eco-friendly dry powder inhalers to reduce harmful gas emissions



- Implementing the Greener Emergency Department framework to achieve bronze award status
- Supporting critical care and primary care teams to implement the Greener Critical Care Framework

To meet the requirements of the Workplace Recycling Regulations and improve our recycling rate, we separate different types of waste including paper, card, plastics, tins, food and glass on most of our sites.

Even though our utility costs are still high, they've gone down mainly because of changes in energy market prices. Our contract with Centrica, which ends on 31 March 2025 has guaranteed annual savings and reduced carbon emissions. From April 2015 to December 2024, this contract cut CO₂e emissions by 30,795 tonnes.

We have a new energy performance contract lined up with Vital Energi Ltd through the Re:Fit 4 Wales Framework. Vital Energi has assessed energy-saving measures at six sites: Prince Philip Hospital, Bronglais Hospital, Hafan Derwen, Glangwili Hospital, Withybush Hospital and Elizabeth Williams Clinic. Planned measures include improving LED lighting, heating systems, insulation, building management systems, rooftop solar panels, air handling units and chillers.

Vital Energi is now working with us on a detailed proposal for a large investment bid (around £10 million) from the Welsh Government's Invest-to-Save programme for 2025/26 and 2026/27.

We're making plans to keep the savings and carbon reductions from our Centrica contract as it ends. Starting in April 2025, we'll have new 8 year maintenance contracts for the combined heat and power units at Withybush and Prince Philip hospitals, and an (up to) 5 year contract for the biomass boiler at Glangwili Hospital. These units were installed at the start of the Centrica contract and are about 10 years old, with expected lifespans of 15-20 years.

Our [Decarbonisation Delivery Plan](#) outlines how we aim to meet national net zero targets in areas like carbon management, buildings, transport, procurement, estate planning, land use, and clinical sustainability.

9.1.1 Training and Development

Health Education and Improvement Wales (HEIW) offers Climate Smart Community training, and Hywel Dda staff are encouraged to join. The VAULT Sustainability Pages highlight efficiency opportunities and best practices within NHS Wales. Staff can access e-learning modules on the electronic staff record (ESR) system on topics like climate change, environmental sustainability, and achieving net zero.

For more detail, our full Sustainability Report for 2024-25 will be available on our [website](#) in June 2025.

9.2 Task Force on Climate-related Financial Disclosures (TCFD)

9.2.1 Task Force on Climate-related Financial Disclosure (TCFD)

Hywel Dda University Health Board (HDUHB) is committed to environmental sustainability and reducing carbon emissions, complying with the Environment (Wales) Act 2016 and The Climate Change (Wales) Regulations 2021. We are making significant progress towards net zero, following the NHS Wales Decarbonisation Strategic Plan and the Climate Adaptation Strategy for Wales, along with the Health and Social Care Climate Adaptation Toolkit.

9.2.2 Our governance around climate-related issues

Our [Decarbonisation Delivery Plan](#) includes 46 initiatives to meet Welsh Government's net zero targets. The plan's progress is monitored by the Sustainable Resources Committee (SRC).

We track and report our climate mitigation efforts through:

9.2.3 Our Board's oversight of climate-related issues

The SRC receives reports on the 46 initiatives in our Decarbonisation Delivery Plan and monitors progress through the Decarbonisation Taskforce Group. Climate change impacts are noted on the Health Board's corporate risk register, and the Decarbonisation Plan is included on the Strategic Risk Register. Risk management reports are reviewed by the board, and mitigation activities are updated as needed.

More time and resources are needed to develop our strategic response to climate change. We are currently developing our Climate Adaptation Plan, which will help us adapt to climate risks and impacts.

9.2.4 Management's role in assessing and managing climate-related issues

Climate change affects all parts of our organisation. Managers across several directorates help with decarbonisation and environmental sustainability, and support maintaining the ISO14001 standard. An internal review of our current structures and resources will determine responsibility for climate-related outcomes and management roles. Developing a detailed description of these roles and processes will require more time and resources.

9.2.5 Metrics and targets used to assess and manage relevant climate-related issues

Our [Decarbonisation Delivery Plan](#) summarises the impact of the Health Board's climate actions, aligning with the NHS Wales Decarbonisation Strategic Delivery Plan. It focuses on reducing carbon emissions from buildings, transport, procurement, and clinical areas like anaesthetic gases. Our progress is reported in the Integrated Performance Assurance Report (IPAR) and the full net zero return is submitted annually to the Welsh Government's Health and Social Care Climate Change Team.

9.2.6 Metrics to assess climate-related risks and opportunities

The Welsh Public Sector Net Zero Target Carbon return tracks our progress towards 2030 and interim net zero targets. This is linked to the strategic risk on the Health Board's risk register and updated as required. The bi-annual Decarbonisation Report details progress on

the decarbonisation initiatives, using a red/amber/green rating system to show completion status. Both reports are reviewed and approved by the SRC.

We are also finalising our integrated impact assessment, which includes a section on environmental sustainability with a scoring system. This will help us assess the impact of activities and support decision-making, ensuring legal compliance and consideration of equality, human rights, and socioeconomic factors.

9.2.7 Emissions and the related risks

The table below shows our position in 2023/24 (measured in kgCO₂e) and how it compares to 2022/23 and the trend.

Categories	2022/23	2023/24	Trend
Buildings, fleet and other assets			
Buildings	21,612,846	20,052,328	↓
Streetlighting	1,117	622	↓
Fleet and equipment	584,295	676,043	↑
F-gases and anaesthetic gases	3,496,282	1,877,545	↓
Business travel, commuting and homeworking			
Business travel	1,957,769	2,200,851	↑
Commuting	16,492,157	16,282,868	↓
Homeworking	1,068,819	954,588	↓
Waste			
Organisational waste	493,384	501,733	↑
Supply chain - Tier 1 and Tier 2 combined			
Supply chain	48,226,966	111,192,247 (Tier 1) 96,075,696 (Tier 2)	↑
Land based emissions			
Total land based emissions	-	-	n/a
Total emissions			
Total emissions	93,933,636	153,738,825 (Tier 1) 138,622,274 (Tier 2)	↑
Onsite renewables - heat	2,999,720	6,836,205	↑
Onsite renewables - electricity	438,440	440,088	↑
Purchased renewables - electricity	22,114,823	10,194,208	↓

The table shows the Health Board's Net Zero Public Sector performance for 2023/24. Carbon emissions increased from 93,940,000 kgCO₂e in 2022/23 to 138,622,274 kgCO₂e (using Tier 2 procurement) or 153,738,825 kgCO₂e (using Tier 1 procurement). This rise is mainly due to supply chain data issues, adding primary care (managed practice) data, and a change in methodology.

On the positive side, we've reduced our use of F-Gases/Anaesthetic Gases and cut emissions from commuting and buildings.

The [Decarbonisation Delivery Plan](#) is on our strategic risk register, highlighting the challenges and mitigation measures for meeting Welsh Government targets. Further details on the Health Board's climate emergency response will be included in the Climate Adaptation Plan, pending approval.

9.2.8 Our performance against targets to manage climate-related risks and opportunities

We measure our performance against greenhouse gas emissions targets set in our [Decarbonisation Delivery Plan](#), which will be updated in 2025/26 to align with the Welsh Government's refreshed strategic plan. The plan focuses on reducing carbon emissions from buildings, transport, procurement, and some clinical areas.

10. Conclusion and forward look

This report highlights the incredible strength and resilience of our staff and partners, all working together to improve the health, care, and well-being of our patients and local communities, despite facing significant challenges throughout the year. Our teams have worked tirelessly to tackle issues like the backlog of patients waiting for care, workforce challenges, financial difficulties, and increasing demand on our services.

We've taken steps to improve our system and plan for the future. We're committed to restoring our financial health and performance to pre-pandemic levels and beyond. To help us do this, we've developed a one-year Annual Plan for 2025-26, which you can read here: [\[insert link\]](#). This plan is ambitious yet practical, addressing our biggest challenges head-on and setting a path towards sustainable, high-quality healthcare for our communities.

Our approach balances immediate operational priorities with our long-term strategic vision. We're dedicated to the principles of our 'A Healthier Mid and West Wales' strategy, while recognising the need for deeper structural changes to ensure sustainable services. The plan sets clear priorities and measurable targets across urgent and emergency care, planned care and diagnostics, mental health, workforce stabilisation, and financial recovery. It also introduces a new Clinical Care Group leadership structure, bringing decision-making closer to patients and clinicians for greater accountability and more responsive service delivery.

In 2024-25, we made progress with our international recruitment programme, reducing vacancies and agency staff usage, decreasing the number of long-stay patients in hospitals, and advancing our Clinical Services Plan. Looking ahead, we aim to continue this progress, working with partners and responding to policy drivers like the NHS Wales Executive, National Clinical Framework, Foundational Economy, Social Duty of Care, and the Future Generations Act, along with Ministerial Priorities and outcomes.

As a major employer and contributor to the local economy, we want to help our population develop rewarding careers, support local businesses, and regenerate our towns. We also aim to lead in addressing societal challenges like decarbonisation.

In 2025-26, we'll keep improving patient access across all planned care services by making our system more efficient and working regionally. We'll support our workforce with a focus on sustainability, reducing agency usage, and stabilising our teams. Our urgent and emergency care system will be redesigned in line with national goals. We'll strengthen



partnerships with neighbouring Health Boards through regional initiatives like ARCH and the Mid Wales Joint Committee for Health and Care.

Financially, we're working towards long-term balance by delivering savings and collaborating with the Welsh Government. We'll continue with our refreshed strategy, 'A Healthier Mid and West Wales,' our Clinical Services Plan, and our Primary and Community Care Strategic Plan. Our efforts will also focus on digital healthcare, value-based care, research, innovation, and quality management.

As we move into 2025-26, we know there will be many challenges for us, but there will also be opportunities to embrace. Together, we can make meaningful changes in moving towards our vision of a healthier Mid and West Wales.



Integrated Impact Assessment Tool	Y/N	Evidence & Further Information	Completed By	Evidence (Insert)
Financial/Service Impacts				
1. Has the new proposal/service model been costed? If so, by whom?				
2. Does the budget holder have the resources to pay for the new proposal/service model? Otherwise how will this be supported - where will the resources/money come from i.e. specify budget code or indicate if external funding, etc?				
3. Is the new proposal/service model affordable from within existing budgets?				
4. Is there an impact on pay or non pay e.g. drugs, equipment, etc?				
5. Is this a spend to save initiative? If so, what is the anticipated payback schedule?				
6. What is the financial or efficiency payback (prudence), if any?				
7. Are there risks if the new proposal/service model is not put into effect?				
8. Are there any recognised or unintended consequences of changes on other parts of the system (i.e. impact on current service, impact of changes in secondary care provision on primary care services and capacity or vice versa, or other statutory services e.g. Local Authorities?)				
9. Is there a need for negotiation/lead in times i.e. short term, medium term, long term? If so, with whom e.g. staff, current providers, external funders, etc?				

10. Are capital requirements identified or funded?				
11. Will capital projects need to be completed in time to support any service change proposed?				
12. Has a Project Board been identified to manage the implementation?				
13. Is there an implementation plan with timescales to performance manage the process and risks?				
14. Is there a post project evaluation plan for the new proposal/service model?				
15. Are there any other constraints which would prevent progress to implementation?				
Quality/Patient Care Impacts				
16. Could there be an impact on patient outcome/care?				
17. Is there any potential for inequity of provision for individual patient groups or communities? E.g. rurality, transport.				
18. Is there any potential for inconsistency in approach across the Health Board?				
19. Is there are potential for postcode lottery/commissioning?				
20. Is there a need to consider exceptional circumstances?				
21. Are there clinical and other consequences of providing or delaying/denying treatment (i.e. improved patient outcomes, chronic pain, physical and mental deterioration, more intensive procedures eventually required?				

22. Are there any Royal College standards, NICE guidance or other evidence bases, etc, applicable?				
23. Can clinical engagement be evidenced in the design of the new proposal/service model?				
24. Are there any population health impacts?				
Workforce Impact				
25. Has the impact on the existing staff/WTE been determined?				
26. Is it deliverable without the need for premium workforce?				
27. Is there the potential for staff disengagement if there is no clinical/'reasonable' rationale for the action?				
28. Is there potential for professional body/college/union involvement?				
29. Could there be any perceived interference with clinical freedom?				
30. Is there potential for front line staff conflict with the public?				
31. Could there be challenge from the 'industries' involved?				
32. Is there a communication plan to inform staff of the new arrangements?				
33. Has the Organisational Change Policy been followed, including engagement/consultation in accordance with guidance?				

34. Have training requirements been identified and will this be complete in time to support the new proposal/service model?				
Risk Impact				
32. Has a risk assessment been completed?				
33. Is there a plan to mitigate the risks identified?				
Legal Impact				
34. Has legal compliance been considered e.g. Welsh Language: is there any specific legislation or regulations that should be considered before a decision is made?				
35. Is there a likelihood of legal challenge?				
36. Is there any existing legal guidance that could be perceived to be compromised i.e. Independent Provider Contracts, statutory guidance re: Continuing Healthcare, Welsh Government Policy etc?				
37. Is there any existing contract and/or notice periods?				
Reputational Impact				
38. Is there a likelihood of public/patient opposition?				
39. Is there a likelihood of political activity?				
40. Is there a likelihood of media interest?	Y	Potential for media interest once the Annual Report is published.	Fiona Hancock	
41. Is there the potential for an adverse effect on recruitment?				
42. Is there the likelihood of an adverse effect on staff morale?				



43. Potential for judicial review?				
Privacy Impact				
44. Have the Information Governance Team been contacted about the project to assess whether a Data Protection Impact Assessment (DPIA) needs to undertaken?				
45. Has a full DPIA been undertaken – Please contact Information.Governance3@wales.nhs.uk for the template.				
Equality Impact (unless otherwise completed as part of the accompanying SBAR)				
46. Has Equality Impact Assessment (EqIA) screening been undertaken – follow link below? Equality, diversity and inclusion (sharepoint.com)				
47. Has a full EqIA been undertaken – follow link below? Equality, diversity and inclusion (sharepoint.com)				
48. Have any negative/positive impacts been identified in the EqIA documentation?				

3.9

11:25, 15 Mins

3.9 - Draft Accountability Report

***Joanne Wilson
(Hywel Dda UHB -
Director of Corporate
Governance/Board
Secretary)***

| For approval

Attachments

[3.9 SBAR Draft Accountability Report May 2025.pdf](#)

[3.9 DRAFT Accountability Report.pdf](#)



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Draft Accountability Report 2024-25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Professor Phil Kloer, Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance/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 2024-25. 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:

- a. The Performance Report, which must include:
 - An overview
 - A Performance analysis.
- b. The **Accountability Report**, which must include:
 - A Corporate Governance Report
 - A Remuneration and Staff Report
 - A Parliamentary Accountability and Audit Report.
- c. 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 2024-25 reporting period the deadlines for submission are:

Submit Draft Financial Statements	Friday 2 May 2025
Audit and Risk Assurance Committee (to review DRAFT financial statements and Draft Accountability Report)	9.30am, Thursday 8 May 2025
Submit draft Performance Report Overview, Accountability Report (including the Annual Governance Statement), and Draft Remuneration Report	Friday 9 May 2025
Audit and Risk Assurance Committee (to approve above FINAL Financial Statements, Accountability Report and Performance Report)	9.30am, Tuesday 24 June 2025
Board Meeting in Public (to approve FINAL Annual Report, Annual Accounts, Accountability Report and Performance Report)	2.00pm, Thursday 26 June 2025
Submit final Annual Report and Accounts as a single unified PDF document	Monday 30 July 2025
Annual General Meeting	Thursday, 25 September 2025

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 by the Accountable Officer/ CEO.

As a minimum, the Accountability Report will include:

- The **Corporate Governance 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:
 - 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.
- 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.
- **Senedd Cymru/Welsh Parliament Accountability and Audit Report:** The Senedd Cymru/Welsh Parliament Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.

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 Director of Corporate Governance/Board Secretary by **23 May 2025**, 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 Performance 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:	Not applicable

Datix Risk Register Reference and Score:	
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	NHS Wales 2024-25 Manual for Accounts
Rhestr Termiau: Glossary of Terms:	Within Report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Chair Chief Executive Officer 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:	Has EqIA screening been undertaken? No (if yes, please supply copy, if no please state reason) Has a full EqIA been undertaken? No



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Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Part 2: Governing what we do

2024/2025





11. Accountability Report

The purpose of the accountability section of the Annual Report is to provide an overview of the governance, arrangements and structures that were in place across the Health Board during 2024-25. It includes:

- **The Corporate Governance Report:** This report explains the composition and organisation of the Health Board and its 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 details 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 and Terms of Service Committee, and staff information with regards to numbers, composition, and sickness absence, together with expenditure on consultancy and off payroll expenditure.
- **Senedd Cymru/Welsh Parliament Accountability and Audit Report:** The Senedd Cymru/Welsh Parliament Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.

11.1 Corporate Governance Report

11.1.1 Introduction

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across the Health Board during 2024/25. It includes:

- **The Directors' Report:** This provides details of the Board who have 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, Chair and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts 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.

11.2 Directors' Report

11.2.1 The composition of the Board and membership

The Directors' Report provides details about the Health Board, its independent members and executive directors, the structure of the Board and components of its governance and risk management structure. The Board is made up of 11 independent members (who are appointed by the Cabinet Secretary for Health and Social Services through the public appointments process) and nine executive directors who are employees of the Health Board. All independent members and executive director members have full voting rights.

In addition, there are two associate members who have been appointed by the Cabinet Secretary for Health and Social Care following a recommendation from the Health Board in accordance with standing orders. Associate members have no voting rights. There are also three directors, who form part of the Executive Team and the Board but who have no voting rights.

Our Board members as at 31 March 2025:



Dr Neil Wooding
Chair
(voting)



Professor Phil Kloer
Chief Executive
(voting)



Eleanor Marks
Vice Chair
(voting)



Lisa Gostling
Executive Director of Workforce and Organisational Development and Deputy Chief Executive
(voting)



Rhodri Evans
Independent Member (Local Authority)
(voting)



Andrew Carruthers
Chief Operating Officer
(voting)



Winston Weir
Independent Member (Finance Specialist)
(voting)



Huw Thomas
Executive Director of Finance
(voting)



Maynard Davies
**Independent Member
(Information
Technology)**
(voting)



Sharon Daniel
**Interim Executive Director
of Nursing, Quality and
Patient Experience**
(voting)



Michael Imperato
**Independent Member
(Legal)**
(voting)



Mark Henwood
**Interim Executive Medical
Director**
(voting)



Anna Lewis
**Independent Member
(Community)**
(voting)



James Severs
**Executive Director of
Allied Health Professions
and Health Sciences**
(voting)



Ann Murphy
**Independent Member
(Trade Union)**
(voting)



Lee Davies
**Executive Director of
Strategy and Planning**
(voting)



Chantal Patel
**Independent Member
(University)**
(voting)



Dr Ardiana Gjini
**Executive Director of
Public Health**
(voting)



Delyth Raynsford
**Independent Member
(Community)**
(voting)



Jill Paterson
**Director of Primary Care,
Community and Long
Term Care**
(non-voting)



Iwan Thomas
**Independent Member
(Third Sector)**
(voting)



Alwena Hughes Moakes
**Communications and
Engagement Director**
(non-voting)



Michael Gray
**Associate Member
(Director of Social
Services
Pembrokeshire
County Council)**
(non-voting)



Joanne Wilson
**Director of Corporate
Governance (Board
Secretary)**
(non-voting)



Jeremy Hockridge
**Associate Member
Chair of Stakeholder
Reference Panel**
(non-voting)

Further details of Board members for 2024-25 are detailed in [Appendix 1](#) of our Governance Statement. This will include Board and committee membership for 2024-25, 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/>

Changes to the composition of the Board throughout 2024-25 are outlined below:

- Judith Hardisty, Interim Chair, left the Health Board on 31 May 2024
- Dr Neil Wooding, took up position as Chair on 1 June 2024
- Professor Philip Kloer, who was appointed as Interim Chief Executive Officer from 1 February 2024 was substantively appointed as Chief Executive Officer from 22 October 2024
- Lisa Gostling, Executive Director of Workforce and Organisational Development/Interim Deputy Chief Executive was substantively appointed as Deputy Chief Executive from 2 December 2024
- Delyth Raynsford, Independent Member (Community) left the Health Board on 31 March 2025
- Sarah Harraway joined the Health Board as Independent Member (Community) on 6 May 2025
- Sharon Daniel was made substantive Director of Nursing, Quality and Patient Experience on 1 April 2025 after undertaking the role on an interim basis since 1 January 2024

11.2.2 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:

<https://hduhb.nhs.wales/register-of-interests-gifts-sponsorship-and-hospitality/>. A hard copy can be obtained from the Director of Corporate Governance/Board Secretary on request.

11.2.3 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 in the [data security section](#) of the Governance Statement.

11.2.4 Environmental, social and community issues

These are outlined in [pages 32 and 46](#) of the [Performance Report](#).

11.2.5 Statement for public sector information holders

This is contained in the [Senedd Cymru/Welsh Parliament Accountability and Audit Report](#) of the Accountability Report.

11.3 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

The accountable officer is responsible for authorising the issue of the financial statements on the date they are certified by the Auditor General for Wales.

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

Signed by:

Chief Executive:

Professor Philip Kloer

Date: 26 June 2025

11.4 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 (the Health Board) and of the income and expenditure of the Health Board for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh ministers with the approval of 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:

Chair:

Date: 26 June 2025

Dr Neil Wooding

Chief Executive:

Date: 26 June 2025

Professor Philip Kloer

**Executive Director
of Finance:**

Date: 26 June 2025

Huw Thomas

11.5 Governance statement

11.5.1 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 works both internally and with partners in response to the significant challenges of planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated, and assurance has been sought and provided. Where necessary, additional information is provided in the Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

The Governance Statement explains our governance arrangements and how they enable us to operate in an open and transparent way to support the achievement of our strategic objectives. The Board sits at the top of our internal governance and assurance system. It sets strategic objectives, monitors progress, agrees actions to achieve these objectives and ensures appropriate controls are in place and working properly. The Board also takes assurance from its committees, assessments against professional standards and regulatory frameworks.

Further detail on how we maintained good governance arrangements during 2024-25 are provided within this Governance Statement.

11.5.2 Escalation and intervention arrangements

Under the [NHS Wales Escalation and Intervention Arrangements](#), the Welsh Government meets with Audit Wales and Healthcare Inspectorate Wales (Tripartite Group) twice a year to discuss the overall assessment of each Health Board, trust and special health authority in relation to the arrangements.

The Health Board has been in targeted intervention (level 4) for finance and planning, and enhanced monitoring for quality issues related to performance, resulting in long waiting times and poor patient experience since September 2022. However, due to the Welsh Government's concerns on our lack of sustained progress over a period of time on integrated planning, finance and delivery, in January 2024, the Welsh Government increased the escalation status to targeted intervention (level 4) for the entire organisation.

In March 2025, the Health Board was de-escalated for Child and Adolescent Mental Health Services, Planned Care, Governance and Leadership, with these all moved from targeted intervention to enhanced monitoring status (level 4 to level 3). This external validation highlights

the tangible impact of our collective efforts, though we remain focused on addressing the areas still requiring improvement and further improving on our successes to date.

We have implemented a robust accountability system for managing targeted intervention through a comprehensive framework tracking 56 de-escalation criteria across six key domains. Each criteria follows a clear pathway from identification to resolution, with transparent classification (Alert, Advise, Assure) that provides immediate visibility of progress. The framework assigns specific executive ownership for each criteria with established reporting routes through operational groups to committees and ultimately to the Board. This creates clear lines of accountability and ensures all improvement actions are systematically tracked, evidenced, and reported. Regular reviews through the governance structure maintain momentum and enable early intervention when progress stalls.

This approach has yielded significant results, particularly in financial management, where we have delivered over £30m of savings and reduced our projected deficit to £24m, considerably below our control total. Notable improvements are also evident in workforce stabilisation through international recruitment and reduced agency reliance, and progress in infection control measures.

As acknowledged in the recent Ministerial letter, while challenges remain in areas like cancer pathways, diagnostics and urgent care, our structured approach provides the foundation for sustainable improvement. The framework ensures we maintain focus across all domains simultaneously, driving continuous improvement while building the organisational capacity needed for long-term transformation and financial sustainability. This provides both the bedrock and backdrop for the 2025-26 annual plan.

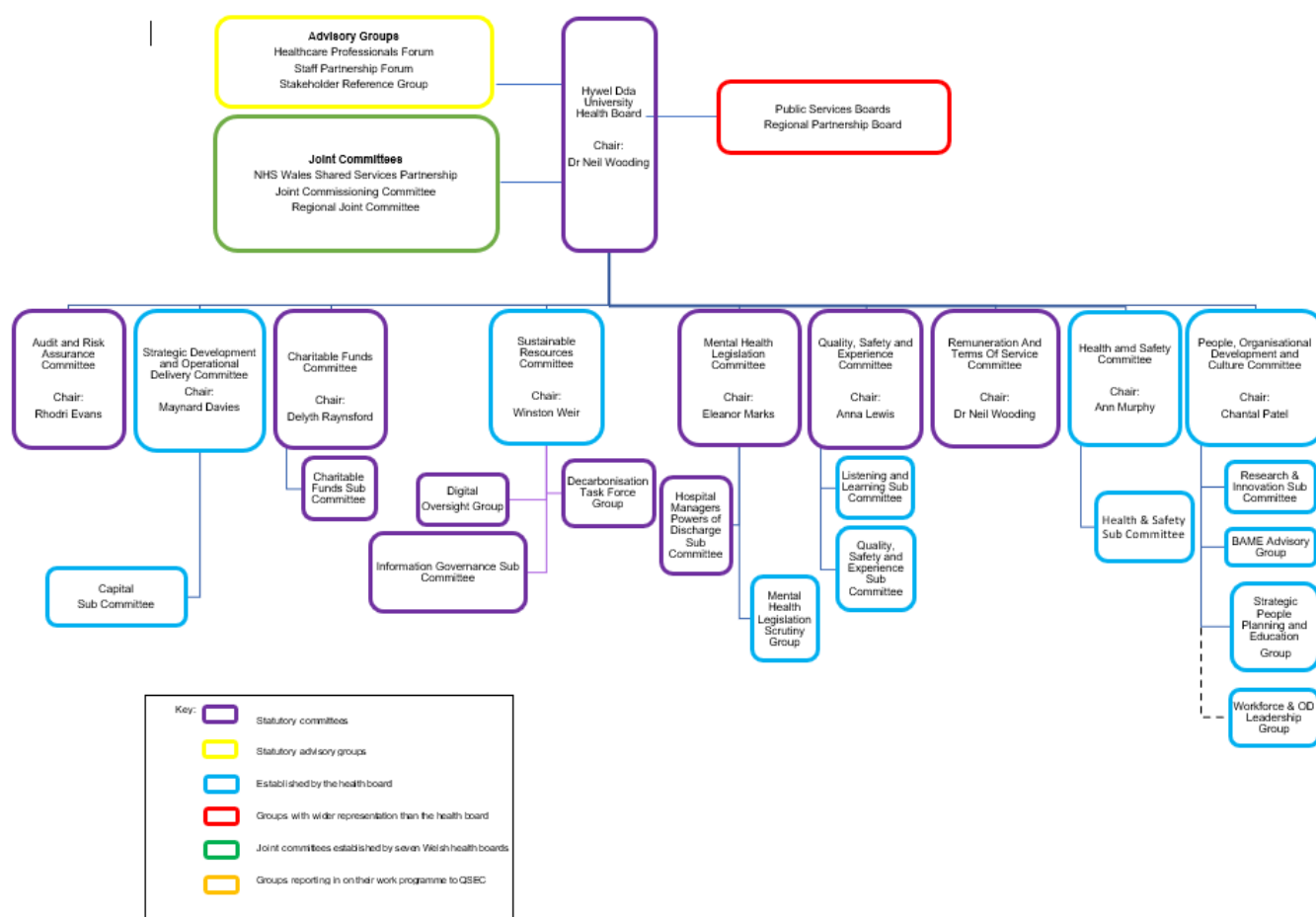
In addition to the routine performance management arrangements with the Welsh Government, which include regular Joint Executive Team (JET) and Integrated Quality, Planning and Delivery Group (IQPD) meetings, and quarterly escalation meetings. The Welsh Government will also agree with the Health Board the ongoing frequency of interventions, support and monitoring and the new de-escalation criteria.

11.5.3 Our governance framework

The Health Board has agreed standing orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation to officers and others and standing financial instructions, they provide the regulatory framework for the business conduct of the Health Board and define its ways of working.

These documents form the basis upon which our governance and accountability framework is developed and, together with the adoption of our standards of behaviour framework, are designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

Board and committee structure as at 31 March 2025:



From 1 April 2025, a new Committee structure has been approved by the Board which will see the disestablishment of the Strategic Development and Operational Delivery Committee and the Sustainable Resources Committee, these will be replaced by the following Committees:

- Digital, Data and Innovation Committee
- Finance and Planning Committee
- Strategy and Planning Committee

11.5.4 Standing Orders

The Health Board approved the revised model Standing Orders and Standing Financial Instructions, issued by Welsh Government, at its Board in April 2025.

All variations to our Standing Orders are reported the Audit and Risk Assurance Committee (ARAC). During 2024-25, there was one variation to the Standing Orders:

- **Annual General Meeting (AGM):** Standing Orders state that the Health Board 'must hold an AGM in public no later than 31 July each year.' In light of the revised timetable for Audit Wales to submit final annual reports and accounts to HSSG Finance for the reporting period 2024-25, Welsh Government confirmed that AGMs will take place no later than 30 September 2025. ARAC was advised through the review of Standing Orders directing that that AGMs must be held 'no later than 30 September 2025 for the year 2024-25. This was reported to the Board in May 2025.

11.5.5 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.

As outlined in our [Directors' Report](#), the Board is made up of individuals from a range of backgrounds, disciplines, areas of expertise.

The Board ensures that its work is open and transparent by holding its meetings in public. Meetings are also live-streamed, with recordings available on our website. While private meetings are kept to a minimum, where these are appropriate, meeting agendas are also published.

During 2024-25, the Board held:

- 8 meetings in public (all were quorate)
- 1 annual general meeting
- 9 seminar sessions

Attendance, detailing apologies received and nominated deputies, is formally recorded within the minutes. 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 its meetings, demonstrated by the presentation of patient and staff stories at each meeting through the patient experience report.

Items considered by the Board during 2024-25 included:

- Year-end documentation, including Board effectiveness report, Head of Internal Audit Annual Report and Opinion, the Health Board's Annual Report and Accounts for 2023-24 and Audit Wales ISA 260 and Letter of Representation
- Duty of Quality and Duty of Candour report
- Audit Wales Annual Audit Letter and Structured Assessment
- Standing Orders, Standing Financial Instructions and scheme of delegation
- Risk management strategy and risk management procedure
- Risk appetite statement
- Revised Board and Committee Governance Arrangements

- Primary care governance arrangements
- Nurse Staffing Levels (Wales) Act compliance reports and annual report
- Organ donation annual report
- Clinical Services Plan update reports
- Primary care and community services strategic plan
- Accountability report
- Strategic approach to financial recovery report
- Provision of dental services for Hendy Gwyn, Haverfordwest and Carmarthen Tender Process
- Planning maturity matrix and action plan approval
- Research and Innovation Strategic Plan 2025-2030
- Discretionary Capital Programme 2025-2026
- Regional Pathology Operational Delivery Network
- Funded Nursing Care Rate 2024-25
- Immunisation Equity Strategic Plan
- Approval for RAAC Works over £1m
- St Davids Surgery
- Accelerating the Cylch Caron model of care
- Prince Philip Hospital Minor Injuries Unit options
- Paediatric Inpatient Provision Bronglais General Hospital
- Community engagement
- Mental health S136 facilities public engagement
- Eye health needs assessment
- Director of Public Health annual report
- Healthcare Inspectorate Wales annual report
- Llais annual report
- A Regional Collaboration for Health (ARCH) review
- Development of the Regional Pathology Operational Delivery Network
- Mental health service provision: Ceredigion
- Measures to improve children's autistic spectrum disorder services
- Winter respiratory vaccination programme
- Health improvement and well-being strategic plan
- Well-being objective annual report
- Major Incident Plan
- Collaboration Agreement for the Flying Start Healthy Child Wales Programme.
- Eliminating Hepatitis B and C Joint Recovery Plan
- Safeguarding Strategy
- Social model for health and well-being
- Long term agreements
- Pentre Awel
- Welsh Government Building, Picton Terrace
- Strategic equality plan annual report

- Temporary workforce – variable pay reduction
- Business cases relating to:
 - Sexual Assault Referral Centre business justification case
 - Patient Flow and eObservations final business case
 - WGH Fire Works business justification case
 - BGH Fire Works PBC
 - Letters of Fire Safety Matters at BGH
 - Fire Investment Programme
 - Digital Cellular Pathology business justification case
 - Digital Maternity Cymru business case
 - Digital transformation strategic partner
 - Aseptic Project business justification case
 - Hub Pathology Centre of Excellence

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

- Updates on implementing the Healthier Mid and West Wales Strategy, including PBC and land identification plan/consultation.
- Reports on the Annual Plan 2024-25 and development of the Annual Plan 2025-26
- Reports on the financial performance and the related risks for discussion
- Procurement reports
- Property lease reports
- Reports on improving patient experience, providing feedback and activity, for assurance.
- Integrated performance assurance reports identifying areas of concern for discussion.
- Board Assurance Framework (BAF) 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 from the Chair and Chief Executive (including the register of sealings for endorsement and status reports on consultations) for discussion
- Update reports from Board committees (including approval terms of reference, committee annual reports
- 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.
- Update reports from the Regional Joint Committee
- Minutes from our Corporate Trustee

11.5.6 Board committees

The Board is supported by a number of 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. The Health Board has the following committees in place:

- Audit and Risk Assurance Committee (ARAC)
- Charitable Funds Committee (CFC)
- Ethics Panel (EP)
- Health and Safety Committee (HSC)
- Mental Health Legislation Committee (MHLC)
- People, Organisational Development and Culture Committee (PODCC)
- Quality, Safety and Experience Committee (QSEC)
- Remuneration and Terms of Service Committee (RTSC)
- Strategic Development and Operational Delivery Committee (SDODC)
- Sustainable Resources Committee (SRC)

The terms of reference for all Board committees are reviewed on at least an annual basis and can be found in the governance arrangements section on our website:

<https://hduhb.nhs.wales/about-us/governance-arrangements/>

Details of membership and the record of attendance at both Board and these committees is set out in [Appendix 1](#), with a table of quoracy at [Appendix 2](#).

Each committee has an executive director lead who works closely with the chair of the committee to set agendas, plan the business cycle and support good quality, timely information being relayed to the committee. As well as producing formal minutes and a decision log, each committee maintains a table of actions that is monitored at meetings.

The Chair of each committee provides a written report to the Board following each meeting. In 2024/25, the Board introduced the 'Triple A' report (alert, advise and assure) which enables the Board to be 'alerted' to the significant areas of concern escalated from its committees, 'advised' of matters that committees are closely monitoring and be 'assured' on other matters considered by committees. The reports also outline key risks and areas of learning. Each committee chair is also responsible for providing the Board with an annual report, setting out a summary of its work throughout the year and the review of its performance.

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. Committee chairs also meet to support the connection and triangulation of information between committees, and to continually assess the effectiveness of the Board committees.

Throughout the year, each committee has undertaken a self-assessment and produced a meaningful development plan to ensure there is continual learning and improvement. This process adds value to the organisation's governance capability and provided an opportunity for committees to reflect on the previous 12 months and to consider areas the committee has influenced, driven improvements and learnt from where the committee could have placed more

focus. Outcomes from the process have been taken forward by committees to improve effectiveness and governance arrangements, with themes from the committees' self-assessment process informing the Board's development programme.

A summary of key items considered by committees can be found in [Appendix 3](#).

Following a review by the Chair and incorporating feedback from the Committee Self-Assessment process in January 2025, the Board approved revised Board committee governance arrangements which will be implemented from 1 April 2025. The changes are detailed in the [Revised-committee-arrangements](#) report to Board and are summarised as follows:

- The disestablishment of SRC and SDODC from 31 March 2025
- The establishment of a Finance and Performance Committee which will focus on financial and operational delivery
- The establishment of a Strategy and Planning Committee which will focus on planning and strategic development
- The establishment of a new Digital, Data and Innovation Committee focussing on digital transformation, data quality, and research and innovation

11.5.9 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 three advisory groups to the Board.

- **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 forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services. HPF met twice during 2024-25, and will be reinvigorated in 2025/26. Items considered included:

- Stakeholder mapping update
- Membership update
- Clinical Services Plan update

- **Staff Partnership Forum (SPF)**

The SPF engages with staff partnership 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 six times during 2024-25. Items considered included:

- Local Partnership Forum updates
- Organisational changes

- Health and safety updates
- Policy updates
- Strategic Equality Plan

A successful workshop was held around implementing 4 key areas included in the non-pay elements of the pay deal, where the staff side and workforce lead updated on progress within their groups.

• **Stakeholder Reference Group (SRG)**

The SRG is formed from a range of partner organisations from across the Health Board's area. It engages with and is involved 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 four times during 2024-25. Reflective sessions form part of all meetings to obtain feedback on meetings to ensure continuous improvement. Regular agenda items include updates on:

- Continuous Engagement Programme
- Current and Future Planned Consultations
- Integrated Performance Assurance Reports

A workshop was held to review the group's effectiveness as well as a briefing session for new members to explain the aims and objectives of the group.

11.5.10 Other advisory groups

• **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 met twice during 2024-25. In August 2024, as part of the review of the terms of reference, the group changed its name to the Hywel Dda Anti Racist Group, in order to provide a clearer focus on the implementation of the all-Wales anti-racism action plan. Subsequently, during the autumn, the Board commissioned a broader review of the Health Board's equality, diversity and inclusion actions, and the group has paused meeting pending completion of this review.

11.5.11 Joint committees

• **Regional Joint Committee (RJC)**

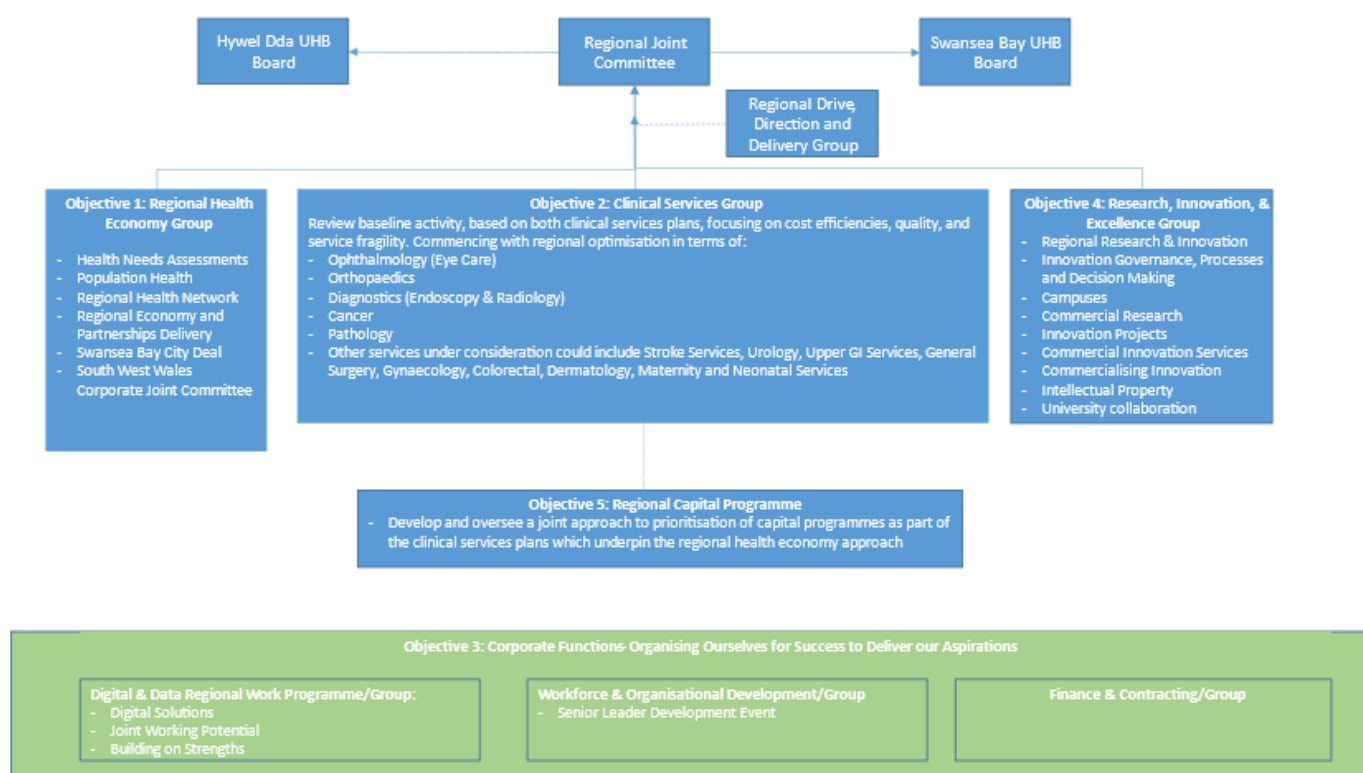
On 19 March 2024, Hywel Dda and Swansea Bay University Health Boards were directed by the then Minister for Health and Social Services, to establish a joint committee to explore regional solutions that will progress sustainable service provision and improved quality and outcomes, whilst addressing workforce, infrastructure and financial constraints. The expectation from Welsh Government was a commitment to regional working within the Integrated Medium-Term Plans/Annual Plans for 2024/25 for both Health Boards, with key deliverables within our objectives and a requirement to work collaboratively, Welsh Government intend to hold both Health Boards to account via the quality, performance and delivery framework. The focus will be

on population health, prevention and early intervention, with excellent health services that are leading edge and sustainable, and effective partnerships that focus on the wider determinants of health and reducing inequalities.

A joint Board to Board meeting was held on 17 October 2024 to develop a joint ambition and consider how to strengthen the existing regional working arrangements that were in place. Even though both Health Boards face challenges, this was recognised as an exciting opportunity to work closer together for the benefit of our joint population.

The inaugural meeting took place in January 2025 and meetings thereafter will be quarterly.

Terms of Reference for the RJC were approved by both Swansea Bay and Hywel Dda University Health Boards in January 2025. In recognition that the RJC is the equivalent of a Board level assurance Committee, in March 2025, the Board approved governance arrangements to support delivery of the RJC's work programme.



Further information on these arrangements can be accessed in the following report which was presented to the Board in March 2025 [Board agenda and papers 27 March 2025 - Hywel Dda University Health Board](#)).

• Mid Wales Joint Health and Social Care Committee

The Mid Wales Joint Committee, established in response to the recommendations of the Mid Wales Healthcare Study (2014), is a formal collaborative between the health and care organisations covering the Mid Wales region. Members of the Joint Committee includes the three

Local Health Boards (Betsi Cadwaladr University Health Board, Hywel Dda University Health Board, Powys Teaching Health Board), Welsh Ambulance Services University NHS Trust and the three Local Authorities (Ceredigion County Council, Gwynedd Council and Powys County Council).

The Mid Wales Joint Health and Social Care Committee has a set of annually agreed Mid Wales priority areas which have been identified as those areas that will provide added value through working on a Mid Wales footprint. These priorities align with the Integrated Medium-Term, Annual and Regional Plans of the Joint Committee's partner organisations. The priority areas focus are on a whole pathway approach with regional links between primary, secondary, community and social care which support the Welsh Government's expectation for Mid Wales organisations to work together to plan and deliver regional solutions across organisational boundaries.

The work of the Joint Committee is co-ordinated by the Mid Wales Planning and Delivery Executive Group. The focus of the group's work is to oversee the development and implementation of the Mid Wales Priorities and Delivery Plan which is considered alongside individual organisational plans together with the consideration of any other emerging matters which require a collaborative discussion and regional approach.

The Mid Wales Joint Health and Social Care Committee is led by a number of Executive Directors from across the region. The April 2024 Committee meeting was Chaired by Judith Hardisty (who was the interim Chair for Hywel Dda UHB at the time). The role of Lead Chair has now changed to Dyfed Edwards (Chair of Betsi Cadwaladr UHB) as from November 2024. Members of the Committee include the Executive Director of Strategy and Planning, the Chair and Chief Executive of HDdUHB and the HDdUHB Programme Director.

The Committee met twice during 2024/5 (April and October). Updates were received on:

- Mid Wales Joint Committee's Priorities and Delivery Plan 2024/5
- Mid Wales Clinical Advisory Group
- Rural Health and Care Wales Stakeholder Group
- Rural Health and Care Wales Work Programme
- Annual Plans for the 3 Local Health Boards

The overarching priorities for 204/25 include:

- Urology – To continue to develop a programme of renewal of urology pathways across the region.
- Ophthalmology – To scope alternative options to the triumvirate Mid Wales collaboration ophthalmology consultant leadership role and increase capacity and access to services through the development of a regional and whole system pathway approach.
- Cancer and Chemotherapy Outreach – To establish a new Chemotherapy Day Unit in Bronglais Hospital and to review radiotherapy and chemotherapy pathways to identify opportunities for increasing provision and improving access across Mid Wales. The

business case for the second permanent CT3 Simulator has been approved by the Welsh Government. Building work is planned for April to June 2025 with handover planned for August 2025. The second CT simulator will meet the increased demand for Radiotherapy services across South-West Wales.

- Community Dental Services - Exploring the feasibility of an integrated service for joint paediatric general anaesthetic list at Bronglais Hospital using existing facilities not fully utilised and identify what improvements could be made to general NHS dental services provision across Mid Wales.
- Clinical Strategy for Hospital Based Care and Treatment and regional solutions – implementation of the Bronglais Hospital 10 Year Clinical Strategy which will support the development of regional and cross border solutions.
- Cross border workforce arrangements – develop solutions to establish cross border health and social care workforce arrangements across Mid Wales.

Supporting the delivery of the Mid Wales priorities are a set of three clinical and three social care priorities which have been identified by the Mid Wales Clinical Advisory Group and Mid Wales Social Care Group.

Clinical priorities for 2024/25:

- Urology
- Rheumatology

Members of the Mid Wales Social Care Group were asked to provide feedback on what they felt should be the social care priorities for 2025/26, whether the priorities for 2024/25 should continue into 2025/26 and whether there were any other emerging priorities which needed to be considered. Following consideration of the feedback received the group agreed that the social care priorities for 2025/26 should be as follows:

- Residential Children's Accommodation
- Trusted Assessor along with Delayed Pathways of Care
- Welsh Community Care Information System (WCCIS)
- **NHS Wales Joint Commissioning Committee (NWJCC)**

We are a member of the NWJCC which was established in response to the findings of an independent review commissioned by Welsh Government into the national commissioning arrangements undertaken by the Emergency Ambulance Services Committee (EASC), the Welsh Health Specialised Services Committee (WHSSC) and the National Collaborative Commissioning Unit (NCCU).

From 1 April 2024, the NWJCC replaced EASC and WHSSC and took responsibility for the services previously commissioned by these committees and the NCCU, together with the commissioning of NHS 111 Wales services, and the Sexual Assault Referral Centres for Wales.

The NWJCC is a joint committee of the seven Health Boards acting collectively on their behalf. However, individual Health Boards are ultimately accountable to their population and other stakeholders for the provision of the services commissioned by the NWJCC for the residents in their area.

Hosted by Cwm Taf Morgannwg University Health Board, we are 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.

11.5.12 Partnership and collective working

- **Hywel Dda public service boards**

We are a statutory member of the public services boards (PSBs) in Carmarthenshire, Ceredigion and Pembrokeshire. PSBs were established under the Well-being of Future Generations (Wales) Act 2015. 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, as well as designated local authority overview and scrutiny committees.

All three PSBs have cross-cutting themes of reducing inequalities, inequity and poverty.

Ceredigion PSB met in July, September and March to focus on community consultation and climate and nature delivery group initiatives such as decarbonisation plans and climate change risk assessment. In September, an updated delivery framework was reviewed. In March, updates from the Refugee Resettlement Group, Well-being in Lampeter Delivery Group and joint working arrangements between Ceredigion Association of Volunteer Organisations (CAVO) and Cwmpas were received. The PSB Annual Report is being drafted and due to be presented in June 2025.

Pembrokeshire PSB met in July, September and February focusing on the well-being assessment and plan, increasing engagement with young people, decarbonisation and climate change. Updates were also provided on strengthening communities workstream and on the poverty workstream of the PSB well-being plan including the local family and community engagement (FaCE) programme, which was noted as an example of joint working with education, health, social services and housing. The Nature, Decarbonisation and Climate Change Group discussed options for future chairing as the current Chair is due to step down in the near future.

Carmarthenshire PSB met in September, November and January. A climate change risk assessment workshop was held in June 2024 with a report presented at the PSB in September, after which a task and finish group for climate change risk assessment was established which subsequently met in March 2025. In March, updates were received from the 'Whole Systems Approach to Healthy Weight, Healthy Wales' programme. Carmarthenshire County Council shared their Corporate Parenting Charter, highlighting the principles and promises to support care-experienced young people. Updates were provided from the task and finish groups on:

- Promoting work and career opportunities in the public sector
- Make every contact count
- Collaboration on electric vehicle charging infrastructure
- Carmarthenshire food strategy

PSB partners agreed to continue to support the well-being plan information events as part of community consultation.

The Board has received updates from all PSBs on the work they are undertaking to progress their well-being objectives, outlined below:

Carmarthenshire PSB well-being objectives	Ceredigion PSB well-being objectives	Pembrokeshire PSB well-being objectives
• Ensuring a sustainable economy and fair employment • Improving well-being and reducing health inequalities • Responding to the climate and nature emergencies • Tackling poverty and its impacts • Helping to create safe and diverse communities and places	• Working together to achieve a sustainable economy that benefits local people and builds on the strengths of Ceredigion • Work together to reduce inequalities in our communities and use social and green solutions to improve physical and mental health • Work together to deliver decarbonisation initiatives within Ceredigion to protect and enhance our natural resources • Work together to enable communities to feel safe and connected and will promote cultural diversity and increase opportunities to use the Welsh language	• Support growth, jobs and prosperity and enable the transition to a more sustainable and greener economy • Work with our communities to reduce inequalities and improve well-being • Promote and support initiatives to deliver decarbonisation, manage climate adaption and tackle the nature emergency • Enable safe, connected, resourceful and diverse communities

- **West Wales Regional Partnership Board**

Regional partnership boards (RPBs), 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. Across west Wales we have a strong track record of joint

planning between agencies and the approach set out by the Welsh Government this year builds upon the foundations already in place.

RPBs have an important role in co-ordinating integrated capital planning activity for their region. This includes the utilisation of dedicated funds for RPBs in addition to the existing capital portfolios of local authorities and Health Boards. In west Wales, there is a RPB Capital Strategic Board and Operational Group for this purpose, jointly chaired by the Director of Communities for Carmarthenshire County Council and the Executive Director of Strategy and Planning for Hywel Dda University Health Board.

A summary of the items discussed in 2024-25 include:

- Further/Faster Funding update and financial tracker
- Advocacy Strategy launch
- Neuro Diverse Improvement Programme Funding
- Dementia Strategy Report
- RPB citizen and Third Sector Engagement Panel launch
- Social Prescribing Mapping Questionnaire submission
- Regional Integrated Fund Report
- 50 day Challenge
- NEST Framework (Nurturing Empowering Safe Trusted)
- Health and Social Care Integration Fund (RIF)

Workshops facilitated by an external company were held in July and September focusing on governance, purpose and self-assessment outcomes.

The first 'Regional Footprint' meeting with the Cabinet Secretary, Welsh Government was held on 9 October 2024, with senior leaders from the Health Board, local authorities and RPB. The meeting reflected the improvements in performance of the region, and the on-going work to deliver on the Care Action Committee priorities.

Representatives from Welsh Government visited Prince Philip Hospital in October to review carers' initiatives, providing positive feedback.

The RPB meetings have been focussing on a series of facilitated workshops concentrating on the form, function and purpose of the Board following completion of a self-assessment tool. Following these workshops, and the report that followed, the RPB meetings will now be re-purposed to ensure concentration on setting direction around integration and regional working and focusing on specific issues in each meeting.

The first of these 'new style' meetings took place in January 2025, where the agenda concentrated on the changes to the Partnership Regulations, which came into force on 31 December 2024, and how the RPB will be implementing them.

The role of the RPB and how it can add value and ensure it meets its aims has been the subject of discussion in several planned meetings between senior executives, the Chair and lead of the RPB. Once completed, a written report will be presented to the Board. It will also be part of the refresh of

the self-assessment tool and the Population Health Needs Assessment that each RPB in Wales must complete by September 2025.

The Health and Social Care Regional Integration Fund (RIF) is currently at the half-way point of its five-year cycle, and two meetings have been held to begin discussing the future of RIF and options for further iteration. A general consensus view is that this will be aligned to the vision of an Integrated Community Care System (ICCS).

- **NHS Wales Shared Services Partnership Committee (NWSSPC)**

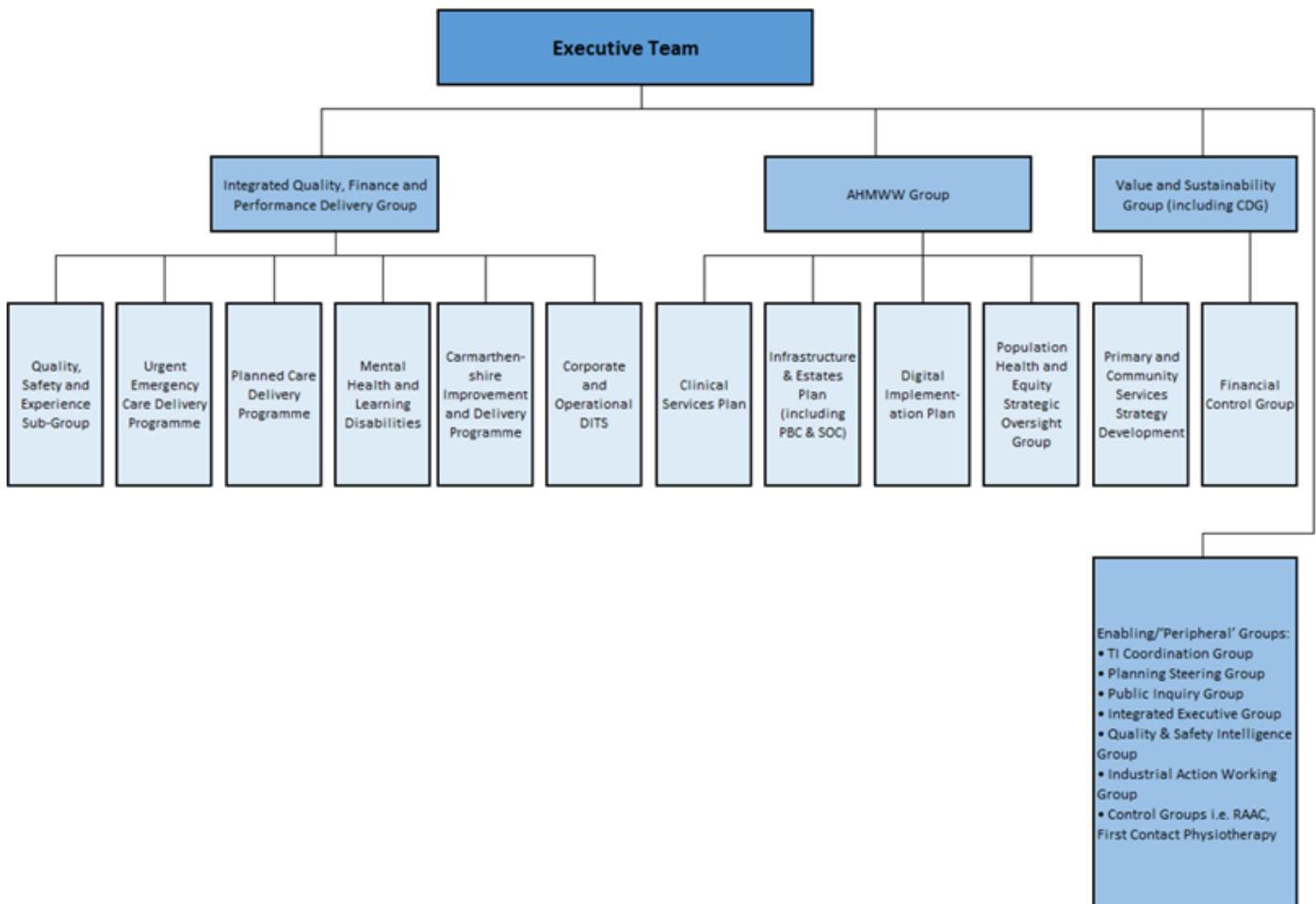
The NWSSPC was established in 2012 and is hosted by Velindre NHS Trust. It is responsible for the shared services functions for the NHS, such as procurement, recruitment, and legal services. Hywel Dda is represented by the Executive Director of Finance at this committee with regular reports received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

11.5.13 Executive and operational governance arrangements

As from April 2024, a new executive governance structure was established to:

- ensure there is sustained progress on integrated planning, finance, and delivery, as required by Welsh Government
- ensure the work of the executive team and its underpinning sub structure are aligned with the Board and its Committees

- better enable the Executive Team to respond to the targeted intervention escalation status



• Formal Executive Team

The Executive Team was established as the body within the Health Board that develops and endorses, prior to Board consideration, the formulation of plans, policies and strategies. It also oversees operational management and performance ensuring the organisation develops population services, builds commissioning capabilities, delivery and plans to develop the organisational system, ensuring robust performance management arrangements are in place.

The Executive Team is the primary executive decision-making body of the Health Board in relation to the delivery of the organisation's strategic goals. It has powers delegated by way of those already vested in the individual executive directors/directors via the scheme of delegation.

The Executive Team meet weekly, with formal meetings held every other week and business meetings held on the alternative week.

• Integrated Quality, Financial Performance Delivery (IQFPD) Group

Terms of reference were constructed in April 2024 along similar lines to those of Welsh Government's Integrated Quality Planning Delivery Group, outlined its responsibilities to ensure the effective planning and delivery of elements of the Health Board's Annual Plan, to consider

themes and issues that arose through the Directorate Improvement Together Sessions, and provide direction where needed on how to address them. These terms of reference have been updated to reflect the new reporting arrangements for the new Clinical Care Groups from April 2025.

- **A Healthier Mid and West Wales Group**

This group took on a broader role than the previous A Healthier Mid and West Programme Group which focused solely on production of the Strategic Outline Case (SOC) for Board and Welsh Government approval. Its role incorporates the delivery of the Health Board's strategy in its wider sense, and also reflect the various programmes that feed into it in addition to the SOC.

- **Value and Sustainability Group**

Terms of Reference were constructed in April 2024 along similar lines to those of Welsh Government's Value and Sustainability Board. The Group is responsible for focusing on the identification of and driving financial improvement opportunities, supporting the delivery of savings plans. It will contribute to the Health Board's efforts to address the financial challenges identified in the Targeted Intervention framework which will be essential in enabling us to progress towards a more financially sustainable position and, ultimately, de-escalation from Targeted Intervention.

- **Operational directorate governance arrangements**

In response to previous recommendations from Audit Wales, the operational directorate structure was reviewed during 2024 to strengthen our leadership capacity and implement a more effective operational structure. This introduced six new clinical care groups, which includes an estates and facilities care group. Revised governance arrangements to support the new structure were also put in place to ensure there was consistency and standardisation, as well as to strengthen the flow of information from the new clinical care groups to the Executive Team. These new arrangements will be implemented from 1 April 2025, alongside a leadership and organisational development plan to support implementation of the new structure.

The implementation of clinical care groups represents a transformative change in our operational structure, designed to enhance governance, improve performance, and deliver better outcomes for patients.

Each clinical care group will be required to establish an Integrated Governance Group, which will report into the [IQFPDG](#) (see above) with prescribed terms of reference and standard agendas to cover the following specific areas:

- Planning, performance (to include financial performance) and people
- Quality and safety (to include health and safety)

11.5.13 Board development

Audit Wales Structured Assessment recognises our robust approach to Board development and improvement, and the importance of providing a good foundation to manage the period of significant change that has taken place at Board level in recent years. This transition was enabled through a series of Board development interventions such as development sessions on:

- Board Dynamics; Changes Ahead and Future Direction (July 2023)
- Changing Faces; Changing Places and an Organisational Landscape Review (Feb 2024)
- Chairing for Change and Changing Effectively as a Board (July 2024)

A further phase of the Board Development programme has been designed and commenced in January 2025 with the Board drawing up a set of design principles to guide their work for positive change in 2025 and beyond. Further whole Board events are planned throughout the year, together with a series of quarterly executive time-out sessions focusing on leadership development, team effectiveness and strategy development. In addition, the Chair and Chief Executive will commence a 12-month 'Two at the Top' programme in March 2025.

Talent management and succession planning will continue to be a key theme of the Board programme and builds on the work done in the last 12 months which involved:

- a review of the performance and talent management approach for independent members
- a quarterly performance review system for executives and the introduction of a potential and performance talent approach to support career development and future aspirations

Two of the Executive Team members have completed the Health Education Improvement Wales (HEIW) Aspiring Chief Executive Officer (CEO) programme within the last 12 months, with one of them being appointed to the substantive CEO position within Hywel Dda.

Broader talent management and succession approaches for longer term Board membership pipelines have included:

- the establishment of a talent pool for Aspiring Assistant Directors
- the introduction of a robust Assessment Centre approach for recruitment and selection to senior leadership roles which includes psychometric testing, values and stakeholder panels as well as an interview

Revised arrangements for Board level committee working and chairing roles have also been agreed which have further supported the talent management and succession planning progress of the Board as a whole.

Consequently, organisation performance results over the last 12 months are progressing in the right direction and the role of Board members in terms of providing scrutiny and seeking assurance has been pivotal to that progression. Furthermore, a renewed commitment to the leadership principles across Hywel Dda was demonstrated by the Board's adoption of the HEIW compassionate leadership pledge in July 2024.

This year, part of the new Chair and Vice-Chair's induction programmes have been extended to all Board members through a series of optional 'lunch and learn' events. These refresher sessions cover topics such as patient safety walkarounds, finance, patient service and complaints, risk and estates/capital projects.

11.5.14 Effectiveness of the Board and committees

Audit Wales concluded that arrangements for reviewing the Board's effectiveness remain strong in their structured assessment in 2024.

Our committees continue to review their effectiveness after each meeting where independent members have dedicated time to reflect on the meeting, which enables continuous learning and improvement. Member of our committees are also asked to complete a self-assessment survey to reflect on how the committees have operated over the previous 12 months. An outcome report, with an action plan to address any areas of development or improvement, is produced for each committee, as well as being reported in the committee annual reports. Themes are also fed into the Board development programme.

When assessing its own effectiveness, the Board draws on internal and external sources of assurance to help it evaluate its annual effectiveness, including the following:

- Joint escalation and intervention arrangements status as the Welsh Government raised the escalation status of the Health Board to targeted intervention for the whole organisation (see [Escalation and intervention arrangements](#) section of the report)
- Audit Wales structured assessment (more information on this can be found in the [Audit Wales Structured Assessment](#) section of this report)
- Self-assessment against the Code of Corporate Governance (see [Code of Corporate Governance](#) section of the report)
- Feedback from the Board committee self-assessment programme
- IA reports received throughout 2024-25

In response to Health Board's escalation status to targeted intervention (level 4) for the entire organisation, the Board undertook a refreshed approach to assessing its effectiveness for 2024/25. This was partly in response to the de-escalation criteria within the 'governance' domain which required a 'self-assessment against an agreed governance maturity matrix with evidence of the agreed level', but also the Board's own recognition that it needed to take a more nuanced approach to assessing its effectiveness to ensure it continues to evolve and mature. The new maturity matrix describes 10 key elements of good governance for NHS organisations which is aligned NHS Wales requirements and expectations. The Board considered the evidence outlined against the maturity matrix and agreed the following maturity levels:

Key criteria	Maturity level	Maturity level description
1. Clarity of purpose, roles and behaviours	3	The Board has agreed cultural and ethical values and strategic objectives, combined with a robust mechanism for developing care services and settings against these
2. Oversight and administration principles	4	Using these principles has helped Board members to better understand their roles in governance. Governance activities that provide little value and do not meet the principles have been stopped

3. Leadership and strategic direction	3	An induction and development programme is in place for Board/ and aspirant members. Diversity is embedded in the approach.
4. Effective external relationships	3	Effective citizen involvement is in place, and evidenced by improvement initiatives that are put into operation as a result.
5. Effective internal relationships	3	The organisation prioritises staff and internal stakeholder involvement, and formal and informal input and feedback from all staff, new staff, and leavers, is sought and valued.
6. Transparency and public reporting	3	The Board publicly demonstrates conflicts are examined and covered within contracts; Limited use of In-Committee meetings; integrated public reporting is central to organisational finance, quality, and performance management.
7. Systems and structures: quality and safety	3	Quality management system strategic framework implementation demonstrates improvements the domains within the within the health and care quality standards.
8. Delivery of agreed outcomes	2	Performance reports including benchmarking data and key performance indicators are in development.
9. Risk management and compliance	4	The Board Assurance Framework is central to the management of risks to achieving strategic objectives, with a quarterly update and annual action planning to drive business. Emergency and Business Continuity Plans are improved through a range of scenario tests in year
10. Effectiveness and added value	3	The annual cycle of business is planned and the Board Assurance Framework is used by the Board to identify opportunities for increased effectiveness and added value.

The improvement work being undertaken by the Health Board in respect of its escalation status will help to strengthen the effectiveness of the Board, as well as embedding the new operational governance arrangements.

11.5.15 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 2025 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 [Our Governance Framework](#) section of this statement.

11.5.16 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 Director of Corporate Governance/Board Secretary, who has responsibility for leading on the design, development, and implementation of the Board Assurance Framework (BAF) (view here: <https://hduhb.nhs.wales/board-assurance-framework-pdf/>) and Risk Management Framework (view here: <https://hduhb.nhs.wales/risk-management-framework/>).

11.5.17 Risk management framework

The risk management framework helps the Health Board understand, evaluate, and manage risks to increase success and reduce failure. It is part of the overall governance of the organisation and aims to improve decision-making and efficiency. It also provides assurance to stakeholders by reducing uncertainty and helping prioritise decisions for the best outcomes.

This framework outlines the foundation and organisational arrangements for risk management. It clarifies roles, responsibilities, communication, risk escalation, and reporting lines. It includes the risk strategy and protocols.

The framework uses the 'Three Lines of Defence' model:

1. First Line: Management control
2. Second Line: Risk control and compliance oversight
3. Third Line: Independent assurance

These three lines work together within the Health Board's governance framework.

Procedures, guidance, systems, and tools help management identify, assess, and manage risks daily. The Health Board's assurance and risk team support this with training, advice, and embedding a risk-aware culture.

In 2024-25, we conducted our annual risk maturity self-assessment following the Orange Book, a recognised public sector risk management standard.

We undertook our annual risk maturity self-assessment in 2024-25 in accordance with the Orange Book, which is a recognised risk management standard for the public sector and undertaken by the Health Board on an annual basis.

The assessment covered seven key areas relating to risk management which were assessed using the following maturity matrix:

Level 1 Awareness and understanding	Level 2 Implementation planned and in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
Partnerships	- Risk handling - People - Outcomes	- Leadership - Risk strategy and policies - Processes		

The self-assessment continued to demonstrate that leadership promotes risk management, and that the Health Board has a risk management framework in place, supported by a range of strategies, policies and processes.

This year, feedback was obtained from risk leads and themed risk subject matter experts across the organisation in order to better inform the assessment on whether staff are equipped and supported to manage risk well. Feedback demonstrated that whilst staff are generally aware of the organisational objectives and its risk management strategies and policies and felt appropriately supported by the assurance and risk team, it identified opportunities to further enhance risk awareness across the wider organisation, and that local induction arrangements relating to risk management could be strengthened. Further work is also required to develop and enhance the role of risk management in its contribution to effective planning and target setting, and to better support the achievement of strategic and operational outcomes.

The assessment results will shape the revised Risk Management Strategy, which the Board will approve in September 2025. The current Risk Management Strategy, approved by Board in March 2024 can be read here: <https://hduhb.nhs.wales/risk-management-strategy/>. This strategy supports achieving strategic objectives and aligns with committee structures, the BAF, and the corporate risk register.

In 2024-25, the Health Board's new internal escalation framework improved risk management by focusing on how directorates manage risks in terms of scale, significance, timeliness, and quality. Risk reviews improved over the year, and only 11% risks were reported to need a review at the

end of the year. The new operational structure and governance arrangements will further enhance operational risk management.

Audit Wales reported in their structured assessment in 2024 that the Health Board has a sound corporate approach to managing risks, including its approach to overseeing its BAF, and an appropriate and up-to-date risk management framework in place.

11.5.18 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.

During 2024-25, the Board reviewed and approved its [Risk Appetite Statement](#), which describes the level of risk it is willing to tolerate according to the type of risk presented, and in line with its capability to manage risk.

The Health Board approved a revised approach to risk tolerance at its Board meeting in March 2025, and will become operational during 2025-26. The target risk score demonstrates the lowest level of risk exposure that the Health Board is willing to tolerate, representing the ultimate level of risk achievable given available means and resource. Target risk scores should be quantified and aligned to performance targets where possible along with a set timescale for achieving the reduction of the current risk score to the target risk score.

The Health Board's capacity to manage risk continues to be impacted by financial and other resources. The aim is that this will support the further development of our roadmap to financial balance, while at the same time managing increasing demands on our services along with external challenges.

11.5.19 Risk management process

Our [risk management framework](#) supports the Health Board's 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 organisation. Each corporate and operational directorate must manage risks to meet their objectives, deliver safe services, and comply with standards. They must keep risks within the Board's agreed tolerance and escalate or de-escalate them as needed.

Communicating and consulting with internal and external stakeholders and partners is an important part of the risk management process. Many of our principal and corporate risks require us to work closely with partners to achieve our objectives and improve services for our population, as well as play an important role in helping us to address our risks. For instance, the new Joint

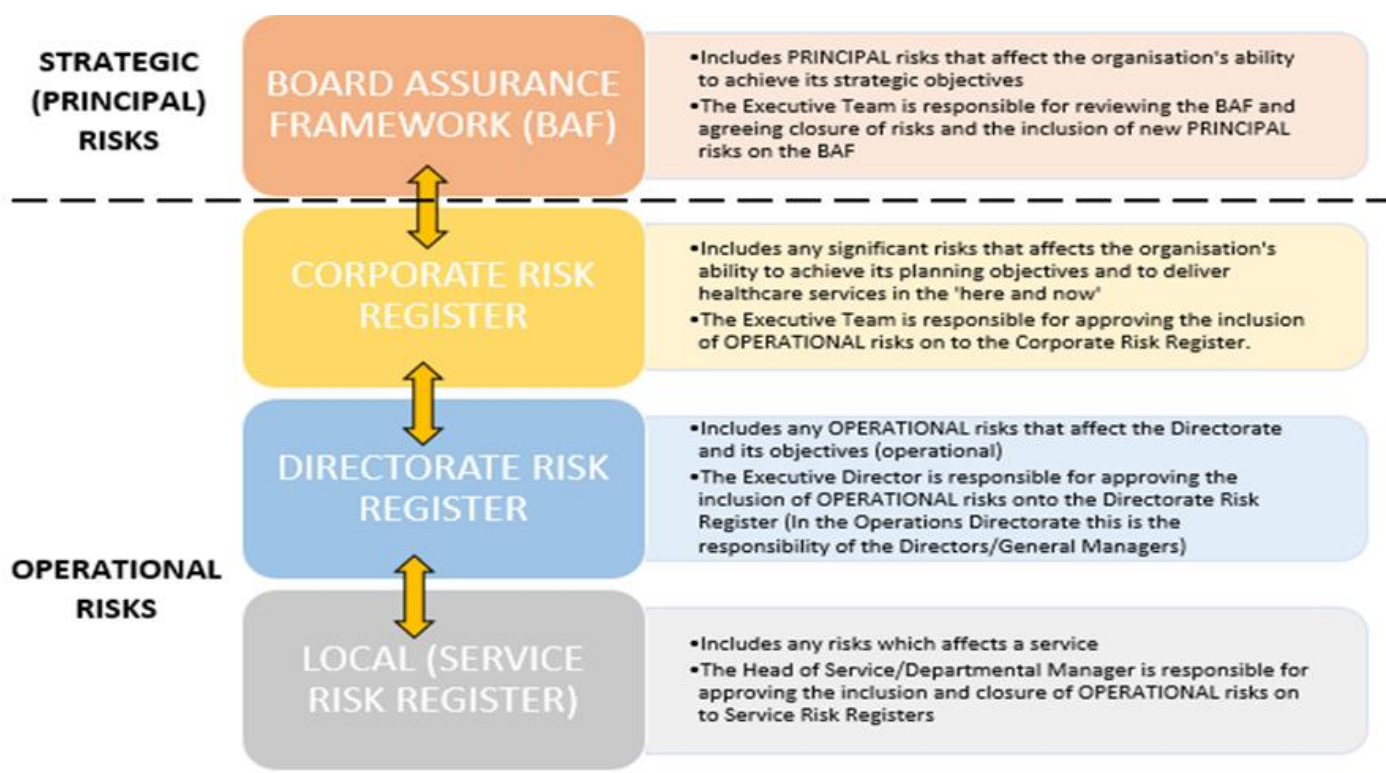
Regional Committee with Swansea Bay UHB will help us address some of our risks by working jointly to improve health and care for the joint population. For example, our risk related to the delivery of integrated community and acute unscheduled care services requires a whole system approach, and we have been working with our partners in Welsh Ambulance Services NHS Trust (WAST), local authorities and domiciliary providers 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, the Mid Wales Joint Committee for Health and Care and the Joint Regional Committee are part of the Health Board's governance structure that helps to support the management of risk facing the organisation through collective dialogue.

The Executive Team identifies principal risks that may affect strategic objectives. These risks are refreshed annually after the Annual Plan is approved and are part of the BAF to support the Health Board's strategy and provide ongoing assurance.

Executive directors also identify significant operational risks for the Corporate Risk Register (CRR). These risks can be new or emerging and are agreed upon for entry into the CRR.

The chart below details how the CRR interacts with the principal risks on the BAF and the operational risks that are on directorate and service risk registers.



11.5.20 Oversight and reporting of risk

In following the 'Three Lines of Defence' model described above, the Health Board ensures that operational managers 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 above the Health Board's current agreed tolerance level, are aligned to the its committees, whose role it is to provide assurance to the Board that risks are being managed appropriately. The approach to risk tolerance has been recently reviewed, along with its application of tolerance to ensure appropriate reporting to the Board's committees. These arrangements will take effect in 2025-26, with all operational risks being reported to the relevant committee which are either extreme or high scoring. The Executive Team review all corporate risks on a monthly basis and the principal risks on a quarterly basis.

11.5.21 Risk profile

The health and care system within Hywel Dda continues to face intense challenges, which are being felt across Wales, and across the NHS nationally. We are facing increasing system pressures, through an over reliance on hospital services is compounded by an ageing population and a rise in long-term conditions.

For us as a Health Board, the drivers of these pressures typically fall into the categories of workforce availability (including social care), affordability and cost of living, inflationary pressures on public finances, an ageing estate, population health and need for health care. These issues manifest as backlogs and delays to care for patients, the inability to achieve ministerial priorities, excessive strain on staff, reduced system efficiency and unprecedented financial pressures. These are reflected in our most significant operational risks which are outlined in the [CRR section](#) later in this report.

The Health Board's long-term strategy 'A Healthier Mid and West Wales' (AHMWW) was established with the clear objective of placing people and communities at the heart of our healthcare model. The BAF section below outlines the principal risks and plans in place for achieving its objectives.

11.5.22 Board Assurance Framework (BAF)

Our BAF reflects the revised strategic and planning objectives and is presented to the Board three times a year. The most recent BAF report can be accessed here: <https://hduhb.nhs.wales/board-assurance-framework-pdf/> and provides a link to our BAF dashboard. Audit Wales has identified the interactive BAF as a model of good practice. 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. The BAF will be updated in 2025/26 following the refresh of our 'A Healthier Mid and West Wales' strategy, and strategic objectives.

There are 15 principal risks that have been aligned to our six strategic objectives.

Total number of risks on BAF on 1 April 2024	16
New risks added during 2024-25	0
De-escalated/closed during 2024-25*	1
Total number of risks on BAF of 31 March 2025	15

* Risk 1187 “Strong enough reputation to attract partners to work with us” was closed, as it merged with risk 1188 “Effective leveraging within partnerships”.

The most significant risks to achieving our strategy are listed below:

- **Principal risk 1199 - achieving financial sustainability (risk score 25)**

Achieving financial balance over three years is a legal requirement for the Board and a clear expectation from the Welsh Government. While the Health Board has improved its operational planning and maturity, the underlying deficit remains a major concern. This deficit will affect future planning and move the Health Board further from the Welsh Government's financial targets.

The main causes of the deficit are well known, and we have detailed business intelligence to identify areas needing action. An internal escalation framework, working with the Improving Together programme, supports under-performing directorates to improve their financial plans and savings.

Throughout 2024-25, we have continued discussions with the Welsh Government to monitor and achieve a reduction in our monitoring status.

- **Principal risk 1196 - Insufficient investment in facilities / equipment / digital infrastructure (risk score 20)**

This risk reflects our challenge to invest in appropriate facilities, medical equipment and digital infrastructure to appropriate standards in order to provide safe, sustainable, accessible services. We have a programme group to oversee the production of our programme business cases (PBCs) to secure long term investment to support our health and care strategy. We are working with Welsh Government to refine the capital requirements that will be needed to address the significant risks that exist at present across the estates infrastructure, as a result of concerns around reinforced autoclave aerated concrete (RAAC), fire safety and business continuity in terms of viability.

Actions to manage and mitigate this risk includes progressing the business case process for implementation of ‘A Healthier Mid and West Wales Strategy’ and estates rationalisation, and progressing business continuity outline business cases to address major infrastructure backlog across our acute sites.

Further actions include the development of a primary care and community strategy, and progression and implementation of the digital strategic plan.

- **Principal risk 1192 - wrong value set for best health and well-being (risk score 16)**

This risk reflects that the Health Board may be seeing health and well-being purely through the healthcare services lens, using potentially narrow, and not the most appropriate measures, and not effectively engaging with individuals and communities.

We are still defining our approach to continuous engagement, our approach to tackling inequality/inequity, and our understanding of the social model of health and well-being and our arts in health, and what this means to our local population and communities. Well-being assessments are being updated by the Public Service Boards (PSBs) however, we do not currently have an effective method of measuring the well-being of individuals, communities, and our population.

A number of planning objectives for 2024-25 which underpin the management and mitigation of this risk were prioritised. These include the development and implementation of public health plans which empower and enable people to live healthy lives through health improvement initiatives, and the development of a Board and Welsh Government approved financial roadmap.

- **Principal risk 1197 – implementing models of care that do not deliver our strategy (risk score 16)**

We have completed a clinical review as requested by Welsh Government, with a strategic outline case (SOC) in progress to support the implementation of our strategy: 'A Healthier Mid and West Wales'. We are working with Welsh Government to scope out a strategic delivery programme.

Actions to address this risk include strengthening regional planning through the Mid Wales Joint Committee and the development of the Regional Joint Committee with Swansea Bay University Health Board (SBUHB), providing a set of plans for key clinical services to address critical sustainability risks up to the future hospital network, developing a primary care and community strategy, and implementing the digital strategic plan.

- **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 and historical 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 previously accessed services.

Actions to address this risk include the development of a primary care and community services strategy, and to develop and implement the transforming urgent and emergency care programme to deliver ministerial priorities by 2026.

- **Principal risk 1185 - Consistent and meaningful engagement through our workforce (risk score 16)**

Resources from the Engagement Team are focused on supporting the Clinical Services Plan and other service changes. It is recognised that a lack of resource will have an impact on the capacity of the engagement team to deliver continuous engagement expertise at a senior level and the operational capacity to deliver the full spectrum of engagement activities.

We are establishing an overarching programme of work for continuous engagement with a set of plans that make it easier for people to have conversations with us, ensuring our communities have a real influence on strategic direction.

- **Principal risk 1186 - attract, retain and develop staff with the right skills (risk score 15)**

Our most significant challenge is to maintain the right number of people to be able to deliver safe, effective and sustainable services. This is due to a number of factors, including geography, recognised national shortages in a number of professions, unappealing rotas and an ageing workforce that mirrors our population. Becoming an employer of choice and attracting people to work for Hywel Dda is therefore fundamental to the achievement of our workforce strategy, as is ensuring workforce planning and development identifies and supports the future capability we need.

Our plans to address this risk include achieving workforce sustainability through developing a workforce plan and delivering our targeted recruitment plan, retention plan and workforce education and development plan.

The heat map below presents our principal risks (by their internal reference number) in respect of their likelihood and impact as at the end of March 2025.

Hywel Dda Risk Heat Map					
	Likelihood →				
Impact ↓	Rare	Unlikely	Possible	Likely	Almost Certain
Catastrophic			1186		1199
Major 4		1184	1191	1197 1192 1198 1185	1196
Moderate 3		1200	1188 1189 1193 1195	1194	
Minor					
Negligible					

11.5.23 Corporate Risk Register (CRR)

The Health Board's CRR contains significant operational risks to the delivery of healthcare 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 its update report, on the management of these risks.

During 2024-25, the CRR has been dynamic and responsive to new and emerging risks:

Total number of risks on CRR on 1 April 2024	23
New risks added during 2024-25	5
De-escalated/closed during 2024-25	7
Total number of risks on CRR of 31 March 2025	21

- **Risk of insufficiently skilled workforce to deliver services due to limited labour market (risk score 20)**

There is a scarce supply of healthcare professionals and a shrinking labour market, further exacerbated by the Health Board's current vacancy rates. Staffing levels (acute and community) continue to operate below established levels due to both vacancies and sickness/absence which is supplemented by additional hours, bank and agency. Further work has been undertaken to understand the level of risk across each staffing group (nursing, medical, allied health professionals and health care support workers).

Actions to mitigate the risk are being taken through stabilisation, Improving Together and workforce planning, to realign available workforce to new service design and models of care.

- **Risk to the delivery of timely urgent and emergency care due to demand exceeding current capacity across acute, primary care (including out of hours), community and social care services (risk score 20)**

Levels of urgent and emergency pathway capacity pressures continue at significantly escalated levels. Positive progress has been achieved in reducing ambulance handover delays and pathways of care delays during 2024/25, however Glangwili Hospital (GGH) remains a major pressure in the urgent and emergency care (UEC) system. Key performance indicators such as handover delays, 4 and 12 hour performance, bed occupancy rates, and significant pressures on wider community and social care capacity demonstrate a lack of sustainable improvement, and remain outside target requirements.

Actions to mitigate the risk include monitoring and delivery of six goals for urgent and emergency care programme and plan, and closer working with the Welsh Ambulance Services NHS Trust (WAST) and colleagues across primary care.

- **Risk to ophthalmology service delivery due to a national shortage of consultant ophthalmologists and the inability to recruit (risk score 20)**

Recruitment challenges, a lack of physical space, and the absence of effective clinical and administrative systems are impacting on our ability to deliver a sustainable ophthalmology service.

Increased demand and reduced capacity continue to be a challenge for the service, with the fragility of the service highlighted in its inclusion within our Clinical Services Plan.

Actions already undertaken to manage this risk include regional collaboration with SBUHB to strengthen pathways, and short-term funding obtained in order to reduce waiting lists. Active recruitment to vacancies is ongoing, including grow your own initiatives to both secure substantive consultants, and to develop consultants for the future.

Further actions to mitigate this risk include exploring regional solutions to workforce gaps and estates, the implementation of virtual review clinical for patients undergoing specific treatments, alignment in the Delivery of Eye Care Measures and Ministerial Measures, and management of ophthalmology waiting lists through the Regional Eye Care Programme. The implementation of a national electronic patient record for ophthalmology is unlikely to occur prior to 2027. Further funding may be required from the Health Board and SBUHB to implement this model.

- **Risk of timely diagnosis and treatment to mental health and learning disabilities clients due to demand and capacity (risk score 20)**

This risk reflects the length of time mental health and learning disabilities services (MHLDD) clients, specifically autism spectrum disorder (ASD) and attention deficit hyperactivity disorder (ADHD) clients, are waiting for timely assessment and diagnosis, and its impact on our ability to meet ministerial targets. This is caused by increasing referral rates, with demand outstripping capacity and lack of sustainable external funding.

Welsh Government provided additional funding to Health Boards and RPBs during 2024/25 to reduce waiting lists and to provide support for children and families who remain waiting for their assessment. The Health Board's funding allocation of £312k to help address the 3 years and over waits for diagnostic assessments in children and young people by March 2025 enabled the procurement of 182 diagnostic assessments with our current provider. An additional 100 diagnostic assessments were funded through Health Board slippage, whilst the RPB helped to fund the outsourcing of support services for children, young people and families who are currently on the waiting list, targeting longest waits.

In March 2025, the Board supported plans to pilot a rapid assessment to diagnosis pathway, develop digital options to improve effectiveness and work with partners to develop further actions to enable 'needs-led' approaches.

- **Risk to the ability to deliver ultrasound services due to workforce pressures (risk score 20)**

The ability to deliver a sustainable ultrasound service across the Health Board remains challenging as a result of national shortages of sonographers, recruitment challenges, and demand exceeding current capacity.

A review of demand and capacity undertaken during 2024/25 has informed the radiology directorate's annual plan for 2025/26. The plan sets out a three-year strategy to stabilise and

transform radiology services, ensuring that performance standards, notably the single cancer pathway (SCP) and 8 week diagnostic access, are achieved and sustainably maintained.

- **Risk of harm to staff, patients public and critical assets due to insufficient physical security measures and systems (risk score 16)**

This information has been withheld and discussed at Health and Safety In-committee.

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

There are daily threats to systems which are managed by Digital Health Care Wales (DHCW) and the Health Board, with cyber-attacks becoming more prevalent.

Our Cyber Security Assurance Group provides assurance around cyber security remediation and to mitigate the cyber security risk, with software used across the organisation to ensure that the threat of a cyber-attack is reduced, and service business continuity plans in place. Regular monitoring of the cyber security position is undertaken via the Sustainable Resources Committee.

- **Risk of increasing fragility in primary care contractor services due to external factors (risk score 16)**

Contract reform against the background of significant pressures on the wider system and financial pressures for the independent contractor business model continue to have a detrimental effect on patients gaining timely access to local primary care services. Further challenges exist in relation to premises not being fit for purpose, and not having the capacity to flex to a more modern approach to service delivery.

A number of general medical services (GMS) and dental contracts have been returned to the Health Board during 2024/25, with other practices signalling they will return contracts once reform negotiations have concluded.

The reduction of this risk is subject to the development and agreement of a primary care and community strategic plan, alongside successful national contract negotiations and subsequent implementation across the primary care contractor professional groups.

- **Risk of not meeting the 75% Single Cancer Pathway (SCP) target for 2022 - 2026 due to diagnostics capacity and delays at tertiary centre (risk score 16)**

There is reduced capacity to meet the expected demand for diagnostics, treatment delays at our tertiary centre, and service fragility for key tumour sites.

Despite the improvement in performance during 2024/25, national targets are still not being achieved due to factors such as the legacy impact of radiology reporting delays, and workforce pressures, including the inability to secure locum cover.

Plans are in place to increase diagnostic capacity, utilising allocated recovery funding, including recovery plans for progressing additional CT scans. Radiology are working with cancer services and the National Health Service Executive (NHSE) to improve productivity and efficiency processes.

- **Risk of not being able to safely deliver services due to ageing estate and infrastructure across the Health Board (risk score 15)**

We are operating within an ageing estate infrastructure, some of which is beyond its life expectancy, impacting on our ability to deliver care in line with expected standards. This is exacerbated by the limited availability of capital funding to address concerns, with reliance on revenue funding to address emerging issues whilst attempts continue to address the significant backlog.

A programme business case has been developed to modernise the estate. NHS Wales Shared Services Partnership (NWSSP) has supported a three year investment programme for major infrastructure, with Welsh Government support funding obtained for the first of a three year plan in 2024/25 together with a small number of priority schemes.

- **Risk to the timely investment and replacement of radiology equipment and supporting infrastructure (risk score 16)**

There is a continued risk to the delivery of radiology services due to ageing equipment and its supporting infrastructure, resulting in delays in patient diagnosis and treatment, negatively impacting on cancer pathways.

The National Imaging and Capital Priorities Group supports a nationally sustainable and clinically focused capital equipment programme which will allow for timely equipment procurement and delivery to support healthcare demands. In addition, an equipment replacement programme is in place which is profiled by risk and usage, and service maintenance contracts are in place and reviewed regularly.

- **Risk to delivering effective and timely cancer service due to aseptic unit facilities being non-compliant with Quality Assurance of Aseptic Preparation Services (QAAPS) (risk score 15)**

Ageing equipment and facilities at our sole aseptic unit within the Health Board gives rise to the risk of non-compliance with regulatory standards. Outsourcing of cancer treatments from third party suppliers at a significant cost to the Health Board may become our only option should the unit be closed prior to the development of a regional hub for cancer treatment preparation in south-west Wales. The Transforming Access to Medicines (TrAMS) hub was originally estimated to open during 2028, however there have been delays to the project plan, and the opening date is currently unknown.

Current controls in place to mitigate this risk include the procurement of new pharmaceutical isolators, the transferring of the radio pharmacy service to Singleton Hospital, and stringent standard operating procedures (SOPs) in place to minimise the risk of contamination and errors. A revised business justification case for demountable unit has been submitted to Welsh Government for scrutiny following approval at the Board meeting in January 2025.

- **Risk of failure to fully comply with the requirements of the Regulatory Reform (Fire Safety) Order 2005 due to ageing infrastructure (risk score 15)**

Phased fire safety improvement works continue across the Health Board, with significant investments being made to address the recommendations as raised in Letters of Fire Safety Matters (LOFSM) and Enforcement Notices (ENs) previously issued by the Mid and West Wales Fire and Rescue Service (MWWFRS). All programme dates have been agreed with the Health Board, WG and MWWFRS senior inspecting officers.

Work continues to address the physical backlog, however, despite significant investments already in place, additional funding is required to address fire safety defects at all sites within the organisation to ensure full compliance with the order.

Actions being taken to further mitigate this risk includes the introduction of an interactive e-learning course for our staff, and the development of a training needs analysis.

- **Risk of being unable to safely support consultant on-call rotas at two hospital sites due to workforce pressures (risk score 15)**

This risk highlights the continued fragility of the general surgery consultant rota, particularly in relation to upper gastrointestinal. The service is included within our Clinical Services Plan to provide a safe and sustainable emergency general surgery service to patients in the south of the Health Board area.

Recommendations as raised in the Getting It Right First Time (GIRFT) report on general surgery are informing the longer-term sustainability of the on-call rota across the Health Board, the effectiveness of which depend on several factors including availability of a labour market.

- **Risk of poor patient outcomes and experience due to the inability to effectively recognise and manage acute deterioration (risk score 15)**

This risk reflects the Health Board's inability to effectively recognise and manage acute deterioration which could detrimentally affect patient outcomes and experience.

Controls in place to manage this risk include the Health Board's Recognition of Acute Deterioration and Resuscitation (RADAR) Group, and task and finish groups at specific sites where there are any significant concerns in order to address non-compliance with process and identified training gaps. The Health Board is also a member of the National Safe Care Collaborative.

Actions identified to further manage and mitigate this risk include the development of an audit tool to monitor compliance with required processes, collaborative working on a national level via the Safe Care Partnership, and the development of e-learning modules in conjunction with NHS Executive regarding sepsis, DNACPR and National Early Warning System (NEWS).

- **Risk of serious harm to staff due to violence and aggression in the workplace (risk score 15)**

Staff are at threat on a regular basis of serious harm due to assault. We have a violence and aggression risk assessment process, violent patient warning marker procedure and lone working policy to provide support and protection to our staff.

The Health Board's Health and Safety Committee regularly receive reports on security arrangements, along with incidents data.

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 2025:

Hywel Dda Risk Heat Map					
	LIKELIHOOD →				
Impact ↓	Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5
Catastrophic 5		1843	1531 1745 813 1810 1859	1027	
Major 4			2000 1433	1978 1664 1861 684 1350 1352 1708	797 1032
Moderate 3				1821 1842	1860
Minor 2					
Negligible 1					

Further information on corporate risks in 2024-25 can be found in our Board papers, as follows:

- Corporate Risk Register Report at May 2024 Board meeting in public:
hduhb.nhs.wales/about-us/your-health-board/board-meetings-2024/board-agenda-and-papers-30-may-20242/
- Corporate Risk Register Report at September 2024 Board meeting in public:
hduhb.nhs.wales/about-us/your-health-board/board-meetings-2024/board-agenda-and-papers-26-september-2024/board-agenda-and-papers-26-september-2024/3-4-corporate-risk-register-pdf/
- Corporate Risk Register Report at January 2025 Board meeting in public:
hduhb.nhs.wales/about-us/your-health-board/board-meetings-2025/board-agenda-and-papers-30-january-2025/board-agenda-and-papers-30-january-2025/3-8-corporate-risk-register-pdf/

11.5.24 Emergency preparedness/civil contingencies

The Health Board had well established and tested emergency plans and business continuity arrangements in place during the financial year 2024-25, in accordance with the statutory duties under the Civil Contingencies Act 2004 and Emergency Planning Guidance issued by the Welsh Government. An annual Emergency Preparedness, Resilience and Response Report, signed by

our Chief Executive, was submitted to the NHS Executive in July 2024 detailing compliance, together with the latest version of the Health Board's Major Incident Plan which was last ratified by the Board in July 2024.

11.5.25 The control framework

• Performance management arrangements

The Improving Together Framework sets out the Health Board's approach to embedding performance improvement through our governance. The framework is enabled by data at every level to support decision making and to drive service change with the ultimate aim of improving outcomes for our patients, staff, visitors and those living within Hywel Dda. Its successful implementation is helping us to focus on what is important to the Health Board and enable us to provide efficient and effective services. The framework outlines performance improvement arrangements at each level in the organisation.

- At the most strategic level, the Board Assurance Framework (BAF) and Integrated Performance Assurance Report (IPAR) provide Board, Committees and the Executive Team with data and evidence to help us understand whether we are achieving and working towards the ministerial and local ambitions.
- We have established Directorate Improving Together Sessions to ensure that each directorate (operational and corporate) across the Health Board is making progress towards their key priorities and support is provided to help unblock issues where needed.
- Teams, wards and services across the Health Board are required to set their team vision, identify key improvement measures, hold regular improvement focused meetings, find ways to solve problems they face and share good practice with others.

In response to the Health Board being placed in Targeted Intervention early 2024, the Executive Team introduced an escalation framework in April 2024 which focused around six key domains for improvement: quality and safety, governance, workforce, finance, planning, strategy and fragile services and performance and outcomes, with directorates assigned one of the following escalation levels for each of the 6 improvement domains:

- Level 1: Reasonable assurance that the directorate can meet prescribed targets in a given domain within the year
- Level 2: Limited assurance that the directorate can meet prescribed targets in a given domain within the year
- Level 3: No assurance that the directorate can meet prescribed targets in a given domain within the year OR insufficient engagement with Targeted Intervention objectives

The escalation framework has had a positive impact in a number of areas such a reduction in the average time taken to investigate incidents/complaints, more timely updates of risks and risk/audit/inspection actions, and an increase in staff appraisal compliance.

In March 2025, the Improving Together Framework and the escalation framework were combined into a new *Our Improving Together Framework* which accommodates the new Clinical Care Group structure (see section 11.5.13). The new framework has introduced an additional improvement domain relating to population health. An extra escalation level has also been added:

- Level 4: No assurance and insufficient actions - the Executive lead for the escalated function and Domain Lead will attend a one-off Recovery Meeting with the Chief Executive Officer to determine next steps.

• **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, and our mechanisms to ensure we meet our duty of quality, is to monitor and, where necessary, improve standards of care.

Our Quality Management System (QMS) Strategic Framework was approved by our Board on 30 March 2023. This is our overarching formalised system that helps us achieve continuous improvement across the organisation. The QMS is supported in its delivery through several different mechanisms, some of which are described below. Further detail will be provided in our Annual Quality Report, our Putting Things Right Annual Report and our Duty of Candour Annual Report on our website at: <https://hduhb.nhs.wales/quality-and-engagement-act/>.

• **Quality, Safety and Experience Committee (QSEC)**

Quality governance is led by the Executive Director of Nursing, Quality and Patient Experience. Our 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 2024-25 are available on our website at: <https://hduhb.nhs.wales/quality-safety-and-experience-committee-qsec/>.

QSEC receive a regular assurance report which provides an overview of quality and safety across the Health Board. The Health Board uses several 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 reviews, and external inspections, for example Healthcare Inspectorate Wales (HIW).

QSEC is supported by two sub-committees:

- The Quality, Safety and Experience Sub-Committee (QSESC), 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, 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.

- **Quality governance arrangements within our directorates**

During the year, our directorates have continued to strengthen the quality governance arrangements within their areas. Each directorate uses a standard terms of reference and agenda to ensure that all quality governance areas are considered. The directorates have provided regular reports on their activity to the Quality, Safety and Experience Sub-Committee.

With the introduction of a new Clinical Care Group structure in 2025-26, tools and processes have been developed to support the quality and governance arrangements. This includes

- Model terms of reference, which outline the responsibilities around performance management, risk assessment, and quality improvement
- Standard agendas, which provide a clear template for meetings to ensure consistent coverage of essential topics
- Action note templates. These standardised tools will minimise variability between Clinical Care Groups and encourage a shared organisational culture where transparency and accountability are the norm

- **Quality and safety intelligence meetings and quality panels**

The Executive Director of Nursing, Quality and Patient Experience, the Interim Executive Medical Director, and the Executive Director of Allied Health Professions and Health Sciences (the clinical Executive Directors) hold quality and safety intelligence meetings. The Quality, Safety and Intelligence Sub-Group ensures that the clinical Executive Directors are aware of, and have the opportunity, to review quality and safety intelligence data and discuss any patient safety related or other significant issues which have the potential to impact on quality and patient safety. The review of data is linked to the established escalation arrangements to improve the effectiveness of operational services, and ultimately the quality and safety of care.

- **Ensuring we consider quality when making strategic decisions**

During 2024-25, we introduced a new process to ensure we can demonstrate consideration of quality when making strategic decisions. A quality impact assessment was developed and a wrap-around governance process. The quality impact assessment uses the health care quality standards, and each domain is considered through a risk and mitigation lens. The quality impact assessment panel, which is comprised of the Executive Director of Nursing, Quality, and Patient Experience, the Executive Director of Allied Health Professions and Health Science, the Executive Medical Director, with other clinicians and experts, receive each quality impact assessment before the proposed strategic change is considered by the board for approval.

During the year, more than 40 quality impact assessments were presented to the panel for consideration. The assessments ranged from recruitment decisions to decisions relating to the Clinical Service Plan and changes to service delivery. This new process ensures that we consider each strategic decision and change through a quality lens.

- **Safety dashboard**

Our safety dashboard has continued to develop over 2024-25 to help identify potential patient safety issues. Operational leaders and managers continue to use it to identify safety hotspots needing further investigation/action, triangulate data at an operational level, facilitate further discussion or escalation, support deep dives, benchmark against our services to help identify outliers and inform report and papers. The dashboard has been used to inform discussions at our QSEC meetings, executive team meetings and the Improving Together sessions.

- **Healthcare Inspectorate Wales (HIW)**

The Board is provided with independent and objective assurance on the quality, safety and effectiveness of the services it delivers through reviews undertaken by and reported on by HIW. The outcomes of any such reviews and any emanating improvement plans are discussed with any lessons learnt shared throughout the Health Board.

During 2024-25, HIW published three reports following assurance and inspection work in our Health Board. The work involved a variety of off-site checks and on-site work. There was one ionising radiation inspection, no reviews in an acute hospital setting, and two review in a mental health and learning disability service.

Improvement and learning actions plans are implemented following each assurance and inspection HIW visit. Delivery of the action plans are monitored through directorate quality and governance arrangements, through QSESC, QSEC and the Audit and Risk Assurance Committee. The themes arising from HIW visits are also reported to the Listening and Learning Sub Committee and also QSEC. A HIW SharePoint site has been developed to ensure that the themes arising are readily available across the organisation. The Health Board has also strengthened its relationship with HIW through regular meetings with its HIW engagement partner.

- **Clinical audit**

The Clinical Audit Programme for 2024-25 saw a reduction in the number of local audits in favour of national projects. This reflects a more standardised approach to clinical audit projects and will allow for benchmarking practice across Wales and England. Re-audits continue to be carried out in the Health Board, demonstrating a commitment to long-term improvements and sustained levels of assurance. New audits are still being developed where service areas are identifying a particular shortfall or are seeking assurance that service changes are meeting professional guidelines.

Most national clinical audits and outcome reviews are in progress in the Health Board, with any areas of concern being investigated and supported by the Clinical Audit Scrutiny Panel, as well as the Clinical Director for Clinical Audit. The Clinical Audit Department is working with the services involved to drive increased participation and improvements and examples of this have been achieved in 2024-25. New methodologies and reporting structures are currently being piloted to ensure that the value of clinical audit projects are fully recognised.

The Clinical Audit Department is now implementing the audit management and tracking software (AMAT). The system has over 1700 users and is continuing to expand. All projects are now

captured by this system, greatly increasing transparency and accountability. Improvement activity is also monitored through this system and the full audit cycle is being captured. AMAT as a data collection platform is continuing to be utilised and this feature will be expanded over the coming months to include many more audit projects covering the whole of the Health Board.

The Clinical Audit Department has continued with the programme for whole hospital audit meetings which includes two annual whole Health Board meetings. These are chaired by the Clinical Director for Clinical Audit and focus primarily on the mandatory national audits outlined by the Welsh Government, as well as appropriate local projects that have a wide-reaching impact. Whilst these forums only capture a small number of audit projects there are many more audit forums where audit projects can be presented. The Clinical Audit Department are also involved with other events to support the use of clinical audit as part of other initiatives such as Quality Improvement and Clinical Effectiveness work streams.

• **Information governance (IG) arrangements**

HDUHB have well-established arrangements through an 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) to support and drive the information governance (IG) and cyber security agenda and provide the Health Board with the assurance that effective IG and cyber security 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) who is responsible for setting up an accountability framework within the organisation 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
- Information Asset Owners (IAOs) are in place for all service areas and information assets held by the Health Board. They have been assisting the IG team in a programme of compiling a full asset register for the Health Board, where all information asset registers have been now drafted
- The Information Asset Owners Group, Caldicott Guardian Group and Cyber Security Assurance Group have been established and meet regularly throughout the year to support the IGSC.

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 IG compliance work plan, taken to IGSC quarterly, 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 Health Board staff for 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 (NIAS) platform
- an Information Asset Register (IAR) used to manage information across the Health Board, and
- escalating all IG issues through the Sustainable Resources Committee. The Committee papers can be viewed here: <https://hduhb.nhs.wales/sustainable-resources-committee-src/>.

NIAS, which 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 and 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.

During 2024-25, the IG team carried out audits across Health Board sites including Glangwili, Withybush, Bronglais and Prince Philip hospitals. The purpose of the audit has been to identify any information governance, information security and patient confidentiality risks to seek assurance that the relevant procedures and protocols in relation to information governance have been adhered to and that actions are being taken to protect data and assets held. Following the information audits, reports were issued with recommendations.

As a Health Board we have undertaken a full review of our position against the Welsh Information Governance Toolkit and the assessment has demonstrated a very good level of assurance of information governance risks.

Over the past 12 months, HDUHB has maintained a compliance rate of 77.92% with information governance, records management and cyber security training. We continue 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.

11.5.26 Planning arrangements

We remain committed to the principles of our "A Healthier Mid and West Wales" strategy while recognising that deeper structural changes are needed to secure sustainable services for our population. The strategy marked a deliberate shift from a hospital-based model to one that emphasises wellness, prevention and care provided closer to home. While the original vision remains valid, the passage of time, delays in capital investment, and the substantial impacts of the recent Covid-19 pandemic necessitate a considered review of our route to realising these aspirations. In 2025-26, the Board will undertake a thoughtful and necessary refresh of the

strategy which will reaffirm our commitment to building healthier communities and better health outcomes across Mid and West Wales.

As a Health Board we have a statutory duty to develop a three-year Integrated Medium-Term Plan (IMTP) to deliver care and support the health of our population within the resource envelope provided by the Welsh Government. Since its formation, Hywel Dda University Health Board has regrettably never been able to submit an IMTP, primarily due to our inability to breakeven. This is a breach of our statutory duty and therefore an unacceptable position for ourselves and the Welsh Government.

Following agreement at the January 2024 Board meeting, the Health Board wrote to the Welsh Government on 16 February 2024, to provide formal notification through an accountability letter that unfortunately the Health Board would not be in a position to submit a financially balanced IMTP by the end of March 2024. Instead, we would produce an Annual Plan for 2024-25.

The plan was our initial step towards realising these aspirations, describing the key objectives and deliverables for the next 12 months and laying the foundations for further progress beyond that. It was however acknowledged that the in-year financial deficit remained unacceptable, and further work would be required during the year, with clear progress expected in the first quarter.

The plan for 2024-25 was intentionally more focused on a smaller set of objectives (termed the planning objectives, (POs)) and on delivery over the shorter-term. Consequently, our plan prioritised POs aligned to the Welsh Government Planning Framework, the Ministerial Priorities and the key programmes of work required to address the significant risks identified above. The plan was submitted to the Welsh Government in March 2024.

Although progress has been made in controlling variable pay and meeting targeted savings schemes, Hywel Dda still carries a substantial financial deficit, preventing it from submitting a fully approved three-year IMTP. Alongside improvement performance, the Health Board is expected to demonstrate credible progress toward financial balance by 2027-28, including working to a £31.55m control total for 2025-26.

Navigating these cost pressures means prioritising investments in areas that will generate the strongest returns, from digital prescribing systems that reduce medication errors to reconfigured community hospitals that unlock capacity in busy acute sites. The Board's longer-term route map to financial recovery also underscores the need for ongoing service change—particularly around consolidating acute services where necessary and channelling more resources into prevention and community-based pathways, which can lower recurrent hospital costs over time.

The decision to frame the 2025-26 Annual Plan within a three-year horizon reflects the reality that quick operational improvements need to be backed up by deeper, structural change. While the Board's immediate goals such as clearing 52-week outpatient waits, improving urgent care handovers, and moving closer to 80% on the Single Cancer Pathway are challenging on their own, they form part of a roadmap designed to bring lasting gains to patients and staff.

Much hinges on integrating plans across different domains: workforce, finances, clinical models, and digital transformation. By ensuring each improvement links up coherently rather than creating

isolated, short-lived fixes the Board aims to sustain the gains of Year 1 TI, deal head-on with the remaining bottlenecks, and embed the type of best practice that will see Hywel Dda leave TI in a stronger position. Ultimately, demonstrating consistent improvements over the next 12 months will be central to building trust with communities, WG, and staff themselves that the Health Board is truly on a path to long-term success

Despite our Annual Plan for 2025-26 meeting the target control total of £31.5m, the underlying financial trajectory indicates a deterioration from the forecast £24m deficit in 2024-25 to a similar or worse position in 2025-26. Moreover, several strategic-objective milestones are not fully delivered in the current submission. Taken together, these factors signal that the plan's financial assumptions require further strengthening and de-risking to secure a sustainable improvement trajectory towards in year balance by 2027-28.

Accordingly, the Health Board is required to:

- Revise and de risk the recurrent savings programme so as to exceed the 2024-25 control total and reverse the projected financial deterioration in 2025-26.
- Produce an options appraisal for each outstanding strategic-objective target, setting out the impact, resource implications and implementation timelines.
- Establish a clear, milestone driven road map, with assigned accountabilities, to achieve in year financial balance by 2027-28.

11.5.27 Disclosure statements

• **Corporate Governance Code**

Corporate governance is, in simple terms, the way in which organisations are directed, controlled and led. Good corporate governance is fundamental to an effective and well-managed organisation. The UK Corporate Governance Code (2017) is the primary reference and overview of good practice for corporate governance in central government departments.

While there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments (2017), an assessment was undertaken in March 2025 against the main principles as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Audit Wales structured assessment in 2024. We are satisfied that we are complying with the Code's main principles and are conducting our business in an open and transparent manner in line with, the Code. There were no reported or identified departures from the Corporate Governance Code during the year.

• **Fire safety**

The Health Board were issued with two new enforcement notices by Mid and West Wales Fire and Rescue Service (MWWFRS) during 2024-25, however on a positive note, two enforcement notices were closed, and we continue to address the two outstanding enforcement notices. One relates to the completion of Phase 2 works at Glangwili Hospital with a completion date of December 2027 proposed by the Health Board to MWWFRS and agreed in principle. The other enforcement notice

relates to the completion of Phase 2 works at Withybush Hospital, which has a proposed completion date of August 2027, agreed in principle between the Health Board and MWWFRS.

Extensive fire safety improvement works continue to be undertaken at Withybush, Glangwili and Bronglais hospitals with Welsh Government funding, with regular progress updates reported to the Health and Safety Committee, which provides assurance to the Board on the work undertaken towards improving compliance.

• **Equality, diversity, and inclusion**

We are committed to putting people at the centre of everything we do. 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. Our 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 us - whether this is statutory organisations, third sector partners or communities.

Control measures are in place to ensure that our obligations under equality and human rights legislation are complied with, and include:

- Board and Committee papers requiring a decision need to be accompanied by an Equality Impact Assessment (EqIA) which demonstrates due regard and ensures informed decision making.
- An EqIA training programme is available for all staff which supports them to enhance their knowledge and skills to support service and policy developments and changes.
- Equality and Human Rights e-learning is mandatory and, as part of the corporate induction all staff can access training delivered by the diversity and inclusion team to enhance the e-learning content.
- A Strategic Equality Plan annual report is published annually, alongside a workforce equality report and pay gap reports focusing on gender, ethnicity and disability.

The Health Board has established an independent member-led equality, diversity and inclusion taskforce to drive a set of actions to improve equity across the Health Board.

• **Equality objectives**

For details of our 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/>.

Key highlights for 2024-25 include:

- 57 equality, diversity and inclusion (EDI) training sessions have been offered to staff on a range of topics. These have included formal training delivered by external training providers, webinars and in-house training delivered by Health Board staff. Training sessions included anti-racism for practitioners, active bystander, trans awareness and disability awareness
- The diversity and inclusion team worked with the people development team to deliver training programmes with a focus on inclusive leadership to new and aspiring leaders. The aim of

these modules is to equip staff in leadership roles with the skills and knowledge to implement best practice and demonstrate respectful and non-discriminative values.

- We remain committed to conducting appropriate equality impact assessments to support good governance and decision making and this work is closely linked with our commitment towards continuous engagement. We have developed additional resources to support the completion of EqIA's including guidance documents and an information video. 222 equality impact assessments have been undertaken during 2024-25.
- We produced a short information video to highlight some of the key achievements included in our 2023-24 Strategic Equality Annual report to our staff and wider public and members of our communities.

• **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 Pension Scheme and that control measures are in place about 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 Online) and 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.

• **Carbon reduction delivery plans**

We have undertaken risk assessments and carbon reduction delivery plans to demonstrate compliance with the requirements of the emergency preparedness and civil contingency elements of the UK Climate Impacts Programme (UKCIP) 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the Adaptation Reporting.

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 Local Resilience Forum (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.

• **Data security**

We have 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. We have had contact with the Information

Commissioner's Office (ICO) in relation to 4 incidents during the year (self-reported by the Health Board). Incidents involved:

- access to medical records by unauthorised individuals
- information disclosed in error

One incident has been closed by the ICO with no further action required and three incidents are still being investigated by the ICO.

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 UK 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**

We are committed to ensuring the quality and robustness of our data through regular checks that assure the accuracy of the information we rely on. Due to the multiplicity of systems and data sources across the organisation, there is always potential for variations in quality and scope for improvement. We have an ongoing data quality improvement plan that routinely assesses, and puts in place measures which will improve, the quality of our data across key clinical systems.

High-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 supports healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness, and serves as an invaluable starting point for many clinical audits. We have invested in the development of new coding staff within our service, and while the completeness of data within one month of discharge was only 88% during the year, we have a trajectory which indicates that the 95% will be sustainably achieved by Autumn 2025. Internal Audit undertook a review of the structures and processes for ensuring data quality during 2024-25, which provided limited assurance. Whilst there are good processes in place, persistent data quality issues were identified due to a lack of accountability at service level, where the data quality issues originate, but are not adequately addressed. A plan has been developed to address the matters raised, with Internal Audit reviewing progress in 2025-26. From April 2025, oversight of data quality will be undertaken by the new Digital, Data and Innovation Committee.

Efforts continue to reduce reliance on physical case notes and promote the use of electronic documentation in line with the development of the Clinical Record Keeping Policy. Work is also underway to explore opportunities presented by automation of the coding processes, and the use of Artificial Intelligence (AI). Both initiatives will further support the improvement of clinical coding data and its applications.

- **Ministerial directions**

The Welsh Government has issued a number of non-statutory instruments during 2024-25. Details of these and a record of any ministerial direction given is available via the following link:

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

A schedule of the directions, outlining the actions required and our 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 we were not impeded by any significant issues in implementing the actions required as has been the situation in previous years. All directions issued have been fully considered by the Sustainable Resources Committee on behalf of the Board, and, where appropriate, implemented (see [Appendix 4](#)).

In accordance with a ministerial direction issued on 18 December 2019, the Welsh Government has taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

The Welsh Government, on behalf of the Health Board, will pay the members who opt for reimbursement of their pension a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

A Scheme Pays provision of £707k has been included in the 2024-25 Annual Accounts (2023-24: £633k).

- **Welsh health circulars**

Welsh health circulars (WHCs) are published by the Welsh Government 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. Details of WHCs are available via the following link: <https://www.gov.wales/health-circulars>

These are assigned to a lead director who is responsible for the implementation of required actions, and progress updated via AMAT. The Board has designated oversight of this process to board level committees, with an end-of-year report provided to the ARAC.

11.5.28 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 the Welsh Government and the specific statements issued by the Cabinet Secretary for Health and Social Services
- local counter fraud and post payment verification activity
- inspections by Healthcare Inspectorate Wales
- peer reviews (including Getting it Right First Time (GIRFT))
- accreditation, licensing and regulatory bodies
- Royal College and Deanery visits
- clinical, internal and external audit reports
- feedback from statutory commissioners
- feedback from staff, patients, service users and members of the public
- patient safety walkabouts
- engagement visits by independent members
- assurance provided by ARAC and other committees of the Board
- integrated performance assurance reports
- whistleblowing and speaking up safely
- incidents reports
- concerns and compliments

11.5.29 Internal audit

Internal Audit (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 focused 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 internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. The Head of Internal Audit meets weekly with the Director of Corporate Governance/Board Secretary and when required, the Executive Director of Finance to discuss and consider any changes to the internal audit plan, either to accommodate fluctuations in operational demand or changing priorities.

As a result of this approach and, with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year.

11.5.30 Head of Internal Audit opinion

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.

The Head of Internal Audit has concluded for 2024-25:

To be confirmed pending completion of remaining audits

In reaching this opinion the Head of Internal Audit has identified that ...**to be finalised when Head of Internal Audit has finalised the opinion for 2024-25**

Summary of 2024-25 audit assurance ratings:

To be confirmed pending completion of remaining audits

Overall, IA has 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.

Summary of audits 2024-25: (to be finalised following completion of outstanding audits)

Substantial Assurance	Reasonable Assurance
- Digital benefits realisation - Cash management - Performance management - Elective waiting list management	- Nurse Staffing Levels (Wales) Act 2016 - Falls management - Emergency and business continuity planning - Speaking Up Safely - Energy management - Capital systems - Targeted Intervention governance - Consultant job planning follow-up - Financial management - Lessons learnt
Limited Assurance	Advisory/Non-Opinion
- Nursing management - Discharge management follow-up - Management of bed capacity - Mortuary services - Health and safety - Data quality	None
No Assurance	
N/A	

While there were no audited areas that resulted in no assurance, the following audit reports were issued with a conclusion of limited assurance:

- **Nursing management**

This audit reviewed the systems in place for rostering and absence management. Three high priority findings were identified, including annual leave utilisation outside of the permitted tolerance, lack of evidence to demonstrate agency use approval in line with the new escalation process and lack of evidence to demonstrate that sickness absence is being managed in accordance with the all-Wales Managing Attendance at Work Policy. This will be followed up in 2025/26.

- **Discharge management follow-up**

This audit sought to provide assurance on the controls and processes in place for the safe and efficient discharge of patients, including progress in implementing the actions agreed with management to address the issues identified in the previous 2023-24 audit report. Whilst positive progress was noted, with two of the four management actions implemented from the previous report, limited assurance was concluded. To high priority recommendations were raised relating to incomplete and inaccurate information retained on within the Frontier system, and instances of limited discharge planning documentation within manual and electronic systems.

- **Management of bed capacity**

This audit sought to provide assurance on the arrangements of established bed capacity baselines, and the allocation and utilisation of beds including the use and de-escalation of surge beds. Whilst positive actions had been undertaken to remodel ward established core bed numbers and reducing surge beds at Withybush General Hospital as part of the Targeted Intervention programme, four high priority recommendations were raised within the report. These related to minimal evidence to support established core bed numbers for Section 25A wards, variances in the established core bed numbers, multiple sources of established core bed numbers with varying figures, and a lack of a formal service change process, and interpretation of surge and 'flex' beds potentially leading to variances in established core bed numbers. Internal Audit will review the implementation of the recommendations in 2025-26.

- **Mortuary services**

This audit was a joint review of arrangements in place between Swansea Bay University Health Board and the Health Board to support the effective provision of mortuary services, ensuring compliance with Human Tissue Authority regulations. The review concluded that despite the commitment of the Regional Pathology Programme Director and efforts of other staff, progress with taking the programme forward has been slow due to funding and staff capacity issues. Four high priority recommendations were raised for the attention of both Health Boards, including the need to strengthen documentation of roles and responsibilities, a review of the programme management structure for the mortuary element of the Regional Pathology Programme to ensure clarity, the impact of funding issues on the ability to deliver the Programme, and a need to review governance structures to ensure they are effective and provide sufficient oversight over the

mortuary element of the Programme. Internal Audit will review the implementation of the recommendations in 2025-26.

- **Health and safety**

This audit reviewed the arrangements for ensuring compliance with Health and Safety regulations. Two high priority recommendations were raised relating to the insufficient monitoring of actions arising from health and safety site visits and the significant volume of outstanding actions and weaknesses in the methodology for their prioritisation, and gaps in assurance reporting to the Health and Safety Committee. This will be followed up in 2025/26.

- **Data quality**

This audit reviewed the structures and processes for ensuring data quality within the Health Board. Limited assurance was concluded, primarily due to persistent data quality issues within the Health Board, despite the Information Quality Assurance (IQA) team having good processes in place. The primary concern lies with a lack of accountability at service level, where data quality issues originate but are not being adequately addressed. Consequently, the IQA team's resources are constrained to overseeing ongoing issues in one key system, leaving them unable to manage or improve data quality across other systems. Matters requiring management attention included resources needed to fully implement and maintain data quality standards across all Health Board systems; lack of accountability for data quality within service areas; absence of data quality metrics to aid performance monitoring, and the absence of a formal Information / Intelligence Strategy to ensure a coordinated and systematic approach to utilising intelligence across teams and services. This will be followed up in 2025/26.

All limited assurance reports are subject to follow up reviews and these will form part of the 2025-26 Internal Audit plan if they have not already been followed up.

The Welsh Government are also provided with regular reports on our progress on addressing limited assurance reports and the learning from them.

Management responses that detail the actions to address gaps in control were included in all final IA reports presented to ARAC with assurance on progress on implementing the recommendations provided to the Committee via the Audit Assurance Report. 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/board-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, and replaced with another audit, or deferred until a future audit year.

The following audits were deferred: **(to be finalised following completion of outstanding audits)**

Review Title	Reason

11.5.31 Audit Wales structured assessment

The Audit Wales structured assessment is a process that looks at whether we have made proper arrangements to secure economy, efficiency, and effectiveness in our use of resources.

The structured assessment in 2024 (available to read here: [Hywel Dda University Health Board – Structured Assessment 2024](#)) focused on our corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. The overall assessment concluded that “the Health Board’s corporate arrangements continue to operate effectively, despite a period of significant change, with a small number of areas that could further improve. Whilst the financial position for 2024-25 remains extremely challenging, the Health Board is taking positive steps to get onto a more sustainable footing”.

Audit Wales found that in relation to Board transparency, effectiveness and cohesion, that “whilst managing a period of significant change, the Board and its committees continue to work well, maintaining a clear focus on public transparency, good governance, continuous improvement and hearing from patients and staff”.

Audit Wales found that in relation to corporate systems of assurance “the Health Board continues to have appropriate arrangements for corporate oversight of risk, performance, tracking recommendations, and the quality and safety of services. The performance management framework however needs to be updated to reflect current performance arrangements, and more frequent updates on the implementation of the Quality Improvement Strategic Framework should be provided”.

In respect of the corporate approach to planning, Audit Wales found that “development and delivery of the Health Board’s plans continue to be supported by appropriate oversight, underpinned by a pragmatic approach to addressing planning team capacity issues. There is scope to review well-being objectives as part of a planned long-term strategy refresh.”

In respect of managing its financial resources, Audit Wales found that “whilst the financial position for 2024-25 remains extremely challenging, the Health Board is taking positive steps to improve its financial position and to develop a roadmap to ensure financial sustainability. There remains a clear approach for financial planning and managing and monitoring the financial position, but there is a need to strengthen the approach to delivering cost savings opportunities”.

Audit Wales reviewed our progress against recommendations made in previous reports and issued three new recommendations in the structured assessment for 2024. These related to the Improving Together Framework, Quality Improvement Strategic Framework, and well-being objectives and strategy refresh.

During 2024-25, Audit Wales also completed the following reviews:

- Audit of the Charitable Funds Accounts 2023-24
- Audit of the Annual Report and Accounts 2023-24
- Review of Operational Governance Arrangements across Service Directorates
- Review of Cost Savings Arrangements Report

11.5.32 Conclusion (To be confirmed following HOIA being finalised)

The Health Board was unable to produce a financially balanced IMTP for 2024-25. This was a breach of two statutory duties for both finance and planning and is an unacceptable position for both ourselves and Welsh Government. This along with other issues contributed to the Health Board being put into TI across all six domains of the Welsh Government oversight and escalation framework for 2024-25, reflecting significant challenges across key performance areas, service and workforce fragilities and a substantial financial deficit. However, in recognition of our considerable progress during the year, I was delighted to learn in March 2025 that the Health Board had been de-escalated for Child and Adolescent Mental Health Services, Planned Care, Governance and Leadership, with these all moved from targeted intervention to enhanced monitoring status (Level 4 to Level 3). This has demonstrated that focused, structured planning can drive real change, and we remain focused on addressing the areas that still require improvement.

The Health Board's structured assessment in 2024 undertaken by Audit Wales provided a positive view of the organisation's corporate arrangements to support good governance and the efficient, effective, and economical use of resources in most areas. It was pleasing to note the Audit Wales's recognition that, despite our significant performance and financial challenges, our corporate arrangements are generally effective, notwithstanding the three recommendations issued this year relating to:

- Improving Together Framework
- Quality Improvement Strategic Framework
- Well-being objectives and strategy refresh.

In response to previous recommendations from Audit Wales, the operational directorate structure was reviewed during 2024-25 to strengthen our leadership capacity and implement a more effective operational structure. The implementation of Clinical Care Groups represents a transformative change in our operational structure, designed to enhance governance, improve performance, and deliver better outcomes for patients.

Revised governance arrangements to support the new structure were also put in place to ensure there was consistency and standardisation. These new arrangements, implemented from 1 April 2025, will strengthen the flow of information from the new clinical care groups to the executive team and Board.

During 2024-25, we have proactively identified areas requiring improvement and requested Internal Audit to undertake detailed assessments in order to manage and mitigate associated risks. Several reports issued by Internal Audit concur with our view and have consequently provided the Health Board with clear recommendations to ensure that focused and urgent management actions are in place to address identified shortcomings.

The Health Board received **xx Internal Audit reports** with a limited assurance rating during 2024-25. This has resulted in the Head of Internal Audit issuing **a xxxxxx assurance rating**. Robust action plans have been agreed to address the recommended areas of improvement, with follow-up reviews to ensure appropriate action is taken. **(To be confirmed following HOIA being finalised).**

As a board, we have continued to make progress against our strategic objectives, and during 2025-26 intend to undertake a strategic refresh of our A Healthier Mid and West Wales Strategy partly in response to changing capital assumptions, post-pandemic pressures, and the time elapsed since the current strategy was approved. Building on the enduring principles of the original strategy, the refresh is designed to refine our approach while preserving our core commitments.

We will be able to measure our effectiveness through further de-escalation and our new board maturity matrix. This year provides a baseline to improve upon, through the delivery of our Annual Plan which outlines clear priorities and measurable targets across urgent and emergency care, planned care and diagnostics, mental health, workforce stabilisation and financial recovery. While we operate within financial constraints, we remain focused on quality improvement, innovation, and transforming care pathways. Our plan describes our key objectives and deliverables for the next 12 months and lays the foundations for further progress beyond that.

Based on the above, I have therefore, concluded, that Hywel Dda University Health Board has:

- improvements to make to its system of internal control to enable it 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

Signed by:

Professor Philip Kloer

Chief Executive Officer

Date: 26 June 2025

Appendix 1 - Board and committee membership and the record of attendance for the period 1 April 2024 – 31 March 2025

Name	Position and area of representation	Board committee membership and record of attendance	Champion role
Dr Neil Wooding	Chair from 1 June 2024	Board (Chair) 6/6 RTSC (Chair) 6/6	Raising concerns (staff)
Judith Hardisty	Interim Chair until 31 May 2024	Board (Chair) 2/2 RTSC (Chair) 1/1	Raising concerns (staff)
Eleanor Marks	Vice Chair (Mental health, learning disabilities, primary care and community services)	Board (Vice-Chair) 7/8 ARAC 8/8 HSC 5/6 MHLC (Chair) 2/4 SDODC 5/6 SRC 7/7	Mental health Carers
Cllr Rhodri Evans	Independent Member (Local authority)	Board 8/8 ARAC (Chair) 8/8 PODCC 5/6 RTSC (Vice-Chair) 6/7 SDODC 6/6	Equality
Anna Lewis	Independent Member (Community)	Board 6/8 CFC 3/4 PODCC (Vice-Chair) 6/6 QSEC (Chair) 6/6 RTSC 5/7	Duty of Quality and Duty of Candour Speaking up safely
Chantal Patel	Independent Member (University)	Board 6/8 Ethics Panel (Chair) 3/3 HSC 2/2 PODCC (Chair) 5/6 QSEC 4/6	Infection prevention and control Putting Things Right
Winston Weir	Independent Member (Finance)	Board 6/8 ARAC (Vice-Chair) 5/8 MHLC 1/4 SDODC 5/6 SRC (Chair) 7/7	
Maynard Davies	Independent Member (Information technology)	Board 8/8 ARAC 8/8 SDODC (Chair) 6/6 SRC (Vice-Chair) 6/7 RTSC 6/7	Older persons
Michael Imperato	Independent Member (Legal)	Board 7/8 ARAC 7/8 SDODC (Vice Chair) 5/6 SRC 6/7	

Iwan Thomas	Independent Member (Third sector)	Board 6/8 CFC (Vice-Chair) 3/4 HSC 4/6 MHLC (Vice-Chair) 4/4 QSEC 0/6 SRG 0/2	
Delyth Raynsford	Independent Member (Community)	Board 8/8 CFC (Chair) 4/4 HSC (Vice-Chair) 4/6 PODCC 6/6 QSEC (Vice-Chair) 6/6 SRC 6/7	Welsh language Armed Forces and veterans Children and young people
Ann Murphy	Independent Member (Trade union)	Board 8/8 CFC 3/4 HSC (Chair) 6/6 MHLC 4/4 PODCC 6/6 QSEC 6/6 SPF 5/5	
Michael Gray	Associate Member	Board 4/8	
Jeremy Hockridge	Associate Member	Board 0/8 SRG 1/4	
Professor Philip Kloer	Interim Chief Executive Officer until 21 October 2024	Board 5/5 RTSC 1/1	Welsh language
	Chief Executive Officer from 22 October 2024	Board 3/3 RTSC 6/6	Welsh language
Lisa Gostling	Executive Director of Workforce and Organisational Development/ Interim Deputy Chief Executive Officer until 1 December 2024	Board 6/6 PODCC 4/4 RTSC 3/3 SPF 4/4	
	Executive Director of Workforce and Organisational Development/ Deputy Chief Executive from 2 December 2024	Board 2/2 PODCC 2/2 RTSC 2/2 SPF 1/1	
Mark Henwood	Interim Executive Medical Director	Board 7/8 Ethics Panel 3/3 PODCC 6/6 QSEC 5/6 SRC* 2/7	Caldicott Guardian

Huw Thomas	Executive Director of Finance	Board 8/8 ARAC 8/8 CFC 4/4 SDODC 6/6 SPF 1/5 SRC 7/7	
Sharon Daniel	Interim Executive Director of Nursing, Quality and Patient Experience	Board 8/8 CFC 4/4 HSC 4/6 PODCC 6/6 QSEC 6/6 SPF 5/5 SRC* 5/7	Violence and Aggression Children and Young People
James Severs	Executive Director of Therapies and Health Science	Board 8/8 HPF 2/2 HSC 6/6 PODCC 4/6 QSEC 6/6 SPF 4/5	
Andrew Carruthers	Executive Chief Operating Officer	Board 8/8 HSC 5/6 MHLC 1/4 QSEC 6/6 SDODC 6/6 SPF 4/5 SRC 6/7	Fire safety
Lee Davies	Executive Director of Strategy and Planning	Board 8/8 SDODC 6/6 SPF 1/5	
Dr Ardiana Gjini	Executive Director of Public Health	Board 7/8 HSC 5/6 PODCC 6/6 QSEC 6/6 SDODC 6/6 SRG 2/2	Emergency planning
Joanne Wilson	Director of Corporate Governance/Board Secretary	Board 8/8 ARAC 8/8 HSC 6/6 PODCC 6/6 SDODC 6/6 QSEC 6/6 RTSC 7/7 SRC 7/7	Counter fraud
Jill Paterson	Director of Primary Care, Community and Long-Term Care	Board 7/8 QSEC 6/6 SDODC 6/6 SRC 6/7	

Alwena Hughes-Moakes	Communications and Engagement Director	Board 7/8 PODCC 5/6 SRG 4/4	

*Only one Clinical Executive Director is required to attend the meeting.

Deputy representation for executive directors is included in figures above.

Appendix 2 – Table of quoracy

The following table outlines dates of Board and committee meetings held during 2024-25, with all meetings being quorate:

Month	Board	Audit and Risk Assurance Committee	Charitable Funds Committee	Health and Safety Committee	Mental Health Legislation Committee	People, Organisational Development and Culture Committee	Strategic Development and Operational Delivery Committee	Sustainable Resources Committee	Quality, Safety and Experience Committee	Remuneration and Terms of Service Committee
Apr24	10.04.24 (e)	16.04.24				15.04.24	25.04.24	30.04.24	09.04.24	
May24	30.05.24	09.05.24 (e)		07.05.24						16.05.24
Jun24		18.06.24	21.06.24		07.06.24	13.06.24	27.06.24	25.06.24	11.06.24	
Jul24	11.07.24 (e) 25.07.24	09.07.24		09.07.24						
Aug24		13.08.24				20.08.24	29.08.24	27.08.24	15.08.24	
Sep24	26.09.24		17.09.24	10.09.24	03.09.24					10.09.24
Oct24		15.10.24				29.10.24	31.10.24	22.10.24	08.10.24	22.10.24
Nov24	28.11.24			12.11.24						15.11.24
Dec24		10.12.24	13.12.24		02.12.24	16.12.24	19.12.24	17.12.24	05.12.24	02.12.24 18.12.24
Jan25	30.01.25			14.01.25						
Feb25		11.02.25				18.02.25	27.02.24	25.02.24	13.02.25	06.02.25
Mar25	27.03.25		18.03.25	04.03.25	11.03.25					

(e) – Extraordinary meetings

Appendix 3 - A summary of key items considered by Committees in 2024-25

In line with the terms of reference for all Committees, there are standard agenda items that are presented for assurance, for approval and for information by all Committees to ensure they are meeting the aims and objectives which are aligned to the Committee.

Where there is a Sub Committee aligned to the Committee, regular update reports are presented for assurance and information to ensure services are being managed effectively and efficiently across the whole Health Board.

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:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report
- Changes to standing orders and standing financial instructions
- Changes to scheme of delegation
- Escalation status update reports
- IA plans were submitted to each meeting providing details relating to outcomes, key findings and conclusions (see [Internal Audit section](#))
- Audit Wales reports on current and planned audits
 - Audit Wales reports on structured assessment,
 - follow up review of primary care,
 - review of operational governance arrangements across service directorates,
 - review of cost savings arrangements report
- Post payment verification report
- Counter fraud (CF) reports including
 - NHS CF Authority SRT return,
 - Guidance on offence of failure to prevent fraud
 - Annual review of requisitions
 - Annual report and forward workplan
- Annual accounts, accountability and remuneration reports for 2023-24
- Financial assurance reports including single tender actions, special losses and payments
- Review of summary of single tender actions
- Non-clinical temporary staff/agency spend report
- Industrial action payments report
- Audit, inspectorate and regulator assurance reports
- Risk assurance reports
- Risk management strategy
- Clinical audit assurance reports

- Declarations of interest and gifts and hospitality report
- Self-assessment of committee effectiveness report
- Welsh Health Circular compliance report
- Contract and procurement processes report
- Review of the standard operating procedure for managing board and committees

Agendas and papers are available on the following link: [Audit and Risk Assurance Committee \(ARAC\) - Hywel Dda University Health Board](#)

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:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Charitable Funds Sub Committee update reports (including terms of reference and annual report)
- Charitable funds risk reports
- Integrated Hywel Dda Health Charities performance reports
- Hywel Dda Health Charities Expenditure Plan
- Review of the Rationalisation of Charitable Funds
- Annual governance and support costs associated with the running of the charity
- Approval of charitable funds expenditure over £50,000
- Review of the support for life response fund.
- Update on the hydrotherapy pool: JC Williams (Elizabeth Williams Endowment) Trust Fund
- Annual review of expenditure eligibility criteria
- Hywel Dda Health Charities performance reports
- Review of the cost benefit of the fundraising team
- Charitable Funds annual accounts report for 2023-24
- Investment advisor performance updates
- Evaluation reports of expenditure approved by the Charitable Funds Committee
- Approval of policies and procedures relating to charitable funds
- Overview of HDdUHB Capital Programme

Agendas and papers are available on the following link: [Charitable Funds Committee \(CFC\) - Hywel Dda University Health Board](#)

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:

- Review of committee terms of reference
- Committee self-assessment outcomes report and action plan
- Committee annual report
- Health and Safety Sub-Committee update reports (including terms of reference)
- Staff/patient stories
- Corporate and operational risk reports
- Health and Safety related policies and procedures for approval
- Health and safety update reports
- Health and safety governance review and updates
- Security management updates
- Fire management updates
- Fire safety training updates
- Fire safety audit system (Boris) update reports
- Estates management safety reviews
- RAAC update reports
- RIDDOR: 6-monthly updates and all Wales report
- PREVENT and CONTEST: 6-monthly updates.
- Major Incident Annual Plan: 2024-25
- Estates low voltage (lv) electricity compliance update
- WHTM (Welsh Health Technical Memorandums): 6-monthly update report
- Health and Safety Internal Audit report
- Health and safety training compliance update
- Control of Substances Hazardous to Health (COSHH) update and training compliance report
- Occupational health report (needlestick injuries)
- Maintaining traffic flow outside PPH report
- Diff X cleaning agent: assurance report
- Martyn's Law/Terrorism Protection of Premises Bill report
- Health and Safety Regulations updates
 - Bariatric compliance (Manual Handling Operations Regulations 1992) report
 - Display Screen Equipment compliance report
 - Control of Vibration at Work Compliance report
 - Working at height compliance report
- Critical threat level response framework

Agendas and papers are available on the following link: [Health and Safety Committee \(HSC\) - Hywel Dda University Health Board](#)

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 are being discharged effectively and lawfully, and that the Health Board is compliant with the Mental Health Act (MHA) 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:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Committee annual report
- Mental Health Legislation Scrutiny Group (MHLSG) update reports (including terms of reference)
- Hospital Manager's Power Discharge Sub-Committee update reports (including terms of reference)
- Patient stories
- Policies and procedures for approval
- Mental Health Act reports
- Mental Health (Wales) Measure 2010 reports
- HIW MHA inspection reports and action plans
- Corporate and operational risk reports
- Assurance on implementation of HIW, and other external scrutiny bodies action plans
- Sub-committee and group structure
- Assurance on compliance with mental health legislation
- Out of area placements reports
- HIW MHA Annual Report
- Mental health law briefings
- New legislation/policy guidance reports

Agendas and papers are available on the following link: [Mental Health Legislation Committee \(MHLC\) - Hywel Dda University Health Board](#)

People, Organisational Development and Culture Committee (PODCC)

PODCC was established 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), objective 2 (working together to be the best we can be), and objective 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:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Committee annual report
- Research and Innovation Sub Committee update reports (including terms of reference and annual report)
- Research and Innovation Sub Committee University Partnerships Update
- Strategic People Planning and Education Group update reports (including terms of reference and annual report)
- BAME Advisory Group Mid-Year Review (including bullying and harassment update and anti-racist Wales action plan)
- Anti Racist Wales Implementation Group updates (including terms of reference)
- Staff stories relating to managing performance, experience and impact of participation in staff networks, staff retention (“why I stayed”), apprenticeships within Hywel Dda University Health Board, physician associates in primary care.
- Corporate and operational risks
- Corporate and employment policies for approval
- Welsh Health Circulars (WHCs)
- Monitoring of Ministerial Directions
- Targeted Intervention progress report
- Discovery report and action plan
- Annual carers report
- Workforce efficiency report
- Employment law reports
- Employment reduction: deep dive
- Employee relations report
- Community nursing annual report/ community staffing update
- Speak up safely working group 6-monthly reports
- Impact of government immigration rule changes
- Medical workforce performance and mandatory training report
- Staff Partnership Forum updates
- Trade union update
- Staff survey results report
- Implementation of the non-pay deal
- Welsh Language annual report and updates

- Welsh Language and culture discovery report
- Increase in stress amongst staff: deep dive
- LGBTQ+ action plan updates
- Culture progression report
- Armed forces annual update
- Planning objectives reports (workforce plan, recruitment plan, retention plan, workforce education and development plan)
- Strategic equality plan annual report
- Research and Development Framework Annual Update
- Research and Development Strategy Review
- Tritech business plan
- Integrated performance assurance reports
- HEIW targeted visits report
- Research and development framework update
- Corporate and employment policies for approval
- Contractual and legislative change updates
- Outcome of Advisory Appointments Committee updates

Agendas and papers are available on the following link: [People, Organisational Development and Culture Committee \(PODCC\) - Hywel Dda University Health Board](#)

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 about the quality and safety of healthcare 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 healthcare to meet the requirement and standards determined for the NHS in Wales. Items considered:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Committee annual report
- Quality, Safety and Experience Sub-Committee update reports (including terms of reference and annual report)
- Listening and Learning Sub-Committee update reports (including terms of reference and annual report)
- Patient/staff stories
- Corporate risk reports
- Policies for approval
- Targeted Intervention progress report
- Behaviours framework report
- Fragile services update report
- Learning framework report

- Revised operational governance arrangements
- Duty of Quality assurance reports incorporating:
 - External inspection and peer reviews
 - Nurse Staffing Act assurance
 - Walk arounds
 - Quality improvement outcomes
 - Quality impact assessments
 - Putting things right
 - Health Care Acquired Infections (HCAI)
 - Duty of Candour
 - Learning from significant events
 - Speak Up reports on quality themes
 - Paediatrics service changes BGH
 - WHC overview
 - National Nosocomial COVID-19 programme end of programme learning report
- Duty of Quality and Candour Annual Report 2024
- Nurse Staffing Levels (Wales) Act:
 - Assurance reports
 - Annual report 2023/24 and spring calculation cycle
 - Nurse staffing levels impact of reduction of agency and bank Staff on quality, safety and patient experience interim report
 - Patient acuity - Welsh levels of care impact on nurse staffing levels
- Quality Engagement Act
- Internal Audit urgent and emergency care (UEC) discharge management report
- Paediatric occupational therapy referral to treatment time action plan update
- Mental health and learning disabilities and public health - Review of unexpected deaths to ascertain changes in patterns or trends.
- Understanding the quality and experience impact realised to date through transforming UEC
- Thematic report on care home fragilities and closures including the impact on length of stay at hospitals for patients and quality assurance for out of area referrals.
- Primary care quality and safety governance and HIW inspection reports
- Withybush Creche Care Inspectorate Wales inspection and action plan
- Rheumatology deep dive
- Cleanliness Standards Internal Audit report and action plan
- Integrated quality impact assessment process and terms of reference
- NHS Executive review of neurodevelopment service, psychology and psychological intervention for children and young people
- Upper GI surgery (quality panel)
- Community nursing
- Nosocomial Review
- COVID-19 review action plan - learning shared.

- Obstetrics sonography (Quality Panel)
- Compliance with Additional Learning Needs Act
- Allergies testing service
- Autism Spectrum Disorder (ASD) assessments for Children and Young People (CYP)/ young adults
- Getting It Right First Time (GIRFT) report orthopaedic updates
- Infected Blood Inquiry findings
- GIRFT report general surgery
- Veteran health
- Oncology deep dive
- Stroke services access times
- Impact of RAAC – metrics
- Pembrokeshire child practice review
- Corporate and operational risks
- Assessing and prioritising fragile services
- Sub-committee update reports
- HIW annual report
- Welsh Health Specialised Services Committee Quality Patient Safety Joint Chairs Report
- JCC Quality Safety Outcomes Sub Committee report
- Patient experience reports

Agendas and papers are available on the following link: [Quality, Safety and Experience Committee \(QSEC\) - Hywel Dda University Health Board](#)

Strategy Development and Organisational Delivery Committee (SDODC)

SDODC was established 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 Strategy' and Bronglais Hospital plan, Transforming Mental health and Transforming Learning Disabilities plans, integrated locality plans, children's and young people plan, out-of-hours care, national clinical audits compliance, fragile services plans, care home/domiciliary care market support and development. Items considered:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Committee annual report
- Capital Sub Committee (including terms of reference and annual report)
- Corporate and operational risk reports
- Corporate policies
- Welsh Health Circular updates
- Ministerial Directions report
- Planning Objective reports (including end of year closure report)

- Targeted Intervention and annual plan updates
- Integrated performance assurance reports (IPAR)
- Commissioning Reports
- A Healthier Mid and West Wales update reports
- Health improvement and well-being strategic plan
- Well-being and Future Generations Act (WBFG) annual report
- Primary Care Integrated Medium Term Plan (IMTP) Report
- Ophthalmology performance: Getting it Right First Time (GIRFT) Reports
- Pharmaceutical needs assessment: six months review report
- Community and long term care quarterly service reports
- Pharmaceutical needs assessment review
- Cluster Integrated Medium Term Plan monitoring report
- Electronic Prescribing Medicines Administration (EPMA) report
- Capital programme reports
- Cross Hands Health and Well-being Centre Business Case
- Sexual Assault Referral Centre (SARC) Business Justification Case
- WGH Fire Safety Matters Business Justification Case
- Planning in partnership: Regional Integration Fund update
- ARCH update
- Public health return on investment: smoking, drugs and alcohol
- Well-being of Future Generations well-being objectives annual report
- Energy performance contract, heat network efficiency scheme report
- Additional funding requirements for planned care waiting list recovery
- Regional orthopaedics model
- Waiting list report
- Deep dive reports
 - Primary Care and Community Strategic Plan
 - A Healthier Mid and West Wales Infrastructure
 - Six Goals Programme
 - Mental Health and Child and Adolescent Mental Health (CAMHS)
 - Population Health
 - Planned Care Updates
 - Clinical Services Plan
 - Emergency Care Programme
 - Community Strategic Plan

Agendas and papers are available on the following link: [Strategic Development and Operational Delivery Committee \(SDODC\) - Hywel Dda University Health Board](#)

Sustainable Resources Committee (SRC)

SRC was established 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:

- Review of committee terms of reference
- Self-assessment of committee effectiveness report and action plan
- Committee annual report
- Information Governance Sub-Committee update reports (including terms of reference and annual report)
- Decarbonisation Task Force Group update reports (including terms of reference and annual report)
- Digital Oversight Group update (inc terms of reference and annual report)
- Corporate and operational risk reports
- Ministerial Directions
- Welsh Health Circulars
- Planning objectives update reports
- Finance targeted intervention actions
- Financial procedures
- Integrated performance assurance report (IPAR)
- Capital financial management updates
- Financial activity, productivity and efficiency reports
- Deep dives
 - Pembrokeshire integrated system
 - nursing and medical workforce
 - medicines value and sustainability
 - non-pay and procurement, commissioned care
 - clinical variation and service configuration
 - Savings plan
 - Medicines management
- Deficit drivers annual refresh
- Financial plan and strategy
- Monthly finance reports
- Savings and opportunities report
- Core Delivery Group and Financial Control Group update
- Financial recovery/in-year savings programme
- Financial outlook 2024-25
- Long term agreement outlook 2024-25
- Procurement plan
- Healthcare contracting and commissioning update
- Consultancy reviews
- Balance sheet report
- Internal Audit report on financial systems, financial managements and controls
- Digital transformational partner report

- Digital inclusion
- Digital Maternity Business Case
- Digital Cellular Pathology BJC
- Cyber security updates
- Patient Flow and Electronic Observations Business Case
- Picton Terrace – Welsh Government Building Report
- Pentre Awel Development report
- Social value and carbon reports
- Public sector emissions report
- Value based health care updates
- Net Zero Quantitative Report
- Quarterly NWSSP performance reports

Agendas and papers are available on the following link: [Sustainable Resources Committee \(SRC\) - Hywel Dda University Health Board](#)

Appendix 4 – Ministerial Directions

Ministerial Directions (MDs)	Date/Year of adoption	Action to demonstrate implementation/response
2021. No.59 – The Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021	July 2021	This Ministerial Direction is currently being implemented, with an implementation date of October 2025. The Health Board continues to work with the Regional Partnership Board (RPB) in the development and delivery of the Code of Practice Implementation Plan which requires a multi-agency response to address the recommendations outlined in the code.
2023. No.8 – Local Health Boards and NHS Trusts reporting on the introduction of new medicines into the National Health Service in Wales Directions 2023	March 2023	This Ministerial Direction is currently being implemented and aligned with Welsh Health Circular 032-22 relating to the extension of the use of Blueteq in secondary care. There is a delay in the implementation of this Ministerial Direction on an All-Wales basis, with discussions ongoing nationally to resolve and progress.
2023. No.27 – The Primary Care (E-Prescribing Pilot Scheme) Directions 2023	June 2023	This Ministerial Directions came into force in June 2023, with overall responsibility for implementation by Digital Health Care Wales (DHCW). The Health Board is represented on DHCW's advisory group overseeing this Ministerial Direction. Progress in implementing the Ministerial Direction is reliant on national roll-out.
2024. No.6 - The National Health Service Joint Commissioning Committee (Wales) Directions 2024	February 2024	This Ministerial Direction has been enacted.
2024. No.9 – Local The National Health Service (Wales Eye Care Services) (Wales) (No. 2) Directions 2024	March 2024	This Ministerial Direction has been enacted.

2024. No.10 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2024	April 2024	This Ministerial Direction has been enacted.
2024. No.17 – The Managed Introduction of New Medicines Into The NHS in Wales Directions 2009 Amendment) (Wales) Directions 2024	April 2024	This Ministerial Direction has been enacted.
2024. No.25 – The Primary Medical Services (Antivirals for Prophylaxis of Seasonal Influenza in Care Home Outbreaks) (Directed Supplementary Service) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.20 – The Primary Medical Services (Directed Supplementary Services) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.24 – The Primary Medical Services (Hormone Treatment Scheme for Adult Transgender Patients) (Directed Supplementary Service) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.22 – The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Supplementary Services) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.23 – The Primary Medical Services (Oral Anti-coagulation with Warfarin) (Directed Supplementary Service) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.21 – The Primary Medical Services (Pertussis Immunisation for Pregnant and Post-natal Women) (Directed Supplementary Services) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.
2024. No.26 – The Primary Medical Services (Type 2 Diabetes Mellitus Care Scheme for Adults) (Directed Supplementary Service) (Wales) Directions 2024	June 2024	This Ministerial Direction has been enacted.

2024. No.28 – The Alternative Provider Medical Services (Wales) Directions 2024	July 2024	This Ministerial Direction has been enacted.
2024. No.38 – The Primary Care (Contracted Services: Immunisations) (RSV) Directions 2024	August 2024	This Ministerial Direction has been enacted.
2024. No.39 – The Directions to Local Health Boards and NHS Trusts in Wales on the National Framework for Commissioning Care and Support 2024	August 2024	This Ministerial Direction has been enacted.
2024. No.42 - The Pharmaceutical Services (Clinical Services) (Wales) (Amendment) Directions 2024	September 2024	This Ministerial Direction has been enacted.
2024. No.43 – Statement of Financial Entitlements (Amendment) (No. 3) Directions 2024	October 2024	This Ministerial Direction has been enacted.
2024. No.26 – Statement of Financial Entitlements (Amendment) (No. 4) Directions 2024	November 2024	This Ministerial Direction has been enacted.
2024. No.49 – The Local Health Board Medical Services (Wales) Directions 2024	December 2024	This Ministerial Direction has been enacted.
2024. No.53 – The Primary Medical Services (Complex Multi-Morbidity and Frailty) (Directed Supplementary Service) (Wales) Directions 2024	December 2024	This Ministerial Direction has been enacted.
2025. No.2 - The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2025	January 2025	This Ministerial Direction has been enacted.
2025. No.3 - The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements	January 2025	This Ministerial Direction has been enacted.
2025. No.4 - The Directions to Local Health Boards as to the General Dental Services Statement of Financial	January 2025	This Ministerial Direction has been enacted.

Entitlements (Amendment) (No.2) Directions 2025		
2025. No.5 - The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2025	January 2025	This Ministerial Direction has been enacted.
2025. No.6 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2025	February 2025	This Ministerial Direction has been enacted.
2025. No 7 - The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025	February 2025	This Ministerial Direction has been enacted.
2025. No 8 -The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025	February 2025	This Ministerial Direction has been enacted.

11.6 Remuneration and Staff Report

11.6.1 Remuneration Report

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."

Remuneration and Terms of Service Committee (RTSC)

The RTSC will comment specifically upon the following:

- The 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 the Welsh Government are applied consistently
- The objectives for executive directors and other VSMs and their performance assessment
- The performance management systems in place for those in the positions mentioned above and its application
- The proposals to make additional payments to medical consultants outside of normal terms and conditions
- The proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance
- The consideration and ratification of voluntary early release (VER) scheme applications and severance payments in respect of executive director posts, in line with standing orders and extant Welsh Government guidance. The committee will be advised also of all VER scheme applications and severance payments, and
- The approval of the Health Board's honours submission recommendations

The membership of the RTSC committee during 2024-25 was as follows:

Name	Position	Role on RTSC
Judith Hardisty	Interim Chair until 31 May 2024	Chair until 31 May 2024
Neil Wooding	Chair from 1 June 2024	Chair from 1 June 2024
Rhodri Evans	Independent Member and Chair of ARAC	Vice-Chair
Anna Lewis	Independent Member and Chair of QSEC	Member
Maynard Davies	Independent Member and Chair of SDODC	Member

• Independent members' remuneration

Remuneration and tenures of appointment for independent members is decided by the Welsh Government.

• Senior managers' remuneration

The remuneration of senior managers who are paid on the very senior managers pay scale is determined by the Welsh Government 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 can award incremental uplift within the pay scale and, should an increase be considered outside the range, a job description is submitted to the Welsh Government 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.

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 the Welsh Government's approval would be made. No termination payments were made during 2024-25 or the prior year, 2023-24.

Service contract details for senior managers:

Name	Position	Date of Contract	Date of Expiration	Compensation for early termination
Philip Kloer	Interim Chief Executive Officer	01/02/2024	21/10/2024	N/A
	Executive Medical Director/Deputy Chief Executive	22/10/2024	N/A	N/A
Lisa Gostling	Executive Director of Workforce and Organisational Development and Deputy Chief Executive Officer*	09/01/2015	N/A	N/A
Mark Henwood	Interim Executive Medical Director	05/02/2024	Until substantive appointment has been made**	

Sharon Daniel	Interim Executive Director of Nursing, Quality and Patient Experience	01/01/2024	Until substantive appointment has been made***	N/A
Ardiana Gjini	Executive Director of Public Health	01/07/2023	N/A	N/A
James Severs	Executive Director of Therapies and Health Science	06/11/2023	N/A	N/A
Huw Thomas	Executive Director of Finance	10/12/2018	N/A	N/A
Andrew Carruthers	Chief Operating Officer	01/12/2019	N/A	N/A
Lee Davies	Executive Director of Strategic Development and Operational Planning	26/04/2021	N/A	N/A
Joanne Wilson	Director of Corporate Governance/Board Secretary	01/01/2018	N/A	N/A
Jill Paterson	Director of Primary Care, Community and Long-Term Care	19/01/2018	N/A	N/A
Alwena Hughes-Moakes	Communications and Engagement Director	01/03/2023	N/A	N/A

*Lisa Gostling was substantively appointed as Deputy Chief Executive Officer from 02/12/2024, after taking on the role on an interim basis from 10/02/2024.

**WG have agreed interim arrangements to continue until a substantive appointment is in post in 2024-25

***Daniel Sharon Daniel was made substantive Director of Nursing, Quality and Patient Experience on 1 April 2025 after undertaking the role on an interim basis since 1 January 2024

Other changes to Board membership are outlined in the Directors' Report

- **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.

2024-25

Name and title	Full year equivalent salary (bands of £5,000) £000	Salary (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Taxable benefits in kind (to nearest £100) £000	Pension benefits (to nearest £1,000) £000	Total (bands of £5,000) £000
Executive members and directors						
Lee Davies	150-155	150-155	0	0	71	225-230
Lisa Gostling	165-170	165-170	0	0	171	335-340
Phil Kloer	225-230	225-230	0	0	243	470-475
Andrew Carruthers	155-160	155-160	0	0	75	230-235
Huw Thomas	165-170	165-170	0	0	62	225-230
Jill Paterson	140-145	140-145	0	0	36	175-180
Joanne Wilson	135-140	135-140	0	0	101	235-240
Alwena Hughes-Moakes	105-110	105-110	0	0	28	135-140
Ardiana Gjini	130-135	130-135	0	4.9	57	195-200
James Severs	135-140	135-140	0	0	105	240-245
Mark Henwood	230-235	230-235	0	0	-	230-235
Sharon Daniel	155-160	155-160	0	0	388	540-545
Non-Officer Members						
Judith Hardisty (to 31/05/2024)	55-60	5-10	0	0.9	0	10-15
Delyth Raynsford (to 31/03/2025)	10-15	10-15	0	0	0	10-15

Anna Lewis	10-15	10-15	0	0.7	0	10-15
Maynard Davies	10-15	10-15	0	1.1	0	10-15
Ann Murphy	20-25	20-25	0	0.6	0	20-25
Iwan Thomas	10-15	10-15	0	0	0	10-15
Winston Weir	10-15	10-15	0	1.6	0	10-15
Chantal Patel	10-15	10-15	0	0	0	10-15
Cllr Rhodri Evans	10-15	10-15	0	0	0	10-15
Michael Imperato	10-15	10-15	0	1.5	0	10-15
Eleanor Marks	45-50	45-50	0	1.6	0	45-50
Neil Wooding (from 01/06/2024)	55-60	45-50	0	1.2	0	50-55

The full year equivalent salary for Mark Henwood consists of £190-195k in respect of duties as Interim Executive Medical Director and £40-45k protected pay attributable to clinical duties.

The Salary of Ann Murphy consists of £5-10k in respect of duties as an Independent Board Member and £10-15k in respect of duties under a separate contract of employment as a trade union representative.

Lee Davies, Lisa Gostling, Andrew Carruthers, Huw Thomas, Jill Paterson and Mark Henwood participated in employee benefit schemes which enable employees to exchange an element of salary for a non-cash benefit by way of salary sacrifice. Such schemes are available to all employees. Resulting taxable benefits-in-kind (to the nearest £100) arising as a result of these employees' participation in these schemes are as follows:

- Lee Davies £900
- Lisa Gostling £2,200
- Andrew Carruthers £1,100
- Huw Thomas £1,100
- Jill Paterson £1,200
- Mark Henwood £1,400

These amounts are not included within the single total figure of remuneration table as salary is stated gross before the deduction of the related sacrificed salary.

The benefit in kind which arose to Ardiana Gjini related to the taxable reimbursement of relocation travel expenses.

The benefits in kind which arose to independent members related to the taxable reimbursement of travel expenses.

The pension benefits which accrued to Sharon Daniel in the year primarily reflected an uplift in Mrs Daniel's pension entitlement upon becoming a member of the board during 2023-24. As Mrs Daniel joined the board in the fourth quarter of 2023-24, the opening pension position at 31 March 2024 substantially reflected Mrs Daniel's salary prior to becoming a member of the board, while the closing position at 31 March 2025 wholly reflected Mrs Daniel's board member salary. This has resulted in a large movement in pension entitlement from 31 March 2024 to 31 March 2025.

The pension benefits which accrued to Phil Kloer and Lisa Gostling in the year reflected an uplift in pension entitlement upon moving to a more senior position on the board during 2023-24.

Mark Henwood did not participate in the NHS Pension Scheme during the reporting year. Accordingly, details of any pension benefits which accrued to Mr Henwood during the year are not available.

2023-24

Name	Full year equivalent salary (Bands of £5k)	Salary (Bands of £5k)	Bonus payments (Bands of £5k)	Benefits in kind (To nearest £100)	Pension benefits	Total (Bands of £5k)
	£000	£000	£000	£000	£000	£000
Executive members and directors						
Steve Moore (to 11/02/2024)	220-225	190-195	0	0	0	190-195
Mandy Rayani (to 31/12/2023)	150-155	110-115	0	0	0	110-115
Lee Davies	145-150	145-150	0	0	0	145-150
Lisa Gostling	150-155	150-155	0	0	0	150-155
Philip Kloer	200-205	200-205	0	0	0	200-205
Andrew Carruthers	150-155	150-155	0	0	0	150-155
Alison Shakeshaft (to 31/07/2023)	140-145	45-50	0	0	0	45-50
Huw Thomas	160-165	160-165	0	0	1	160-165
Jill Paterson	135-140	135-140	0	3.3	0	140-145
Joanne Wilson	125-130	125-130	0	0	0	125-130
Alwena Hughes-Moakes	100-105	100-105	0	0	24	125-130

Ardiana Gjini (from 01/07/2023)	130-135	95-100	0	0	12	105-110
James Severs (from 06/11/2023)	130-135	50-55	0	0	46	95-100
Mark Henwood (from 05/02/2024)	250-255	35-40	0	0	-	35-40
Sharon Daniel (from 01/01/2024)	145-150	35-40	0	0	-	35-40

Independent members						
Maria Battle (to 31/10/2023)	55-60	30-35	0	0.9	0	35-40
Judith Hardisty	50-55	50-55	0	3.3	0	55-60
Delyth Raynsford	10-15	10-15	0	0	0	10-15
Anna Lewis	10-15	10-15	0	0	0	10-15
Maynard Davies	10-15	10-15	0	0.9	0	10-15
Ann Murphy	15-20	15-20	0	0.5	0	15-20
Iwan Thomas	10-15	10-15	0	0	0	10-15
Winston Weir	10-15	10-15	0	0.1	0	10-15
Chantal Patel	10-15	10-15	0	0	0	10-15
Cllr Rhodri Evans	20-25	20-25	0	0	0	20-25
Michael Imperato (from 01/09/2023)	10-15	5-10	0	0.9	0	5-10
Eleanor Marks (from 01/02/2024)	45-50	5-10	0	0	0	5-10

The full year equivalent salary for Mark Henwood consists of £190-195k in respect of duties as Interim Executive Medical Director, £30-35k protected pay attributable to clinical duties and payments of £20-25k under the All-Wales Employer Pension Contributions Alternative Payment Policy - this policy enables employees who have opted out of the NHS Pension Scheme, on the basis that they would have been impacted by the pension tax annual allowance, to receive an

alternative payment equivalent to the amount that the employer would have paid into the relevant NHS Pension Scheme had the employee remained a member.

The Salary of Ann Murphy consists of £5-10k in respect of duties as an Independent Board Member and £10,600 in respect of duties under a separate contract of employment as a trade union representative.

The benefit in kind which arose in respect of Jill Paterson related to Miss Paterson's part-year participation in a lease car scheme available to all employees whereby an employee makes payments from net pay in exchange for the private use of a lease car.

Steve Moore, Lee Davies, Andrew Carruthers, Huw Thomas, Jill Paterson and Mark Henwood participated in a salary sacrifice scheme available to all employees whereby an element of an employee's salary is 'swapped' for the use of a car. Resulting taxable benefits-in-kind (to the nearest £100) arising as a result of these employees' participation in the scheme are as follows:

- Steve Moore £1,400
- Lee Davies £900
- Andrew Carruthers £1,100
- Huw Thomas £1,000
- Jill Paterson £700 (part-year participation)
- Mark Henwood £243 (part-year participation)

These amounts are not included within the single total figure of remuneration table as salary is stated gross before the deduction of the related sacrificed salary.

The benefits in kind which arose to independent members related to the taxable reimbursement of travel expenses.

Details regarding the pension position of Sharon Daniel at 31 March 2023 have not been received. As a consequence, it has not been possible to calculate the pension benefits accrued during the year in respect of this individual.

Mark Henwood did not participate in the NHS Pension Scheme during the reporting year.

• **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 2024-25 financial year is the fourth 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 2024-25 was £225,000 - £230,000 (2023-24: £220,000 - £225,000). This was seven times (2023-24: eight times) the median remuneration of the workforce, which was £32,002 (2023-24: £28,834).

In 2024-25, 39 (2023-24:35) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £23,970 to £353,573 (2023-24: £22,123 to £451,381). 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.

	2024-25	2023-24
Band of highest paid director's total remuneration £000	225-230	220 - 225
Median total remuneration £000	32	29
Median ratio	7.13:1	7.69:1
25th percentile pay £000	24	23
25th percentile pay ratio	9.50:1	9.70:1
75th percentile pay £000	47	43
75th percentile pay ratio	4.85:1	5.19:1

The percentage change in the remuneration of the highest paid director was 2% (2023-24: 7%) and the percentage change in the remuneration of the employees of the organisation taken as a whole was 11% (2023-24: 0%).

* 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.

- Pensions benefits disclosure**

Name and title	Total accrued pension at pension age at 31 March 2025 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2025 (bands of £5,000) £000	Real increase in pension at age (bands of £2,500) £000	Real increase in pension lump sum at pension aged (bands of £2,500) £000	Cash Equivalent Transfer Value at 31 March 2025 £000	Cash Equivalent Transfer Value at 31 March 2024 £000	Real increase in Cash Equivalent Transfer Value £000
Lee Davies	40-45	105-110	2.5-5	2.5-5	836	713	57
Lisa Gostling	65-70	180-185	7.5-10	15-17.5	1,647	1,347	189
Phil Kloer	80-85	215-220	10-12.5	22.5-25	1,937	1,549	255
Andrew Carruthers	45-50	110-115	2.5-5	2.5-5	906	772	64
Huw Thomas	35-40	5-10	2.5-5	0-2.5	549	458	41
Jill Paterson	55-60	155-160	2.5-5	0	-	313	-
Joanne Wilson	40-45	100-105	5-7.5	7.5-10	854	699	91
Alwena Hughes-Moakes	5-10	0	0-2.5	0	93	58	17
Ardiana Gjini	30-35	80-85	2.5-5	2.5-5	769	653	56
James Severs	30-35	0	5-7.5	0	384	286	61
Mark Henwood	-	-	-	-	-	-	-
Sharon Daniel	70-75	190-195	17.5-20	45-47.5	1,722	1,192	431

A Cash Equivalent Transfer Value (CETV) is not available in respect of pension scheme members over normal pension age.

Mark Henwood did not participate in the NHS Pension Scheme during the reporting year. Accordingly, details of the position of Mr Henwood's pension are not available.

The pension benefits which accrued to Sharon Daniel in the year primarily reflected an uplift in Mrs Daniel's pension entitlement upon becoming a member of the board during 2023-24. As Mrs Daniel joined the board in the fourth quarter of 2023-24, the opening pension position at 31 March 2024 substantially reflected Mrs Daniel's salary prior to becoming a member of the board, while the closing position at 31 March 2025 wholly reflected Mrs Daniel's board member salary. This has resulted in a large movement in pension entitlement from 31 March 2024 to 31 March 2025.

The pension benefits which accrued to Phil Kloer and Lisa Gostling in the year reflected an uplift in pension entitlement upon moving to a more senior position on the board during 2023-24.

11.6.2 Staff Report

• Staff numbers

As of 31 March 2025, the Health Board employed 13,359 staff including bank and locum staff; this equated to 10,525.37 full time equivalent (FTE). The numbers (headcount) of female and male Board members and employees are as follows:

	Female	Male	Total
Board Members	11	12	23
Employees	10,561	2,775	13,336
Total	10,572	2,787	13,359

*Included in the Board Members figures are three additional directors (all 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	6.00	6	12.00	12
Independent Members	4.20	5	6.00	6	10.20	11
Total	10.20	11	12.00	12	22.20	23

Staff composition as at 31 March 2025

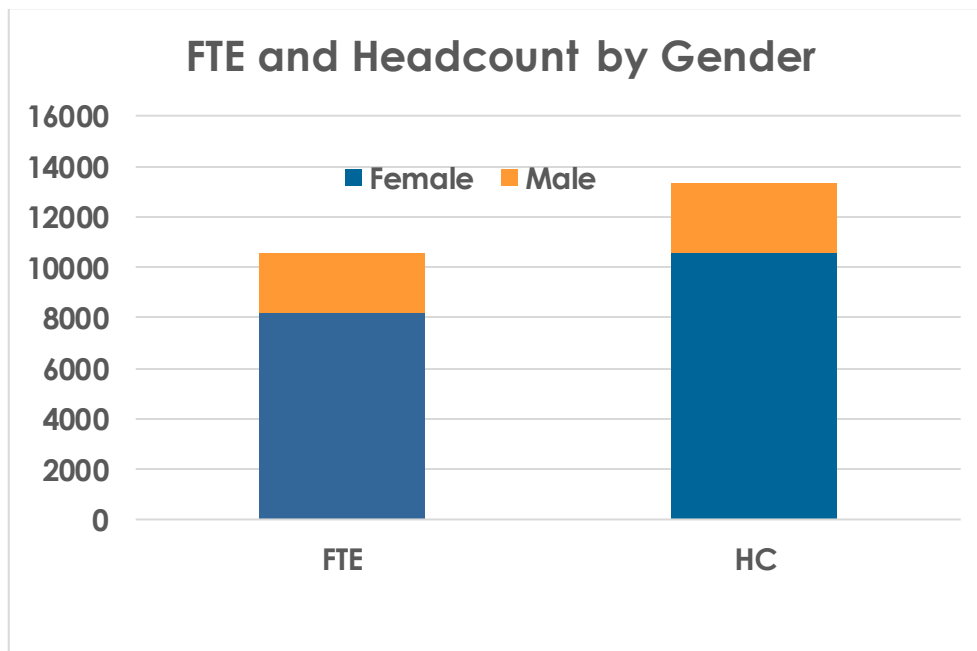
	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Add Prof Scientific and Technic	286.01	334	89.61	101	375.63	435
Additional Clinical Services	1,837.62	2,652	388.81	498	2,226.43	3,150
Administrative and Clerical	1,727.80	1,993	415.19	437	2,142.99	2,430
Allied Health Professionals	565.10	676	170.59	194	735.68	870
Estates and Ancillary	390.44	643	416.50	535	806.94	1,178
Healthcare Scientists	102.44	114	95.10	101	197.54	215
Medical and Dental	234.43	331	453.38	603	687.81	934
Nursing and Midwifery Registered	3,077.21	3,828	274.55	318	3,351.76	4,146
Students	0.60	1			0.60	1
Total	8,221.64	10,572	2,303.73	2,787	10,525.37	13,359

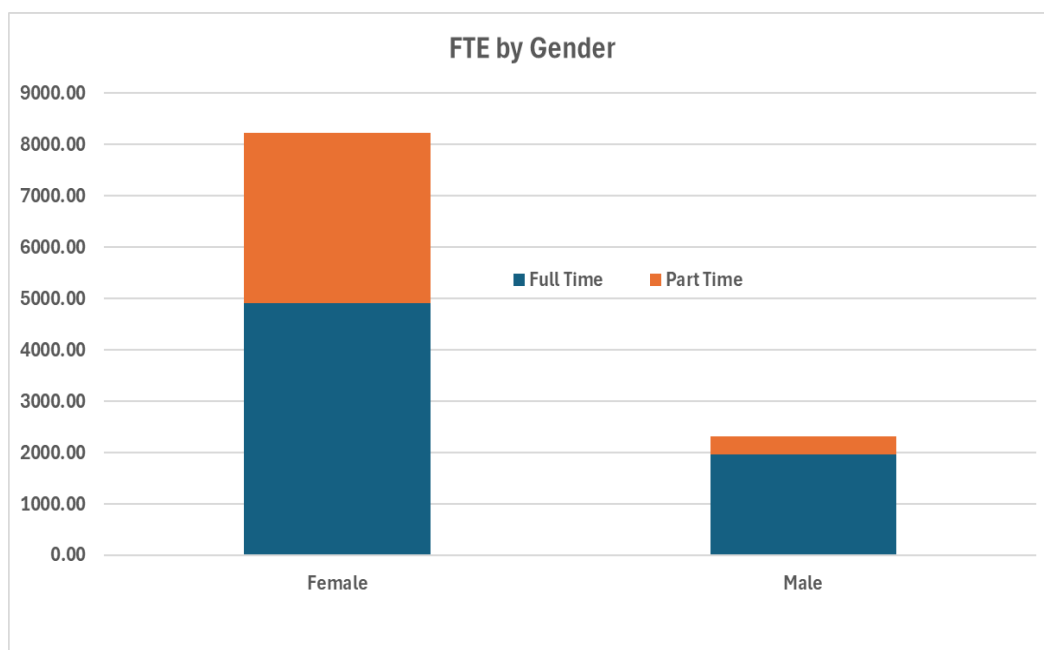
At the end of March 2025, the Health Board employed 13,359 staff including bank and locum staff; this equated to 10,525.37 Full Time Equivalents (FTE). 78% of the workforce was female by FTE and 22% male. The staff covered a wide range of professional, technical and support staff groups. Over 50% (by headcount and FTE) were within the Nursing and Midwifery and Additional Clinical Services staff groups. Senior Manager (Admin and Clerical Band 8a and above) were 1.83% of the workforce by headcount - 62% of these by FTE were female and 38% male. The Board does not have any issue with its staff composition

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	63.85	65	39.85	40	103.71	105
Band 8b	49.32	52	19.75	20	69.07	72
Band 8c	13.60	15	18.00	18	31.60	33
Band 8d	13.00	13	3.21	4	16.21	17
Band 9	7.00	7	9.60	10	16.60	17
Total	146.77	152	90.42	92	237.19	244

The Health Board has not raised any concerns about the staff composition but has noted the differentials in Band 8c and 9 in terms of gender split.





- Staff sickness data**

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

	2024/25	2023/24
Days lost (long term)	173,580.94	159,408.83
Days lost (short term)	77,689.29	78,522.61
Total days lost	251,270.23	237,931.44
Total Staff Years as of 31 March	10,423.72	10,319.29
Average Working Days Lost	15.07	14.38
Total Staff employed as of 31 March (headcount)	13,359	13,291
Total Staff employed in period with no absence (headcount)	3,513	3,944
Percentage of staff with no sick leave	29.12%	33.04%

Despite significant effort, the Health Board has been unable to meet its aim of reducing sickness absence to meet the national target of 4.79%, with overall sickness rates hovering around 6.5% since May 2024. Data for January 2025 indicates that the all-Wales average at that time was 6.3% whereas Hywel Dda rates were 6.68%. Anxiety, stress and depression continue to account for the highest proportion of long-term absence across most of our directorates, with cough, colds and flu accounting for the highest proportion of short-term absence. This year has seen a significant

increase in the number of stress risk assessments being completed which enables us to build a better picture of the various factors at play.

A programme of work is underway to review service areas with high sickness rates and provide targeted support from the workforce team to support managers in understanding the sickness absence process and how best to support their staff.

- **Staff policies**

The operational workforce team the review of our local employment policies on a three-yearly cycle. The reviews continue to focus on the individual at the centre of the matter, align with Health Board strategic priorities and promote widespread engagement in both the review of existing and the formulation of new policies.

During 2024-25:

9 Local policy reviews were completed:

- 4 were reviewed and approved
- 2 were removed (one was removed as it was already defined in the Terms and Conditions Handbook and the other was incorporated into a new all Wales policy)
- 3 reviews remain work in progress due to the cancellation or timing of committee meetings for their approval.
- 1 local review was not undertaken as this policy is in the process of being reviewed at an all-Wales level. Once agreed at the All-Wales Partnership Forum Business Committee it will be put forward for adoption and then replace our existing local policy.
- 4 all-Wales policies were also adopted by the Health Board as was the SAS (specialist, associate specialist and specialty doctors) Charter - the charter includes good practice around medical contracts, job planning, support and recruitment.

Our trade union representatives continue to support our approach to policy review and continue to be integral to it. As part of our approach to social partnership working with our trade union colleagues, one of our local policies (industrial injury) now includes a union representative as part of a decision-making panel.

As part of the local review of policies in 2023-24, the Health Board agreed a 10-year pledge to reduce all our local policies to five pages or less (excluding the corporate governance requirements that are standard to each policy) to make them easier for staff to follow and be more principles led than prescriptive in approach. We started 2024-25 with 73% of our local policies meeting this pledge and ended 2024/25 increasing our compliance to 77%.

- **Trade Union Relationships**

In preparation for the Social Partnership Duty legislation which came into effect on 1 April 2024, we worked with our trade union colleagues to better understand the legislation and how we could implement the legislation to best effect.

As well as ensuring that the Social Partnership Duty was considered as part of reports to various committee meetings, an update on the legislation was given to the Executive Team. Our public

health team are also working with our trade union colleagues on the refresh of the Health Board's well-being objectives under the Well-being of Future Generations (Wales) Act 2015.

We jointly attended the Welsh Government Social Partnership event held in Cardiff in September 2023. This provided us with a positive opportunity for us to focus on what social partnership working means for us. We were also invited by Welsh Government to present a joint workshop at the Swansea Social Partnership event in July 2024 on the benefits of social partnership working in Hywel Dda and were able to demonstrate that we were already meeting some aspects of the legislation. The feedback received from Welsh Government was that the workshop was well received by those attending from across the public sector in Wales.

We continue to build on the good work undertaken over the last couple of years with our trade union colleagues and have separated out strategic and operational discussions into distinct pathways which enable issues to be considered and resolved in a more streamlined manner and at the appropriate level.

The Health Board and trade unions continue to work closely on policy work and their contribution continues to be of critical importance to us. We are also building on the structure of our agenda setting with all our trade union colleagues including those representing our medical and dental workforce via the Local Negotiating Committee.

- **Expenditure of consultancy and temporary staff**

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 £72,446 (2023-24: £410,255) on consultancy services as follows:

Transforming clinical services	£15,296
Other service reviews/advice	£57,150

Expenditure on temporary staff during 2024/25 amounted to £12,320,179 (2023-24: £28,389,767), including £11,069,567 (2023-24: £26,963,051) in respect of registered nurses.

- **Tax assurance for off-payroll appointees**

In response to the Welsh Government's review of the tax arrangements of public sector appointees, which highlighted the possibility for artificial arrangements to enable tax avoidance, the Welsh Government has taken a zero tolerance approach and produced a policy that has been communicated and implemented. Tax assurance evidence has been sought and scrutinised to ensure it is sufficient from all off-payroll appointees. Details of these off-payroll arrangements will be published on the Health Board's website following publication of the Annual Report.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater.

Number (No.) of existing engagements as of 31 March 2025	0

Of which, no. that existed:	
for less than 1 year	0
for between 1 and 2 years	0
for between 2 and 3 years	0
for between 3 and 4 years	0
for 4 or more years	0

All existing off-payroll engagements, outlined above, have been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax, and where necessary, that assurance has been sought.

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2025	0
Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

No. of off-payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both on payroll and off- payroll engagements.	24

• 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). No exit costs were paid in 2024-25 in relation to settlement claims, the year of departure (2023-24: £4,000). 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 the Welsh Government 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)	2024/25 Number of compulsory redundancies	2024/25 Number of other departures	2024/25 Total number of exit packages	2024/25 Number of departures where special payments have been made	2023/24 Total number of exit packages
	Number	Number	Number	Number	Number
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£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	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

Exit packages cost band (including any special payment element)	2024/25 Cost of compulsory redundancies £'s	2024/25 Cost of other departures £'s	2024/25 Total cost of exit packages £'s	2024/25 Cost of special element included in exit packages £'s	2023/24 Total cost of exit packages £'s
less than £10,000	0	0	0	0	4,000
£10,000 to £25,000	0	0	0	0	0
£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	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	4,000

11.7 Senedd Cymru/Welsh Parliament Accountability and Audit Report

• Regularity of expenditure

Common with the public sector in general the Health Board continued to face exceptional challenges in 2024-25. The Health Board has a financial duty to break even over a three-year period, but it has not been able to deliver this balanced position. The expenditure of £149m which it has incurred in excess of its resource limit over that three-year period is deemed to be irregular, as is the 2024-25 expenditure in excess of its resource limit, which amounted to £24m. 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 of 31 March 2025:

	2024-25	2023-24
	£000s	£000s
Guarantees	0	0
Indemnities*	1,412	300
Letters of Comfort	0	0
Total	1,412	300

* Indemnities include clinical negligence and personal injury claims against the Health Board. Where these claims progress, the majority of the costs incurred (in excess of the £25k per claim attributable to the Health Board) will be recovered from the Welsh Risk Pool. The above amounts represent the remote contingent liabilities prior to any recovery of costs from the Welsh Risk Pool.

4 - Financial Focus

4.1

11:40, 10 Mins

4.1 - Banking Arrangements

***Huw Thomas (Hywel
Dda UHB - Director
of Finance)***

| For approval

Attachments

[4.1 Banking Arrangements.pdf](#)



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Banking Arrangements
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rhian Davies, Assistant Director of Finance

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

The Director of Finance is responsible for managing the Health Board's banking arrangements as set out in the Standing Financial Instructions¹. Local Health Boards are required to use the Government Banking Service (GBS) but may also use commercial accounts. The Health Board uses Barclays as its commercial provider.

Historically, charges levied in respect of the service via Barclays were at a favourable rate. However, Barclays has notified the Health Board that it proposes to increase transactional charges from 1 July 2025. It is, therefore, proposed to close the Health Board Charity's Current Account and the main and general accounts currently with Barclays (retaining only the Patients Monies accounts with Barclays) and use the GBS (provided by NatWest) for all exchequer funds and the Charity's current account.

The Audit and Assurance Committee is asked to support and recommend for approval by the Board the decision to close the main and general Barclays accounts and move all exchequer transactions to GBS. A separate Charity current account will also be set up in GBS.

Cefndir / Background

Barclays has been used to operate the Health Board's main and general accounts, meaning it is where the majority of payments including BACS runs are made from. Until the investment management of the Health Board's Charity funds moved to CCLA, the Charity's deposit account was also with Barclays. Although accounted for completely separately from Barclays point of view, the fact that there were several millions held on the deposit account essentially meant they were making money from the Health Board banking with them. Since the Charity's cash deposits have been moved to the CCLA deposit account, this is no longer the case.

Barclays has informed the Health Board that providing the current service is actually costing the bank money and therefore it intends to increase our transaction fees from 1 July 2025 to cover its losses.

Asesiad / Assessment

The Health Board has two main options available; it either tenders for an alternative commercial provider or moves its main and general accounts to GBS. There is no reason to believe that other commercial providers will offer better terms than GBS and, whilst the Standing Financial Instructions (SFIs) allow for the use of commercial accounts, this should only be where there is a clear rationale for not utilising the GBS. With the proposed increase in fees and the movement of Charity's deposits to CCLA, this is no longer the case.

Other non-financial benefits include reduced staff time required to fund the main account from the GBS account, which is a daily task to ensure accounts are not overdrawn.

There are individual accounts for patients held with Barclays as well for long stay patients. For the present, it is proposed to leave these with Barclays.

Consultation with NHS Wales Shared Services Partnership (NWSSP) has confirmed that there should be no issue to transfer, and test runs can be performed in advance to ensure that any problems are resolved before go-live.

Subject to agreement from the Committee, it is proposed to move all exchequer banking and the Charity's Current Account to GBS prior to 1 July 2025.

Details of actual costs are not included in this report as they are commercially sensitive, but will be made available to Committee members separately.

Argymhelliad / Recommendation

The Audit and Assurance Committee is asked to support and recommend for approval by the Board the decision to close the main and general Barclays accounts and move all exchequer transactions to GBS. A separate Charity current account will also be set up in GBS.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.22 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable

Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	2 Financial recovery and route map
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Review of proposed fees from current supplier and GBS
Rhestr Termiau: Glossary of Terms:	Included within the main body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Moving banking services to GBS will reduce costs
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

ⁱ The relevant extracts of the Standing Financial Instructions (SFIs) state

7. BANKING ARRANGEMENTS

7.1 General

7.1.1 The Director of Finance is responsible for managing the LHB's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/Directions issued from time to time by the Welsh Ministers.

LHBs are required to use the Government Banking Service (GBS) for its banking services.

7.1.2 The Board shall approve the banking arrangements.

7.2 Bank Accounts

7.2.1 The Director of Finance is responsible for:

- a) Establishing bank accounts and ensuring that the Government Banking Service is utilised for main Health Board business transactions;
 - b) Establishing additional commercial accounts only exceptionally and where there is a clear rationale for not utilising the Government Banking Service;
- etc.

7.4 Review

7.4.1 The Director of Finance will review banking arrangements of the LHB at regular intervals to ensure they reflect best practice, that they are efficient and effective and represent best value for money. The results of the review should be reported to the Audit Committee.

4.2

11:50, 40 Mins

4.2 - Draft Annual Accounts 2024/25

Huw Thomas (Hywel Dda UHB - Director of Finance), Rhian Davies (Hywel Dda Health Board - Assistant Director of Finance - Financial Planning & Statutory Reporting, Timothy John (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory Reporting))

A presentation to accompany this item will follow on Tuesday 6 May 2025

| For discussion

Attachments

[4.2 SBAR Draft Annual Accounts 2024-25.pdf](#)

[4.2 2024-25 Draft Accounts 02.05.2025.pdf](#)



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Draft Annual Accounts 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The draft Statutory Annual Accounts have been prepared in accordance with the Welsh Government timetable and guidelines. The Audit and Risk Assurance Committee (ARAC) is asked to review and discuss the draft Accounts.

The draft Accounts were submitted to Welsh Government on 2 May 2025.

The Accounts are now being scrutinised by Audit Wales and the Final Accounts will be presented to ARAC on 24 June 2024 prior to sign off by the Board on 26 June 2025 in readiness to send to Welsh Government by 30 June 2025.

Cefndir / Background

Under the National Health Service Act (Wales) 2006 the Health Board is required to prepare accounts for each financial year.

The Accounts must comply with the accounting guidance of the Government Reporting Manual (FReM) which is in force for the financial year in which the accounts are prepared and has been applied by Welsh Government and detailed in the NHS Wales LHB Manual of Accounts.

In preparing the accounts the Directors are required to apply on a consistent basis the accounting principles laid down by Welsh Ministers, make judgements and estimates which are responsible and prudent and state whether applicable accounting standards have been followed.

Asesiad / Assessment

The Draft Annual Accounts are enclosed for discussion.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to discuss the draft annual accounts for 2024/25.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.25 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on: 3.25.1 the ISA 260 report to those charged with governance; 3.25.2 changes in, and compliance with, accounting policies and practices; 3.25.3 unadjusted mis-statements in the financial statements; 3.25.4 major judgemental areas; 3.25.5 significant adjustments resulting from the audit; 3.25.6 other financial considerations include review of the Schedule of Losses and Compensation.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1199 - Risk of Health Board not meeting statutory requirement to break even on a three year rolling basis due to significant deficit position Score 25
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on the Health Board's financial reporting system. Activity recorded in the Accounts Receivable (AR) and

	Accounts Payable (AP) modules of the Oracle business system; activity recorded in the procurement Bravo system.
Rhestr Termau: Glossary of Terms:	Included within body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	UHB's Finance Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Risk to our financial position affects our ability to discharge timely and effective care to patients
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	The UHB has a statutory duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
Enw Da: Reputational:	Adverse variance against the UHB's financial plan will affect our reputation with Welsh Government, Audit Wales and with external stakeholders
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

HYWEL DDA UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

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

Statutory background

The Local Health Board was established on 1 June 2009 and became operational on 1 October 2009 and comprises the former organisations of Hywel Dda NHS Trust and Carmarthenshire, Ceredigion and Pembrokeshire Local Health Boards.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2024-25. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Expenditure on Primary Healthcare Services	3.1	231,506	223,827
Expenditure on healthcare from other providers	3.2	293,175	275,025
Expenditure on Hospital and Community Health Services	3.3	908,884	839,854
		1,433,565	1,338,706
Less: Miscellaneous Income	4	(78,260)	(74,323)
LHB net operating costs before interest and other gains and losses		1,355,305	1,264,383
Investment Revenue	5	(10)	(11)
Other (Gains) / Losses	6	(22)	(17)
Finance costs	7	217	183
Net operating costs for the financial year		1,355,490	1,264,538

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

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

Other Comprehensive Net Expenditure

	2024-25 £000	2023-24 £000
Net (gain) / loss on revaluation of property, plant and equipment	(4,459)	(7,425)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(4,459)	(7,425)
Total comprehensive net expenditure for the year	1,351,031	1,257,113

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

Statement of Financial Position as at 31 March 2025

		31 March 2025 £000	31 March 2024 £000
	Notes		
Non-current assets			
Property, plant and equipment	11	366,882	369,729
Right of Use Assets	11.3	10,189	8,967
Intangible assets	12	1,952	2,422
Trade and other receivables	15	59,122	54,664
Other financial assets	16	826	974
Total non-current assets		438,971	436,756
Current assets			
Inventories	14	12,475	11,616
Trade and other receivables	15	68,508	76,429
Other financial assets	16	148	147
Cash and cash equivalents	17	3,943	2,141
		85,074	90,333
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		85,074	90,333
Total assets		524,045	527,089
Current liabilities			
Trade and other payables	18	(162,040)	(180,188)
Other financial liabilities	19	0	0
Provisions	20	(33,839)	(27,370)
Total current liabilities		(195,879)	(207,558)
Net current assets/ (liabilities)		(110,805)	(117,225)
Non-current liabilities			
Trade and other payables	18	(6,837)	(7,798)
Other financial liabilities	19	0	0
Provisions	20	(61,742)	(53,014)
Total non-current liabilities		(68,579)	(60,812)
Total assets employed		259,587	258,719
Financed by :			
Taxpayers' equity			
General Fund		198,951	194,091
Revaluation reserve		60,636	64,628
Total taxpayers' equity		259,587	258,719

The financial statements on pages 2 to 7 were approved by the Board on xx xx 2025 and signed on its behalf by:

Chief Executive and Accountable Officer Date:

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

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2025

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2024-25			
Balance as at 31 March 2024	194,091	64,628	258,719
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2024	194,091	64,628	258,719
Net operating cost for the year	(1,355,490)		(1,355,490)
Net gain/(loss) on revaluation of property, plant and equipment	0	4,459	4,459
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	8,451	(8,451)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2024-25	(1,347,039)	(3,992)	(1,351,031)
Net Welsh Government funding	1,311,572		1,311,572
Notional Welsh Government Funding	40,327		40,327
Balance at 31 March 2025	198,951	60,636	259,587

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government. The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

Notional Welsh Government funding split:

Notional 9.4% staff employer pension £40,322,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £5,000

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

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance at 31 March 2023	174,600	58,466	233,066
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Balance at 1 April 2023	174,600	58,466	233,066
Net operating cost for the year	(1,264,538)		(1,264,538)
Net gain/(loss) on revaluation of property, plant and equipment	0	7,425	7,425
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	1,263	(1,263)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBS	0	0	0
Total recognised income and expense for 2023-24	(1,263,275)	6,162	(1,257,113)
Net Welsh Government funding	1,257,707		1,257,707
Notional Welsh Government Funding	25,059		25,059
Balance at 31 March 2024	194,091	64,628	258,719

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;

Notional 6.3% staff employer pension £25,057,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £2,000

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

Statement of Cash Flows for year ended 31 March 2025

		2024-25	2023-24
		£000	£000
Cash Flows from operating activities	Notes		
Net operating cost for the financial year		(1,355,490)	(1,264,538)
Movements in Working Capital	27	(15,543)	(2,714)
Other cash flow adjustments	28	114,249	63,565
Provisions utilised	20	(9,450)	(8,331)
Net cash outflow from operating activities		(1,266,234)	(1,212,018)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(40,060)	(45,092)
Proceeds from disposal of property, plant and equipment		54	78
Purchase of intangible assets		(1,176)	(327)
Proceeds from disposal of intangible assets		0	0
Payment for other financial assets		0	0
Proceeds from disposal of other financial assets		0	0
Payment for other assets		0	0
Proceeds from disposal of other assets		0	0
Net cash inflow/(outflow) from investing activities		(41,182)	(45,341)
Net cash inflow/(outflow) before financing		(1,307,416)	(1,257,359)
Cash Flows from financing activities			
Welsh Government funding (including capital)		1,311,572	1,257,707
Capital receipts surrendered		0	0
Capital grants received		0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		0	0
Capital element of payments in respect of on-SoFP PFI		0	0
Capital element of payments in respect of Right of Use Assets		(2,354)	(2,151)
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		1,309,218	1,255,556
Net increase/(decrease) in cash and cash equivalents		1,802	(1,803)
Cash and cash equivalents (and bank overdrafts) at 1 April 2024		2,141	3,944
Cash and cash equivalents (and bank overdrafts) at 31 March 2025		3,943	2,141

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

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2024-25 Manual for Accounts. The accounting policies contained in that manual follow the 2024-25 Financial Reporting Manual (FRM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.4.2. Retirement benefit costs

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

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

1.6.2. Valuation

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

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

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

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

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

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

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

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

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

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

1.7.2 Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

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

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

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

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

1.11 Leases

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

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

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

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

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

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

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

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

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

These include:

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

The LHB will not apply IFRS 16 to any new leases of intangible assets, applying the treatment described in section 1.7 instead.

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

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

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

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

1.11.1 Hywel Dda UHB as lessee

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

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

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

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

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

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

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

1.11.2 Hywel Dda UHB as lessor

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

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

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

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

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

1.12. Inventories

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

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

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

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2024-25. The WRPS is hosted by Velindre University NHS Trust.

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

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

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budgets

The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

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

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

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

1.24.1. Provisions

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

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

1.24.2. Probable & Certain Cases – Accounting Treatment

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

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

* *Personal injury cases - Defence fee costs are provided for at 100%.*

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 0.5%.

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

1.24.3 Primary Care Expenditure

There are a number of estimates due to the way practices are reimbursed for their services through claim forms sent to NWSSP. Therefore, primary care expenditure disclosed contains significant estimates where the value of the actual liabilities were not available prior to the date for accounts submission. Claims for a service could be paid a month or a quarter in arrears, therefore for these claims, accruals are based on a rolling three-month average. This is the case for General Medical Services (GMS) and Community Pharmacy, with the exceptions being:

a) PADM's (Prescribing and Dispensing GPs) within the GMS contract - accruals were based on average monthly spend earlier in the year as the flu vaccination programme distorts a three month average, in the period October to December. This would not be a suitable enough period to base an accrual for February and March on.

b) The Quality Access standards within the GMS contracts – this service is paid as an annual payment in June of the following financial year. In line with the previous two years where full achievement of the quality standard was met, it is also assumed that this will be case in 2024-25 (as advised by the service), the maximum achievable value has been accrued.

c) The Quality and Outcome Framework within the GMS contracts – this service is paid at 70% throughout the year with the last 30% as an annual payment in June of the following financial year. In line with the previous two years where full achievement of the quality standard was met, it is also assumed that this will be case in 2024-25 (as advised by the service), the maximum achievable value has been accrued.

In terms of prescribing cost for 2024-25, the Health Board has used the accrual methodology consistent with previous years.

The cost per item for all items excluding Vaccinations, Immunisations and Stoma (Net Prescribing Audit Reports – PARS) was derived by using the most recent published cost per item from the January 2025 PARS reports.

The number of items (growth) used to calculate net PARS items was derived using prescribing days. The resultant growth estimation rate for 2024-25 was 0.32% (2023-24 – 0%)

Vaccination and Immunisation costs were calculated by applying the prior year percentage of spend to January 2024 to the YTD spend to January 2025.

Stoma costs were calculated on a straight-line basis based on the YTD cost to January 2025.

1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

1.26 Private Finance Initiative (PFI) transactions

The Health Board has no PFI transactions.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1 April 2023

The Health Board has no PFI transactions.

1.27. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

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

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

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

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

IFRS14 Regulatory Deferral Accounts - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is UK endorsed and adopted by the FReM. The date of initial application is the beginning of the annual reporting period in which IFRS 17 is first applied. In central government the date of initial application is 1 April 2025.

IFRS 18 Presentation and Disclosure in Financial Statements - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2024-25 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, Hywel Dda UHB has established that as it is the corporate trustee of Hywel Dda Health Charities, it is considered for accounting standards compliance to have control of Hywel Dda Health Charities as a subsidiary. The determination of control is an accounting standard test of control and there has been no change to the operation of Hywel Dda Health Charities or its independence in its management of charitable funds.

Whilst there is a requirement to consolidate the results of Hywel Dda Health Charities within the statutory accounts of the LHB, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate.

Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

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

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

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

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

2.1 Revenue Resource Performance

	Annual financial performance			
	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
Net operating costs for the year	1,154,992	1,264,538	1,355,490	3,775,020
Less general ophthalmic services expenditure and other non-cash limited expenditure	2,431	1,831	1,111	5,373
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	1,157,423	1,266,369	1,356,601	3,780,393
Revenue Resource Allocation	1,098,379	1,200,554	1,332,462	3,631,395
Under / (over) spend against Allocation	(59,044)	(65,815)	(24,139)	(148,998)

Hywel Dda University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

The Health Board received £24m cash-only support from Welsh Government during 2024-25 with the accumulated cash-only support as at 31 March 2025 being £360.2m. This support has been provided by Welsh Government to assist the Health Board with making payments to staff and suppliers; there is no requirement for this funding to be repaid.

2.2 Capital Resource Performance

	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
Gross capital expenditure	34,256	47,760	47,606	129,622
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	(196)	(61)	(34)	(291)
Adjustment for transfers (to)/from NHS Trusts	0	0	0	0
Less capital grants received	0	(8)	(4)	(12)
Less donations received	(476)	(805)	(2,754)	(4,035)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	(2,175)	(2,175)
Charge against Capital Resource Allocation	33,584	46,886	42,639	123,109
Capital Resource Allocation	33,653	46,919	42,725	123,297
(Over) / Underspend against Capital Resource Allocation	69	33	86	188

Hywel Dda University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2022-23 to 2024-25.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2024-2027 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium-Term Plans to the Welsh Government. The LHB did not submit an Integrated Medium-Term Plan for the period 2024-2027 in accordance with NHS Wales Planning Framework.

The LHB had been unable to produce a financially balanced plan for 2023-24 and this contributed to the escalation status of the Health Board being raised to entire organisation Targeted Intervention on the Welsh Government Joint Escalation and Intervention Arrangements in January 2024. Following agreement at the January 2024 Board meeting, HDdUHB wrote to the Welsh Government in February 2024 to provide formal notification through an accountability letter that unfortunately the Health Board would again not be able to submit a financially balanced IMTP by the end of March 2024 and instead would produce an Annual Plan for 2024-25.

The Annual Plan set out the key objectives and deliverables for the next 12 months and laid the foundations for further progress beyond that in achieving the Board's aim to firstly reverse the deteriorating trajectory of our financial position and secondly agree a clear and deliverable route map to the organisation's control total. In addition, whilst progress had been made in several areas, the Health Board continued to have significant performance issues that our plan simultaneously needed to address.

The LHB was allocated additional funding by Welsh Government (WG) in year. WG also set a revised Target Control Total of £31.55m. The Health Board has achieved the revised control total with a yearend deficit of £24.1m (subject to audit).

Having placed the entire Health Board in 'targeted intervention' in January 2024, WG has de-escalated three areas to enhanced monitoring due to the progress seen. The three de-escalated areas are Child and Adolescent Health and Mental Health (CAHMS), Planned Care, and Leadership and Governance. While this is a positive step forward, it is acknowledged that pressures remain across the organisation.

The Minister for Health and Social Services extant approval

Status

Date

Not Approved

Hywel Dda University LHB has not therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

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

	2024-25	2023-24
Total number of non-NHS bills paid	236,022	274,883
Total number of non-NHS bills paid within target	228,149	263,334
Percentage of non-NHS bills paid within target	96.7%	95.8%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2024-25 Total £000	2023-24 Total £000
General Medical Services	90,992		90,992	85,345
Pharmaceutical Services	23,544	(7,194)	16,350	16,404
General Dental Services	21,280		21,280	20,079
General Ophthalmic Services	3,058	6,083	9,141	6,445
Other Primary Health Care expenditure	6,043		6,043	6,956
Prescribed drugs and appliances	87,700		87,700	88,598
Total	232,617	(1,111)	231,506	223,827

Return of excess funds from primary care contractors are included in the figures above

Included within other notes to the accounts

Additional Primary Care Expenditure	Positive	0	0
Additional Primary Care Income	Negative	-1855	0
Overall total		229,651	223,827

Ophthalmic income of £1k

Dental income of £1,854k

3.2 Expenditure on healthcare from other providers

	2024-25 £000	2023-24 £000
Goods and services from other NHS Wales Health Boards	56,325	52,017
Goods and services from other NHS Wales Trusts	6,129	5,826
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	371	2,156
Goods and services from NWJCC /WHSSC and EASC	142,225	129,262
Local Authorities	17,020	19,143
Voluntary organisations	4,334	4,515
NHS Funded Nursing Care	3,269	3,410
Continuing Care	54,621	54,226
Private providers	8,870	4,381
Specific projects funded by the Welsh Government	0	0
Other	11	89
Total	293,175	275,025

3.3 Expenditure on Hospital and Community Health Services

	2024-25	2023-24
	£000	£000
Directors' costs	3,040	2,628
Operational Staff costs	646,179	610,185
Single lead employer Staff Trainee Cost	20,717	16,539
Collaborative Bank Staff Cost		0
Supplies and services - clinical	115,429	105,366
Supplies and services - general	12,647	10,925
Consultancy Services	72	410
Establishment	11,629	11,872
Transport	1,904	1,626
Premises	35,256	31,385
External Contractors	388	28
Depreciation	25,162	24,533
Depreciation Right of Use assets (RoU)	2,432	2,263
Amortisation	728	718
Fixed asset impairments and reversals (Property, plant & equipment)	25,762	16,390
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	415	418
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	2,274	1,790
Research and Development	0	0
Expense related to short-term leases	303	171
Expense related to low-value asset leases (excluding short-term leases)	346	493
Other operating expenses	4,201	2,114
Total	908,884	839,854

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

	2024-25	2023-24
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	14,803	(3,673)
Primary care	872	690
Redress Secondary Care	685	97
Redress Primary Care	0	0
Personal injury	411	(776)
All other losses and special payments	378	306
Defence legal fees and other administrative costs	1,704	958
Gross increase/(decrease) in provision for future payments	18,853	(2,398)
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	150	120
Less: income received/due from Welsh Risk Pool	(16,729)	4,068
Total	2,274	1,790

	2024-25	2023-24
	£	£
Permanent injury included within personal injury £:	363,888	32,538

4. Miscellaneous Income

	2024-25 £000	2023-24 £000
Local Health Boards	23,705	23,727
NWJCC/ WHSSC and EASC	3,470	3,391
NHS Wales trusts	8,771	9,682
Welsh Special Health Authorities	5,796	5,597
Foundation Trusts	0	0
Other NHS England bodies	4,140	3,688
Other NHS Bodies	73	36
Local authorities	6,090	6,197
Welsh Government	2,940	2,454
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	1	1
Dental fee income	1,854	1,674
Private patient income	31	27
Overseas patients (non-reciprocal)	238	292
Injury Costs Recovery (ICR) Scheme	718	748
Other income from activities	433	303
Patient transport services	0	0
Education, training and research	8,710	8,108
Charitable and other contributions to expenditure	1,114	1,304
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	2,755	805
Receipt of Government granted assets	4	8
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	686	707
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	1,220	1,042
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	459	345
Other income:		
Provision of laundry, pathology, payroll services	289	205
Accommodation and catering charges	1,407	1,412
Mortuary fees	181	184
Staff payments for use of cars	261	221
Business Unit	0	0
Scheme Pays Reimbursement Notional	79	31
Other	2,835	2,134
Total	78,260	74,323
Other income Includes;		
Creche Fees	95	166
Design Fees Recharge	628	481
Drugs Rebate	276	292
Contribution from Ty Bryngwyn Hospice	250	80
Werndale Recharge of CSSD packs	127	133
Energy performance contract	0	0
Total	1,376	1,152

Injury Cost Recovery (ICR) Scheme income

	2024-25 %	2023-24 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.45	23.76

5. Investment Revenue

	2024-25 £000	2023-24 £000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	10	11
Total	10	11

6. Other gains and losses

	2024-25 £000	2023-24 £000
Gain/(loss) on disposal of property, plant and equipment	20	17
Gain/(loss) on disposal other than by sale of right of use assets	2	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	22	17

7. Finance costs

	2024-25 £000	2023-24 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	10	11
Interest on obligations under Right of Use Leases	156	124
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	166	135
Provisions unwinding of discount	51	48
Other finance costs	0	0
Total	217	183

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2025 the Health Board had 764 leases agreements in place; 222 arrangements in respect of equipment and 542 in respect of vehicles.

The periods in which the remaining agreements will expire are shown below:

	2024-25	2024-25	2024-25	2023-24
	Low Value & Short Term	Other	Total	Total
Payments recognised as an expense				
	£000	£000	£000	£000
Minimum lease payments	649	1,299	1,948	3,709
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	649	1,299	1,948	3,709
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	83	2,859	2,942	2,345
Between one and five years	137	2,647	2,784	2,577
After 5 years	0	0	0	0
Total	220	5,506	5,726	4,922

LHB as lessor

	2024-25	2023-24
Rental revenue	£000	£000
Rent	292	292
Contingent rents	0	0
Total revenue rental	292	292
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	292	292
Between one and five years	1,168	1,461
After 5 years	268	268
Total	1,728	2,021

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	497,860	4,092	12,320	16,391	0	6,210	536,873	518,829
Social security costs	49,593	0	0	1,957	0	533	52,083	48,967
Employer contributions to NHS Pension Scheme	99,937	0	0	2,368	0	0	102,305	82,246
Other pension costs	226	0	0	0	0	0	226	305
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	647,616	4,092	12,320	20,716	0	6,743	691,487	650,347

Charged to capital	806	889
Charged to revenue	690,681	649,458
	691,487	650,347
Net movement in accrued employee benefits (untaken staff leave)	150	99

'Other' costs relate to Medacs - Medical & Dental and Additional Healthcare Professionals pay of £6,036k and PAACCS (Scheme Pays) of £7 07k.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,134	3	0	0	0	0	2,137	2,193
Medical and dental	688	2	2	233	0	20	945	945
Nursing, midwifery registered	3,351	1	146	0	0	0	3,498	3,547
Professional, Scientific, and technical staff	376	0	0	0	0	0	376	371
Additional Clinical Services	2,226	0	3	0	0	0	2,229	2,262
Allied Health Professions	736	0	8	0	0	14	758	731
Healthcare Scientists	198	0	2	0	0	0	200	201
Estates and Ancillary	807	0	0	0	0	0	807	853
Students	1	0	0	0	0	0	1	0
Total	10,517	6	161	233	0	34	10,951	11,103

9.3. Retirements due to ill-health

	2024-25	2023-24
Number	13	10
Estimated additional pension costs £	1,435,972	294,321

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

9.4 Employee benefits

The Health Board has no employee benefit schemes.

9.5 Reporting of other compensation schemes - exit packages

9.5.1 Exit Packages Costs and Numbers

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£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	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	4,000
£10,000 to £25,000	0	0	0	0	0
£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	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	4,000

Total Exit Costs Paid in Year	Total paid in year	Total paid in year
	2024-25	2023-24
	£	£
Exit costs paid in year	0	4,000
Total	0	4,000

There were no exit packages agreed in 2024-25.

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Redundancy and other departure costs are paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

9.5 Reporting of other compensation schemes - exit packages continued**9.5.2 Analysis of other departures**

	2024-25	2024-25
	Agreements	Total value of
Type of other departures	Number	agreements
		£
Voluntary redundancies including early retirement contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval	0	0
Other please specify	0	0
Other please specify	0	0
Total	0	0

There were no exit packages agreed in 2024-25.

This disclosure provides detail for the number and value of exit packages agreed in the year.

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 9.5.1 which will be the number of individuals.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The Accountability Report shows that the full year equivalent salary for the Interim Medical Director was in the band £230 -235k. However, only £190-£195k of this related to the salary for the executive role of Interim Medical Director. Therefore the Chief Executive is

	2024-25 £000 Chief	2024-25 £000 Employee	2024-25 £000 Ratio	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	228	24	9.50:1	223	23	9.70:1
Median pay	228	32	7.13:1	223	29	7.69:1
75th percentile pay ratio	228	47	4.85:1	223	43	5.19:1
Salary component of total pay and benefits						
25th percentile pay ratio	228	24		223	23	
Median pay	228	32		223	29	
75th percentile pay ratio	228	47		223	43	

In 2024-25, 39 (2023-24, 35) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £23,970 to £353,573 (2023-24, £22,123 to £451,381).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

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The median pay of the workforce reflects, in part, the consolidated 5.5% increase with effect from 1 April 2024 for all AfC staff and any change in the composition of the workforce.

9.6.2 Percentage Changes

	2023-24 to 2024-25 %	2022-23 to 2023-24 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	2	7
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	11	0
Performance pay and bonuses	0	0

9.7 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2024-25 tax year (2023-24 £6,240 and £50,270).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

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

	2024-25	2024-25	2023-24	2023-24
	Number	£000	Number	£000
NHS				
Total bills paid	3,603	369,876	3,667	340,738
Total bills paid within target	3,127	363,701	3,070	336,857
Percentage of bills paid within target	86.8%	98.3%	83.7%	98.9%
Non-NHS				
Total bills paid	236,022	504,712	274,883	665,346
Total bills paid within target	228,149	487,404	263,334	643,214
Percentage of bills paid within target	96.7%	96.6%	95.8%	96.7%
Total				
Total bills paid	239,625	874,588	278,550	1,006,084
Total bills paid within target	231,276	851,105	266,404	980,071
Percentage of bills paid within target	96.5%	97.3%	95.6%	97.4%

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

	2024-25	2023-24
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

11.1 Property, plant and equipment

2024-25

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2024	24,061	282,211	9,570	33,535	97,734	328	33,401	13,270	494,110
Indexation	114	3,564	172	0	0	0	0	0	3,850
Additions									
- purchased	0	2,315	0	23,999	9,062	0	4,288	1,229	40,893
- donated	0	0	0	2,126	629	0	0	0	2,755
- government granted	0	0	0	0	0	0	4	0	4
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	45,357	0	(45,357)	0	0	0	0	0
Revaluations	0	52	(210)	0	0	0	0	0	(158)
Reversal of impairments	143	2,488	0	0	0	0	0	0	2,631
Impairments	0	(34,107)	0	0	0	0	0	0	(34,107)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3,175)	0	(5)	(2)	(3,182)
At 31 March 2025	24,318	301,880	9,532	14,303	104,250	328	37,688	14,497	506,796
Depreciation at 1 April 2024	0	18,044	843	0	71,439	136	23,916	10,003	124,381
Indexation	0	230	15	0	0	0	0	0	245
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(610)	(376)	0	(26)	0	0	0	(1,012)
Reversal of impairments	0	95	0	0	0	0	0	0	95
Impairments	0	(5,809)	0	0	0	0	0	0	(5,809)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3,141)	0	(5)	(2)	(3,148)
Provided during the year	0	11,099	526	0	8,458	36	3,576	1,467	25,162
At 31 March 2025	0	23,049	1,008	0	76,730	172	27,487	11,468	139,914
Net book value at 1 April 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
Net book value at 31 March 2025	24,318	278,831	8,524	14,303	27,520	156	10,201	3,029	366,882
Net book value at 31 March 2025 comprises :									
Purchased	24,109	274,016	8,524	12,177	25,544	156	10,180	3,003	357,709
Donated	209	4,815	0	2,126	1,472	0	8	26	8,656
Government Granted	0	0	0	0	504	0	13	0	517
At 31 March 2025	24,318	278,831	8,524	14,303	27,520	156	10,201	3,029	366,882
Asset financing :									
Owned	24,318	278,831	8,524	14,303	27,520	156	10,201	3,029	366,882
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2025	24,318	278,831	8,524	14,303	27,520	156	10,201	3,029	366,882
The net book value of land, buildings and dwellings at 31 March 2025 comprises :									
									£000
Freehold									307,590
Long Leasehold									4,083
Short Leasehold									0
									311,673
Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.									
									0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	24,829	264,063	8,629	27,866	94,554	265	34,878	13,815	468,899
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	24,829	264,063	8,629	27,866	94,554	265	34,878	13,815	468,899
Indexation	(403)	6,985	515	0	0	0	0	0	7,097
Additions									
- purchased	0	1,058	0	34,204	4,775	63	3,385	479	43,964
- donated	0	0	0	110	675	0	3	11	799
- government granted	0	0	0	0	0	0	8	0	8
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	28,130	0	(28,645)	515	0	0	0	0
Revaluations	0	0	426	0	0	0	0	0	426
Reversal of impairments	0	8,794	0	0	0	0	0	0	8,794
Impairments	(365)	(26,819)	0	0	0	0	0	0	(27,184)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,785)	0	(4,873)	(1,035)	(8,693)
At 31 March 2024	24,061	282,211	9,570	33,535	97,734	328	33,401	13,270	494,110
Depreciation at 31 March bf	0	9,211	464	0	65,870	102	25,238	9,498	110,383
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	9,211	464	0	65,870	102	25,238	9,498	110,383
Indexation	0	261	28	0	0	0	0	0	289
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	(143)	0	(48)	0	0	0	(191)
Reversal of impairments	0	289	0	0	0	0	0	0	289
Impairments	0	(2,289)	0	0	0	0	0	0	(2,289)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,734)	0	(4,873)	(1,026)	(8,633)
Provided during the year	0	10,572	494	0	8,351	34	3,551	1,531	24,533
At 31 March 2024	0	18,044	843	0	71,439	136	23,916	10,003	124,381
Net book value at 1 April 2023	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516
Net book value at 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
Net book value at 31 March 2024									
comprises :									
Purchased	23,854	259,388	8,727	33,425	24,400	192	9,438	3,213	362,637
Donated	207	4,779	0	110	1,222	0	34	54	6,406
Government Granted	0	0	0	0	673	0	13	0	686
At 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
Asset financing :									
Owned	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	293,964
Long Leasehold	2,991
Short Leasehold	0
	296,955

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

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

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

Hywel Dda University LHB has received the following donated assets during the year:

Hywel Dda General Fund Charity (1147863) Plant and Machinery	£502,082
Hywel Dda General Fund Charity (1147863) AUC	£2,106,266
Other Contributions	£146,235

ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

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

iii) Asset Lives

Depreciated as follows:

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

iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

There have not been write downs.

vi) The LHB does not hold any property where the value is materially different from its open market value.

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

There are not assets held for sale or sold in the period.

viii) IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

11. Property, plant and equipment**11.2 Non-current assets held for sale**

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2024	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2025	0	0	0	0	0	0
Balance brought forward 1 April 2023	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2024	0	0	0	0	0	0

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. None are individually insignificant.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2024-25									
Cost or valuation at 1 April 2024	223	7,998	0	0	2,765	1,111	894	0	12,991
Additions	0	2,955	0	0	510	231	0	0	3,696
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(72)	0	0	0	(66)	0	0	(138)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March 2025	223	10,881	0	0	3,275	1,276	894	0	16,549
Depreciation at 1 April 2024	25	2,444	0	0	713	551	291	0	4,024
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(30)	0	0	0	(66)	0	0	(96)
Reclassifications	0	0	0	0	0	(171)	171	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	14	1,205	0	0	455	398	360	0	2,432
At 31 March 2025	39	3,619	0	0	1,168	712	822	0	6,360
Net book value at 1 April 2024	198	5,554	0	0	2,052	560	603	0	8,967
Net book value at 31 March 2025	184	7,262	0	0	2,107	564	72	0	10,189
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	2	0	0	0	0	0	0	2
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	33	0	0	0	0	0	0	0	33
Other Public Sector Market Value Leases	0	2,688	0	0	0	0	0	0	2,688
Private Sector Peppercorn Leases	134	0	0	0	0	0	0	0	134
Private Sector Market Value Leases	17	4,572	0	0	2,107	564	72	0	7,332
Total	184	7,262	0	0	2,107	564	72	0	10,189

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. None are individually insignificant.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March 2023	223	7,704	0	0	2,249	545	496	0	11,217
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	223	7,704	0	0	2,249	545	496	0	11,217
Additions	0	294	0	0	516	737	398	0	1,945
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	-171	0	0	-171
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March 2024	223	7,998	0	0	2,765	1,111	894	0	12,991
Depreciation at 31 March 2023	11	1,199	0	0	317	228	177	0	1,932
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	11	1,199	0	0	317	228	177	0	1,932
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	-171	0	-171
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	14	1,245	0	0	396	323	285	0	2,263
At 31 March 2024	25	2,444	0	0	713	551	291	0	4,024
Net book value at 1 April 2023	212	6,505	0	0	1,932	317	319	0	9,285
Net book value at 31 March 2024	198	5,554	0	0	2,052	560	603	0	8,967
RoU Asset Total Value Split by Lessor									
	Land £000	buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	3	0	0	0	0	0	0	3
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	33	0	0	0	0	0	0	0	33
Other Public Sector Market Value Leases	0	636	0	0	0	0	0	0	636
Private Sector Peppercorn Leases	139	0	0	0	0	0	0	0	139
Private Sector Market Value Leases	26	4,915	0	0	2,052	731	432	0	8,156
Total	198	5,554	0	0	2,052	731	432	0	8,967

11.3 Right of Use Assets continued

Quantitative disclosures

	2024-25	2024-25	2024-25	2024-25	2023-24
	Land	Buildings	Other	Total	Total
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	9	1,382	1,106	2,497	2,379
2-5 years	8	3,272	2,074	5,354	6,002
> 5 years	0	1,944	16	1,960	2,047
Less finance charges allocated to future periods	0	-489	-147	-636	-377
Total	17	6,109	3,049	9,175	10,051
Lease Liabilities (net of irrecoverable VAT)				2024-25	2023-24
Current				2,338	2,253
Non-Current				6,837	7,798
Total				9,175	10,051
Amounts Recognised in Statement of Comprehensive Net Expenditure				2024-25	2023-24
Depreciation				2,432	2,263
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				156	124
Sub-leasing income				0	0
Expense related to short-term leases				303	171
Expense related to low-value asset leases (excluding short-term leases)				346	493
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				(156)	(124)
Repayments of principal on leases				(2,354)	(2,151)
Total				(2,510)	(2,275)

12. Intangible non-current assets

2024-25

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	7,053	0	77	0	0	0	7,130
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	258	0	0	0	0	0	258
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2025	7,311	0	77	0	0	0	7,388
Amortisation at 1 April 2024	4,631	0	77	0	0	0	4,708
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	728	0	0	0	0	0	728
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2025	5,359	0	77	0	0	0	5,436
Net book value at 1 April 2024	2,422	0	0	0	0	0	2,422
Net book value at 31 March 2025	1,952	0	0	0	0	0	1,952
NBV at 31 March 2025							
Purchased	1,945	0	0	0	0	0	1,945
Donated	4	0	0	0	0	0	4
Government Granted	3	0	0	0	0	0	3
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2025	1,952	0	0	0	0	0	1,952

12. Intangible non-current assets

2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	6,009	0	77	0	0	0	6,086
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	1,038	0	0	0	0	0	1,038
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	6	0	0	0	0	0	6
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2024	7,053	0	77	0	0	0	7,130
Amortisation at 1 April 2023	3,913	0	77	0	0	0	3,990
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	718	0	0	0	0	0	718
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2024	4,631	0	77	0	0	0	4,708
Net book value at 1 April 2023	2,096	0	0	0	0	0	2,096
Net book value at 31 March 2024	2,422	0	0	0	0	0	2,422
NBV at 31 March 2024							
Purchased	2,410	0	0	0	0	0	2,410
Donated	6	0	0	0	0	0	6
Government Granted	6	0	0	0	0	0	6
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	2,422	0	0	0	0	0	2,422

Additional Disclosures re Intangible Assets**Disclosures:****i) Donated Assets**

Hywel Dda University LHB has not received any donated intangible assets during the year.

ii) Recognition

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

iii) Asset Lives

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

iv) Additions during the period

There were £258,000 of software additions in the period.

v) Disposals during the period

There were no disposals in the period.

vi) Transfers into other NHS Bodies

Hywel Dda LHB has not received any intangible assets transferred from another NHS body.
The gross carrying amount of fully amortised intangible assets still in use at 31 March 2025 was £3,771,807.

13 . Impairments

	2024-25 Property, plant & equipment £000	2024-25 Right of Use Assets £000	2024-25 Intangible assets £000	2024-25 Held for sale assets £000	2024-25 Financial Assets £000	2024-25 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	28,298	0	0	0	0	28,298
Reversal of Impairments	(2,536)	0	0	0	0	(2,536)
Total of all impairments	25,762	0	0	0	0	25,762

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	25,762	0	0	0	0	25,762
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
Total	25,762	0	0	0	0	25,762

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2023-24 Held for sale assets £000	2023-24 Financial Assets £000	2023-24 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	25,298	0	0	0	0	25,298
Reversal of Impairments	(8,506)	0	0	0	0	(8,506)
Total of all impairments	16,792	0	0	0	0	16,792

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	16,389	0	0	0	0	16,389
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	403	0	0	0	0	403
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
Total	16,792	0	0	0	0	16,792

14.1 Inventories

	31 March 2025 £000	31 March 2024 £000
Drugs	6,171	6,040
Consumables	6,130	5,378
Energy	174	198
Work in progress	0	0
Other	0	0
Total	12,475	11,616
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2025 £000	31 March 2024 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

15. Trade and other Receivables

Current	31 March 2025 £000	31 March 2024 £000
Welsh Government	1,777	737
NWJCC/ WHSSC and EASC	108	362
Welsh Health Boards	1,420	1,714
Welsh NHS Trusts	1,873	3,096
Welsh Special Health Authorities	723	1,139
Non - Welsh Trusts	0	0
Other NHS	438	516
2019-20 Scheme Pays - Welsh Government Reimbursement	707	633
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	33,867	41,097
NHS Wales Primary Sector FLS Reimbursement	1,631	910
NHS Wales Redress	2,016	1,347
Other	0	0
Local Authorities	852	3,452
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	14,426	15,141
Provision for irrecoverable debts	(1,201)	(1,050)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	9,871	7,335
Other accrued income	0	0
Sub total	68,508	76,429
Non-current		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	59,117	54,652
NHS Wales Primary Sector FLS Reimbursement	3	12
NHS Wales Redress	2	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	59,122	54,664
Total	127,630	131,093

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £0.49m 2023-24: £1.68m).

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

	31 March 2025 £000	31 March 2024 £000
By up to three months	370	1,072
By three to six months	21	484
By more than six months	100	129
	491	1,685

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

Balance at 1 April	(1,050)	(930)
Transfer to other NHS Wales body	0	0
Amount written off during the year	100	51
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(251)	(171)
Bad debts recovered during year	0	0
Balance at 31 March	(1,201)	(1,050)

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

Receivables VAT

Trade receivables	1,307	1,969
Other	0	0
Total	1,307	1,969

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£000	£000	£000	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	148	147	826	974
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	148	147	826	974

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure

	2024-25	2023-24
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2024-25	2023-24
	£000	£000
Balance at 1 April	2,141	3,944
Net change in cash and cash equivalent balances	1,802	(1,803)
Balance at 31 March	3,943	2,141
Made up of:		
Cash held at GBS	2,378	923
Commercial banks	1,546	1,200
Cash in hand	19	18
Cash and cash equivalents as in Statement of Financial Position	3,943	2,141
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	3,943	2,141

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

[Lease Liabilities \(ROUA\) £0.174m](#)

The movement relates to cash, no comparative information is required by IAS 7 in 2024-25.

18. Trade and other payables

Current	31 March 2025 £000	31 March 2024 £000
Welsh Government	7	1
NWJCC/WHSSC and EASC	2,505	2,316
Welsh Health Boards	4,317	2,599
Welsh NHS Trusts	2,583	2,937
Welsh Special Health Authorities	20	1,318
Other NHS	11,526	9,969
Taxation and social security payable / refunds	6,703	6,100
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	6,260	6,210
Non-NHS payables - Revenue	35,782	34,891
Local Authorities	11,205	18,884
Capital payables- Tangible	13,735	12,902
Capital payables- Intangible	20	938
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	2,338	2,253
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	55,843	65,374
Deferred Income:		
Deferred Income brought forward	1,212	1,031
Deferred Income Additions	881	1,223
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,220)	(1,042)
Other creditors	8,323	12,284
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	162,040	180,188
Non-current		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	6,837	7,798
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	6,837	7,798
Total	168,877	187,986

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

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2025	2024
	£000	£000
Between one and two years	1,965	2,140
Between two and five years	3,089	3,651
In five years or more	1,783	2,007
Sub-total	<u>6,837</u>	<u>7,798</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

	At 1 April 2024	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	22,263	0	(890)	100	9,994	(5,439)	(3,522)	0	22,506
Primary care	771	0	0	0	892	(93)	(20)	0	1,550
Redress Secondary care	954	0	(81)	0	932	(218)	(247)	0	1,340
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,155	0	0	13	437	(366)	(26)	51	2,264
All other losses and special payments	0	0	0	0	378	(378)	0	0	0
Defence legal fees and other administration	1,067	0	0	61	1,761	(816)	(279)		1,794
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	11			32	0	(6)	0	0	37
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	149		0	0	4,596	(304)	(93)		4,348
Total	27,370	0	(971)	206	18,990	(7,620)	(4,187)	51	33,839

Non Current

Clinical negligence:-									
Secondary care	51,210	0	0	(100)	22,624	(1,710)	(14,293)	0	57,731
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	13	0	0	(13)	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	618	0	0	(61)	317	(120)	(95)		659
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	622			(32)	79	0	0	0	669
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	2,175	0	0	0	2,175
Other Capital Provisions	0			0	0	0	0	0	0
Other	551		0	0	0	0	(43)		508
Total	53,014	0	0	(206)	25,195	(1,830)	(14,431)	0	61,742

TOTAL

Clinical negligence:-									
Secondary care	73,473	0	(890)	0	32,618	(7,149)	(17,815)	0	80,237
Primary care	771	0	0	0	892	(93)	(20)	0	1,550
Redress Secondary care	954	0	(81)	0	932	(218)	(247)	0	1,340
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,168	0	0	0	437	(366)	(26)	51	2,264
All other losses and special payments	0	0	0	0	378	(378)	0	0	0
Defence legal fees and other administration	1,685	0	0	0	2,078	(936)	(374)		2,453
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	633			0	79	(6)	0	0	706
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	2,175	0	0	0	2,175
Other Capital Provisions	0			0	0	0	0	0	0
Other	700		0	0	4,596	(304)	(136)		4,856
Total	80,384	0	(971)	0	44,185	(9,450)	(18,618)	51	95,581

Expected timing of cash flows:

	In year to 31 March 2026	Between 1 April 2026 31 March 2030	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	22,506	57,731	0	80,237
Primary care	1,550	0	0	1,550
Redress Secondary care	1,340	0	0	1,340
Redress Primary care	0	0	0	0
Personal injury	2,264	0	0	2,264
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,794	659	0	2,453
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	37	62	607	706
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	72	2,103	2,175
Other Capital Provisions	0	0	0	0
Other	4,348	508	0	4,856
Total	33,839	59,032	2,710	95,581

20. Provisions (continued)

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	8,956	(13,309)	(2,932)	25,293	9,789	(4,918)	(616)	0	22,263
Primary care	161	0	0	0	815	(80)	(125)	0	771
Redress Secondary care	1,013	0	(43)	0	485	(113)	(388)	0	954
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,801	0	0	0	176	(905)	(965)	48	2,155
All other losses and special payments	0	0	0	0	306	(306)	0	0	0
Defence legal fees and other administration	835	0	0	299	1,025	(794)	(298)		1,067
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	6			0	9	(15)	0	0	0
2019-20 Scheme Pays - Reimbursement	9			4	0	(2)	0	0	11
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	142		0	0	272	(160)	(105)		149
Total	14,923	(13,309)	(2,975)	25,596	12,877	(7,293)	(2,497)	48	27,370
Non Current									
Clinical negligence:-									
Secondary care	76,988	0	0	(25,293)	844	(948)	(381)	0	51,210
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	13	0	0	0	13
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	776	0	0	(299)	260	(90)	(29)		618
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	595			(4)	31	0	0	0	622
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	551	0	0		551
Total	78,359	0	0	(25,596)	1,699	(1,038)	(410)	0	53,014
TOTAL									
Clinical negligence:-									
Secondary care	85,944	(13,309)	(2,932)	0	10,633	(5,866)	(997)	0	73,473
Primary care	161	0	0	0	815	(80)	(125)	0	771
Redress Secondary care	1,013	0	(43)	0	485	(113)	(388)	0	954
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,801	0	0	0	189	(905)	(965)	48	2,168
All other losses and special payments	0	0	0	0	306	(306)	0	0	0
Defence legal fees and other administration	1,611	0	0	0	1,285	(884)	(327)		1,685
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	6			0	9	(15)	0	0	0
2019-20 Scheme Pays - Reimbursement	604			0	31	(2)	0	0	633
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	142		0	0	823	(160)	(105)		700
Total	93,282	(13,309)	(2,975)	0	14,576	(8,331)	(2,907)	48	80,384

21. Contingencies

21.1 Contingent liabilities

	2024-25 £'000	2023-24 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	135,710	128,790
Primary care	1,694	2,767
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,173	2,169
Continuing Health Care costs	457	606
Other	0	0
Total value of disputed claims	140,034	134,332
Amounts (recovered) in the event of claims being successful	(137,440)	(131,486)
Net contingent liability	2,594	2,846

21.2 Remote Contingent liabilities

	2024-25 £000	2023-24 £000
Guarantees	0	0
Indemnities	1,412	300
Letters of Comfort	0	0
Total	1,412	300

Remote contingent liabilities include nine claims against the Health Board (2023-24: one). Where these claims progress, the majority of the costs incurred (in excess of the £25k per claim attributable to the Health Board) will be recovered from the Welsh Risk Pool. The above amounts represent the remote contingent liabilities prior to any recovery of costs from the Welsh Risk Pool.

21.3 Contingent assets

	2024-25 £000	2023-24 £000
	0	0
Total	0	0

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

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

	2024-25 £000	2023-24 £000
Property, plant and equipment	2,057	5,209
Right of Use Assets	0	0
Intangible assets	0	0
Total	2,057	5,209

23. Losses and special payments

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

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2025	
	Number of cases	£
Clinical negligence:-		
Secondary Care	70	7,148,630
Primary Care	3	92,500
Redress Secondary Care	25	217,774
Redress Primary Care	0	0
Clinical negligence	0	0
Personal injury	28	366,478
All other losses and special payments	211	378,116
Total	337	8,203,498

23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year cases in excess of £300,000		Cumulative amount
	L&R Case reference number	£	£
Cases in excess of £300,000:			
Clinical negligence:-			
Secondary Care	MN/101/3356/AS	800,000	1,887,966
	MN/101/3984/EC	325,000	325,000
	MN/101/3051/EC	360,000	360,000
	MN/101/2121/CRM	350,000	350,000
	MN/101/3164/TT	569,250	569,250

	Number of cases	£	£
Sub-total	5	2,404,250	3,492,216
All other cases paid in year	332	5,799,248	16,596,786
Total cases paid in year	337	8,203,498	20,089,002

23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number of cases	£
Cumulative amount up to £300k	60	2,515,426
Cumulative amount greater than £300k	15	32,682,167
Total	75	35,197,593

24. Right of Use lease obligations**24.1 Obligations (as lessee)****Amounts payable under right of use asset leases:****2024-25**

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2025	2025	2025	2025
	£000	£000	£000	£000
Minimum lease payments				
Within one year	9	1,382	1,106	2,497
Between one and five years	8	3,272	2,074	5,354
After five years	0	1,944	16	1,960
Less finance charges allocated to future periods	0	(489)	(147)	(636)
Minimum lease payments	17	6,109	3,049	9,175
Included in:				
Current borrowings	9	1,290	1,039	2,338
Non-current borrowings	8	4,819	2,010	6,837
	17	6,109	3,049	9,175
Present value of minimum lease payments				
Within one year	9	1,336	1,043	2,388
Between one and five years	8	3,049	1,877	4,934
After five years	0	1,557	13	1,570
Present value of minimum lease payments	17	5,942	2,933	8,892
Included in:				
Current borrowings	9	1,336	1,043	2,388
Non-current borrowings	8	4,606	1,890	6,504
	17	5,942	2,933	8,892

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
Within one year	9	1,386	984	2,379
Between one and five years	18	3,776	2,208	6,002
After five years	0	1,766	281	2,047
Less finance charges allocated to future periods	(1)	(229)	(147)	(377)
Minimum lease payments	26	6,699	3,326	10,051
Included in:				
Current borrowings	9	1,323	921	2,253
Non-current borrowings	17	5,376	2,405	7,798
	26	6,699	3,326	10,051
Present value of minimum lease payments				
Within one year	9	1,357	952	2,318
Between one and five years	17	3,607	2,055	5,679
After five years	0	1,617	250	1,867
Present value of minimum lease payments	26	6,581	3,257	9,864
Included in:				
Current borrowings	9	1,357	952	2,318
Non-current borrowings	17	5,224	2,305	7,546
	26	6,581	3,257	9,864

24.2 Right of Use Assets receivables (as lessor)

The Health Board held two Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

Amounts receivable under right of use assets :

	31 March 2025 £000	31 March 2024 £000
Gross Investment in leases		
Within one year	157	157
Between one and five years	608	626
After five years	240	378
Less finance charges allocated to future periods	(30)	(40)
Minimum lease payments	975	1,121
Included in:		
Current financial assets	148	147
Non-current financial assets	826	974
	974	1,121

Present value of minimum lease payments

Within one year	151	153
Between one and five years	575	597
After five years	221	350
Less finance charges allocated to future periods	(30)	(40)
Present value of minimum lease payments	917	1,060
Included in:		
Current financial assets	143	143
Non-current financial assets	774	917
	917	1,060

25. Private Finance Initiative contracts**25.1 PFI schemes off-Statement of Financial Position**

The Health Board has no PFI Schemes.

Commitments under off-SoFP PFI contracts

	Off-SoFP PFI contracts 31 March 2025 £000	Off-SoFP PFI contracts 31 March 2024 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	0	0
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

The Health Board has no PFI Schemes.

Capital value of scheme included in Fixed Assets Note 11

£000

Contract start date:

Contract end date:

Total obligations for on-Statement of Financial Position PFI contracts due:**2024-25**

	On SoFP PFI Capital element 31 March 2025 £000	On SoFP PFI IFRS 16 impact Finance Charge 31 March 2025 £000	On SoFP PFI Imputed interest 31 March 2025 £000	On SoFP PFI Service charges 31 March 2025 £000
Total payments due within one year	0	0	0	0
Total payments due between 1 and 5 years	0	0	0	0
Total payments due thereafter	0	0	0	0
Total future payments in relation to PFI contracts	0	0	0	0

2023-24

	On SoFP PFI Capital element 31 March 2024 £000	On SoFP PFI IFRS 16 impact Finance Charge 31 March 2024 £000	On SoFP PFI Imputed interest 31 March 2024 £000	On SoFP PFI Service charges 31 March 2024 £000
Total payments due within one year	0	0	0	0
Total payments due between 1 and 5 years	0	0	0	0
Total payments due thereafter	0	0	0	0
Total future payments in relation to PFI contracts	0	0	0	0

31/03/2025
£000

Total present value of obligations for on-SoFP PFI contracts

0

25.3 Charges to expenditure

	2024-25	2023-24
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	0	0

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	0	0
Total	0	0

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

25.4 Number of PFI contracts

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

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

26. Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit risk

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

Liquidity risk

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

27. Movements in working capital

	2024-25 £000	2023-24 £000
(Increase)/decrease in inventories	(859)	(74)
(Increase)/decrease in trade and other receivables - non-current	(4,310)	23,022
(Increase)/decrease in trade and other receivables - current	7,920	(19,243)
Increase/(decrease) in trade and other payables - non-current	(961)	(603)
Increase/(decrease) in trade and other payables - current	(18,148)	(6,439)
Total	(16,358)	(3,337)
Adjustment for accrual movements in fixed assets - creditors	85	417
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	876	351
Adjustment for accrual movements in right of use assets - debtors	(147)	(145)
Other adjustments	1	0
	(15,543)	(2,714)

28. Other cash flow adjustments

	2024-25 £000	2023-24 £000
Depreciation	27,594	26,796
Amortisation	728	718
(Gains)/Loss on Disposal	(22)	(17)
Impairments and reversals	25,762	16,390
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(2,755)	(805)
Government Grant assets received credited to revenue but non-cash	(4)	(8)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in right of use assets	(2,028)	0
Non-cash movements in provisions	24,647	(4,568)
Other movements	40,327	25,059
Total	114,249	63,565

Other movements are Notional funding received for the

- LHB notional 9.4% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

29. Events after the Reporting Period

TBC post audit

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xx xxxx; post the date the financial statements were certified by the Auditor General for Wales.

30. Related Party Transactions

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Alwena Hughes Moakes	Communications and Engagement	Close family member is employed by Aberystwyth University
Andrew Carruthers	Director of Operations	Close family member is employed by NHS Wales Executive
Ann Murphy	Independent Member	Member of Royal College of Nursing
Chantal Patel	Independent Member	Associate Professor, Swansea University
Delyth Raynsford	Independent Member	Close family member is employed by HDdUHB
Huw Thomas	Director of Finance	Close family member is employed by Carmarthenshire County Council Close family member is employed by HDdUHB Honorary Professor in Aberystwyth University
Iwan Thomas	Independent Member	Independent Board Member on Pembrokeshire College Board (Chair)
Joanne Wilson	Director of Corporate Governance / Board Secretary	Close family member is employed by HDdUHB
Lee Davies	Director of Strategy and Planning	Close family member is employed in a GP practice within HDdUHB
Lisa Gostling	Director of Workforce and OD and Deputy Chief Executive	Governor at Pembrokeshire College Close family members employed by HDdUHB
Mark Herwood	Interim Medical Director	Clinical Chair of the Werndale Hospital (part of the Circle Group)
Maynard Davies	Independent Member	Member of the Information Governance Review Panel for the SAIL Databank run by Swansea University
Michael Gray	Associate Member	Director of Social Services Pembrokeshire County Council
Philip Kloor	Chief Executive	Honorary Professor, Swansea University Medical School Member of Council of St John, Carmarthen
Rhodri Evans	Independent Member	Ceredigion County Councillor Close family member is employed by Audit Wales
Winston Weir	Independent Member	Close family member is an associate professor, at the University of Birmingham

Total value of transactions are with entities at which Board members and key senior staff have influential interests in 2024-25:

List of suppliers from above	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Aberystwyth University	184			
Audit Wales	636			
Carmarthenshire County Council	27,138	1,455	6,889	478
Ceredigion County Council	10,968	386	1,931	112
Pembrokeshire College	70			
Pembrokeshire County Council	32,757	3,792	2,359	261
Royal College of Nursing	8			
St John Cymru-Wales	109			
Swansea University	1,131	75	21	1
University of Birmingham	21	14		2
Werndale	669	12	182	32
	73,691	5,734	11,382	886

Hywel Dda University Health Board is the Corporate Trustee of Hywel Dda Health Charities. During the year, the Health Board received £2,608,348 of donated assets from the Charity.

During the year the Health Board made payments on behalf of the Charity. As at 31 March 2025 a balance of £431,730 was owed to the Health Board by the Charity.

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

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	2	1,316,269	7	1,777
Aneurin Bevan University Health Board	377	438	33	17
Betsi Cadwaladr University Health Board	321	5,677	25	440
Cardiff & Vale University Health Board	8,366	679	757	57
Cwm Taf Morgannwg University Health Board	868	632	74	70
Digital Health & Care Wales (DHCW)	7,184	747	8	104
Health Education & Improvement Wales (HEIW)	28	12,039	12	619
NHS Wales Joint Commissioning Committee	142,225	3,470	2,505	108
Powys Teaching Health Board	543	10,579	53	630
Public Health Wales NHS Trust	2,835	3,828	227	466
Swansea Bay University Health Board	47,361	5,701	3,374	207
Velindre NHS Trust	35,768	4,833	2,333	1,369
Welsh Ambulance Services Trust	1,660	111	24	38
	247,538	1,365,003	9,432	5,902

31. Third Party assets

The LHB held £1,367,121 cash at bank and in hand at 31 March 2025 (31 March 2024, £1,308,415) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £1,130,920 at 31 March 2025 (31 March 2024, £1,035,355). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

32. Pooled budgets

Under Section 33 of the NHS (Wales) 2006 Act the Health Board has entered in to multiple pooled budget arrangements with local authorities and accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The financial operation of the pooled budget is governed by a pooled budget agreement between the various local authorities and the Health Board.

Carmarthenshire County Council:

On 1 October 2009 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £887,092 are accounted for as expenditure in the accounts of the Health Board.

In addition, on the 3 March 2011 the Health Board entered into a pooled budget arrangement for the provision of Carmarthenshire Community Health and Social Care services. The Section 33 agreement only provided the framework for taking forward future schedules and therefore references all community based health, social care (adults & children) and related housing and public protection services so that if any future developments are considered, a separate agreement will not have to be prepared. There are currently no pooled budgets related to this agreement.

Ceredigion County Council:

On 1 April 2009 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £475,000 are accounted for as expenditure in the accounts of the Health Board.

Pembrokeshire County Council:

On 31 March 2011 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £397,040 are accounted for as expenditure in the accounts of the Health Board.

33. Operating segments

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

The Health Board has no operating segments requiring disclosure.

34. Other Information**34.1. 9.4% Staff Employer Pension Contributions - Notional Element**

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2024 to 31st March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2024-25 £000	2023-24 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2025		
Expenditure on Primary Healthcare Services	663	343
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	39,659	24,714

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

Net operating cost for the year	40,322	25,057
Notional Welsh Government Funding	40,322	25,057

Statement of Cash Flows for year ended 31 March 2025

Net operating cost for the financial year	40,322	25,057
Other cash flow adjustments	40,322	25,057

2.1 Revenue Resource Performance

Revenue Resource Allocation	40,322	25,057

3. Analysis of gross operating costs**3.1 Expenditure on Primary Healthcare Services**

General Medical Services	663	343
Pharmaceutical Services	0	0
General Dental Services	0	0
Other Primary Health Care expenditure	0	0

3.2 Expenditure on healthcare from other providers

	0	0
	0	0

3.3 Expenditure on Hospital and Community Health Services

Directors' costs	421	210
Staff costs	38,965	24,349
Single Lead Employer staff trainee costs	936	498

9.1 Employee costs**Permanent Staff**

Employer contributions to NHS Pension Scheme	40,322	25,057
Charged to capital	69	71
Charged to revenue	40,253	24,986

18. Trade and other payables**Current**

Pensions: staff	0	0

28. Other cash flow adjustments

Other movements	40,322	25,057

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

Other**34.2 IFRS 17 - Insurance Contract Disclosures**

The outcome of the contract review for a range of income contract types applicable to the organisation, did not identify any insurance contracts that fall within the scope of IFRS 17.

STATEMENT OF FINANCIAL POSITION

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2024	0
Liability for remaining payments @ 31 March 2025	0
	0
Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	0
	0

STATEMENT OF COMPREHENSIVE NET EXPENDITURE**/ STATEMENT OF COMPREHENSIVE INCOME *Delete as appropriate**

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.

5

12:30, 0 Mins

5 - Any Other Business

All

6 - Date and Time of Next Meeting

9.30am, 24 June 2025