



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	05 May 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Audit Enquiries To Those Charged With Governance and Management
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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**

**Sefyllfa / Situation**

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 & 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<sup>st</sup> May 2021.

**Cefndir / Background**

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 three main areas namely fraud, laws and regulations and related party relationships and transactions that impact on the audit of the financial statements.

**Asesiad / Assessment**

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.

**Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is asked to review the response prepared and, subject to any required amendment, ratify for onward submission to Audit Wales.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	5.2 Governance, Risk Management and Internal Control
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Not Applicable

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
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:	

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	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.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	No specific impact
<b>Gweithlu:</b> <b>Workforce:</b>	No specific impact

<b>Risg: Risk:</b>	No specific impact
<b>Cyfreithiol: Legal:</b>	Compliance with statutory responsibilities
<b>Enw Da: Reputational:</b>	Provides assurance regarding governance
<b>Gyfrinachedd: Privacy:</b>	No specific impact
<b>Cydraddoldeb: Equality:</b>	No specific impact

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By email

**Reference:** HDGOV01

**Date issued:** 8 March 2021

Dear Steve

### **Hywel Dda University Health Board 2020-21 – Audit enquiries to those charged with governance and management**

In my 2021 Audit Plan I set out that I am responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement whether caused by fraud or error. I also set out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both the management of Hywel Dda University Health Board (the UHB) and 'those charged with governance' (the Board).

I have set out below the areas of governance on which I am seeking views.

1. Management processes in relation to:
  - Undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
  - Identifying and responding to risk of fraud in the organisation;
  - Communication to employees of views on business practice and ethical behaviour; and
  - Communication to those charged with governance the processes for identifying and responding to fraud.
2. Management's awareness of any actual or alleged instances of fraud
3. How management gain assurance that all relevant laws and regulations have been complied with.

4. Whether there is any potential litigation or claims that would affect the financial statements.

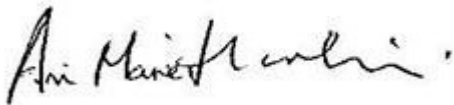
5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the UHB and its business processes and support our work in providing an audit opinion on your 2020-21 financial statements.

I would be grateful if you could complete the attached table in Appendix 1. For information purposes this table also includes the responses provided by the UHB in 2019-20.

Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance by 31 May 2021. In the meantime, if you need anything further, please contact Lucy Evans on 07976 126763 or by e-mail at [Lucy.Evans@audit.wales](mailto:Lucy.Evans@audit.wales).

Yours sincerely



**Ann-Marie Harkin**  
**Engagement Lead**

**Cc Mr Huw Thomas, Director of Finance**

## **Appendix 1**

### **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 Audit Committee. Management, with the oversight of those charged with governance, 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 those charged with governance.

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 (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

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



## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	<p>The risk is considered to be minimal and we are not aware of any fraud that would impact materially on our financial statement, based on robust and comprehensive counter fraud and internal audit services.</p> <p>The Head of Internal Audit has concluded for 2019/20 the Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Corporate Governance, Risk and Regulatory Compliance and Financial Governance and Management both received as assessment of Reasonable Assurance. The Internal Audit review into Core Financial Systems gave Substantial Assurance.</p>	<p>Despite the Covid-19 pandemic the Fraud risk impact is low and we are not aware of any fraud that would impact materially on our financial statement, based on robust and comprehensive counter fraud and internal audit services.</p> <p>The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control for 2020/21 has given Reasonable Assurance.</p> <p>The Internal Audit of Governance arrangements during the Covid-19 pandemic identified that Financial Governance was maintained during the first period of the pandemic with the development of a value for money framework, the development of a process to record and regularise expenditure and regular reporting to the Finance Committee. The Internal Audit of Accounts Receivable was given Reasonable Assurance during 20/21.</p>
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	<p>The University Health Board (UHB) employs 2 full time Local Counter Fraud Specialists (LCFS) to undertake the full duties of anti-fraud work. The LCFS' work to a Counter Fraud work plan devised around the 4 strategic areas outlined within</p>	<p>Hywel Dda University Health Board (HDUHB) employs 2 full time Local Counter Fraud Specialists (LCFS) to undertake the full duties of anti-fraud work.</p> <p>The LCFS' work in line with an approved</p>



## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	<p>the NHS Counter Fraud Authority (NHS CFA) Standards and organisational risks. The annual self-assessment undertaken by the LCFS of the counter fraud activity completed within the UHB assessed performance as green against the NHS CFA's fraud, bribery, and corruption standards. All key requirements of the Welsh Government (WG) Directions July 2006 to NHS Bodies on Counter Fraud Measures have been achieved.</p> <p>Liaison between internal auditors and the LCFS ensures areas where audit reveals a potential fraud risk, or system vulnerability are assessed by the Counter Fraud team</p> <p>The UHB's Standing Orders (SOs), Standing Financial Instructions (SFIs), Financial Procedures and policies; staff training in counter fraud; use of audit testing and audit recommendation in respect of best practice e.g. separation of duties all minimise the risk of misstatement.</p>	<p>Counter Fraud work plan which was adapted to take into account the particular circumstances arising due to the Covid-19 pandemic. The plan was devised around the 4 strategic areas outlined within the NHS Counter Fraud Authority (NHS CFA) Standards and organisational risks.</p> <p>The annual self-assessment undertaken by the LCFS of the counter fraud activity completed within the UHB assessed performance as green against the NHS CFA's fraud, bribery, and corruption standards. All key requirements of the Welsh Government (WG) Directions July 2006 to NHS Bodies on Counter Fraud Measures have been achieved.</p> <p>A new Self Assessment will be undertaken and concluded by the end of May 2021 to align with the new Government Functional Standards coming into effect from the 1<sup>st</sup> April 2021.</p> <p>Liaison between internal auditors and the LCFS ensures areas where audit reveals a potential fraud risk, or system vulnerability are assessed by the Counter Fraud team. HDUHB's Standing Orders (SOs), Standing Financial Instructions (SFIs), Financial Procedures and policies; staff training in counter fraud; use of audit testing and audit</p>

## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
		recommendation in respect of best practice e.g. separation of duties all minimise the risk of misstatement.
3. What arrangements are in place to report fraud issues and risks to the Audit Committee?	<p>The UHB's Director of Finance is the delegated person responsible for providing strategic management on all aspects of economic crime. This is evidenced by the preparation of the antifraud, bribery and corruption workplan, along with counter fraud annual report and progress reports presented on a bi-monthly basis to Audit &amp; Risk Assurance Committee (ARAC). HDUHB has nominated the Board Secretary as its Fraud Champion.</p> <p>The annual report highlights the activities undertaken by the Counter Fraud Service, to demonstrate compliance with the NHS CFA guidance on working with fraud, bribery and corruption. The standards are reviewed on a regular basis and cross referenced against work undertaken by the Lead LCFS.</p>	<p>HDUHB's Director of Finance is the delegated person responsible for providing strategic management on all aspects of economic crime. This is evidenced by the preparation of the antifraud, bribery and corruption workplan, along with counter fraud annual report and progress reports presented on a bi-monthly basis to Audit &amp; Risk Assurance Committee (ARAC). HDUHB has nominated the Board Secretary as its Fraud Champion.</p> <p>The annual report highlights the activities undertaken by the Counter Fraud Service, to demonstrate compliance with the NHS CFA guidance on working with fraud, bribery and corruption. The standards are reviewed on a regular basis and cross referenced against work undertaken by the Lead LCFS.</p>
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	The LCFS has supported the Corporate Governance Team in raising awareness around the requirements of the Standards of Behaviour Policy. Specifically, the requirement around Declarations of Interests and Gifts, Hospitality and	The LCFS support the Corporate Governance Team in raising awareness around the requirements of the Standards of Behaviour Policy. Specifically, the requirement around Declarations of Interests and Gifts, Hospitality and

## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	<p>Sponsorship.</p> <p>The LCFS' have an on-going work programme with the NHS Counter Fraud Service (Wales) to develop an Anti-Fraud Culture within the NHS. There is an anti-fraud, bribery and corruption policy in place that outlines the responsibilities of staff in countering Fraud and corruption within the UHB. Links to the Counter Fraud policy and associated 'All Wales Raising Concerns (Whistle Blowing) Policy' are also made available to all staff via the Counter Fraud page on the staff intranet.</p> <p>Fraud awareness presentations have been provided in numerous ways including Induction, Managers Passport, student placements, Medicine Safety Days, Finance Department Induction. Bespoke face to face Counter Fraud learning has also targeted staff groups at higher risk of contact with fraud such as recruitment, finance, community-based staff and staff who work with service users with learning disabilities.</p> <p>Communications links have been enhanced and developed over this work</p>	<p>Sponsorship.</p> <p>The LCFS' have an on-going work programme with the NHS Counter Fraud Service (Wales) to develop an Anti-Fraud Culture within the NHS. There is an anti-fraud, bribery and corruption policy in place that outlines the responsibilities of staff in countering Fraud and corruption within the UHB. Links to the Counter Fraud policy and associated 'All Wales Raising Concerns (Whistle Blowing) Policy' are also made available to all staff via the Counter Fraud page on the staff intranet.</p> <p>Fraud awareness presentations have taken place, albeit virtually and where this was not possible new literature has been provided to raise awareness, including for Induction, Managers Passport, student placements, Medicine Safety Days, Finance Department Induction.</p> <p>Bespoke face to face Counter Fraud learning has also targeted staff groups at higher risk of contact with fraud such as Estates, Finance and those working within the Menial Health Directorate.</p>

## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	<p>period and the Counter Fraud Team now has a dedicated Twitter account to promote the counter fraud message.</p>	<p>Communications links continue to be developed and the use of both internal and external Media sources have been used to raise awareness. This includes an awareness page dedicated to Fraud Risks associated with the Covid-19 Pandemic.</p>
<p>5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?</p>	<p>Update reports on the status of current cases are supplied to ARAC on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects.</p> <p>The Counter Fraud Team has actively investigated 26 reports of financial crime in this year, which includes 15 cases carried over from the previous year with 11 new investigations initiated in 2019/20. This work has resulted in the application of 3 criminal sanctions, 3 internal sanctions and 4 civil recoveries.</p> <p>The total recovery for the UHB in relation to fraud investigations stands at £21,015. Seven investigations remain open for investigation in 2019/20. Given this work, it is reasonable to conclude the accounts have not been subject to a risk of material fraud.</p>	<p>Update reports on the status of current cases are supplied to ARAC on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects.</p> <p>The Counter Fraud Team has actively investigated and closed 21 reports of financial crime in the 2020/21 financial year, which included 10 cases carried over from the previous year with 14 new investigations initiated in 2020/21. This work has resulted in the application of 2 criminal sanctions, 2 internal sanctions and 4 recoveries.</p> <p>Data analysed by NHS CFS Wales demonstrates that the overall recovery for HDUHB in relation to fraud investigations stands at £21,831.</p> <p>11 investigations will remain open and carried forward into 2021/22 financial year for investigation.</p>

## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
		Given this work, it is reasonable to conclude the accounts have not been subject to a risk of material fraud.

## Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Risk Committee, exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	Regular attendance by the Lead LCFS at ARAC provides the opportunity for Independent Members (IM) to be updated on fraud matters and provide input on direction. Learning arising from LCFS work around risk reduction and investigation outcomes are shared with relevant leads and updates provided via ARAC. The UHB's IMs also hold a private meeting with the LCFS on an annual basis to discuss any issues arising.	The Lead LCFS regularly attends ARAC meetings and provides the opportunity for Independent Members (IM) to be updated on fraud matters and provide input on direction. Learning arising from LCFS work around risk reduction and investigation outcomes are shared with relevant leads and updates provided via ARAC. H DUHB Independent Members also hold a private meeting with the LCFS on an annual basis to discuss any issues arising. In line with the new Counter Fraud Government Standards, fraud risks identified through open investigations will be reported to ARAC via the in-committee meeting and those applicable will be recorded on the Health Board's Risk Register.
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2020?	Update reports on the status of current cases are supplied to ARAC on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects.  The Counter Fraud Team has actively investigated 26 reports of financial crime in this year, which includes 15 cases carried over from the previous year with 11 new investigations initiated in 2019/20. This	Update reports on the status of current cases are supplied to ARAC on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects.  The Counter Fraud Team has actively investigated and closed 21 reports of financial crime in the 2020/21 financial year, which included 10 cases carried over

## Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
	<p>work has resulted in the application of 3 criminal sanctions, 3 internal sanctions and 4 civil recoveries.</p> <p>The total recovery for the UHB in relation to fraud investigations stands at £20,015.</p> <p>Seven investigations remain open for investigation in 2019/20.</p> <p>The value of these is not anticipated to exceed £40k in total.</p>	<p>from the previous year with 14 new investigations initiated since the 1<sup>st</sup> April 2020.</p> <p>This work has resulted in the application of 2 criminal sanctions, 2 internal sanctions and 4 recoveries.</p> <p>Data analysed by NHS CFS Wales demonstrates that the overall recovery for HDUHB in relation to fraud investigations stands at £21,831.</p> <p>11 investigations will remain open and carried forward into 2021-22 financial year for investigation.</p>

## **Appendix 2**

### **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 Audit Committee, is responsible for ensuring that the Health Board'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;
- 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 Audit Committee as to whether the Health Board 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.



## Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	The UHB has taken reasonable endeavours to comply with identified relevant legislation. Legal implications are considered as necessary in all papers to the Board or Board Committees. In addition, a legislative assurance framework is in place. Executive Directors also have delegated responsibilities which are captured in the Detailed Scheme of Delegation. The Chief Executive Officer is responsible for performance management of Directors and for providing assurance to the Board. In addition, compliance with laws and regulations is tested by the Board's Committees which are support in this task by internal and external and assurance testing.	The UHB has taken reasonable endeavours to comply with identified relevant legislation. Legal implications are considered as necessary in all papers to the Board or Board Committees. In addition, a legislative assurance framework is in place. Executive Directors also have delegated responsibilities which are captured in the Detailed Scheme of Delegation. The Chief Executive Officer is responsible for performance management of Directors and for providing assurance to the Board. In addition, compliance with laws and regulations is tested by the Board's Committees which are support in this task by internal and external and assurance testing.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	During 2019/20, the Health and Safety Executive issued 8 improvement Notices and 13 material breaches to the UHB in relation to violence and aggression, manual handling and incident management. In addition, the UHB also received 5 Enforcement Notices in respect of The Regulatory Reform (Fire Safety) Order 2005: Article 30. ARAC are also aware of an issue of non-compliance with the European Working Time Directive, with switchboard staff working in the IM&T directorate. A follow up review by Internal	Only 4 of the 8 Health and Safety Executive issued improvement Notices and 5 material breaches to the UHB in relation to violence and aggression, manual handling and incident management remain outstanding. In 2020/21, the UHB received 3 Enforcement Notices in respect of The Regulatory Reform (Fire Safety) Order 2005: Article 30. This means at present, there are 6 Fire Enforcement Notices that the UHB are working to address however Internal Audit has recently undertaken a review of fire governance which attained a substantial

	<p>Audit in March 2020 provided Reasonable Assurance however due to COVID the instances of one person covering switchboards has increased due to some staff needing to self-isolate or deemed too at risk to work. Switchboard modernisation is expected to be implemented by March 2021. These breaches have not had a material impact on the UHB's Financial Statements.</p>	<p>assurance rating demonstrating improvements are being made as capital funds/COVID allow works to be undertaken. ARAC are also aware of an issue of non-compliance with the European Working Time Directive, with switchboard staff working in the IM&amp;T directorate, over certain time periods due to implications of the COVID 19 pandemic this has remained a concern. Switchboard modernisation is expected to be implemented by May 2021. These breaches have not had a material impact on the UHB's Financial Statements.</p>
3. Are there any potential litigations or claims that would affect the financial statements?	<p>All known litigations/claims are either provided for within the financial statements or disclosed as a contingency liability or contingent asset as appropriate</p>	<p>All known litigations/claims are either provided for within the financial statements or disclosed as a contingency liability or contingent asset as appropriate</p>
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	<p>A number of routine reviews have been undertaken during the year or are ongoing by HMRC that are reported to ARAC. Where these have been concluded and identified underpayment this has been paid in full.</p>	<p>A number of routine reviews have been undertaken during the year or are ongoing by HMRC that are reported to ARAC. Where these have been concluded and identified underpayment this has been paid in full.</p>

## Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How does the Audit and Risk Committee, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	The UHB has taken reasonable endeavours to comply with identified relevant legislation. The ARAC, through the UHB's reporting process is provided with assurance from the monitoring committees and sub committees. Any known/ identified departure from compliance would be highlighted by this means and the associated risks of non-compliance assessed and managed appropriately by the lead. In addition, the UHB has a Legislative Assurance Framework (LAF) in place which lists key legislation and this is routinely reviewed with Directorates and informed by audits/ inspections/ reviews findings. Areas of non-compliance are risk assessed to provide assurance that the issue of non-compliance is addressed and the impacts are mitigated as far as reasonably practicable.	The UHB has taken reasonable endeavours to comply with identified relevant legislation. The ARAC, through the UHB's reporting process is provided with assurance from the monitoring committees and sub committees. Any known/ identified departure from compliance would be highlighted by this means and the associated risks of non-compliance assessed and managed appropriately by the lead. ARAC is provided with assurance from audits/ inspections/ reviews findings. Services are responsible for ensuring that potential areas of non-compliance are risk assessed to provide assurance that the issue of non-compliance is addressed and the impacts are mitigated as far as reasonably practicable.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	There are areas of limited assurance identified on the LAF by Directorates, in addition to those outlined above, which have been risk assessed and have plans to address the issues. These relate to the following:	In addition to those outlined above, which have been risk assessed and have plans to address the issues. These relate to the following: <ul style="list-style-type: none"> <li>Safeguarding Vulnerable Groups Act 2006 in respect of historical DBS checks</li> </ul>

## Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
	<ul style="list-style-type: none"> <li>• Safeguarding Vulnerable Groups Act 2006 in respect of historical DBS checks</li> <li>• Medicines Act 1968 in respect of wholesale license</li> <li>• Violence against Women and Sexual Violence (Wales) Act 2015 in respect to levels of attendance at mandatory training</li> <li>• Counter Terrorism &amp; Security Act 2015 in respect of site security</li> </ul>	<ul style="list-style-type: none"> <li>• Medicines Act 1968 in respect of wholesale license</li> <li>• Violence against Women and Sexual Violence (Wales) Act 2015 in respect to levels of attendance at mandatory training</li> <li>• Counter Terrorism &amp; Security Act 2015 in respect of site security</li> </ul>

## Appendix 3

### 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 entity'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 entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

## Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> <li>the identity of any related parties, including changes from the prior period;</li> <li>the nature of the relationships with these related parties;</li> <li>details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.</li> </ul>	<p>Yes, fully disclosed within the Annual Accounts.</p>	<p>Yes, fully disclosed within the Annual Accounts.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>A fully comprehensive Declaration of Interest form is completed and returned by each Board member annually. This declaration is also returned if there are any changes in interests throughout the year. In addition, any Board member may declare any change in their interests at the Board meetings. A central Register of Interests is maintained, copies of this central register together with the signed declarations are made available to Finance in order that all related party financial transactions are identified and incorporated in the Annual Accounts. These financial transactions are then subject to Audit Wales and ARAC scrutiny.</p>	<p>A fully comprehensive Declaration of Interest form is completed and returned by each Board member annually. This declaration is also returned if there are any changes in interests throughout the year. In addition, any Board member may declare any change in their interests at the Board meetings. A central Register of Interests is maintained, copies of this central register together with the signed declarations are made available to Finance in order that all related party financial transactions are identified and incorporated in the Annual Accounts. These financial transactions are then subject to Audit Wales and ARAC scrutiny.</p>

## Enquiries of the those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
1. How does the Audit Committee, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	ARAC on behalf of the Board considers related party disclosures as an integral element of its scrutiny of the annual accounts and underpinning processes and is assured through SFIs and underpinning Financial Procedure that there are effective internal controls.	ARAC on behalf of the Board considers related party disclosures as an integral element of its scrutiny of the annual accounts and underpinning processes and is assured through SFIs and underpinning Financial Procedure that there are effective internal controls.



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	05 May 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Draft Accountability Report 2020/21
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Steve Moore, Chief Executive Officer
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Joanne Wilson, Board Secretary

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

### ADRODDIAD SCAA SBAR REPORT

#### Sefyllfa / Situation

Hywel Dda University Health Board is required to provide an Accountability Report as part of its Annual Report and Accounts for 2020/21. 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 2020/21 reporting period the deadlines for submission are:

Submit Draft Financial Statements	30 <sup>th</sup> April 2021
Audit and Risk Assurance Committee (to review DRAFT financial statements and Draft Accountability Report)	9.30am, Wednesday 5 <sup>th</sup> May 2021
Submit draft Performance Report Overview, Accountability Report (including the Annual Governance Statement), and Draft Remuneration Report	Friday 7 <sup>th</sup> May 2021
Audit and Risk Assurance Committee (to approve above FINAL Financial Statements, Accountability Report and Performance Report)	9.30am, Thursday 10 <sup>th</sup> June 2021
Board Meeting in Public (to approve FINAL Annual Report, Annual Accounts, Accountability Report and Performance Report)	12 noon, Thursday 10 <sup>th</sup> June 2021
Submit final Annual Report and Accounts as a single unified PDF document	Friday, 11 <sup>th</sup> June 2021
Public Meeting	Thursday, 29 <sup>th</sup> July 2021

**Asesiad / Assessment**

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

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

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

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

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

As a minimum, the Corporate Governance Report must include:

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

- required for determining that the annual report and accounts as a whole is fair, balanced and understandable;
- iii) The Annual Governance Statement – the AGS 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 AGS has been compiled in accordance with the relevant guidance and includes mandated wording.

### Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is requested to discuss and support the content of the Draft Accountability Report, providing any feedback that is relevant to its objective to the Board Secretary by **Friday, 14 May 2021**, 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	5.2 In particular, the Committee will review the adequacy of: 5.2.1 all risk and control related disclosure statements (in particular the Annual Governance Statement and the Annual Quality Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Not Applicable

### Gwybodaeth Ychwanegol:

#### Further Information:

Ar sail tystiolaeth: Evidence Base:	NHS Wales 2018/19 Manual for Accounts
Rhestr Termau: 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:	Chief Executive Officer Director of Workforce and OD Deputy Director of HR Chair Assistant Head of Financial Accounting
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Effaith: (rhaid cwblhau) Impact: (must be completed)	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Not applicable.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	There are no direct quality/patient care implications within this report.
<b>Gweithlu:</b> <b>Workforce:</b>	Not applicable.
<b>Risg:</b> <b>Risk:</b>	This report enables the UHB to meet its key accountability requirements to Parliament.
<b>Cyfreithiol:</b> <b>Legal:</b>	Not applicable.
<b>Enw Da:</b> <b>Reputational:</b>	Not applicable.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable.
<b>Cydraddoldeb:</b> <b>Equality:</b>	<ul style="list-style-type: none"> <li>Has EqlA screening been undertaken? No (if yes, please supply copy, if no please state reason)</li> <li>Has a full EqlA been undertaken? No</li> </ul>

# Hywel Dda University Health Board

## ACCOUNTABILITY REPORT 2020/21



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## INTRODUCTION TO THE ACCOUNTABILITY REPORT

The Accountability Report is one of the 3 reports which form Hywel Dda University Health Board's (the Health Board) Annual Report and Accounts. The accountability section of the Annual Report is to meet key accountability requirements to the Welsh Government (WG). The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

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

The Accountability Report consists of 3 main parts. These are:

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

# Hywel Dda University Health Board

## PART A:

## CORPORATE GOVERNANCE REPORT 2020/21



## INTRODUCTION

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

- **The Directors' Report:** This provides details of the Board and Executive Team who have authority or responsibility for directing and controlling the major activities of the Health Board during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.
- **The Statement of Accounting Officer's Responsibilities and Statement of Directors' Responsibilities:** This requires the Accountable Officer, Chairman and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts, as a whole, is fair, balanced and understandable.
- **The Annual Governance Statement:** This is the main document in the Corporate Governance Report. It explains the governance arrangements and structures within the Health Board and brings together how the organisation manages governance, risk and control.



## **DIRECTORS' REPORT**

### **The Composition of the Board and Membership**

Hywel Dda University Health Board has 11 Independent Members (including Chair and Vice-Chair) who are appointed by the Minister for Health and Social Services, and 9 Executive Directors. All Independent Members and Executive Director Members have full voting rights. In addition, there are 4 Associate Members who have been appointed by the Health Board in accordance with Standing Orders and approved by the Minister for Health and Social Services. Associate Members have no voting rights. There is also 1 Director and the Board Secretary who form part of the Executive Team who also have no voting rights.

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

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

Further details in relation to the composition of the Board can be found at pages 17 to 20 of the [Annual Governance Statement](#). This will include Board and Committee membership, including the Audit and Risk Assurance Committee, for 2020/21, the meetings attended during the year and the champion roles fulfilled by Board Members. In addition, short biographies of all Board members can be found on the Health Board's website at: <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>.

### **Register of Interests**

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A Register of Interests is available on the Health Board's website by clicking on the following link [Register of Members Interests up to 08/04/2021](#), or a hard copy can be obtained from the Board Secretary on request.

### **Personal Data Related Incidents**

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on page 77 of the [Annual Governance Statement](#).

### **Environmental, Social and Community Issues**

These are outlined in page 74 of the [Annual Governance Statement](#).

### **Statement for Public Sector Information Holders**

This is contained in the [Parliamentary Accountability and Audit Report](#) on page 127.

## **STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF HYWEL DDA UNIVERSITY HEALTH BOARD**

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

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

I can confirm that:

- To the best of my knowledge and belief, there is no relevant audit information of which Hywel Dda University Health Board's auditors are unaware and I have taken all steps that ought to have been taken to make myself aware of any relevant audit information and established that the auditors are aware of that information.
- Hywel Dda University Health Board's annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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

**Signed  
by:**

**Date: 10 June 2021**

**Steve Moore  
Chief Executive Officer**

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year.

The Welsh Ministers, with the approval of HM Treasury, direct that these accounts give a true and fair view of the state of affairs of Hywel Dda University Health Board and of the income and expenditure of the Hywel Dda University Health Board for that period.

In preparing those accounts, the Directors are required to:

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

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

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

### BY ORDER OF THE BOARD

#### Signed by:

On behalf of Chair:	.....	Date:	10 <sup>th</sup> June 2021
	Maria Battle		

Chief Executive:	.....	Date:	10 <sup>th</sup> June 2021
	Steve Moore		

Executive Director of Finance:	.....	Date:	10 <sup>th</sup> June 2021
	Huw Thomas		

## ANNUAL GOVERNANCE STATEMENT

### SCOPE OF RESPONSIBILITY

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

The Annual Report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services during a global pandemic. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated, and assurance has been sought and provided. Where necessary additional information is provided in the Annual 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 Annual Governance Statement (AGS).

This AGS explains where the Health Board has deviated from normal operating procedures, and details the arrangements to manage and control the Health Board's resources in place during 2020/21 to discharge my responsibilities as the Chief Executive Officer. It will also detail the extent to which the organisation complies with its own governance arrangements, in place to ensure that it fulfils its overall purpose, which is that it is operating effectively and delivering quality and safe care to patients, through sound leadership, strong stewardship, clear accountability, robust scrutiny and challenge, ethical behaviours and adherence to the Health Board's values and behaviours. It will set out some of the challenges and risks the Health Board encountered and those it will continue to face going forward.

It has been just over a year since the first national lockdown in response to the COVID-19 pandemic. The Health Board has faced unprecedented and increasing pressure to plan and deliver healthcare to its local communities, to meet the needs of those affected by COVID-19 and those requiring access to non-COVID related services. To do this, the Health Board has had to work very differently, both internally and with its staff, partners and stakeholders, and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales on 30 March 2020, with regard to "COVID19 Decision Making and Financial Guidance". The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available.

Despite operating within a global pandemic, as public bodies, the Health Board must still demonstrate that its decision-making has been quality focussed, efficient, and able to stand the test of scrutiny with respect to compliance with Managing Welsh

Public Money, and be able to demonstrate Value for Money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions.

Whilst the pandemic has been extremely challenging, it has provided the organisation with the opportunity to learn and become more agile and responsive in its decision-making and governance arrangements. Audit Wales (AW) recognised in their Structured Assessment 2020 how the Board has matured in how it adapted its governance arrangements to ensure public transparency, agile decision-making and effective scrutiny and leadership throughout the pandemic. Internal Audit (IA) also acknowledged that the Health Board's governance arrangements operated effectively during the peak of the pandemic and complied with the guidance and principles issued by WG.

Shorter, quarterly planning cycles in-year have enabled the organisation to be more fluid and responsive to incoming data and anticipated peaks in demand for critical care and bed capacity as a result of COVID-19 activity, whilst trying to maintain essential services, and understanding the impacts of scaled back services on delivery, quality and safety, finances and performance.

### **Targeted Intervention**

The Health Board is held to account for its performance by the WG, who have established arrangements for escalation and intervention to support NHS bodies to address issues effectively and deliver the required improvement.

During 2020/21, in recognition of the Health Board's continued good performance prior to the pandemic and the professional and considered way in which the Health Board responded to the extraordinary circumstances of the pandemic, WG reduced the Health Board's escalation status from 'targeted intervention' to 'enhanced monitoring'. In order for the Health Board to move into 'routine monitoring', the Health Board needs to focus on future financial plans, which will be dependent on delivering the Health and Care Strategy and the capability and capacity of the organisation in terms of planning. The Health Board welcomed the reduction in escalation status which recognised the developing maturity of the organisation and reflected the efforts of the whole organisation both prior and during the pandemic.

## **THE GOVERNANCE FRAMEWORK**

The Model Standing Orders, Reservation and Delegation of Powers are issued by Welsh Ministers for the regulation of the Health Board's proceedings and business. These are designed to translate the statutory requirements set out in the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779 (W.67)) into day to day operating practice, and, together with the adoption of a Scheme of decisions reserved to the Board; a Scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These were reviewed by the Board in January 2021.

These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of the Health

Board's Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

As part of the response to the pandemic, in April 2020, the Health Board set out its approach to maintaining the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints, in its 'Maintaining Good Governance COVID-19' report, which can be accessed on the following link [Board Meeting in Public agenda and papers - 16 April 2020](#). The Board reinforced that in a fast moving pandemic, governance arrangements must be strengthened, in order to receive assurance on key issues such as:

- service preparedness and the response to the pandemic;
- clinical leadership;
- engagement and ownership of developing plans;
- health and wellbeing of staff;
- proactive, meaningful and effective communication with staff at all levels; and
- health and care system preparedness.

The Board considered and agreed new ways of working which were continually reviewed and adapted during the pandemic, and approved a temporary variation from its Standing Orders and Reservation and Delegation of Powers. These are explained further in the [Board Activity](#) section on page 24.

As Accountable Officer, I ensured that these arrangements remained under constant review with the Chair and the support of the Board Secretary during the year, with reports on 'Maintaining Good Governance during COVID-19' presented to every Board Meeting in Public. These reports can be accessed in the Board papers via the following link <https://hduhb.nhs.wales/about-us/your-health-board/>.

Part of these arrangements required the Board to approve temporary variations from the legal framework to which the Board operates within. The variations agreed by Board were as follows:

Variations to Standing Orders approved by Board on 16 April 2020		
Reference	Heading/Sub Heading	Proposed Change
Xxxii	Variation and amendment to Standing Orders	Changes to the standing orders will be agreed at Board first and communicated to Audit Committee (not the other way round)
2.1	Chair's action on urgent matters	<p>In principle, the current Board scheme of delegation and specifically the matters the Board reserves for its own decision (Schedule 1 of the Standing Orders) will remain. In the event of a critical or urgent decision(s) needing to be made, we will use Chair's action.</p> <ul style="list-style-type: none"> <li>• Where possible the full Board will retain decision making;</li> <li>• If the full Board is not available or cannot be convened at speed, we will</li> </ul>

		<p>operate with a quorum as set out in our standing orders</p> <ul style="list-style-type: none"> <li>Chair's Action will be used when an urgent decision is required and will be recorded and ratified by the Board.</li> </ul>
<b>3.3</b>	Committees of the Board	<ol style="list-style-type: none"> <li>1. Audit and Risk Assurance Committee continue to operate in a remote format with an agenda focussed on ensuring compliance, in particular with the Annual Accounts, Governance Statements and Annual Report</li> <li>2. Quality, Safety and Experience Assurance Committee continue to operate in a remote format with an agenda focussed on ensuring compliance in particular with the Annual Quality Statement, patient experience and Putting Things Right. The Committee will also have an assurance role linked to COVID-19. The Committee will meet on a monthly basis.</li> <li>3. People, Planning and Performance Assurance Committee suspended for the foreseeable future – performance information will be considered by the Board with the people elements reviewed in QSEAC.</li> <li>4. Health and Safety Assurance Committee will continue to meet with a reduced remit and agenda.</li> <li>5. Finance Committee will continue to meet with a reduced remit and agenda</li> <li>6. The Mental Health Legislation Assurance Committee - guidance is being provided from WG in relation to this committee;</li> <li>7. The Remuneration and Terms of Service Committee is suspended for the foreseeable future</li> <li>8. Variation to People/HR Policy – Any variation of HR policy to be approved by the Executive Director, with oversight in place from CEO. Adoptions to be recorded and reported to Board for assurance.</li> <li>9. Where appropriate, some HR/people decisions will come to full Board.</li> </ol>
<b>6.1</b>	Putting citizens first	<p>Variation – The Board is unlikely to meet in person for foreseeable future and so will meet through electronic/telephony means. As a result of this, members of the public will be unable to attend or observe.</p>



		<p>To facilitate as much transparency and openness as possible at this extraordinary time, the Health Board will undertake to:</p> <ul style="list-style-type: none"> <li>• Publish agendas as far in advance as possible – ideally 7 days</li> <li>• Publish reports as far in advance as possible – recognising that some may be tabled and therefore published after the event. The opportunity to increase the use of verbal reporting which will be captured in the meeting minutes</li> <li>• Draft Board minutes to be available within 1 week as well as an action log, a pending log will be kept of actions that will not be progressed during the pandemic</li> <li>• A clear link to our website pages and social media accounts signposting to further information will be published.</li> <li>• The website (which constitutes our official notice of Board meetings) and explain why the Board is not meeting in public will be amended.</li> </ul>
<b>6.2</b>	Annual plan of Board business	Suspended for the foreseeable future
<b>6.2.5 – 6.2.7</b>	Annual General Meeting (AGM)	WG have confirmed that AGMs are required to be held by end of November 2020.
<b>6.4.3</b>	Notifying and equipping Board members	<ul style="list-style-type: none"> <li>• Every attempt will be made to publish agendas 7 days in advance.</li> <li>• Every attempt will be made to publish papers at the same time</li> <li>• Provision will also be made for increased greater use of verbal reporting which will be captured in the meeting minutes.</li> </ul>
<b>6.5</b>	Conducting Board meetings – Admission of the public, the press and other observers	<p>Variation – The Board is unlikely to meet in person for foreseeable future and will therefore meet through electronic/telephony means. As a result of this, members of the public will be unable to attend or observe.</p> <p>To facilitate as much transparency and openness as possible at this extraordinary time, the Health Board will undertake to:</p> <ul style="list-style-type: none"> <li>• Publish agendas as far in advance as possible – ideally 7 days</li> <li>• Publish reports as far in advance as possible – recognising that some may be</li> </ul>



		<p>tabled and therefore published after the event. There may be the need to increase our use of oral updates to reports based on more concise papers. Draft Board minutes to be available, within 1 week as well as an action log, a pending log will be kept of actions that will not be progressed during the crisis</p> <ul style="list-style-type: none"> <li>• A clear link to the website pages and social media accounts signposting to further information.</li> <li>• The website (which constitutes our official notice of Board meetings) and explain why the Board is not meeting in public will be amended.</li> </ul>
6.5.8	Chairing Board meetings	In the absence of the Chair and Vice Chair, approve the Chair of the Planning, Performance and People Committee as the 3 <sup>rd</sup> chair and the Chair of the Quality, Safety and Experience Assurance Committee as the 4 <sup>th</sup> Chair.
6.5.11	Executive nominated deputies	<p>The standing orders allow for a nominated deputy to represent an Executive Director, but not to have voting rights.</p> <p>The organisation currently has 9 substantive Executives with voting rights; in the event that none are available the Board would need to determine if the nominated deputies should have voting rights. We propose to make recommendations on this if the need occurs.</p> <p>In the absence of the CEO and Deputy CEO approve that the Executive Director of Workforce and OD act in either the CEO or Deputy CEO role dependent upon circumstance.</p>

### Variations to Standing Orders approved by Board on 30 July 2021

Reference	Heading/Sub Heading	Proposed Change (in italics)
1.3.1	Tenure of Board Members	<p>Independent Members and Associate Members appointed by the Minister for Health and Social Services shall be appointed for a period specified by the Welsh Ministers, but for no longer than 4 years in any one term. These members can be reappointed but may not hold office as a member or associate</p>

		member for the same Board for a total period of more than 8 years, <i>with the exception of those appointed or re-appointed in accordance with Regulation 2 of the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020. These members will hold office in accordance with the terms of their appointment or reappointment.</i> Time served need not be consecutive and will still be counted towards the total period even where there is a break in the term.
1.3.2	Tenure of Board Members	Any Associate Member appointed by the Board will be for a period of up to one year. An Associate Member may be re-appointed if necessary or expedient for the performance of the LHBs functions. If re-appointed they may not hold office as an Associate Member for the same Board for a total period of more than 4 years, <i>with the exception of those appointed or re-appointed in accordance with Regulation 2 of the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020. These members will hold office in accordance with the terms of their appointment or re-appointment.</i> Time served includes time as a Ministerial appointment (if relevant) which need not be consecutive and will still be counted towards the total period even where there is a break in the term. An Independent or Associate Member appointed by the Minister for Health and Social Services who has already served the maximum 8 years as a Ministerial appointment to the same Board will not be eligible for appointment by the Board as an Associate Member.

The foregoing amendments will cease to have effect on 31 March 2021 or, where an appointment(s) has been made under the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020 or, to the tenure of a Chair or Vice-Chair of the Stakeholder Reference Group or Health Professionals' Forum, at the end of that term, whichever is the later.

7.2.5	Annual General Meeting (AGM)	The LHB must hold an AGM in public no later than <i>30 November 2020</i> (replacing the previous 31 July each year).
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Whilst the foregoing amendment will cease to have effect on 31 March 2021, the Health Board decided to retain its AGM date of 30th July 2020 as previously

planned.		
<b>1.4.6</b>	Appointment and terms of office [Stakeholder Reference Group (SRG)]	The Chair's term of office shall be for a period of up to two (2) years, with the ability to stand as Chair for an additional <i>term(s)</i> . That individual may remain in office for the remainder of their term as a member of the SRG after their term of appointment as Chair has ended.
<b>1.4.8</b>	Appointment and terms of office [Stakeholder Reference Group (SRG)]	The Vice Chair's term of office shall be for a period of up to two (2) years, with the ability to stand as Vice Chair for additional <i>term(s)</i> , in line with that individual's term of office as a member of the SRG. That individual may remain in office for the remainder of their term as a member of the SRG after their term of appointment as Vice Chair has ended.
<b>1.5.3</b>	Appointment and terms of office [Healthcare Professionals Forum (HPF)]	The Chair's term of office shall be for a period of up to two (2) years, with the ability to stand as Chair for an additional <i>term(s)</i> . That individual may remain in office for the remainder of their term as a member of the HPF after their term of appointment as Chair has ended.
<b>1.5.5</b>	Appointment and terms of office [Healthcare Professionals Forum (HPF)]	The Vice Chair's term of office shall be for a period of up to two (2) years, with the ability to stand as Vice Chair for additional <i>term(s)</i> , in line with that individual's term of office as a member of the SRG. That individual may remain in office for the remainder of their term as a member of the SRG after their term of appointment as Vice Chair has ended.
The foregoing amendments (where reference to the additional term being limited to one year has been removed) will cease to have effect on 31 March 2021 or where an appointment(s) has been made in accordance with the amendment, at the end of that term, whichever is the later.		

## The Board

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability, ensuring that its work is open and transparent. The Board functions as a corporate decision-making body.

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

The Board consists of 20 voting members (9 Executive Directors, 11 Independent Members). There are also 4 Associate Members that take part in Board Meetings in Public however they do not hold any voting rights. The Board is supported by the Board Secretary, and the Director of Primary Care, Community and Long Term Care and, up to 4 September 2020, the Director of Partnerships and Corporate Services who also attend its meetings but do not have voting rights.

In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board Members also fulfil a number of Champion roles where they act as ambassadors for these matters. These posts were introduced to Local Health Boards and NHS Trusts in 2003 and are a mix of statutory and non-statutory roles, to be held at independent member, executive director level or both. During 2020, the WG undertook a detailed assessment of all the Champion roles in order to assess which areas should continue and issued WHC 2021/002 which sets out the Board Champion roles that need to be maintained. Appendix 3 of the Chair's Report to the March Board outlined the new list of Board Champions to be in place from 1 April 2021. The report can be accessed through the link - [Report of the Chair - March 2021](#).

The table below sets out the composition of the Board in 2020/21 outlining the positions held, the area or expertise/ representation role, the Board and Committee membership and attendance, and the Champion roles.

Name	Position & Area of Representation Role	Board Committee Membership/ Attendance (see page 29 for more information on the role of the Committees)	Attendance at Meetings	Champion Role
<b>Maria Battle</b>	Chair	<ul style="list-style-type: none"> <li>Board (Chair)</li> <li>RTSC (Chair)</li> </ul>	8/8 6/6	<ul style="list-style-type: none"> <li>• Unscheduled Care</li> <li>• Public &amp; Patient Involvement</li> </ul>
<b>Judith Hardisty</b>	Vice Chair (Mental Health Primary Care & Community Services)	<ul style="list-style-type: none"> <li>• Board (Vice Chair)</li> <li>• ARAC</li> <li>• FC</li> <li>• HSAC (Chair)</li> <li>• MHLAC (Chair)</li> <li>• QSEAC</li> </ul>	8/8 8/8 11/12 5/5 2/2 8/11	<ul style="list-style-type: none"> <li>• Carers</li> </ul>
<b>Anna Lewis</b>	Independent Member (Community)	<ul style="list-style-type: none"> <li>• Board</li> <li>• CFC</li> <li>• PPPAC</li> <li>• QSEAC (Chair)</li> </ul>	7/8 2/3 5/5 11/11	
<b>Prof John Gammon</b>	Independent Member (University)	<ul style="list-style-type: none"> <li>• Board</li> <li>• PPPAC (Chair)</li> <li>• QSEAC</li> <li>• RTSC</li> </ul>	8/8 5/5 10/11 6/6	

<b>Owen Burt</b>	Independent Member (Third Sector)	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC</li> <li>• CFC</li> <li>• HSAC</li> <li>• PPPAC (Vice-Chair)</li> <li>• SPF</li> </ul>	8/8 8/8 3/3 5/5 5/5 1/1	<ul style="list-style-type: none"> <li>• Design</li> </ul>
<b>Maynard Davies</b>	Independent Member (Information Technology)	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC</li> <li>• FC</li> <li>• MHLAC</li> <li>• PPPAC</li> </ul>	8/8 8/8 12/12 2/2 5/5	
<b>Simon Hancock</b>	Independent Member (Local Government)	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC</li> <li>• CFC (Chair)</li> <li>• HSAC</li> <li>• PPPAC</li> </ul>	8/8 7/8 3/3 5/5 5/5	<ul style="list-style-type: none"> <li>• Older People</li> <li>• Equalities &amp; Diversity</li> <li>• Flu</li> <li>• Emergency Planning</li> <li>• Armed Forces &amp; Veterans</li> </ul>
<b>Ann Murphy</b>	Independent Member (Trade Union)	<ul style="list-style-type: none"> <li>• Board</li> <li>• CFC</li> <li>• HSAC (Vice-Chair)</li> <li>• PPPAC</li> <li>• QSEAC</li> </ul>	7/8 3/3 4/5 4/5 10/10**	
<b>Delyth Raynsford</b>	Independent Member (Community)	<ul style="list-style-type: none"> <li>• Board</li> <li>• CFC (Vice-Chair)</li> <li>• HSAC</li> <li>• MHLAC (Vice-Chair)</li> <li>• QSEAC (Vice-Chair)</li> </ul>	8/8 3/3 4/5 2/2 10/10**	<ul style="list-style-type: none"> <li>• Welsh Language</li> <li>• Cleaning, Hygiene and Infection Management</li> <li>• Children, Young People &amp; Maternity Services</li> <li>• Nutrition &amp; Hydration</li> <li>• Putting things right</li> </ul>
<b>Mike Lewis</b>	Independent Member (Finance)	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC (Vice-Chair)</li> <li>• CFC</li> <li>• HSAC</li> <li>• FC (Vice-Chair)</li> <li>• MHLAC</li> </ul>	8/8 8/8 3/3 4/5 12/12 1/2	

<b>Paul Newman</b>	Independent Member (Community)	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC (Chair)</li> <li>• FC</li> <li>• MHLAC</li> <li>• QSEAC</li> <li>• RTSC</li> </ul>	8/8 8/8 12/12 2/2 9/11 6/6	
<b>Jonathan Griffiths</b>	Associate Member	<ul style="list-style-type: none"> <li>• Board</li> </ul>	4/7	
<b>Michael Hearty</b>	Associate Member	<ul style="list-style-type: none"> <li>• Board</li> <li>• FC (Chair)</li> </ul>	8/8 12/12	
<b>Hazel Lloyd-Lubran*</b>	Associate Member from 10 October 2020	<ul style="list-style-type: none"> <li>• Board</li> <li>• SRG (Chair)</li> </ul>	3/3 1/1	
<b>Mo Nazemi*</b>	Associate Member from 1 April 2020	<ul style="list-style-type: none"> <li>• Board</li> <li>• HPF (Chair)</li> </ul>	2/4 5/5	
<b>Steve Moore</b>	Chief Executive Officer	<ul style="list-style-type: none"> <li>• Board</li> <li>• RTSC</li> </ul>	8/8 6/6	<ul style="list-style-type: none"> <li>• Time to Change Wales Mental Health</li> </ul>
<b>Karen Miles</b>	Executive Director of Planning, Performance & Commissioning to 11 October 2020	<ul style="list-style-type: none"> <li>• Board</li> <li>• PPPAC</li> </ul>	2/5 1/2	
<b>Huw Thomas</b>	Executive Director of Finance	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC</li> <li>• CFC</li> <li>• FC</li> <li>• PPPAC</li> </ul>	8/8 8/8 3/3 12/12 5/5	
<b>Mandy Rayani</b>	Executive Director of Nursing, Quality & Patient Experience	<ul style="list-style-type: none"> <li>• Board</li> <li>• CFC</li> <li>• HSAC</li> <li>• QSEAC</li> </ul>	8/8 3/3 5/5 11/11	<ul style="list-style-type: none"> <li>• Violence &amp; Aggression</li> <li>• Children's Act 2004</li> <li>• Children &amp; Young People's Services</li> </ul>
<b>Alison Shakeshaft</b>	Executive Director of Therapies and Health Science	<ul style="list-style-type: none"> <li>• Board</li> <li>• QSEAC</li> </ul>	7/8 10/11	
<b>Lisa Gostling</b>	Executive Director of	<ul style="list-style-type: none"> <li>• Board</li> </ul>	8/8	

	Workforce & Organisational Development	<ul style="list-style-type: none"> <li>• PPPAC</li> <li>• RTSC</li> </ul>	5/5 6/6	
<b>Ros Jervis</b>	Executive Director of Public Health	<ul style="list-style-type: none"> <li>• Board</li> <li>• PPPAC</li> <li>• QSEAC</li> </ul>	7/8 3/5 10/11	<ul style="list-style-type: none"> <li>• Emergency Planning</li> </ul>
<b>Phil Kloer</b>	Executive Medical Director & Director of Clinical Strategy/ (Deputy Chief Executive)	<ul style="list-style-type: none"> <li>• Board</li> <li>• QSEAC</li> <li>• HPF</li> </ul>	8/8 11/11 4/5	<ul style="list-style-type: none"> <li>• Patient Information</li> <li>• Caldicott Guardian</li> </ul>
<b>Andrew Carruthers</b>	Executive Director of Operations	<ul style="list-style-type: none"> <li>• Board</li> <li>• HSAC</li> <li>• MHLAC</li> <li>• PPPAC</li> <li>• QSEAC</li> </ul>	7/8 4/5 2/2 4/5 9/10**	<ul style="list-style-type: none"> <li>• Delayed Transfers of Care</li> <li>• Sustainable Development</li> <li>• Security Management</li> <li>• Fire Safety</li> </ul>
<b>Joanne Wilson</b>	Board Secretary	<ul style="list-style-type: none"> <li>• Board</li> <li>• ARAC</li> <li>• HSAC</li> <li>• PPPAC</li> <li>• QSEAC</li> <li>• RTSC</li> </ul>	8/8 8/8 5/5 5/5 11/11 5/6	<ul style="list-style-type: none"> <li>• Counter Fraud</li> </ul>
<b>Jill Paterson</b>	Director of Primary Care, Community & Long Term Care	<ul style="list-style-type: none"> <li>• Board</li> <li>• QSEAC</li> </ul>	8/8 6/10**	
<b>Sarah Jennings</b>	Director of Partnerships & Corporate Services to 4 September 2020	<ul style="list-style-type: none"> <li>• Board</li> </ul>	4/4	<ul style="list-style-type: none"> <li>• Public Patient Involvement</li> </ul>

*\*Deputising arrangements were in place whilst the Health Board was awaiting Ministerial approval for the new Chairs for the Stakeholder Reference Group and Chair of Health Professionals Forum.*

*\*\*QSEAC had a reduced membership in April 2020 due to comply with social distancing requirements.*

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



On 23 March 2020 the WG suspended all Ministerial Public Appointment campaigns with immediate effect. At the time of this suspension, the Health Board was due to commence recruitment campaigns for the Independent Member (Local Authority and Finance) positions on the Board as the incumbent Members' tenures were due to end, however working with the Public Appointments Unit in WG, a request was made to the Minister for Health and Social Services to approve extensions to aforementioned tenures until the end of March 2021. The Board recommenced recruitment campaigns in September 2020 for these positions and commenced campaigns for the Independent Member (Community and Third Sector) positions, with all posts appointed to by 1 April 2021, with commencement in posts by 1 April 2021 and 1 May 2021 respectively.

There have also been changes to the composition of the Executive Team where membership has reduced from 12 to 11. In October 2020, the Executive Director of Planning, Performance and Commissioning, left the organisation, which led to a review of the position and portfolio. The Executive Director of Finance managed the portfolio in the interim and it was confirmed by the Remuneration and Terms of Service Committee (RTSC) that performance, commissioning and digital services would remain under the Executive Director of Finance on a permanent basis, with a new Executive Director of Strategic Development and Operational Planning post created. An appointment has been made and the post will be taken up in April 2021. The Director of Partnerships and Corporate Services, also left the Health Board in 2020, which led to the disestablishment of the post, with the portfolio being shared between the Executive Team.

### **Board and its Committees**

In line with Section 2 of the Health Board's Standing Orders which provides that "The Board may and, where directed by the WG, must appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions", the Board has an established Committee structure with each Statutory Committee chaired by an Independent Member, with other Committees chaired by an Independent or Associate Member (Finance). On behalf of the Board, they provide scrutiny, development discussions, assessment of current risks and performance monitoring in relation to a wide spectrum of the Health Board's functions and its roles and responsibilities.

Prior to the pandemic, the Board agreed a new Board and Committee Structure which was to be implemented from April 2020, which reduced the number of Committees and core membership to make governance within the Health Board more enabling. This new streamlined governance structure, in Figure 1 (next page), was phased in during early 2020/21 and enabled the Health Board to be much more focused in its governance during the pandemic. In light of the learning through the pandemic, the Health Board will be reviewing and realigning its governance arrangements in May 2021, including building on the Command and Control Structure, and redesigning the role of the Executive Team to support to the implementation of the Annual Recovery Plan, and better alignment to the planning objectives to the Committees.

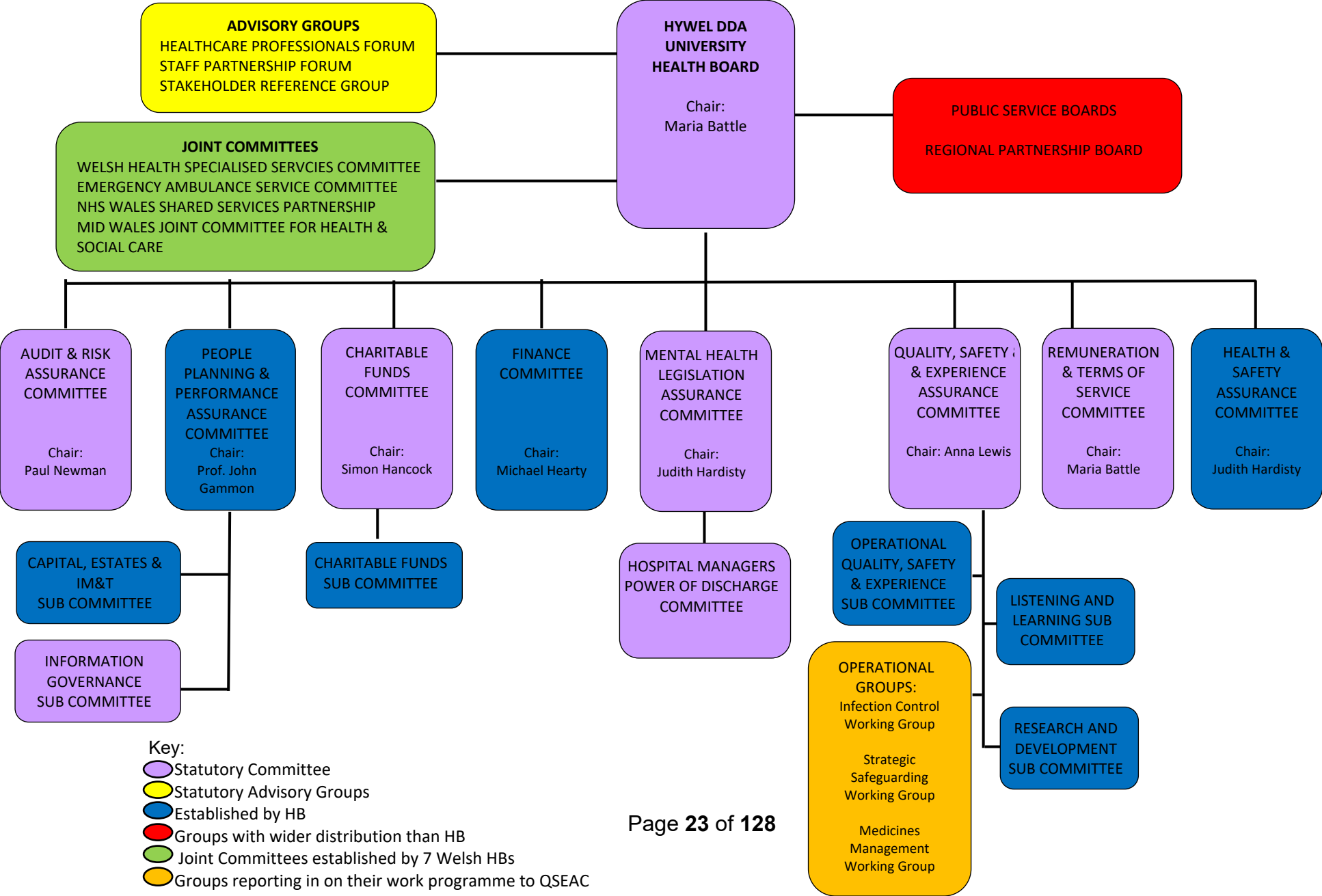


The Chair of each Committee reports to the Board on the Committees' activities outlining key risks and highlighting areas which need to be brought to the Board's attention in order to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives. The Committees, as 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. Further, in line with Standing Orders, each Committee has undertaken a self-assessment and produced an annual report, for 2020/21, setting out a helpful summary of its work. The Committee self-assessment was enhanced to ensure richer data was provided which will enable more meaningful development plans can be developed to strengthen Committees, and also facilitated themes to be identified across the Committees.

All Committees have undertaken a review of their Terms of Reference in 2020/21. Copies of Committee papers and minutes, a summary of each Committee's responsibilities and Terms of Reference are available on the Health Board's website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>. Each Committee will maintain a Table of Actions that is monitored at meetings.

Each of the main Committees of the Board is supported by an underpinning sub-committee structure reflecting the remit of its roles and responsibilities.

Figure 1: BOARD AND COMMITTEE STRUCTURE



The following table outlines dates of Board and Committee meetings held during 2020/21, with all meetings being quorate:

Committee	Board	Audit and Risk Assurance Committee	Charitable Funds Committee	Finance Committee	Health & Safety Assurance Committee	Mental Health Legislation Assurance Committee	People, Planning & Performance Assurance Committee	Quality, Safety & Experience Assurance Committee	Remuneration & Terms of Service Committee
Month									
April 2020	16.04.20	21.04.20		28.04.20		06.04.20 (stood down*)	30.04.20 (stood down*)	07.04.20	07.04.20
May 2020	28.05.20	05.05.20 27.05.20		26.05.20	14.05.20			07.05.20 (Extraordinary)	28.05.20
June 2020	23.06.20	23.06.20	16.06.20 (stood down*)	25.06.20	22.06.20	02.06.20 (stood down*)	30.06.20	09.06.20	
July 2020	30.07.20			24.07.20				07.07.20 (Extraordinary)	
August 2020		25.08.20		26.08.20			27.08.20	13.08.20	
September 2020	24.09.20		15.09.20	29.09.20	07.09.20	01.09.20			18.09.20
October 2020		20.10.20		22.10.20			29.10.20	06.10.20	09.10.20
November 2020	26.11.20		30.11.20	30.11.20	02.11.20			13.11.20 (Extraordinary)	24.11.20
December 2020		15.12.20		22.12.20		02.12.20 (stood down*)	17.12.20	01.12.20	
January 2021	28.01.21			26.01.21				14.01.21 (Extraordinary)	
February 2021		23.02.21		25.02.21	17.02.21		25.02.21	02.02.21	04.02.21
March 2021	25.03.21		09.03.21	23.03.21		02.03.21		16.03.21 (Extraordinary)	

*\*Agreed by Board to stand meeting down.*

## Board Activity

It is acknowledged that in these unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and has not therefore been possible to allow the public to attend meetings of the board and committees from 20 March 2020. To ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken:-

- Publish agendas as far in advance as possible – ideally 7 days

- Oral reporting which will be captured in the meeting minutes
- Publish reports as far in advance as possible – recognising that some may be tabled and therefore published after the event. As detailed above there may be the need to increase the use of oral updates to reports based on more concise papers
- Draft public Board minutes to be available within 1 week of the meeting
- Provision for written questions to be taken from Board Members who are unable to attend at board meeting and response provided immediately following the meeting
- A clear link to the Health Board's website pages and social media accounts signposting to further information will be published.
- Amend the website (which constitutes the official notice of Board meetings) and explain why the Board is not meeting in public.

As the Board in April 2020 was not able to be held in public due to emergency measures for social distancing, a short recording was prepared, however the full May 2020 Board meeting was recorded and was made available the day following the meeting. The Board resumed live broadcasting of its Board Meetings in Public from 23 June 2020. The Board recognises that this is a variation to Standing Orders however in light of the public not being able to physically attend Board meetings due to social distancing, it has taken every step to ensure the Board remains as open and transparent as possible. Operating in a virtual environment has enabled all Board Members to fulfil their accountabilities.

The Health Board also stood down Public Forums, where questions were submitted to the Chair by the public in advance, of the Board Meeting.

There remains a clear patient and staff centred focus by the Board at the meetings, demonstrated by the presentation of patient and staff stories at each meeting through the Patient Experience Report.

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

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

During 2020/21, the Board held:

- 8 meetings in public (all were quorate)
- 1 Annual General Meeting
- 4 seminar sessions (2 of these were used for Board Meetings in Public)

In response to the pandemic, the Board agreed in April 2020, minimum agenda items for Board meetings during the pandemic. These included the following:

- COVID-19 report – urgent issues;
- Advice, requirements and guidance from WG;
- Risks;
- COVID-19 - Planning for the next phase;
- Financial report;
- Performance report against revised WG guidance;

- Business as usual items requiring Board approval;
- Minutes of the previous meeting; and
- Post-meeting communications.

The Board has a programme of work which was adapted during the course of the year to respond to emerging events and circumstances. Regular items throughout the year to the Board included those listed above, as well as the following:

- Reports on 'Maintaining Good Governance during COVID-19';
- Reports on the financial performance and the related risks for discussion;
- Reports on improving patient experience, providing feedback and activity, 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; and
- Assurance reports and endorsement of any matters arising from the In-Committee Board, Committees, Joint Committees, Advisory Groups and Statutory Partnerships of the Board.

The Board discussed and considered the following items during 2020/21:

ITEMS	Decision	Discussion	Assurance	Information
<b>Delivering the here and now</b>				
Health and Care Standards Fundamentals of Care Audit 2019				✓
Care Home Preparedness – COVID-19				✓
Financial Governance and Value for Money Considerations – COVID-19	✓			
The Nurse Staffing Levels (Wales) Act Annual Report 2019/20			✓	
Calculating and Maintaining the Nurse Staffing Levels during the COVID-19 Pandemic			✓	
Transformation Steering Group – The Strategic Discover Report – Applying the initial learning from our pandemic response to the Health and Care Strategy	✓			
Influenza Vaccination Plan 2020/21	✓			
Funded Nursing Care: Methodology to apply for 2021/22	✓			
Health Board's Well-being Objectives Annual Report 2019/20	✓			
Nurse Staffing Levels (Wales) Act: Annual Presentation of Nurse Staffing Levels			✓	
Pooled Funds for Adult Care Home Placements	✓			
Joint Committee on Vaccination and Immunisation/Chief Medical Officer Announcement to Defer Second Dose Pfizer Vaccine to up to 12 weeks	✓			

Children and Young People Health Services across Hywel Dda University Health Board			✓	
Procurement of Haematology and Coagulation Managed Service Agreement		✓		
Single Point of Contact Update			✓	
Draft Annual Recovery Plan 2021/22	✓			
Enhancement of Cleaning Standards within Hywel Dda University Health Board to meet recommended Standards and Principles as described by WG for all NHS Wales Organisations	✓			
Hywel Dda University Health Board Pharmaceutical Needs Assessment	✓			
<b>Governance</b>				
Management of Outstanding Recommendations from Auditors, Inspectorates and Regulators	✓			
Management of Operational and Corporate Risks during the COVID-19 Pandemic	✓			
Governance, Leadership and Accountability Standard	✓			
The Terms of Reference for: <ul style="list-style-type: none"> <li>○ Audit &amp; Risk Assurance Committee</li> <li>○ Charitable Funds Committee</li> <li>○ Finance Committee</li> <li>○ Health &amp; Safety Assurance Committee</li> <li>○ Mental Health Legislation Assurance Committee</li> <li>○ People, Planning &amp; Performance Assurance Committee</li> <li>○ Committee</li> <li>○ Quality, Safety &amp; Experience Assurance Committee</li> </ul>	✓			
Establishment of a Black, Asian and Minority Ethnic (BAME) Board Advisory Group	✓			
Establishment of a Transformation Steering Group	✓			
Auditor General for Wales – Annual Audit Report 2020 and Structured Assessment 2020 report			✓	
Hywel Dda University Health Board's Escalation and Intervention Arrangements from Targeted Intervention to Enhanced Monitoring			✓	
<b>Delivering our Strategy</b>				
Developing the 3 Year Plan for the Period 2021/22 – 2023/24 – Strategic and Planning Objectives	✓			
Major Infrastructure - Programme Business Case (PBC)	✓			
Programme Business Case – Implementing the Healthier Mid and West Wales Strategy		✓		
Transformation Steering Group – The Strategic Discover Report – Applying the initial learning from our pandemic response to the Health and Care Strategy	✓			
Update from Transformation Steering Group			✓	
<b>Assurance</b>				
Committee Annual Reports	✓			

The Annual Quality Statement, Accountability Report, Annual Governance Statement, Annual Accounts, Letter of Representation and AW ISA 260 for submission to WG	✓			
Hywel Dda University Health Board Annual Report for 2019/20	✓			
Strategic Equality Plan Annual Report 2019/20	✓			
Annual review of Standing Orders and Standing Financial Instructions	✓			
NHS Blood and Transplant Organ Donation: Review of Actual and Potential Deceased Organ Donation 01/04/2019 – 29/02/2020		✓		
<b>For information</b>				
Healthcare Inspectorate Wales (HIW) Annual Report 2019/20 Presentation				✓
Hywel Dda Community Health Council (CHC) Annual Report 2019/20				✓
Ethics - National Principles				✓
Head of Internal Audit Annual Report and Opinion 2019/20				✓

### Board Development Programme

As the scope of corporate governance has increased in recent years, Boards now play an essential role in implementing high performance organisation principles and practices as part of their corporate governance responsibilities. An effective Board Development Programme is therefore critical in enabling the Board to move towards the wider model of corporate governance which incorporates:

- Monitoring the performance of the organisation and the senior management team;
- Setting organisational goals and developing strategies for their achievement; and
- Being responsive to changing demands, including the prediction and management of risk.

Formal Board Development sessions were suspended during 2020/21 to allow the Board to focus on its response to the pandemic. These sessions were used for extraordinary Board Meetings in Public or for Board Seminars.

With the introduction of 4 Independent Members in the first quarter of 2021/22, the Health Board has restarted both its Board Development sessions and Executive Team Seminars from April 2021, and this has begun with the relaunch of the reverse mentoring programme.

### Board Effectiveness

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

- WG de-escalation of the Health Board status from 'targeted intervention' to 'enhanced monitoring' (see [Targeted Intervention](#) section of the report);



- AW Structured Assessment (more information on this can be found in the [AW Structured Assessment](#) section of the report);
- Self-assessment against the Corporate Governance Code (see [Corporate Governance Code](#) of the report);
- Annual Self-assessment against the Governance, Leadership and Accountability (GLA) Standard (see [GLA Standard](#) section of the report);
- Feedback from the Board Committee self-assessment programme;
- Head of Internal Audit Opinion is provided 'Reasonable' assurance for 2020/21;
- IA Review of Governance Arrangements during the Covid-19 Pandemic;
- IA Report on the Health and Care Standards. More information on this can be found in the [Health and Care Standards](#) section of the report;
- Internal Audit of Quality Governance Arrangements;
- Internal Audit of Standards of Behaviour;
- Work to address the Health and Safety Executive Improvement Notices; and
- Work to address the Fire Enforcement Notices and the IA Report on the Management of Fire Enforcement Notices.

As the Health Board is in unprecedented times due to the current pandemic, the Chair and Chief Executive have agreed to make an assessment on the Board's maturity, using the evidence above, on the Board's behalf. This was shared with Board Members for information and reported to the Audit and Risk Assurance Committee (ARAC) in May 2021.

The following maturity level has been proposed, with suggested areas of improvement that will be taken forward when the Health Board begins to exit the pandemic:

*Level 4 - The Health Board has well developed plans and processes and can demonstrate sustainable improvement throughout the service.*

The Health Board recognises that it has only just moved into level 4 and therefore work is needed to maintain this level and to progress towards a level 5.

### **Committee Activity**

Throughout the year, the Board continually reviewed and approved a number of changes to Board Committees arrangements in response to operational pressures. Committee agendas were dominated by COVID-19 however continued to consider and scrutinise a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the committees included a range of IA reports, AW reports and reports from other review and regulatory bodies, such as HIW. These reports provided information on the effectiveness of the framework of internal controls and risk management.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas. Further information on the Health Board Committees is provided below, with Committee papers and minutes, a summary of each Committee's responsibilities and Terms of Reference are available



on the Health Board's website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>.

### **Audit and Risk Assurance Committee (ARAC)**

The purpose of the ARAC is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the Health Board's system of assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Health Board's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

The Committee independently monitors, reviews and reports to the Board on the processes of governance, and where appropriate, facilitates and supports, through its independence, the attainment of effective processes.

A number of outcomes from the work of the Committee during the year have resulted in escalation of certain matters to the Board, and in these cases, the Committee has made recommendations and undertaken further actions in order to seek and provide assurance to Board that issues of concern have been addressed where possible, thus supporting the Health Board's governance and assurance systems. These have included:

- The Head of Internal Audit Annual Report and Opinion for the previous financial year 2019/20 provided a reasonable assurance rating. A detailed discussion was held on the capital and estates management domain, noting due to the number of limited assurance audits within this domain this could have received a limited domain rating. The Committee remained concerned regarding the number of limited assurance audits within this domain, noting this would be an area of focus within the 2020/21 plan. It is therefore pleasing to note the improvement in this area with 6 reports receiving a substantial or reasonable rating, and only 1 limited assurance rated report in 2020/21;
- The impact of COVID-19 on clinical audit and potential consequences in terms of quality and safety and patient safety. This has been continuously monitored by the Committee throughout the year with assurances provided at the 20 April 2021 meeting that clinical audit will become more outcome focused moving forward;
- Findings of the IA report into control of contractors resulted in limited assurance in 2019/20 and highlighted in particular an over-reliance on the knowledge and experience of individual estates officers and the lack of a single unified system across the Health Board. This IA report was followed up as part of the Estates Assurance - Follow Up reported to ARAC in February 2021 and received a substantial assurance rating;
- Issues regarding the findings of the IA report into contracting led to limited assurance in 2019/20, particularly in respect of the need to strengthen various processes. The follow-up audit to ARAC in February 2021 provided an improved reasonable assurance rating, with the contract register now in place;
- Concerns around the assurance offered by the review of Personal Appraisal Development Review (PADR) process follow-up IA report which gained reasonable assurance, in view of the limited sample size of PADRs reviewed. It

was agreed that the follow-up report and the original report would be shared with the Chair of People, Planning and Performance Assurance Committee (PPPAC), and that a discussion between the Chairs of ARAC and PPPAC would be facilitated. PADR compliance is now a standard item on the Workforce and Organisational Development (OD) update report provided to every PPPAC meeting;

- Concerns around the findings of the Glangwili Hospital, Women and Children's Development Phase 2 IA report despite its reasonable assurance rating, with agreement that the matter referred to PPPAC for detailed discussion. This was followed up later in the year however delays in the scheme and escalating costs resulted in a limited assurance rating. A follow up IA report is scheduled to be presented to the Committee in May 2021 which will highlight any outstanding issues/concerns;
- A lack of assurance/progress on radiology issues raised in a previous IA report, with actions and timescales revisited and updates provided on shift pattern impact on posts for radiology students. The pace of delivery against the AW Radiology Review continued to be monitored during 2020/21, with a further update provided in February 2021 where ARAC noted that, despite extended timeframes, significant progress had been made to addressing the outstanding recommendations;
- A lack of assurance was reported on variable pay in pathology. Greater clarity was provided regarding the revised management response and ARAC was advised that the Executive Team agreed to pathology being included onto the new e-roster system 'Allocate'. The overall roll-out plan for Allocate runs over a 2 year period from April 2021, with nursing services already having been prioritised. In the interim of this future development, pathology internal manual processes related to contracted hours, pay enhancements and on-call and overtime payments have been bolstered;
- The delays in the resolution of Post Payment Verification (PPV) visit issues, the scheduling of revisits and escalation processes. It was agreed that the Executive Director of Finance would enter into discussions with NWSSP, and that the Director of Primary Care, Community and Long Term Care should attend ARAC for future PPV discussions. Further reports were provided in February 2021 by NWSSP and the Director of Primary Care, Community and Long Term Care providing a detailed assurance report on the process;
- The limited assurance rating was issued by IA in respect of the partnership governance arrangements and assurance framework of the Regional Partnership Board (RPB) however addressing the findings in the report requires commitment from other partners. It was agreed that the IA report would be presented to the Integrated Governance Group (IEG) to agree how the issues in the report can be taken forward. The UHB is working jointly with the Head of Regional Collaboration, West Wales Care Partnership, to strengthen the governance arrangements, with the Head of Corporate and Partnership Governance leading on this work on behalf of the Health Board;
- Delays in improving medical record keeping, and the progress to improve medical record keeping, has been affected by the pandemic. Systems and processes have been strengthened however this will require time to embed. A further report presented at the October 2020 ARAC meeting provided increased confidence that the right mechanisms, leadership and reporting arrangements

were in place to continue to address the issues raised. Medical record keeping will be reviewed as part of the 2021/22 Internal Audit Plan;

- The limited assurance rating issued by IA highlighted a lack of progress with respect to records management. Whilst work had commenced by the Health Records Modernisation Programme, the pandemic had impacted its implementation. This is a large scale, complex programme of work that cuts across the Health Board to address the current issues and modernise the processes and systems within the Health Board. Records management will be included on the 2021/22 Internal Audit Plan and will be developed into a planning objective within the Annual Recovery Plan 2021/22;
- Concerns were raised during discussion of the IA review of backlog maintenance. Whilst the IA report received a reasonable assurance rating, this reflected the manner in which the Health Board is managing the backlog, rather than the level or seriousness of the backlog. The report demonstrated the importance of the Major Infrastructure Programme Business Case (PBC) submitted to WG, the need for a strategic approach at scale, and emphasised the pace to address backlog maintenance issues. Ongoing scrutiny of plans will be monitored via PPPAC; and
- Continued concerns following consideration of the KPMG Review of Transformation Fund report regarding partnership governance arrangements. The UHB is working jointly with the Head of Regional Collaboration (West Wales Care Partnership) to strengthen the governance arrangements, with the Head of Corporate & Partnership Governance leading on this work on behalf of the Health Board.

Other items identified by the Committee as requiring Board attention included:

- Support for the establishment of the Listening and Learning from Events Sub-Committee to ensure a greater focus on learning from these events, to avoid repetition and future claims. This Sub Committee is now in place and reports to the Quality, Safety & Experience Assurance Committee (QSEAC);
- The review of the adequacy of the Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship arrangements currently in place and the proposed actions for 2020/21 to promote and improve the adequacy of these arrangements, which include follow up discussions with targeted staff members, increased staff communications to raise awareness and exploring ESR Project Support. The next annual review will be reported to the Committee in June 2021;
- The approval of all documentation relating to year end by the Board at its meeting on 23 June 2020;
- Closure of the 4 outstanding recommendations from the AW Structured Assessment 2018 and 2019, and closure of both reports, recognising that these areas would be looked at in future AW Structured Assessment reviews;
- The approval of the revised Health Board's Standing Orders (SOs) and Standing Financial Instructions (SFIs) at the Board meeting on 28 January 2021;
- The ratification of the Committee's Terms of Reference;
- The recognition of the positive findings and the work undertaken as highlighted in the following reports;
- Governance Arrangements during the COVID-19 (advisory/no rating);

- IA Quality and Safety Governance report (reasonable assurance);
- Effectiveness of IT Deployment in Relation to COVID-19 report (substantial assurance);
- Agility to Flex Workforce to COVID Planning (substantial assurance);
- Mass Vaccination Programme (advisory/no rating); and
- Quality and Safety Governance (reasonable assurance).

An overview of the other Board Committees is provided below, with the key areas of focus in 2020/21 of these Committees provided in their Annual Reports which will be presented to the June 2021 Board meeting.

### **Charitable Funds Committee (CFC)**

The CFC is charged with providing assurance to the Board in its role as corporate trustees of the charitable funds 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. One meeting (June 2020) during 2020/21 was stood down.

### **Finance Committee (FC)**

The FC provides scrutiny and oversight of the financial and the revenue consequences of investment planning (both short term and in relation to longer term sustainability), reviews (and reports to the Board) financial performance and any areas of financial concern, and conducts detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board. It regularly reviews contracts with key delivery partners, and provides assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, provides early warning on potential performance issues and makes recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.

Whilst the FC continued to meet monthly during 2020/21, albeit with a more focused agenda and with 'In Attendance' membership reflecting only those required to attend to present the items identified on the agenda. From November 2020, a set agenda for the committee was agreed which included the following:

- In-Year Financial Performance –ongoing scrutiny and challenge of the financial position for 2019-20;
- In year Assurance on COVID-19 expenditure (including field hospitals);
- Financial Plan to March 2021; and
- Financial Strategy to 2027-28.

Fortnightly meetings also continue to take place between the Chair of the FC and the Executive Director of Finance, with Members requested to channel all assurance questions relating to the finance agenda through the Chair of the FC.

### **Health and Safety Assurance Committee (HSAC)**

The HSAC was constituted from 1 April 2020 by the Board to provide assurance around 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. Its 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. Where appropriate, the HSAC advises the Board on where and how its health and safety management may be strengthened and developed further.

With regard to its role in providing advice to the Board, the HSAC comments specifically upon the adequacy of assurance arrangements and processes for the provision of an effective Health and Safety function.

The HSAC held its inaugural meeting on 14 May 2020, and has continued to meet bi-monthly during the year, with the exception of the December meeting which was stood down due to the progress made, and due to pressures resulting from a second wave of the pandemic. In March 2021, the Board recognised the improvements that have been in terms of health and safety compliance.

#### **Mental Health Legislation Assurance Committee (MHLAC)**

The MHLAC assures the Board that those functions of the Mental Health Act 1983, as amended, which have been delegated to officers and staff are being carried out correctly; and that the wider operation of the 1983 Act in relation to the Health Board's area is operating properly, the provisions of the Mental Health (Wales) Measure 2010 are implemented and exercised reasonably, fairly and lawfully, the Health Board's responsibilities as Hospital Managers is being discharged effectively and lawfully, and that the Health Board is compliant with the Mental Health Act Code of Practice for Wales. The MHLAC 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.

During 2020/21, MHLAC met twice (in September 2020 and March 2021) with scheduled meetings for April and December 2020 stood down in response to the first and second waves of the pandemic, with the provision for any urgent mental health legislation issues to be considered by the Board.

#### **Quality, Safety and Experience Assurance Committee (QSEAC)**

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

The QSEAC continued to meet bi-monthly, however with a shorter agenda, reduced membership and tried to be paper light to consider COVID and non-COVID issues. A COVID-19 QSEAC was held in the alternate month to the normal bi-monthly meeting. The QSEAC had a critical role during the pandemic ensuring that the



decisions and actions taken by the Health Board were quality and risk assessed, and in the best interest of the public and staff. Whilst PPPAC was stood down, assurance on the workforce element was incorporated into the work programme of QSEAC.

This was supplemented by a fortnightly meeting will be held between the Chair of QSEAC and the Executive Director of Nursing, Quality and Patient Experience, with Members requested to channel all assurance questions relating to this agenda through the Chair of the QSEAC with these being discussed in the meeting, following by communications to all Board Members.

### **People Planning and Performance Assurance Committee (PPPAC)**

The PPPAC was constituted from 1 April 2020 by the Board to provide assurance on compliance with legislation, guidance and best practice around the workforce and OD agenda including the implementation of the Health Board's workforce & OD strategy and enabling plan; that the planning cycle is being taken forward and implemented in accordance with Health Board and WG requirements, guidance and timescales; that all plans put forward for the approval of the Health Board for improving the local population's health and developing and delivering high-quality, safe and sustainable services to patients, and the implementation of change, are consistent with the Board's overall strategic direction and any requirements and standards set for NHS bodies in Wales; and that wherever possible, Health Board plans are aligned with partnership plans developed with Local Authorities, Universities, Collaboratives, Alliances and other key partners.

In respect its performance role, PPPAC supports the Board in its role of scrutinising performance and assurance on overall performance and delivery against Health Board plans and objectives, including delivery of key targets, giving early warning on potential performance issues and making recommendations for action to continuously improve the performance of the organisation and, as required, focuses in detail on specific issues where performance is showing deterioration or there are issues of concern; and provides assurance on the management of principle risks within the Board Assurance Framework (BAF) and Corporate Risk Register (CRR) allocated to the Committee and its Sub-Committees, reporting any areas of significant concern and recommending acceptance of risks that cannot be brought within the Health Board's risk appetite/tolerance to the Board.

As PPPAC is not a statutory committee, the Board agreed in April 2020 to temporarily stand the Committee down, to enable the organisation to focus on its response to the pandemic, with the following caveats:

- People – Workforce and Organisational Development performance scrutinised monthly through Board, COVID and non-related COVID workforce issues considered by Board, and quality and safety workforce issues appropriately considered by QSEAC monthly;
- Planning – COVID and non-COVID strategic planning scrutinised by Board; and
- Performance – scrutinised monthly by Board, with quality and safety issues delegated to QSEAC.

This was supplemented by a fortnightly meeting between the Chair of PPPAC and the Executive Director of Workforce and OD and the Executive Director of Planning

until it held its first meeting on 30 June 2020, with Members requested to channel all assurance questions relating to the PPPAC agenda through the Chair of the Committee.

### **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 which are:

- The Stakeholder Reference Group (SRG);
- The Staff Partnership Forum (SPF); and
- The Healthcare Professionals’ Forum (HPF)

In recognition of the disproportionate affect that COVID-19 has on the Black, Asian and minority ethnic (BAME) staff, the Chair established a BAME Advisory Group to advise the Health Board on how improvements can be made in areas, such as communication, recruitment and selection, welcoming and mentoring, prevention of bullying, a stronger voice, and a Charter.

Matters from the Advisory Groups that have been brought to the attention and dealt with by the Board have been outlined in [Appendix 1](#).

### **Stakeholder Reference Group (SRG)**

The SRG is formed from a range of partner organisations from across the Health Board’s area and engages with and has involvement in the strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves. The SRG only met once during 2020/21. At its meeting in October 2020, SRG agreed its new Chair.

### **The Staff Partnership Forum (SPF)**

The SPF engages with staff organisations on key issues facing the Health Board. It provides the formal mechanism through which the Health Board works together with Trade Unions and professional bodies to improve health services for the population it serves. It is the forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. During 2020/21, the SPF have continued to meet bi-monthly, with any issues included in the workforce section of the COVID report to Board. In addition, the Director of Workforce and Organisational Development and Trade Union representatives met weekly.

### **The Healthcare Professionals’ Forum (HPF)**

The HPF comprises of representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners with the remit to provide advice to the Board on all professional and clinical issues it considers appropriate. It is one of the key forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services. During 2020/21, the HPF continued to meet bi-monthly with the exception of May 2020.

### **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 two Vice-Chairs also alternate attending the Board.

### **Rest and Recovery Reference Group (RRRG)**

Following the second wave of the pandemic, in early 2021, the Chair established a RRRG with internal and external experts, including the military, and leads from the tourist industry, to advise on how the Health Board can best provide support to staff as it exits the pandemic, including ensuring that the right pathway referrals are in place should they need to access psychological therapies. This built on the staff welfare work which was supported by the Chair throughout the pandemic.

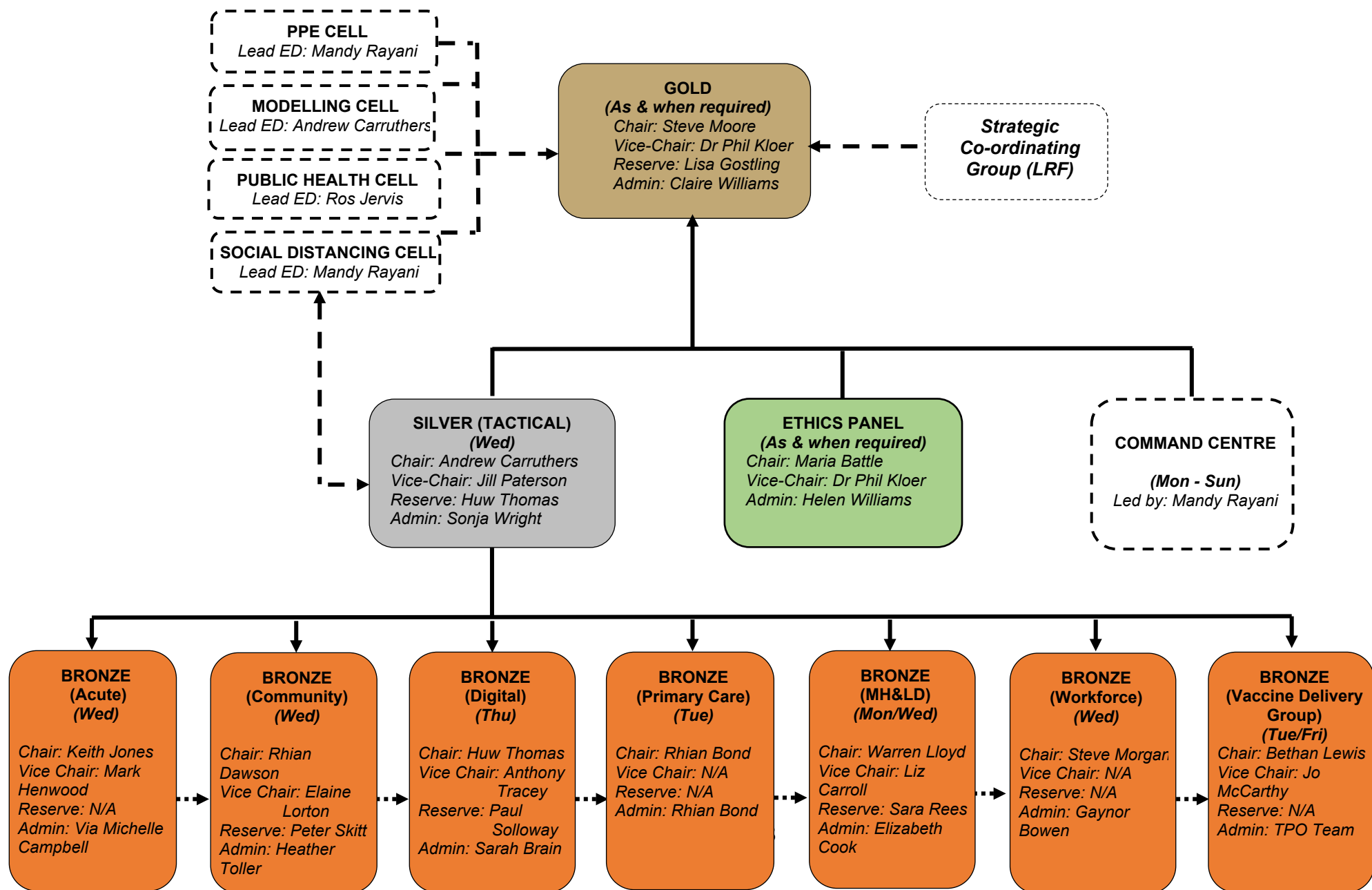
### **Command and Control Structure**

To enable the Health Board to respond promptly to the developing pandemic, a Command and Control structure was established in March 2020. This enabled decisions on the clinical model to be made rapidly and worked within the Board approved Standing Orders and Standing Financial Instructions, with appropriate decisions referred to the Board for approval and/or ratification. The Command and Control structure evolved throughout 2020/21 in response to the pandemic. The latest version can be found in Figure 2, with previous versions available in the 'Maintaining Good Governance' reports presented to the Board throughout 2020/21. These are available on the Health Board's website via the following link <https://hduhb.nhs.wales/about-us/your-health-board/>.

With the current environment remaining uncertain in respect of the pandemic, the Health Board anticipates that the Command and Control Structure will continue through quarter 1 of 2021/22, however at its seminar in April 2021, the Board will consider strengthening its current governance arrangements to support the delivery of its strategic and planning objectives, which is likely to lead to a wholesale review of its governance structure.



**Figure 2: BOARD AND COMMITTEE STRUCTURE**



### **Gold (What)**

The Gold Group is made up of some members of the Executive Team and takes overall responsibility for the Health Board's response to the pandemic, and establishes a framework of policy within which tactical managers work by determining and reviewing a clear strategic aim and objectives. The Gold Group has overall control of the resources of the Health Board and ensures that sufficient resources are made available to achieve the strategic objectives set, whilst taking into consideration the longer term resourcing implications and any specialist skills that may be required. This level of management also formulates media handling and public communications strategies, in consultation with any partner organisations involved. The Gold Group also ensures the Health Board's image and reputation is safeguarded.

The Gold Group delegates actions to the Silver Group for them to implement a tactical plan to achieve the strategic aims. All strategic actions are documented on a decision log to provide a clear audit trail and these are ratified by the Board.

There have also been weekly Formal COVID-19 Executive Team meetings to review the work of the Silver Tactical Group and the Gold level cells, which enable it to have clear oversight of the Health Board response and management to the pandemic.

### **Silver (How)**

The Silver Group reports to the Gold Group and is responsible for the development and implementation of the Tactical plan to achieve the strategic direction set by the Gold Group, and works within the framework of policy outlined at the strategic level. This ensures a consistent and co-ordinated response to COVID-19 within an ethical framework. The Group also provides the pivotal link between Gold and Bronze levels. Silver oversees, but is not directly involved in, providing any operational response at the Bronze level. A decision log and minutes are maintained.

### **Bronze (Do it)**

The Bronze level groups responds to events at an operational level as they unfold. The term Bronze refers to operational teams who manage the physical response to achieve the tactical plan defined by Silver. Controlling the management of resources within their given area of responsibility. Several Bronze groups were established during the year, based on either a functional or geographic area of responsibility. These included Bronze Groups for acute, community, digital, estates and capital, mental health and learning disabilities, primary care, workforce and more latterly, vaccine delivery. A Bronze Chairs' Coordination Group has also been established to ensure a cohesive response at operational level. Each Bronze Group has minutes and a decision log.

### **Clinical Ethics Panel**

The Clinical Ethics Panel (CEP) provides ethics input into Health Board policy and guidelines, supports health professionals and external partners with ethical issues arising within patient care, and facilitates ethics education for health professionals and other Health Board staff. Members include clinicians, lawyers and ethicists from within and outside the Health Board. Ethical questions could be referred from within the Health Board and by partners.

The CEP does not provide legal advice, advise on research ethics, or advise on specific issues of resource allocation. CEP advice is consultative rather than prescriptive.

### **Command Centre**

The Health Board's COVID-19 Command Centre was established to co-ordinate all inquiries and provide advice in relation to COVID-19. It houses specialist stations that are manned by subject specialists for primary care, public health, workforce, occupational health, infection prevention and control, and COVID-19 testing for staff. All contacts are logged on to a specifically design Command Centre database and allocated to the appropriate specialty team for response and action using a script which is reviewed and updated daily to reflect current advice and guidance.

The Command Centre has a team dedicated to manage and co-ordinate the significant amount of information, guidance and clinical advice, which is received in relation to COVID-19, and has developed a process to ensure that specialist information and new clinical guidance is appropriately approved, updated and available to clinical and operational teams. This includes the consideration of national COVID-19 guidance by clinical leads, assessing any impact on local pathways and services; and the development of local COVID-19 guidance and approval by clinical executive directors, both in response to national guidance and clinical or operational need. All locally developed COVID-19 guidance and approved national COVID-19 guidance is available to clinical and operational teams on specially developed internal webpages, and communicated via staff email. All clinical guidance is logged on a dedicated register capturing approval status and other key details, which sits in alignment with the Command Centre database. Through this process, the Health Board has considered 110 pieces of national clinical guidance and 79 pieces of local guidance to date.

### **Gold Level Cells**

These cells were established to support decision-making in respect of the pandemic:

- **Modelling Cell** – the cell provides regular forecasts of the progress of the pandemic at local level. Its role was to build and maintain a model to monitor COVID-19 outbreaks, and model the timing and extent of demand surges capable of giving maximum possible notice of critical care surges (working with the WG modelling group). The cell provides advice to the Bronze groups and other cell leads on reasonable planning assumptions regarding the timing and size of peaks based on the latest transmission model and actual experience;
- **PPE Cell** – the cell was established to address concerns and availability of Personal Protective Equipment (PPE). Its role was to establish an efficient and sustainable plan to predict, source, organise and distribute PPE to health and care services (including domiciliary care, care homes and residential homes);
- **Public Health Cell** – the cell provides an effective Test, Trace & Protect (TTP) service for the population of Hywel Dda. Its aim was also to prepare for winter pressures to support local health and care services with co-circulation of influenza and COVID-19 by ensuring a robust 2020/21 influenza vaccination plan is in place. Furthermore, the cell was responsible for developing mass vaccination plans, ensuring there is a specific focus on improving uptake of childhood and adult immunisation and vaccination programmes, which were paused due to COVID-19. The cell also co-ordinates effective communications

for public health protection services including the testing, contact tracing and immunisation programmes; and

- Social Distancing – the cell is responsible for ensuring social distancing measures are in place across the Health Board in all operational, office and other Health Board premises.

### **Other Committees of the Board**

Matters that have been brought to the attention of the Board for the Committees below can be found on the Health Board's website within the Board papers via the following link <http://www.wales.nhs.uk/sitesplus/862/page/40875>.

### **Welsh Health Specialised Services Committee (WHSSC) & Emergency Ambulance Services Committee (EASC)**

The WHSSC and the EASC are statutory joint committees of the seven local health boards. They were established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

The WHSSC was established in April 2010 and is responsible for the joint planning and commissioning of specialised and tertiary health care services on an all Wales basis.

The EASC was established in April 2014 and is responsible for the joint planning and commissioning of emergency ambulance services, including Emergency Medical Retrieval & Transfer Service (EMRTS) on an all Wales basis and commissioning Non-Emergency Patient Transport Services (NEPTS).

The Chief Executive represents the Health Board at both these Committees and a summary of key matters and decisions is reported to the Board following each meeting.

### **NHS Wales Shared Services Partnership Committee**

The NWSSPC has been established under Velindre NHS Trust which is responsible for exercising shared services functions including the management and provision of Shared Services to the NHS in Wales.

The Executive Director of Finance represents the Health Board at this Committee and a summary of key matters and decisions is reported to the Board following each meeting.

More information on the governance and hosting arrangements of the WHSCC, EASC and NWSSPC can be found in the Health Board's Standing Orders in the Statutory Committees section of its website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>.

### **NHS Wales Collaborative Leadership Forum (CLF)**

The CLF was constituted in December 2016. As the responsible governance group for the NHS Wales Health Collaborative it has been established to agree areas of

service delivery where cross-boundary planning and joint solutions are likely to generate system improvement.

The forum also considers the best way to take forward any work directly commissioned by WG from Health Boards and Trusts as a collective; and provides a vehicle for oversight and assurance back to WG as required. Assurance is given to individual Boards by providing full scrutiny of proposals. The meeting on 14 April was cancelled due to the pandemic, however the forum met on 28 July 2020 and 1 December 2020.

### **Mid Wales Joint Committee for Health and Social Care (MWJC)**

In March 2018, the Mid Wales Healthcare Collaborative transitioned to the MWJC whose role is to have a strengthened approach to planning and delivery of health and care services across Mid Wales and will support organisations in embedding collaborative working within their planning and implementation arrangements. The meeting on 23 March 2020 was cancelled due to the pandemic, however the Committee met on 28 September 2020.

### **Hywel Dda Public Service Board**

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

### **PSB Funding from Welsh Government**

The Minister for Housing and Local Government wrote to all PSBs to say that due to the need to review funding priorities that Welsh Government were unable to continue to fund PSBs going forward. This has yet to be discussed at the local PSBs but will have an impact on the resourcing of the running of the PSBs and local and regional co-ordination and activity. Papers for each PSB can be accessed via the following links:

[Carmarthenshire PSB](#)

[Ceredigion PSB](#)

[Pembrokeshire PSB](#)

Each PSB has published its well-being assessment and has a well-being plan that can be accessed through the following links:

[Carmarthenshire Well-Being Plan](#)

[Ceredigion Well-Being Plan](#)

[Pembrokeshire Well-Being Plan](#)

### **West Wales Regional Partnership Board**

Regional Partnership Boards (RPB), are based on Local Health Board footprints, became a legislative requirement under Part 9 of the Social Services and Wellbeing

(Wales) Act 2014 (SSWBWA). Their core remit is to promote and drive the transformation and integration of health and social care within their areas.

In the light of the COVID-19 outbreak, on 20 March 2020 WG advised RPBs of a series of relaxations in relation to reporting and monitoring of Transformation Fund (TF) and Integrated Care Fund (ICF) programmes. It also signalled flexibility in relation to deployment of existing funding to support the response to the pandemic.

WG confirmed the suspension of external evaluation of TF programmes and advised of a requirement to capture innovation/new ways of working in response to COVID-19 and share with WG as appropriate.

Temporary regional governance arrangements were put in place from 23 March 2020 to ensure timely decision-making during the pandemic whilst retaining openness and transparency. These included:

- Weekly meetings of Health and Social Care Leaders. This comprises of the Chief Executives of the partner organisations, Chair of the Health Board and Leaders of each Council:
- The formation of a Health and Social Care COVID-19 Planning Group (HSCCPG), which temporarily superseded the Integrated Executive Group (IEG), who met on a weekly basis until June 2020. This Group comprised all members of the Health Board Executive Team, Directors of Social Services and the Chief Executive of Ceredigion Association of Voluntary Organisations for the third sector. Its purpose was to coordinate a joined-up approach to the crisis, facilitate a whole system approach and take decisions on deployment of new funding and redirection of existing resources to support the COVID-19 response. The Group shared intelligence on key activities such as Test, Trace, and Protect, and approved key regional frameworks such as the Nursing and Residential Care Homes Risk and Escalation Management Policy. Decisions were also taken regarding deployment in West Wales of the £1.4m allocation to the region to support local arrangements to implement WG's COVID-19 Hospital Discharge Requirements: and
- Virtual meetings of the RPB to receive updates from partners and to ratify decisions taken by the HSCCPG.

IEG was reinstated with effect from 6 July 2020 and continued to meet weekly. The COVID-19 response was a key area of focus for the IEG over the remainder of 2020/21 providing a conduit for agreeing joint approaches to the significant challenges and pressures across the system. The Group also worked with the RPB to review the partnership's priorities in light of the pandemic, reflect on how business has been conducted over the pandemic period and apply lessons for enhanced joint working moving forward. The IEG also monitored the delivery of the West Wales Integrated Winter Plan which aligned to the Health Board's Q3 and Q4 Operating Plans.

In October 2020, the Health Board's Vice-Chair, Judith Hardisty, replaced Councillor Jane Tremlett as Chair, with Hazel Lloyd-Lubran, Chief Executive of Ceredigion Association of Voluntary Organisations appointed as Vice Chair.



In November 2020, the RPB approved a report for submission to WG which provided details of interim governance arrangements adopted by the RPB in response to COVID-19, and highlighted significant changes in anticipated need for care and support as a result of the pandemic, in comparison with that predicted in Population Assessment published in 2017.

In response to the facilitated self-assessment exercise undertaken by the RPB and IEG in late 2020, further support is being provided by the Institute of Public Care to review regional governance arrangements, strengthen joint working with PSBs and develop a high level 'manifesto' setting out the Board's key priorities and deliverables over the coming period. As part of this, there is a commitment to establish a new Programme Board to oversee delivery of the three Healthier West Wales programmes in the 2021/22 transitional funding year, ensuring that core objectives are met and impact assessed so that decisions can be made regarding continuation beyond the funding period. Further work will be undertaken in 2021/22 to strengthen the governance arrangements of the RPB.

## **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 2021 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 on page 23 of this statement.

The Health Board recognises that scrutiny has a pivotal role in promoting improvement, efficiency and collaboration across the whole range of its activities and in holding those responsible for delivering services to account. The role of scrutiny has been even more important during the pandemic, and Board and its Committees have continued to meet. Whilst some Committee and Sub-Committee meetings were temporarily stood down during the first and second waves (see Board and Committee section for further information), the impacts of doing so were considered and managed appropriately.

There were also changes to audit, inspectorate and regulatory regimes during the year as these organisations recognised the significant operational pressures on the NHS as a whole as it responded to increased activity during the first and second

waves of the pandemic. There was a change from on-site audits and inspection activity to reviews being undertaken remotely. Healthcare inspections focused on COVID-19 specific work and audit plans were also adapted to include how effectively the Health Board was responding to the pandemic. Through the Board Secretary and Executive Director of Nursing, Quality and Patient Experience, regular contact has been maintained with its auditors, regulators and inspectorates to keep them updated on the Health Board's response to the pandemic and ensure activity continued as much as possible.

The responsibility for maintaining internal control and risk management systems continued to rest with management. The Board reinforced this in April 2020 when it agreed its approach to risk management and the management of recommendations from auditors, inspectors and regulators. These papers (items 2.3 and 2.4) can be accessed on the following link [Board Papers 16 April 2020](#).

The 'Maintaining Good Governance' reports presented to Board throughout the year have detailed the Health Board's approach to ensuring the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints during the COVID-19 pandemic. These reports can be found in the 'Your Health Board' section of the Health Board's website - <https://hduhb.nhs.wales/about-us/your-health-board/>.

## **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 risks and operational risks within their portfolios.

The Health Board's lead for risk is the Board Secretary, who has responsibility for leading on the design, development and implementation of the Board Assurance Framework (BAF) and Risk Management Framework. AW have consistently reported through the Structured Assessment process, that the Health Board has a well-developed BAF and in 2020 reported that the Health Board adapted its risk management system during the pandemic.

In April 2020, the Board agreed its approach to the management of operational and corporate risks during the COVID-19 pandemic. This is detailed in item 2.4 in the following papers [Board Papers 16 April 2020](#).

## **Risk Management Framework**

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



Board reduces uncertainty, informs decision-making and priorities, and achieves the best possible outcomes.

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

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

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

Following approval of the Health Board's new strategic objectives, the Health Board will be reviewing its Risk Management Framework and Strategy to ensure they supports the achievement of those objectives. This will be informed by an assessment of its risk maturity to enable the Health Board to continue to strengthen its risk management arrangements, culture and attitude.

### **Risk Management Process**

The Health Board's Risk Management Framework supports the risk management process. This is a continuous process that should methodically address all the significant risks associated with all the activities of the Health Board. During the pandemic, risk assessments have been used to support key decision-making the balance of risk has needed to be clearly understood.

Risks are identified in a bottom-up and top-down approach throughout the Health Board. Each corporate and clinical directorate is responsible for ensuring risks to achieving their objectives, delivering a safe and effective service and compliance with legislation and standards, are identified, assessed and managed to an acceptable level, i.e. within the Board's agreed risk tolerance.

It is the responsibility of Executive Directors to put forward significant operational risks from their Directorate to be collectively agreed by the Executive Team for entry onto the CRR. Through 2020/21, the CRR was dominated by COVID-19 and reflected risks to its response to the pandemic and the delivery of its quarterly operational plans against the NHS Wales Quarterly Operating Framework.

In normal circumstances, it is also the responsibility of Executive Directors to identify principal risks associated with the delivery of the Health Board's objectives for

inclusion onto the BAF. Throughout 2020/21, the BAF was stood down to allow the organisation to focus on delivering its quarterly operational plans against the NHS Quarterly Operating Framework. Although the Board approved its new strategic objectives in September 2020, work to develop its principal risks was paused to allow the Health Board to respond to the second wave. Now that the Health Board's Draft Annual Recovery Plan 2021/22 has been developed, a series of workshops with the Executive Directors have been arranged for April/May 2021 to identify the principal risks to achieving its objectives. These will be included on the BAF to support the implementation of the Health Board's strategy and provide the Board with on-going assurance on the achievement of its objectives.

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.

### **Oversight and Reporting of Risk**

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

Risks are also aligned to the Health Board's assurance committee and Command and Control Structures, whose role it is to provide assurance to the Board that risks are being managed appropriately. The Executive Team hold a monthly risk session to review and consider the CRR.

The Board has received the CRR three times during 2020/21, however each risk has been mapped to a Board level Committee to ensure that principal risks are being managed appropriately, taking into account the gaps, planned actions and agreed tolerances, and to provide assurance to the Board, through their update report, on the management of these risks. Each risk on the CRR is presented to the Board and its Committees as a risk on a page, which includes a visual representation of the level of risk over a defined reporting period.

### **Risk Appetite**

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

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

"Hywel Dda's approach is to minimise its exposure to safety, quality, compliance and financial risk, whilst being open and willing to consider taking on risk in the pursuit of delivery of its objective to become a population health based organisation which focuses on keeping people well, developing services

in local communities and ensuring hospital services are safe, sustainable, accessible and kind, as well as efficient in their running.

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

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

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

Risk tolerance levels have been added to the Health Board's risk management system and risks above tolerance are reported and challenged through the assurance Committee structure.

The Health Board's risk appetite will be reviewed in 2021/22, to ensure it remains aligned to the Health Board's new strategic objectives and its capacity to manage risk, particularly whilst the Health Board continues to manage the pandemic and moves into recovery.

### **Risk Profile**

Delivering healthcare through the current clinical model in a large, rural geographical area presents significant financial, service, workforce and quality challenges to the Health Board. Prior to the COVID-19 pandemic, the majority of the Health Board's risks related to fragile services, poor patient flows, poor environments and aging equipment mainly as a result of staffing and funding (capital and revenue) challenges. The Health Board's new strategic objectives set out how it will address some of these issues going forward whilst considering the learning, developments and changes of practice implemented during the pandemic.

As the pandemic began to emerge, the following risks were initially identified on the CRR:

- Risk 853 - Risk that Hywel Dda's response to COVID-19 will be insufficient to address peaks in demand terms of bed space, workforce and equipment and consumables – *Whilst this had a risk score of 15 when it was entered on the CRR, it was reduced to 5 (within Health Board tolerance) in April 2021 based on estimated COVID demand and the planning undertaken to respond to COVID-19.*
- Risk 854 - The Health Board's response proves to be larger than needed for actual demand - *This risk has a current risk score of 3 which is significant reduction from the initial risk score of 12. The likelihood recognises that limits to the Health Board's ability to grow its bed base reduces the risk of over-*

*capacity and the modelling is informing the scale of gap. It also reflects revised planning assumptions from WG for winter COVID-19 demand which will be close to available field hospital capacity. The WG funding process for COVID-19 has been clarified and the current forecast out turn is in line with pre-COVID plans at £25m. The likelihood further reduced in light of the growing certainty of achieving the year-end financial target.*

- Risk 855 - The Health Board will be unable to address the issues that arise in non-COVID related services and support functions - *The level of this risk fluctuated throughout 2020/21 reflecting the changes in the levels of activity within hospitals. The risk score increased throughout the winter reflecting the pressures on services from the second wave (as it did in the first wave), when all but essential services were suspended with staff redeployed and only the most urgent surgery undertaken on a case by case basis. Clinicians continue to review patients on a case by case basis to ensure those at greatest clinical risk or risk of harm are seen first. The Health Board is using all available capacity at Werndale Hospital to support cancer and urgent surgery.*
- Risk 856 - The funding costs to address the Health Board response to COVID-19 may exceed the available funding – *This risk was de-escalated in March 2021 as the risk had been reduced to within tolerance as the Health Board was forecast to deliver a planned deficit of £25m.*

These risks have remained on the CRR during 2020/21 and the changes in the level of risk through the year can be seen on the CRR presented to the Board in March 2021 - [Corporate Risk Register - March 2021](#). During the pandemic, the Health Board's key objective was to deliver its quarterly plans developed in response the NHS Wales Quarterly Operating Framework to minimise the 4 quadrants of harm:

- Harm from COVID itself;
- Harm from overwhelmed NHS and Social Services;
- Harm from reduction in Non-COVID activity; and
- Harm for wider societal actions/lockdowns.

As these quarterly plans were developed, significant risks to delivery were reflected on the CRR and were reported through the Command and Control Structure, with oversight by the Board and its Assurance Committees. These included the following risks:

- Risk 1018 - Insufficient workforce to support delivery of essential services – *Being able to respond effectively and swiftly to the changes in the workforce demand was identified as a risk early on in the pandemic to the delivery essential services, managing surge capacity, delivering the mass vaccination programme and staffing field hospitals. The pandemic Command and Control Structure is monitoring and managing this risk. Whilst there has been a significant recruitment during COVID-19, there is remains a nursing, medical and therapies staffing deficit position which will need to be addressed as part of the Health Board's long term strategy.*
- Risk 1027 - Delivery of integrated community and acute unscheduled care services – *This risk was identified in November 2020 to reflect the risk of disruption to the delivery of essential services due to the fragility of the unscheduled care system across Hywel Dda, the impact of COVID-19 on available beds and staffing levels, and the delays in discharges beyond the*

remit of the Health Board. As such, a wide range of processes and controls are in place to mitigate e.g. daily virtual meetings for all sites, review of patients admitted to surge areas to ensure their acuity and dependency is monitored and controlled, discharge lounge for patients about to be discharged, joint workplan with the Wales Ambulance Service Trust. Due to the uncertainty surrounding any data modelling and the implications of restrictions lifting on future COVID and non-COVID demand, the situation remains fluid and changeable.

- Risk 1032 - Timely access to assessment and diagnosis for Mental Health and Learning Disabilities clients – *This risk reflects the increasing length of time mental health and learning disabilities clients (specifically ASD, memory assessment and psychology services for intervention) are waiting for assessment and diagnosis. This was caused by new environmental (due to social distancing measures) constraints to undertake required face-to-face assessments and patients' reluctance to attend clinics due to the risk of COVID-19, as well as certain elements of some assessments being restricted due to other agencies, such as education, providing limited services at present. Management of the risk is dependent on securing recurring funding Integrated Autism Service as well as having access to appropriate clinical venues and other agencies being able to undertake their associated assessments.*
- Risk 1048 - Risk to the delivery of planned care services set out in the Q3/4 Operating Plan and those proposed for Q1 and Q2 of 2021/22 – *This risk is caused by the legacy of the impact of the second wave on available capacity and a continuing significant deficit in available staffing resources to support green pathways for urgent and cancer pathway patients. The pressures the Health Board experienced necessitated it applying the WG Local Options Framework of actions to prioritise resources for COVID and other essential emergency pathways. Surgery for emergency and urgent cases recommenced in January 2021 and the Health Board is planning to restart other surgery as soon as it is safe and practical to do so. The plans in place reflect the maximum capacity the Health Board can achieve within the footprint of its existing hospital sites, particularly during the first half of 2021.*
- Risk 1016 - Increased COVID-19 infections from poor adherence to Social Distancing - *Social Distancing risk assessments have been undertaken that highlight ways to allow services to be re-introduced while maintaining the social distance measures, however successful management of the risk depends on staff, visitors or patients adhering to the social distance guidance or using the 'key controls' measures in place such as social distancing guidance and signs for staff, patients and visitors, safety screens have been installed in hospital, ward and clinic reception areas. Hand sanitiser stations are available across all sites. The risk has been reduced from 15 to 10 to reflect the staff and public's positive response to social distancing measures as well as the Health and Safety Executive (HSE) informal feedback and lack of enforcement from visit on 20 January 2021.*
- Risk 1017 - TTP Programme being able to quickly identify and contain local outbreaks – *This was initially identified when there were issues with the public being able to access timely tests through the TTP programme. Whilst these issues have been resolved, there is still a risk to maintaining adequate Health*

*Board staffing levels to support the TTP programme with regular requests for seconded staff to be pulled back to their substantive posts.*

- Risk 1030 - Reputational risk if the Health Board is perceived to not deliver the mass vaccination programme – *Whilst the Board have approved the Mass Vaccination Delivery Plan which is progressing at pace, there are a number of external factors that could cause delays. The risk at present is within the Health Board's tolerance level however remains on the CRR as the vaccination programme is a key objective of the Health Board.*

In addition to the risks emerging through the pandemic, there are other risks facing the organisation that have been exacerbated.

- Risk 684 - Lack of agreed replacement programme for radiology equipment across the Health Board – *This risk has been on the CRR since January 2019 and reflects the increased risk around the Health Board's stock of imaging equipment which requires significant periods of urgent and planned maintenance, creating downtime in use which puts pressure on all diagnostics, significantly impacting on the Health Board's ability to meet its performance targets and the impact to patients can include delays in diagnosis and treatment. Presently, equipment downtime is frequently up to a week which can put significant pressures on all diagnostic services. Whilst activity decreased due to COVID-19, the scanning of COVID-19 patients requires more time than non-COVID patients, which is an issue as requests for diagnostics for non-COVID patients increase as essential services resume. Commissioning of agreed equipment has also been delayed as a result of COVID-19 and this remains dependent external factors. Radiology has been asked to increase its service provision to other clinical directorates which it is currently unable to provide due to limitations on current equipment, however the new demountable CT-scanner will provide much needed resilience at Glangwili General Hospital. WG have agreed funding for one new CT scanner and one new MRI scanner in 2021/22 (out of 5 scanners required). In the meantime, controls and processes are in place to mitigate the risk e.g. service maintenance contracts, daily quality assurance checks, disaster recovery plan in place.*
- Risk 624 - Ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives – *This risk was added to the CRR in September 2018 and reflects the risk that there is insufficient capital funding from the All Wales Capital Programme and Discretionary Capital allocation to maintain and address the backlog maintenance. This was exacerbated during COVID-19 as capital funding to support COVID-19 capital expenditure was not confirmed. However based on knowledge of WG capital fund for imaging priorities, the Welsh Targeted Improvement Programme for Estates Infrastructure, capital receipts during 2021 and the Fire and Major Infrastructure business cases, this risk recently reduced from 20 to 16. The target risk score of 16 reflects the actions and processes planned and controls in place to help mitigate the risk.*
- Risk 646 - Ability to achieve financial sustainability over medium term - *The Health Board has not developed a full long term financial base-case model, which can then be used to assess the impact of 'A Healthier Mid and West Wales' and other medium term changes. The Health Board's underlying deficit*



also requires further work to fully explore and understand the opportunities for improvement which can be realised over the medium term. The forecast financial impact of COVID-19 on the underlying position is currently informed by modelling intelligence, due to the fluid nature of the pandemic and the multitude of unknown variables inherent in such a situation. Furthermore, the funding from WG in response to the pandemic in 2020/21 has been confirmed on a non-recurrent basis; the recurrent funding position remains uncertain.

- Risk 633 - Ability to meet the 75% target for waiting times for 2020/21 for the new Single Cancer Pathway (SCP) – This risk has been on the CRR since September 2018 and reflects the impact of COVID-19 on delivery of cancer services in 2020/21. Due to the COVID-19 situation, only urgent cancer elective surgery was carried out from the 21 December 2020 for a period of 4-6 weeks due to staffing levels. To help mitigate this risk, the Health Board has used Werndale Hospital for surgery. There is a COVID-19 escalation plan in place. The Health Board is working jointly with regional partners to offer patients on a tertiary pathway surgery within Hywel Dda.

As of 31 March 2021, there were 22 principal risks, 19 of which were above the Health Board's risk tolerance. The Corporate Risk Report can be viewed via the following link: <http://www.wales.nhs.uk/sitesplus/862/page/100557>. The heat map below presents the Health Board's principal risks (by their internal reference number) in respect of their likelihood and impact as at the end of March 2021:

HYWEL DDA RISK HEAT MAP					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5	853	117 634 1016 1017	813		
MAJOR 4		1030	291 628 633 451	624 646 750 855 1018 1027 1032 1048	684
MODERATE 3	854			129	
MINOR 2					
NEGLIGIBLE 1					

Further information on the highest scoring principal risks in 2020/21 (those that have risk score of 15 or over) can be found in the March 2021 Board papers [Corporate Risk Register - March 2021](#).

During 2020/21, 22 principal risks were closed or de-escalated from the CRR. These can be found at [Appendix 2](#).

## **Emergency Preparedness/Civil Contingencies**

The Health Board has a well-established Major Incident Plan which is reviewed and ratified by the Board on an annual basis. The Major Incident Plan meets the requirements of all relevant guidance and has been consulted upon by partner agencies and assurance reviewed by the WG's Health Emergency Planning Unit. This plan, together with other associated emergency plans, details the response to a variety of situations and how the Health Board meet the statutory duties and compliance with the Civil Contingencies Act 2004.

Within the Act, the Health Board is classified as a Category One responder to emergencies. This means that in partnership with the Local Authorities, Emergency Services, Natural Resources Wales and other NHS Bodies, including Public Health Wales (PHW), the Health Board is the first line of response in any emergency affecting its population. In order to prepare for such events, local risks are assessed and used to inform emergency planning.

We continue to ensure that Executive Directors are appropriately skilled to lead the strategic level response to any major incident via Gold Command training, with additional senior managers/nurses trained in tactical and operational major incident response. During the last year, the majority of training has moved to being delivered on virtual platforms to ensure COVID-19 safety.

The Health Board's response to the pandemic since the end of January 2020 has been based on well-established Command and Control structures (see [Command and Control](#) section on page 38 for further information) developed through the on-going delivery of the requirements of the Civil Contingencies Act 2004.

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have major incident and business continuity plans in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Local Resilience Forum (LRF) Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the Health Board, although there is confidence that all appropriate action is being taken.

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

## **Local Resilience Forum**

The Health Board is a core member of the multi-agency Dyfed Powys Local Resilience Forum, (LRF) which sits at the apex of Dyfed Powys's local civil protection arrangements. Its overall purpose is to ensure that there is an appropriate



level of preparedness to enable an effective multi-agency response to emergencies which may have a significant impact on the communities of Dyfed Powys. The LRF has been operating its Command and Control (incident management) structures throughout the pandemic, which have provided multi-agency strategic and tactical co-ordination involving the wider partner agencies and WG. A number of working groups have supported the main strategic and tactical co-ordinating groups in meeting the needs of the partners during the last year.

For example, the LRF has supported the planning for an increase in deaths during the pandemic and has co-ordinated the development of additional facilities in the event that they be needed to enhance the existing NHS facilities and Funeral Director/Crematoria sectors

Additionally, the LRF has developed a COVID-19 Resources Sub-Group which facilitates requests for assistance from any of the partner agencies, be it additional staff, equipment or premises.

The LRF also publishes a Community Risk Register – <https://www.dyfed-powys.police.uk/en/about-us/our-policies-and-procedures/planning-for-major-incidents/> - which informs the public about the potential risks the Health Board faces such as transport and industrial incidents and flooding/severe weather events and encourages them to be better prepared. As part of the LRF, the Health Board also works as a core partner to train and exercise staff to ensure preparedness for emergency situations.

### **Brexit**

The Health Board continued to prepare for a no-deal Brexit situation with the UK and Welsh Governments, the LRFs and other health and social care organisations across Wales, to ensure that patients and services would not be affected, or minimise any potential impact on NHS services.

Focus intensified from the summer as the end of the transition period approached and confirmation of a deal was still awaited. Areas of main concern remained medicines management, procurement and workforce.

Minor limited impact has so far been identified on any Health Board services which can be directly attributed to Brexit.

### **Tuberculosis (TB)**

During 2020/21 the Health Board has continued to work with specialist health protection teams within PHW to maintain an overview of the TB Outbreak. Respiratory services have continued to deliver a range of TB clinics in accordance with COVID-19 restrictions to support those effected individuals and their local communities.

### **Penally Army Training Camp**

In 2020, despite the Health Board raising concerns regarding the unsuitability of the accommodation, lack of consultation with local services, and the COVID-19 pandemic, the Home Office advanced plans for the Penally Army Training Camp Ministry of Defence (MOD) site near Tenby to be used to house asylum seekers from

elsewhere across Wales and England. As many as 179 asylum seekers, all of whom were adult males mostly from Eritrea, Iran, Iraq, Syria and Palestine, have resided at the camp at any given time. The Health Board has been central to the multi-agency integrated response to supporting the men at the camp. The delivery of safe and appropriate primary care services to the men seeking asylum who were placed in the Penally Camp has been complex and exacting, and challenging on many levels. The camp was formally closed by the Home Office on 21 March 2021. The Health Board ensured robust governance arrangements were in place to ensure it responded appropriately to the issues raised with Penally Army Training Camp.

PLANNING ARRANGEMENTS

Strategy

Improved health and wellbeing is a cornerstone of the Health Board’s strategy *A Healthier Mid and West Wales*, signalling a move away from a reactive care system that responds to illness and toward a pro-active population health system that promotes staying well. Accordingly, the strategy sets out the Health Board’s 20-year vision for the future, a co-created vision developed from the three PSBs wellbeing plans, as follows:

“Our shared vision is a mid and west Wales where individuals, communities and the environments they live, play and work in are adaptive, connected and mutually supportive. This means people are resilient and resourceful and enabled to live joyful, healthy and purposeful lives with a strong sense of belonging.”

Although the Health Board was responding the COVID-19 pandemic in 2020/21, it was conscious that at some point it would end and that the Health Board needed to be in the strongest possible position to accelerate the delivery of the strategy and bring the organisational values fully to life. Over the summer period, the Health Board took stock of where it was as an organisation, the lessons it had learnt in the initial phase of the pandemic, the decisions it had made and the progress achieved so far towards the strategic vision over the last 3 years. From this work, the Health Board developed a new set of 6 strategic objectives which set out the aims of the organisation - the horizon it is driving towards over the long term.

Whilst these 6 strategic objectives provide a new clarity of purpose, the overall aim remains unchanged; the Health Board will deliver on the ambitions of its strategy as well as the requirements of WG, regulators and others, whilst building the organisation firmly around its values which is sustainable in the longer term. This revised approach will help the Health Board to more clearly plan, identify gaps and opportunities and track progress as a Board towards meeting these strategic objectives.

- |   |  |
|---|--|
| 1. Putting people at the heart of everything we do    | 4. The best health and wellbeing for our communities |
| 2. Working together to be the best we can be          | 5. Safe, sustainable, accessible, and kind care      |
| 3. Striving to deliver and develop excellent services | 6. Sustainable use of resources                      |

The organisational values form the first 3 strategic objectives - they have resonance with staff, many of whom contributed to their development. They place humanity at the centre of what the Health Board wish to be as an organisation. The 3 service aims bring together the ambitions to focus on population health and wellbeing in its widest sense, the need to deliver now, and for the future, the key aims that guided the *Health and Care Strategy* and the need to manage all resources in a sustainable manner.

Taken together these 6 strategic objectives encapsulate the quadruple aim as set out in *A Healthier Wales* whilst maintaining local resonance. A set of approximately 65 planning objectives, aligned to the members of the Executive Team, sit underneath these strategic objectives. A number of the planning objectives are also underpinned by specific requirements, including those of WG and regulators, which are to be addressed in their delivery.

In developing the planning objectives, all outstanding decisions and commitments by the Board were reviewed and a clear audit trail established to demonstrate how outstanding commitments are reflected in the new objectives. This detailed audit trail was presented to the PPPAC for scrutiny in October 2020.

The organisational objectives and commitments were then reviewed and themed, and the final planning objectives agreed by the Executive Team. Some of the planning objectives are very ambitious. The Health Board learnt during its response to the pandemic that it can often achieve things that may not have seemed possible previously. A process has also been put in place to allow staff members across the system, partners, stakeholders, thought leaders and ultimately the local population to propose new planning objectives in support of the strategic vision, for consideration and possible adoption by the Board. This is managed by the [Transformation Steering Group \(TSG\)](#) established by the Board in June 2020(see below).

There are also a number of enabling functions that will need come together to deliver transformation across the Health Board. These include:

- Digital;
- Workforce;
- Quality Improvement;
- Governance;
- Finance;
- Estates;
- Decarbonisation, Green Health and the Foundation Economy; and
- Research, Development and Innovation.

A work plan to develop these enablers is in place and a Strategic Enabling Group (SEG) was established by the Board in June 2020 to oversee this and seek new ways to enable the organisation to achieve more from the delivery of its Planning Objectives.

Following Board ratification, Executive Directors and their teams have been developing their detailed delivery plans for each of the planning objectives. The Planning Team continues to engage with operational teams about their detailed

plans, as part of the Health Board's new approach towards planning. In this new approach, the development and implementation of planning objectives is a continuous process, informing the Health Board's planning cycle.

As the Health Board exits the pandemic, the role of the TSG and SEG will evolve. Work has already started to refocus the work programme of both TSG and SEG.

### **Transformation Steering Group (TSG)**

In 2020/21, the existing strategy delivery arrangements were reviewed, and a need to change was recognised. The TSG was established, with membership consisting of the Chair, Independent members, Executive Directors (or deputies) and external advisors, to ensure that the Health Board:

- Learns from the pandemic and its response to it;
- Translates that learning into practical applications; and
- Enables the Board to continue transforming its services today and over the lifetime of the health and care strategy.

The learning resulting from the pandemic provided an opportunity to review this, reflecting on the flexible way of operating during these times which allowed the Health Board to deliver the required change and innovation needed to continue delivering healthcare services in a time of great flux. A new transformation governance system was established in July 2020 with the establishment of the TSG, led by the Chief Executive Officer (CEO) and supported by a set of strategic enabling groups to determine the timescales for delivery.

The initial piece of work undertaken by the TSG was to produce a Strategic Discovery Report, applying the initial learning from the Health Board's pandemic response to the delivery of its health and care strategy. The report aimed to bring together the learning and innovation across the local health and care system to ensure that the Health Board can learn collectively from the pandemic and its response to it. The report enabled the Board to celebrate and authorise the changes and practical application of the learning that was achieved together, and to confirm the commitment to continue to transform services now and over the lifetime of the Health and Care Strategy, ensuring that the impact of all learning is maximised. The areas set out in the report to celebrate, authorise and decide can be found in the report to the July Board - [Strategic Discovery Report July 2020](#). This was important learning to support the Health Board to recover services, to build on what worked well, and work towards a 'new normal'.

The Board has commissioned a second phase of its 'Discovery' work, which will focus on staff rather than services. This second 'Discovery' phase has in part already begun and will accelerate and continue through Quarter 1 of 2021/22. Its outputs will inform the 'Thank you offering' to staff and the Health Board's approach to support their rest, recovery and recuperation due to COVID-19. Other surveys around Health and Wellbeing, Stress and Burnout, and the National Staff survey conducted in November 2020 will also be used to inform this 'Discovery' work, along with the launch of the Medical Engagement Scale (due in early 2021/22). The Health Board also has a growing body of evidence from staff stories and quotes, shared through Workforce and Organisational Development colleagues; staff side, Chair and

Executive visits; Clinical leads; Heads of Nursing; new COVID recruits and coaching experiences.

Feedback from engagement with the local population via the planned “Public facing Discovery” engagement exercise is also planned for 2021/22.

### **Planning and Delivery**

In March 2020, the WG took the unprecedented decision to pause the Integrated Medium Term Plan (IMTP) and annual plan process to enable NHS Wales organisations to focus its attention on the immediate planning and preparations to deal with the COVID-19 pandemic, advising that the planning process would be restarted at a more appropriate time.

Nonetheless, in March 2020, the Health Board agreed to submit a Three Year Plan for 2020/23, which incorporated the Annual Plan 2020/21 to WG. The Annual Plan 2020/21 was developed following several planning meeting discussions with WG, as the Health Board would not be in a position to submit an IMTP, as required by the National Health Service Finance (Wales) Act 2014, for 2020/23 given the current financial position and three year forecast.

Quarterly planning arrangements were introduced during 2020/21 in response to the pandemic in order to maintain essential services and retain flexibility and adaptability to changes in the community transmission rates of COVID-19. Quarterly plans were required from all organisations, aligned to the priorities in each quarter’s frameworks which were issued throughout the year. These were developed and approved through the Command and Control Structure, with ratification from the Board.

The Health Board recognises the seismic shift that COVID-19 has had on planning, deployment and implementation of systems, structures and services. The impact has been both significant and dynamic and cannot be underestimated. It has changed and advanced the way the Health Board approaches its planning, meaning that many changes previously identified for the longer-term have had to already be implemented, with digital enablement being a prime example of this. This means that planning and assumptions were re-thought, along with their timelines, as the Health Board moved into a transformational period. Despite the challenges and fundamental changes encountered during 2020/21, there have been unexpected opportunities presented to re-set, accelerate and expedite, where appropriate, to transform services.

Given the issues relating to, and the consequence of the current pandemic, WG requested an Annual Plan for 2021/22, rather than an IMTP. In recognition of the continued dynamic environment that Health Boards are currently operating in, the WG wrote to all Health Boards on 17 March 2021 with regards to the submission of their Annual Plans, reflecting that plans taken to Boards will only be draft plans as final funding packages have not been completed yet, and consequently draft plans will need to be reviewed in conjunction with WG colleagues to assess the levels of assumed spending.

In March 2021, the Health Board approved its Draft Annual Recovery Plan 2021/22 which sets out to the organisation and WG the priorities for 2021/22, for submission

to WG. The full plan is expected to go to June 2021 Board for final approval. The strategic objectives and planning objectives, approved by Board in September 2020, form the foundations of the plan with the focus, first and foremost, on how the Health Board continues to address, and recover from the COVID-19 pandemic: how it will support staff to recover after the challenges of the past year, and how it will lay the foundations to recover its system/services and support communities to thrive.

The draft Annual Recovery Plan recognises a planned deficit in the 2021/22 financial year, and that this does not recover the cumulative deficit incurred to date (which was reset to 1 April 2020). As a result of this, the Health Board has approved a draft budget which will breach its statutory financial duty for the three-year period, however it will continue to look at every opportunity to reduce expenditure and close the financial gap, wherever possible.

The Health Board was unable to meet its financial duty to not exceed the aggregate funding allocated to it over a period of 3 years. The Health Board had a deficit position of £35.4 million in 2018/19, £34.9m in 2019/20 and £24.9m in 2020/21. The Health Board is cognisant that financial planning and the delivery of its strategy are needed for long-term financial stability and sustainability.

### **Working with partners**

In the past year the communication and the strength of the Health Board's partnerships with its 3 local authorities and other public bodies in West Wales has been key to the success of the collective response to the pandemic, particularly with, providing personal protective equipment across health and social care, the Test, Trace and Protect programme, provision of field hospitals, roll out of the biggest mass vaccination programme in the history of the NHS and supporting care homes.

Improving health outcomes in mid and west Wales and creating a sustainable healthcare system for the future requires strong and effective partnerships. The Health Board is committed to developing strong partnerships with patients, public, stakeholders and partner organisations from the statutory, voluntary and independent sector.

The strategic partnership focus is on facilitating and supporting collaboration and integration of services, both internally and externally, by:

- Nurturing relationships with key strategic partnerships to drive needs-led, outcome focussed planning, activity and participation;
- Ensuring alignment between well-being plans and strategies between the health board and partners;
- Leading corporate planning and commissioning of information, advice and assistance for unpaid carers to meet their needs in an equitable way across the area;
- Leading and supporting and contributing to a range of multi-agency projects for vulnerable groups in order to create a pace of change and support service improvement;
- Delivering publication of the Health Board's Well-being Objectives and Annual Report; and



- Providing a range of awareness raising opportunities and targeted training to increase staff knowledge, understanding and competency in key legislative responsibilities and how to provide equitable services and inclusive working environment.

The Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015 provide complimentary legal frameworks that include arrangements to support partnership working. The West Wales RPB is driving the integration of health and social services to plan and ensure the delivery of integrated, innovative services to best meet the needs of people with needs for care and support. The 3 PSBs sitting at local authority area level involve a broader range of partners working strategically at the wider economic, social, environmental and cultural well-being of the area.

On behalf of the RPB, the IEG (which consists of a number of directors across health and social care) monitors delivery of key programmes, including:

- The Healthier West Wales programme – funded through the WG's TF and comprising 3 ambitious programmes aimed at helping people to stay active, well and independent within their communities whilst providing targeted support where necessary. Transitional funding of £6m has been awarded to support these programmes in 2021/22, building on nearly £12m investment over the past two years.
- The TF also supports the West Wales Research, Innovation and Improvement Coordination Hub (RIICH), hosted by the Health Board and charged with working across all partner agencies to (1) promote the use of research, knowledge and information to understand what works; (2) support shared learning; (3) and use innovation and improvement to develop and evaluate better tools and ways of working.
- The ICF – bringing £12m revenue and £5m Capital transitional funding to the region in 2021/22 and supporting a wide range of programmes which bring services together, support independence and aim to significantly reduce the need for long term care. ICF investment spans all population groups, with focused allocations for older people, people with dementia, children and families, learning disabilities, unpaid carers and autism.

The Board's commitment to using a 'Well-being Lens' is supporting it to embed the sustainable development principles of the Well-being of Future Generations (Wales) Act 2015 into our everyday business. These plans have been developed through the lens of:

- Balancing the delivery of current services whilst planning for the longer-term delivery of sustainable health and care services for future populations;
- Preventing problems from occurring or getting worse, with actions focused on primary, secondary and tertiary prevention;
- Integrating services with others, both public sector partners as well as third sector organisations, to deliver seamless care;
- Collaborating with others to take action to address the wider determinants of health and improve patient experience and outcomes;

- On-going commitment to the continuous involvement of people who represent the diversity of the Health Board area to ensure that the patient, staff and stakeholder voice shapes the development of services.

As a health organisation, the Health Board is aware that other partners have a significant contribution to make in improving health outcomes as there are many wider determinants of health and well-being.

As the Health Board continues to work increasingly in partnership to deliver its strategic aims, objectives and priorities, it is essential that arrangements continue to be underpinned by robust governance arrangements, including appropriate reporting mechanisms, in order that the Board has a clear approach to its partnership work. If such arrangements are not in place, governance arrangements can become diluted, and the Board will not receive the assurances it requires regarding the quality, safety and efficacy of services delivered. This is particularly important where partnerships are focused on some of the most vulnerable patient groups, and where there needs to be both a trust and confidence in the arrangements in place.

### **Triennial Review of University Status**

The WG awards 'University Status' to Health Boards able to evidence strong partnerships with Higher Education Institutions in relation to learning and teaching, research and development, and innovation. The status is reviewed every three years, although the WG has signalled an intention to align this to the medium term planning cycle from 2021/22. The Health Board has retained its 'University Status' following a recent review by an assessment panel involving WG, Health and Care Research Wales, and Health Education and Improvement Wales on 16 April 2021.

The Health Board was awarded its university status in 2013. Its status was subsequently reviewed in 2016 and validated. Over the past two months, documentary evidence has been collated from key staff across the Health Board and university partners. This has included speaking to partners at length about their perceptions of where the relationship with the Health Board in the 3 domains of partnership are particularly strong.

Bilateral executive level meetings have been held with each of the Health Board's university partners to determine progress and set future priorities in the domains of research and development, innovation, and education and workforce. The meetings have resulted in work plans, which will now be reviewed on 6 monthly basis. The summation of this evidence illustrates a positive picture of university partnership between 2016 and 2020, particularly with the Health Board's 3 main partners of Aberystwyth University, the University of Wales Trinity Saint David, and Swansea University, while recognising the strong links the Health Board has with other Higher Education Institutions in Wales and beyond.

The achievements include significant partnership activity in support of the Health Board's University status:

- Workforce strategy, in areas including the 'grow your own – train, work, live' initiative, developing skills and education (e.g. new role creation, degree



apprenticeships, and widening access to courses), supporting high quality placements, and continuing professional development;

- Research strategy, including jointly supported portfolio studies, research time awards, honorary and jointly funded posts, securing grants from significant research funding bodies and commercial organisations, and maturing formal associations including the West Wales Academic Health Collaborative; and
- Innovation approach, both demand and supply side, including several joint projects supported through the efficiency through technology fund, meaningful partnerships with the Life Science Hub Wales (e.g. the Accelerate initiative), and significant engagement with the Bevan Commission's programmes, evidenced by the number of Exemplar projects supported.

## **THE CONTROL FRAMEWORK**

### **Quality Governance Arrangements**

The Health Board has a structure in place for quality governance lead by the Executive Director of Nursing, Quality and Patient Experience. In line with Standing Orders, the Board has established a Committee to cover the quality and safety business of the Board. This Committee holds Executive Directors to account and seeks assurance, on behalf of the Board, that it is meeting its responsibilities in respect of the quality and safety of healthcare services.

Throughout 2020/21, the Health Board has continued to work on standardising reporting to improve consistency through the quality and safety governance structure. Whilst some of this work has been hampered by the COVID-19 pandemic, there has been good progress. An IA review of Quality and Safety Governance arrangements was undertaken in line with the audit plan for 2020/21. IA awarded a 'reasonable' assurance rating and the audit concluded that the Health Board has made progress in embedding governance arrangements to review and progress quality and safety issues within the sampled directorates. Further work is underway to further strengthen the quality and safety governance arrangements with the introduction in early 2021 of County level meetings.

### **Organisational Quality Arrangements**

The Executive Director of Therapies and Health Science, Executive Medical Director and Executive Director of Nursing, Quality and Patient Experience are all jointly accountable for quality and safety, and jointly provide this assurance through QSEAC and directly to Board. The Quality and Safety, Experience and Improvement teams are line managed by the Executive Director of Nursing, Quality and Patient Experience; however the deployment of this resource supports the organisation multi-professionally in matters relating to quality and safety.

The job descriptions of senior clinical leadership positions all include responsibility for quality and safety, and it is therefore made clear that this is a core part of their role.

In year, the Health Board has strengthened the quality and safety arrangements with the appointment of a Clinical Director for Clinical Effectiveness, a Clinical Director for Clinical Audit and Clinical Leads for Quality Improvement.

Each directorate/locality has a Triumvirate Team with joint responsibility for quality and patient safety. The Head of Nursing and Clinical Director work closely to ensure that the quality and patient safety agenda is considered at the directorate level. To support the Triumvirate Teams the Quality Assurance and Safety Team (formerly the Assurance, Safety and Improvement Team) have introduced a business partner model. Quality governance will be further strengthened in 2021/22, when the Health Board continues to address the findings of the 2019 AW Quality Governance Arrangements in Hywel Dda.

### **Listening and Learning Sub Committee**

In 2020/21, the Health Board established a Listening and Learning Sub-Committee which reports to QSEAC. The Sub-Committee provides clinical teams across the Health Board with a forum to share and scrutinise learning, and to share innovation and good practice. The learning may arise from a complaints, an incident, a claim, a patient story or experience feedback, external inspection and peer reviews.

### **Annual Quality Statement (AQS)**

The requirement to publish a separate AQS was changed for 2020/21. To replace the AQS in line with WG guidance, the Health Board has ensured that the Annual Report has a focus throughout on quality.

### **Health and Care Standards (HCS)**

The HCS set out the WG's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings. The HCS set out what the people of Wales can expect when they access health services and what part they themselves can play in promoting their own health and wellbeing. The HCS set out the expectations for services and organisations, whether they provide or commission services for their local citizens.

The HCS came into force from 1 April 2015 and incorporate a revision of the 'Doing Well, Doing Better: Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'. The HCS have 7 themes and have been designed in order that they can be implemented in all health care services, settings and locations. They establish a basis for improving the quality and safety of healthcare services by providing a framework. Key objectives from each service should be considered in relation to HCS.



The HCS are intrinsic in the day to day business of the Health Board. The HCS are firmly embedded within the Health Board and can be demonstrated in a number of ways:

- All Board and Committee reports are linked to HCS;
- Integrated Performance Assurance Report (IPAR) reported on alternative month to either Board or PPPAC under HCS domains; and
- Fundamental of Care Audits.

A review of the Health and Care Standards was completed by IA in February 2021 in line with the IA Plan 2020/21 to establish whether the Health Board had adequate procedures in place to ensure, and monitor, effective utilisation of the standards to improve clinical quality and patient experience. IA awarded a 'substantial' assurance rating and confirmed that the maturity of the embedded Health and Care Standards within the organisation's governance framework has resulted in information for each standard being reported through to the Board and fully adopted into day-to-day practices.

### **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.

As a result of the unfolding COVID-19 situation, HIW paused all inspection activity during the period April to August 2020 and piloted a new way of working during August to October 2020, which has continued throughout the remainder of the financial year. This enables them to deploy their resources in a more agile way, responding to specific risks and issues arising from COVID-19 pandemic, whilst taking account of revised operating models during the pandemic. The new approach uses a three tiered model of assurance and inspection that reduces the reliance on onsite inspection activity as their primary method of gaining assurance. The tiered model for undertaking 'quality checks' is as follows:

- Tier 1 - activity is conducted entirely offsite via the use of Microsoft Teams to interview key staff and used for a number of purposes. All supporting documentation for the quality checks are submitted electronically in advance of interviewing staff.
- Tier 2 - a combination of offsite and limited onsite activity
- Tier 3 - traditional onsite inspection.

All HIW reports, including the improvement plans, are reported to QSEAC, with an update on progress to date on the implementation of the recommendations within the reports. This includes any inspections of acute hospitals and mental health and learning disabilities facilities, GP and Dental practices, and any incidents involving ionising radiation (IR(ME)R). The Committee is also informed of any immediate assurance letters received by the Health Board. In the absence of quarterly Executive Performance Management meetings, the Assurance and Risk Team have put in place a rolling programme to obtain progress from individual services on a bi-monthly basis. This means that services are providing updates on progress on a more frequent basis which has enabled subsequent formal approval of closure of reports from Executive Directors. This also includes an escalation process to the relevant Executive Director where no response is received from the service.

As a result of increasing community transmission and hospital admissions within NHS Wales, HIW paused routine 'quality checks' from 24 December 2020 to the end of January 2021, with inspections recommencing in February 2021.

During the year, HIW have undertaken 10 'quality checks' across acute sites, mental health sites and community services including those created in response to the COVID-19 pandemic, such as mass vaccination centres, within the Health Board. HIW have also published the results of the first phase of their National Review of Maternity Services, which the Health Board was invited to provide responses to in March 2021.

The quality checks undertaken by HIW focus on key areas including governance, infection prevention and control, and the environment. The key messages emanating from the quality checks were that, overall, the Health Board has responded well to the emerging pressures of the pandemic and is maintaining a good quality of care towards patients. The work also highlighted some issues requiring further action, and where areas of improvement had been identified, the Health Board has generally responded soundly, with improvement plans being completed and submitted in a timely manner, and updates provided to HIW within three months of the completed 'quality check' on progress made against recommendation raised. Further information on HIW activity including areas visited can be found Appendix 3.

### **Clinical Audit**

On 19 March 2020, the Deputy Chief Medical Officer contacted Health Boards to advise that all clinical audit data collection would be suspended. WG arrived at this decision in consultation with the Healthcare Quality Improvement Partnership (HQIP) who run the national programme. The programme continues to be suspended at this time.

Although there was no mandated expectation to do so, the Health Board has tried to maintain as much participation as possible during this unprecedented time. The list below includes the projects being maintained (in varying ways) include:

- Major Trauma Audit;
- National Joint Registry;
- National Diabetes Foot Care audit;
- National Asthma and COPD audit programme;
- National Early Inflammatory Arthritis;
- National Audit of Inpatient Falls;
- National Hip Fracture database;
- National Heart Failure;
- Myocardial Infarction National Audit Project (MINAP);
- National Paediatric Diabetes; and
- National Cancer audits would still routinely collect data as part of a normal working pattern and this is likely to be true for other audits e.g. Stroke

Further work is currently being carried out to evaluate more accurately the participation levels over the last 12 months. This will be reported through the Annual Clinical Audit Report later this year.

Local clinical audit activity also fell sharply once preparations for COVID-19 began. Clinical Audit staff were preparing to finalise the 2019/20 programme and in the process of developing the 2020/21 programme, however these processes have not been completed due to the clinical teams slowing down or not undertaking audit activity due to the resulting pressures of COVID-19. The decision was made not to continue with preparations for the 2020/21 programme so as not to over burden clinical services during this crisis. This decision was made in conjunction with the decision from WG to suspend audit activity.

Clearly the reduction in clinical audit activity will have an impact both for the Health Board and nationally. A significant number of audits have understandably not been undertaken during this time. The impact of this will be somewhat mitigated by the reduction in the number of patients and consequently insufficient patient samples for effective data collection. This will certainly apply to all elective admission based audits (e.g. National Joint Registry, Audiology, Cardiac Rhythm Management etc.).

Services will have been unable to demonstrate through audit, their ability to meet standards of care. There will also be little or no improvement work being undertaken during this time. Whilst the focus of all clinical services will be on COVID-19, there will be insufficient data available or collected to inform these audits. The advice from WG is that the burden of retrospective data collection as well recovering from the outbreak would not be tenable.

The Clinical Audit Department (CAD) has recruited to the vacant posts within the department and is now almost at a full complement. Training of new staff has been challenging but the CAD is continuing to progress audit work for 2021. A new Clinical Director for Clinical Audit was appointed in February 2021. The new Director will work with the Clinical Audit Manager and the clinical teams to build a stronger clinical

audit programme, as well as consider the processes and governance around clinical audit projects.

The Health Board has resumed its programme of Whole Hospital Audit Meetings (WHAM) for 2021 in line with pre-COVID plans with 4 dates agreed for 2021 to support shared learning through clinical audit.

The Health Board will continue to finalise the outcomes of the 2019/21 programme ready for reporting in August 2021. Development of the 2021/22 programme is also underway. The new programme will seek to focus on the recovery from COVID-19, reflecting audits that assess care during and after, provide evidence for effective new ways of working, service redesign or areas that have been identified as a risk during the pandemic.

ARAC continues to seek assurance on the clinical audit activity within the Health Board.

### **Mortality Reviews**

Mortality is one of the indicators used to measure quality of care, however the dimensions of health service quality include safety, patient centred care, timeliness, equity, effectiveness and efficiency. Mortality information needs to be considered within this context and alongside other information about service quality including other outcome data, harm, patient satisfaction and experience information, access information and measures of end of life care, etc.

The Board receives a regular report as part of the IPAR on the mortality key indicators. The targets are:

- Mortality reviews should be undertaken within 28 days (stage 1 – Universal Mortality Reviews);
- 12 month improvement on:
  - Crude mortality rate for persons under 75 years old;
  - Deaths within 30 days of emergency admission for a heart attack (patients aged 35 to 74);
  - Deaths within 30 days of emergency admission for a stroke; and
  - Deaths within 30 days of emergency admission for a hip fracture.

Mortality information is regularly reported at Directorate and Board level and monthly returns are provided to the WG. The Mortality Review Group, a group of the Effective Clinical Practice Group, focuses on the actions required to improve Universal Mortality Review figures.

The Mortality Review Group has considered and reported the impact of COVID-19 in relation to both crude mortality measures and the impact on those patients waiting for an elective procedure. This report is available here - [Mortality Review of the Impact on Patients Waiting for a Procedure during the COVID-19 Pandemic](#).

The Medical Examiner Service is in the process of being introduced across Wales. Hosted by NWSSP, it will provide an independent scrutiny of all deaths that are not investigated by the coroner. Scrutiny will be undertaken by a Medical Examiner, who is an experienced doctor with additional training in death certification and the review



of documented circumstances of death. They will ensure that an accurate cause of death is recorded, identify any concerns surrounding the death itself which can then be further investigated if required, and take the views of the bereaved into consideration.

### **Clinical Executive's Quality Panels**

Quality Panels are held by the clinical Executive Directors when a potential issue or concern is identified through triangulation of quality data including incidents, patient experience, and staff experience. For example a service may be asked to attend a panel to discuss a cluster of incidents. The purpose of the panel is to give the clinical Executive Directors an opportunity to discuss the issue with the service/directorate management team and to identify possible solutions or areas where support can be provided.

The meetings are scheduled six-weekly, or more frequently if required. The focus for the next meeting will be agreed with the clinical Executive Directors and will depend on what potential issues or concerns are arising.

Weekly "Hot and Happening" meetings are held with the clinical Executive Directors and representatives from quality assurance and safety to discuss any "hot" issues arising in the week prior to the meeting. The item to be discussed at the next Quality Panel may be identified at the weekly meeting.

### **The impact of the pandemic on quality governance arrangements**

In response to the pandemic, the Health Board ceased or restricted some quality governance arrangements either to reduce the risk to its staff or to allow for staff to be redeployed to provide support. For example, a decision was made to stop Board to Floor visits during the pandemic as it was considered that these visits posed a risk to the visiting Board Members as well as increasing the risk of transfer of COVID-19. A second example, the Quality Improvement Team were redeployed to the command centre to support management of the pandemic; therefore the Ensuring Quality Improvement Programme (EQliP) was put on hold and there was also a reduction in Quality Improvement projects.

### **Governance, Leadership and Accountability (GLA)**

The Health Board undertook a self-assessment to consider how the Health Board operated in accordance with the following criteria for the HCS for GLA Standard in 2020/21:

- Health Services demonstrate effective leadership by setting direction, igniting passion, pace and drive, and developing people;
- Strategy is set with a focus on outcomes, and choices based on evidence and people insight. The approach is through collaboration building on common purpose;
- Health services innovate and improve delivery, plan resource and prioritise, develop clear roles, responsibilities and delivery models, and manage performance and value for money; and
- Health Services foster a culture of learning and self-awareness, and personal and professional integrity.

Further information can be found in the Board Effectiveness report to ARAC in May 2021.

### **Corporate Governance Code**

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, an assessment was undertaken in March 2021 against the main principles as they relate to an NHS public sector organisation in Wales. This assessment was informed by the AW Structured Assessment 2020, the IA of 'Governance Arrangements during COVID-19' and its assessment against HCS 1 GLA Module (as noted on previous page). The Health Board is satisfied that it is complying with the main principles of, and is conducting its business in an open and transparent manner in line with, the Code. There were no reported/identified departures from the Corporate Governance Code during the year, other than those detailed on page 11.

### **Performance Reporting, Management and Improvements**

With the exception of April 2020, when the Health Board temporarily paused performance reporting to committees to allow staff some additional time to focus on the pandemic response, performance continued to be reported monthly on its performance throughout 2020/21. The monthly performance report provides assurance on the most recent outturn position for key deliverable areas and gives an overview on the impact of COVID-19 pandemic, the risks being faced, and actions taken. The supporting report highlights where improvements are needed. The performance reports and supporting documents can be accessed:

<https://hduhb.nhs.wales/about-us/performance-targets/our-performance-areas/monitoring-our-performance/>

Work started in February 2021 with the *Making Data Count* team from NHS Improvement to introduce statistical process control (SPC) charts in the performance report. Initial feedback from Board Members has been very supportive as SPC charts allow better focus on areas requiring improvement.

As a result of the COVID-19 pandemic, many internal processes for assurance, performance management and financial turnaround were scaled down or suspended in March 2020. This included internal 'holding to account' meetings, regular executive team performance reviews of directorates and IA activity. In lieu of these processes, corporate teams established separate processes to monitor and highlight areas of poor performance such as:

- Weekly scrutiny of incidents by a central team, with concerns on themes and significant events escalated to the Head of Quality and Governance and/or relevant senior manager;
- Weekly reports to all Directorates detailing outstanding complaints, and escalated where required;
- Monthly reports on workforce matters such as sickness, mandatory training and staff appraisals to General Managers and county Directors;
- Monthly assurance and risk reports circulated to service leads; and
- Sharing the finance dashboard monthly with senior service leads, alongside frequent meeting to discuss value for money and efficiencies.



The Health Board has been working with an external organisation who aim to assist healthcare organisations move to a flow-based system-wide approach through better use of data. An advanced analyst training programme for staff commenced in March 2021 and will continue into 2021/22.

The Performance Team is in the process of developing a suite of performance dashboards in order to provide management at all level with reliable, user-friendly performance data in an easily accessible format using Power BI. The risk dashboard was published in December 2020 and is used across the Health Board. Dashboards for Workforce and Organisational Development, and Finance are nearing completion and will be published early 2021/22.

A new 'Improving Together' framework has been developed which aims to empower staff to make improvements across all areas including performance, quality, workforce and finance.

### **Health and Safety**

As part of a national programme of inspections for 2019/20, the Health and Safety Executive (HSE) attended Health Board between 2 and 11 July 2019 with the targeted intention of examining the management arrangements for violence and aggression, musculoskeletal disorders (MSDs) and asbestos in selected clinical and non-clinical areas. Whilst the HSE found some areas of good practice, they also found evidence of contraventions of health and safety law and subsequently issued 8 Improvement Notices and 13 other Material Breaches. These required the Health Board to take action to ensure that it is managing health and safety more effectively and complying with the law by 1 May 2020. The HSE have extended the compliance dates for outstanding work several times in light of COVID-19.

Work has continued to be undertaken to address the findings and the HSE have confirmed, following their follow up in January 2021 that four of the Improvement Notices have been fully complied with, and they recognised that progress had been made on all of them, as well as on many the other matters ('Material Breaches'). In recognition of the work completed thus far, with further work required on 4 remaining notices to achieve full compliance, the HSE have agreed further extensions of time for full compliance however are confident that the remaining work on Material Breaches will be completed by the Health Board without the need for HSE scrutiny.

Following the visit, the Health Board received two actions in a Material Breaches-Notification of Contravention letter regarding COVID-19 arrangements. Appropriate action in relation to these matters have been implemented. The Health Board also received 3 actions from a Material Breaches Notification of Contravention letter regarding shielding arrangements. Progress of work undertaken was reported to HSAC and the Health Board's SPF. Actions are in place to address the concerns raised.

In 2020/21, the new HSAC which reports directly to the Board, was constituted to demonstrate its commitment to improving health and safety for it patients, staff and visitors. This Committee has provided assurance to the Board on the work undertaken towards compliance with the HSE notices.

In March 2021, IA undertook a follow up review of health and safety which provided the Health Board with 'reasonable' assurance, demonstrating further improvement in this area.

### **Fire Safety**

Mid and West Wales Fire and Rescue Service (MWWFRS) has issued the Health Board with 7 Fire Enforcement Notices (FENs) for

- Withybush General Hospital;
- St Caradogs;
- St Non's (Secure EMI unit)/ St Brynach's (Day Hospital) / Bro Cerwyn (Offices);
- Llys Stephen;
- Tenby Cottage Hospital; and
- South Pembrokeshire Hospital.

The Health Board continues to work with MWWFRS to address the findings, with extensions for some works agreed due to COVID-19.

As of March 2021, the Health Board has 6 FENs and 3 Letters of Fire Safety Matters (LoFSMs) outstanding. The Health Board has regular meetings with MWWFRS in respect of the delivery programme which addresses the issues identified within the FENs and LoFSMs and continues to work closely with both MWWFRS and WG in communicating progress as the schemes develop.

Regular progress updates are also reported to the HSAC, which provides assurance to the Board on the work undertaken towards improving compliance. In March 2021, IA carried out an audit on the management of FENs which provided substantial assurance, which clearly demonstrates the progress that has been made during 2020/21.

## **OTHER CONTROL FRAMEWORK ELEMENTS**

### **Counter Fraud**

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales), the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed at the beginning of the financial year a work plan for 2020/21 which was approved by the ARAC in April 2020. The workplan can be accessed via the following link - [HBUHB Counter Fraud Workplan 2020-21](#).

The work plan for 2020/21 was completed and covered all the requirements under WG directions. The Counter Fraud Service provided regular reports to the ARAC throughout 2020/21.

The NHS Counter Fraud Authority (formerly NHS Protect) provides national leadership for all NHS counter fraud, bribery and corruption work and is responsible for strategic and operational matters relating to it. A key part of this function is to quality assure the delivery of anti-fraud, bribery and corruption work with stakeholders to ensure that the highest standards are consistently applied.

The Board Secretary is the Health Board's Champion for counter fraud.

### **Post Payment Verification (PPV)**

In accordance with the WG directions the Post Payment Verification (PPV) Department (a role undertaken for the Health Board by the NHS Wales Shared Services Partnership) role is to review claims submitted by contractors in General Medical Services (GMS), General Ophthalmic Services (GOS) and General Pharmaceutical Services (GPS).

Due to the COVID-19 Pandemic, WG Primary Care Chief Officers, in collaboration with associated Clinical Directors within the service, agreed that PPV processes would be stood down. This decision was taken to protect front-line services, to maintain colleagues' safety, and to remove any pressure on primary care contractors and their teams during unprecedented times. A review of opportunities and a recovery plan was considered during this time, to return with an acceptable level of PPV, which would continue to provide Health Boards with reasonable assurance that public monies are being appropriately claimed. PPV reinstatement was 1 October 2020, however in recognition of the ongoing pressures on the health service including primary care, WG and the General Practitioners Committee (GPC) extended the suspension (and the associated PPV) until the end of March 2021. This is inclusive of the payment provisions/guarantee that applied during that time.

A PPV Progress Report for the period 1 October 2020 to 31 January 2021 was presented to ARAC in February 2021, along with a report detailing the process for each of the 4 contractor services within Hywel Dda. The report can be accessed following link [Post Payment Verification Progress Report for 1 October 2020 to 31 January 2021](#).

### **Equality, Diversity and Human Rights**

The Health Board is committed to putting people at the centre of everything it does. The vision is to create an accessible and inclusive organisational culture and environment for everyone. This includes staff, those who receive care (including their families and carers), as well as partners who work with the Health Board - whether this is statutory organisations, third sector partners or communities. This means thinking about people as individuals and taking a person centred approach, so that everyone is treated fairly, with integrity, dignity and respect, whatever their background and beliefs.

"... Making a difference...We have to see people in the context of their lives and ask them what matters to them so that people make decisions that are right for them." The Health Board has published its Strategic Equality Plan and Objectives 2020-2024, which sets out the intended direction of travel over the next 4 years to advance equality, eliminate discrimination and foster good relations between those who share a protected characteristic and those who do not. The plan relates to the Health Board's role as an employer, as well as in the way in which it provide services to patients, families, carers and the wider population.

Through a values based approach, the Health Board aims to deliver services which are safe, sustainable and kind for all and to offer an inclusive and nurturing working

environment for all staff. Within the suggested objectives, the words “culture”, “inclusion” and “well-being” are used in their broadest terms to encompass considerations in relation to Welsh Language and socio-economic influences. The responsibility for implementing the plan and objectives falls to all employees. This includes Board Members, staff and volunteers, agents or contractors delivering services or undertaking work on behalf of the Health Board.

The Health Board recognises that creating a fair and inclusive environment often involves changing cultures, challenging long held practices and breaking down barriers, and will work together to achieve its objectives and create a fairer, more equitable and inclusive environment for all.

### **Equality Objectives**

Staff at all levels, including Board Members, actively promote and facilitate a culture of inclusion and wellbeing across the organisation. Working with the population, staff, stakeholders and partners, particularly those identified as having worse experiences, will shape the design and delivery of services.

Staff will be suitably skilled and experienced to develop and deliver services that are informed by local needs, improve access and reduce inequalities.

The Health Board will offer equal opportunities for employment and career progression and support the health and well-being of its staff and volunteers within a fair and inclusive environment.

The work to progress the equality agenda is inter-linked with the Health Board’s work around the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Social Services and Wellbeing (Wales) Act 2014. For more information on the Strategic Equality Plan and objectives, visit <https://hduhb.nhs.wales/about-us/governance-arrangements/equality-diversity-and-inclusion/equalities-accordion/strategic-equality-plan/>.

Examples of key highlights for 2020/21 include:

- In response to evidence of the disproportionate impact of COVID-19 on BAME staff, the Health Board Chair established a BAME Advisory Group, demonstrating the Board level leadership and commitment to addressing inequalities. Actions have included an analysis to understand the demographic profile of the Health Board’s workforce, ensuring that the concerns and lived experiences of members are acted upon, supporting staff development, raising awareness of diversity and inclusion and establishing a BAME staff network and a group to focus on bullying and harassment;
- The Health Board has a diverse range of faiths and a richness of different cultures, and strives to create an inclusive environment where everyone can reach their full potential and have a real opportunity to participate in a variety of activities throughout the year. As a small step towards celebrating and understanding each other more, to gain inspiration and strength from all our beliefs, the BAME Advisory Group produced a calendar celebrating diversity, which was distributed to all staff and volunteers;
- During the pandemic, online interpretation services were introduced across the Health Board, to ensure that patients and carers had access to

interpreters for unscheduled episodes of care when it was not possible for the interpreter to be in the same room, and for online consultations; and

- The Health Board undertook 123 Equality Impact Assessments during 2020/21, including 7 associated with service change, 80 related to clinical policies (10 of which were associated with COVID-19) and 19 assessments of employment policies. The Health Board remains committed to conducting appropriate equality impact assessments, closely linked with its commitment towards continuous engagement.

### **NHS Pension Scheme**

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

### **Social and Community issues**

The Health Board is keen to do all it can to support the regeneration and growth of local communities and economy. This can be evidenced by the Board approved planning objectives. This will require a shift in focus and approach across a number of areas. The Health Board has been exploring a community wealth building model with its focus on enabling wealth to stay within a local community and be recirculated as much as possible building a firm foundation for regeneration.

Anchor institutions such as the Health Board can exert sizable influence by using their commissioning and procurement processes, their workforce and employment capacity, and their assets such as facilities and land, to affect the economic, social, and environmental wellbeing of the localities they operate within.

The Health Board has been working with CLES (The Centre for Local Economic Strategies) and PSB partners to develop a community wealth building approach focussing on the foundation economy and food procurement.

### **Environmental**

The Hywel Dda Green Health Network provides opportunities for staff across the Health Board to share ideas, project work and expertise in Green Health – working to benefit staff, patients, visitors and the natural living world. It was established in October 2018 and is open to any member of staff across Hywel Dda.

The Network aims to:

- Create the opportunity for staff to find out more about what's going on in Green Health across the organisation;
- Facilitate bi-annual events where staff can showcase their projects, explore ideas, gain inspiration and share the learning;
- Provide support for Green Health projects to ensure viability and long term success; and
- Provide a forum for learning and development by bringing in external speakers on a range of Green Health related topics

The first Green Health Group in Hywel Dda was set up at Withybush General Hospital in January 2019 as a way of developing specific projects on site. A second group was established at Glangwili General Hospital, Carmarthen in early 2020 and a third at South Pembrokeshire Hospital in the summer of 2020.

The vision is that each site in the Health Board will have its own local Green Health Group to undertake green space improvements and engagement activities on that site. A Green Health event was held across the Health Board on 5 March 2021 to share good practice. The development of Green Health, which is championed by the Chair of the Health Board, is aligned to the Health Board's staff wellbeing and rest and recovery initiative.

There is a commitment from the Executive Team to develop a Green Health Strategy that would link with the Health Board's commitments around the Wellbeing of Future Generations Act as well as its strategic objectives. The Health Board is working with colleagues from other NHS organisations across the UK, to learn from their experience of developing Green Health Strategic Frameworks.

### **Environment, Sustainability and Carbon Reduction**

The Health Board has continued to drive performance in key areas over the last year including energy and carbon performance despite the impact from the COVID-19 pandemic. Improved performance has been attained through achievement of the Environmental Standard ISO14001, delivery of a number of energy efficiency projects, robust data reporting, increased agile working, reuse and recycling schemes. NHS Wales has recently published an all Wales Decarbonisation Strategy with targets for all Health Boards to reach at various points by 2030. The aim of this strategy is for the Welsh NHS to contribute towards a carbon neutral position by 2030. In response to the publication of the 'All Wales NHS Decarbonisation Strategy', the Health Board is in the process of developing its own Decarbonisation Strategy which will focus upon how the Health Board can reduce its carbon footprint at a local level in a number of key areas including but not limited to buildings, transport and procurement. Delivery and action plans will be developed over the coming months which will map out how the Health Board will meet the NHS Wales decarbonisation targets.

From a climate change view point, the Health Board recognises the impact of climate change in the work it does around severe weather planning and highlight this within the Dyfed Powys LRF Severe Weather Arrangements. These arrangements cover 4 elements: flooding, severe winter weather, heatwave and drought. The arrangements cover elements such as risk, alerting mechanisms, multi-agency command & control structures, warning & informing and training/exercising.



The Health Board has a well-established Major Incident Plan that is reviewed and ratified by the Board on an annual basis. The Major Incident Plan meets the requirements of all relevant guidance and has been consulted upon by partner agencies and assurance reviewed by the WG's Health Resilience Branch. This plan, together with other associated emergency plans, details the Health Board's response to a variety of situations and how it meets the statutory duties and compliance with the Civil Contingencies Act 2004. Within the Act, the Health Board is classified as a Category One responder to emergencies. This means that in partnership with the Local Authorities, Emergency Services, Natural Resources Wales and other Health Bodies, including PHW, the Health Board is part of the first line of response in any emergency affecting its population. In order to prepare for such events, local risks are assessed and used to inform emergency planning.

### **Information Governance (IG)**

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

- An Information Governance Sub Committee (IGSC), whose role is to support and drive the broad information governance (IG) agenda and provide the Health Board with the assurance that effective IG best practice mechanisms are in place within the organisation;
- A Caldicott Guardian who is the responsible person for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing;
- A Senior Information Risk Owner (SIRO) is responsible for setting up an accountability framework within the organisations to achieve a consistent and comprehensive approach to information risk assessment;
- A Data Protection Officer (DPO) whose role it is to ensure the Health Board is compliant with data protection legislation; and
- Information Asset Owners (IAOs) are in place for all service areas and information assets held by the Health Board and a programme of compiling a full asset register for the Health Board is underway and due to be completed by in 2021. Unfortunately, the programme of work has been paused during the COVID-19 pandemic.

The Health Board has 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 information governance practices are evidenced by:

- Quarterly reports to the IGSC, including key performance indicators;
- A detailed operational General Data Protection Regulations (GDPR) work plan, taken to IGSC bi-monthly, detailing progress made against actions required to ensure compliance with data protection legislation;
- A suite of IG and information security policies, procedures and guidance documents;

- IG Intranet pages for the Health Board's employees with guidance and awareness;
- A comprehensive bi-annual mandatory IG training programme for all staff, including proactive targeting of any staff non-compliant with their IG training;
- A robust management of all reported IG 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
- The IGSC Chair's assurance report taken to a sub-committee of and to the Board following all IGSC's meetings.

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

The Health Board is in the process of undertaking a full review of its position against the Caldicott Principles into Practice Assessment (CPIP) and Welsh IG Toolkit. It is anticipated these assessments will demonstrate a good level of assurance of information governance risks, as in the previous year.

### **Data Security**

The Health Board has adopted and implemented a robust procedure for managing IG incidents across the organisation that ensures incidents are reported in line with statutory requirements and lessons are learnt to improve future practice. The Health Board has had contact with the ICO in relation to 2 incidents during the year. Both incidents involved health records accessed by an unauthorised individual. The investigations related to these incidents are on-going.

In line with the revised 2020/2021 IA Plan for the Health Board, a review of the local Implications of COVID-19 on the information governance function was undertaken which resulted in a 'substantial' assurance rating. NHS Wales organisations, including the Health Board, have had to work quickly, and flexibly under extraordinary pressure to meet the needs of its workforce and the public. The scale of co-ordination and data management required for effectively implementing strategic plans to deal with the situation has relied on adopting digital technology and integrating it within the Health Board. Digital health technology has facilitated responses to the pandemic in ways that are difficult to achieve manually, however the Health Board has ensured that essential controls are maintained or quickly established to mitigate issues information governance related risks.

To ensure that information governance risks were managed during the COVID-19 pandemic, NWSSP undertook an audit on the effectiveness of the system of internal



control in place to manage the risks associated with implications of COVID-19 on information governance which gained a substantial assurance. The review of implications of COVID-19 on information governance highlighted the significant and positive work undertaken by the Health Board's IG team during extremely challenging times.

### **Ministerial Directions**

The WG has issued a number of Non-Statutory Instruments during 2020/21. Details of these and a record of any Ministerial Direction given is available on the following link: <https://gov.wales/publications>.

A schedule of the Directions, outlining the actions required and the Health Board's response to implementing these was presented to the ARAC as an integral element of the suite of documents evidencing governance of the organisation for the year. From this work it was evidenced that the Health Board was not impeded by any significant issues in implementing the actions required as has been the situation in previous years. All of the Directions issued have been fully considered by the Finance Committee, on behalf of the Board, and where appropriate implemented (See [Appendix 4](#)).

In respect of the Ministerial Direction issued in December 2019 regarding the NHS Pension Tax Proposal 2019 to 2020, the Health Board has made all reasonable endeavours to comply with the Direction. Further guidance was issued from WG in February 2021 and the Health Board is aware of 1 individual that has elected onto the 'Scheme Pays Scheme'. The Scheme opens in April 2021 and applies to the year 2019/2020 only.

### **Welsh Health Circulars (WHCs)**

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

Following receipt, these are assigned to a lead Director who is responsible for the implementation of required actions. The Board has designated oversight of this process to Board level Committees, with an end of year report provided to the ARAC.

WHCs published in 2020/21 are on the [Welsh Government website](#).

### **Audits, Inspections and Reviews**

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, both internal and external, and inspections, are implemented in a timely way.

The levels of audit, inspectorate and regulatory activity has fluctuated through the year as these bodies recognised the unprecedented pressures in which we, and the whole of the NHS, were working. The Health Board has appreciated their efforts in balancing their statutory obligations with their support as it responded to the first and second waves of the pandemic. During the year, the Health Board has sought to strengthen its relationships by having more frequent discussions and agreeing ways of continuing or adapting audit and inspection activity through the year. The Board Secretary has had weekly meetings with auditors to discuss and adapt the internal and external audit programme, the Executive Director of Nursing, Quality and Patient Experience has had regular relationship meetings with HIW and meetings with the HSE in respect of the current Improvement Notices. Regular meeting have also taken place with MWWFRS in respect of the Health Boards' progress in addressing the issued FENs.

The Health Board has a robust process in place to track the implementation of all recommendations made from external audits, inspections and reviews, and holding officers to account where outstanding recommendations remain. A strategic log is in place for where the Health Board does not currently have the resources to implement recommendations. These recommendations are logged and agreed by the Executive Team to take forward and implement via its strategic and capital plans.

The Board agreed in April 2020, that as a minimum during the pandemic, the following recommendations must be progressed, as planned or in line with revised timescales:

- Immediate improvement recommendations (pre-COVID-19) from HIW and recommendations from their current programme of quality checks;
- Enforcement notices from the MWWFRS;
- Improvement Notices and material breaches from HSE; and
- High priority recommendations from IA and AW.

Services and Directorates remained accountable for addressing gaps identified in audits and inspections, and were required to assess this responsibility alongside other operational work and pressures, and continued to receive a bi-monthly assurance and risk reports which detail outstanding recommendations and requests for progress made against these. This paper is Item 2.3 in the April 2020 Board Papers - [Management of outstanding recommendations from Auditors, Inspectorates and Regulators](#), with updates being provided through the year in the 'Maintaining Good Governance' Reports to Board.

It has been a challenging year and the pace of addressing recommendations has understandably slowed as a result of COVID and non-COVID operational pressures. At the February 2021 ARAC meeting, it was reported that there were 117 open reports, with 153 recommendations exceeding their original implementation date. Whilst ARAC continued to oversee the Health Board's progress against outstanding recommendations from auditors, inspectorates and regulators, they relaxed their programme of targeted scrutiny in recognition of the pressures being experienced by services. Whilst cognisant of the demands on services, ARAC did report their concerns on the growing number of late and non-delivery of recommendations to the Board in November 2020. This resulted an Executive-led review of recommendations that had not been implemented within agreed timescales. This

work was supported by both internal and external auditors and has resulted in a significant number of recommendations being implemented or closed as they were no longer relevant due to how the organisation has changed during the pandemic. A prioritised plan has been developed with revised timescales for the remaining 84 recommendations.

**Field Hospital Due Diligence Review**

In order to ensure sufficient available capacity to meet the reasonable worst case scenario during the COVID-19 pandemic, all Health Boards were asked to develop additional ‘field hospital’ capacity outside of the existing estate. This capacity was developed at pace to meet the anticipated demand based on the modelling at the time. Over the summer months, WG commissioned a due diligence review of each organisation’s arrangements focusing on governance, significant contracts and the reasonableness of financial cost estimates. This enabled WG to work with the Health Board to address residual risks and share lessons learned in financial governance, planning and contracts under the exceptional circumstances created in the response to COVID. Whilst some examples of good practice governance arrangements were noted, a number of risks were also identified which have been addressed by the Health Board.

**REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL**

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 the following:

Internal Sources of Assurance	External Sources of Assurance
<ul style="list-style-type: none"><li>✓ Internal audit</li><li>✓ Key performance indicators</li><li>✓ Performance reports</li><li>✓ Sub-Committee reports</li><li>✓ Compliance audit reports</li><li>✓ Local counter fraud work</li><li>✓ Clinical audit</li><li>✓ Staff satisfaction surveys</li><li>✓ Staff appraisals</li><li>✓ Training records</li><li>✓ Training evaluation reports</li><li>✓ Results of internal investigations</li><li>✓ Serious untoward incident reports</li><li>✓ Complaints records</li></ul>	<ul style="list-style-type: none"><li>✓ External audit (AW)</li><li>✓ Healthcare Inspectorate Wales (HIW)</li><li>✓ Royal College visits</li><li>✓ Deanery visits</li><li>✓ External benchmarking and statistics</li><li>✓ Accreditation schemes</li><li>✓ National and regional audits</li><li>✓ Peer reviews</li><li>✓ Feedback from service users</li><li>✓ Local networks (for example, cancer networks)</li><li>✓ Investors in People and other team development tools</li></ul>

<ul style="list-style-type: none"> <li>✓ Infection control reports</li> <li>✓ Information governance toolkit self-assessment</li> <li>✓ Patient advice and liaison services reports</li> <li>✓ Workforce and Organisational Development</li> <li>✓ Patient experience surveys and reports</li> <li>✓ Internal benchmarking</li> <li>✓ Board Members Walkarounds</li> </ul>	<ul style="list-style-type: none"> <li>✓ Feedback from healthcare and third sector partners</li> <li>✓ Community Health Councils (CHC)</li> </ul>
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The processes in place to maintain and review the effectiveness of the system of internal control include:

- Board and Committee oversight of internal and external sources of assurance and holding to account of Executive Directors and Senior Management;
- Executive Directors and Senior Management who have the responsibility for development, implementation and maintenance of the internal control framework and for continually improving effectiveness within the organisation;
- The review and oversight of principal risks on the CRR and the BAF by the Board and Committees;
- The oversight of operational risks through the Board and Committee;
- Oversight of risks by specialist risk functions such as Counter Fraud, Health and Safety, and other corporate functions;
- The monitoring of the implementation of recommendations, overseen by the ARAC; and
- ARAC oversight of audit, risk management and assurance arrangements.

I am satisfied that generally the mechanisms in place to assess the effectiveness of the system of internal control are working well and that the Health Board has the right balance between the level of assurance I receive from my Executives, Board and Board Committee arrangements and Internal Audit Services. However, a number of areas where improvement is needed have been highlighted by AW and IA. These areas will continue to be addressed through 2021/22, as far as reasonably practicable as the Health Board continues to manage the pandemic and its recovery, with the implementation overseen by the ARAC. Some areas of improvement will be addressed over the medium to long term through delivery of the Health Board's Strategy, with risks being mitigated as far as reasonably practicable in the meantime.

The Health Board has received positive feedback from both AW Structured Assessment 2020 and the Internal Audit reviews which both considered the Health Board's governance arrangements during the COVID-19 pandemic. However due to operational pressures, it has not been possible for the normal level of audit activity within operational services due to significant levels of COVID and non-COVID activity throughout the year. The aim is to return to a more balanced audit programme in 2021/22.

### **Internal Audit (IA)**

IA provide me as Accountable Officer and the Board through ARAC 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 NWSSP. The scope of this work is agreed with the ARAC and is focussed on significant risk areas and local improvement priorities.

Throughout 2020/21, the Head of Internal Audit has met weekly with the Board Secretary and Director of Finance to discuss and consider any changes to the Internal Audit plan, either to accommodate fluctuations in operational demand or to support the Health Board in testing how it has responded to the pandemic, for example, the mass vaccination programme and the Information Technology Response to Covid-19.

The ARAC has received progress reports against delivery of the (NWSSP) Internal Audit and Capital (Specialised Services) plans at each meeting, with individual assignment reports also being received. The findings of their work are reported to management, and action plans are agreed to address any identified weaknesses. The assessment on adequacy and application of internal control measures can range from 'no assurance' through to 'substantial assurance'.

During 2020/21, Executive Directors or other Officers of the Health Board 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. A schedule tracking the implementation of all agreed audit recommendations is also provided to the Committee.

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 its drive for continuous improvement.

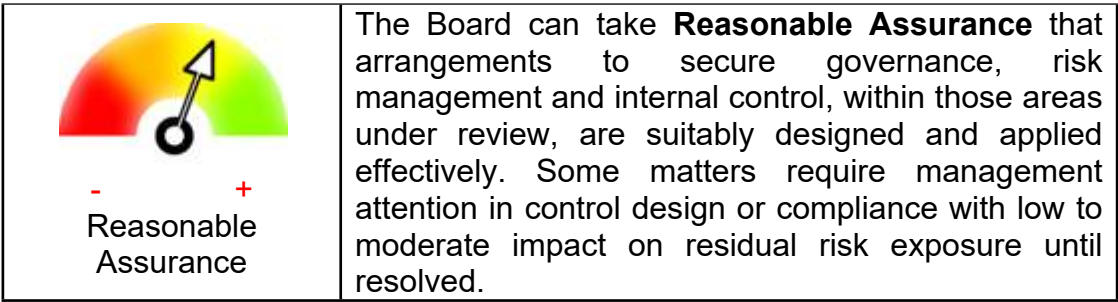
The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in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

### **Head of Internal Audit Opinion**

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

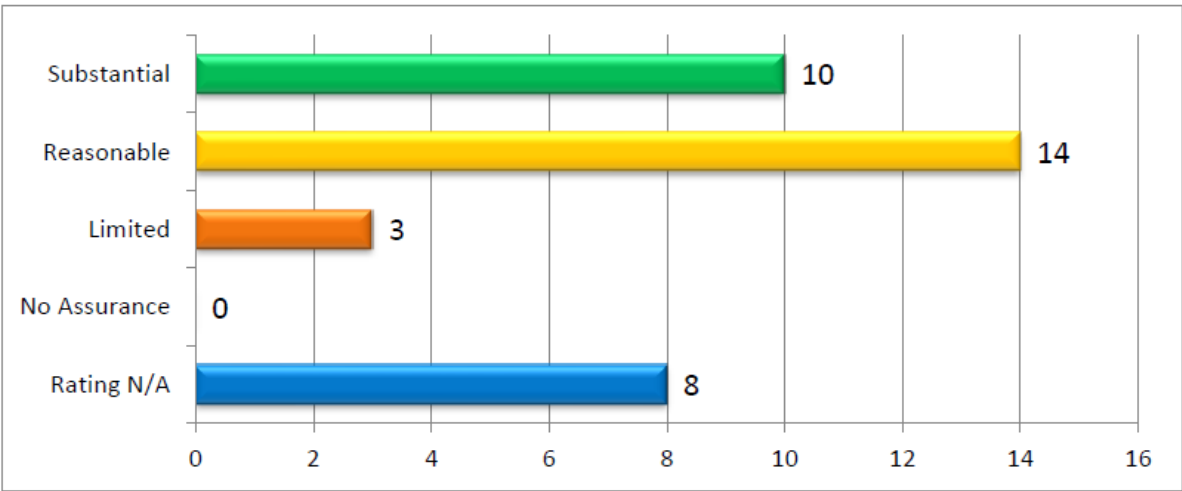
The Internal Audit Plan for 2020/21 year was initially presented to the ARAC in April 2020, however as a result of the impact of the pandemic a revised version of the plan was prepared, with this version receiving approval at the Committee in June 2020. The below opinion is primarily based on the delivery of the June 2020 IA plan, and includes subsequent changes to the plan that have been reported to ARAC at every meeting.

The Head of Internal Audit has concluded for 2020/21:



In reaching this opinion, IA identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, 10 were allocated Substantial Assurance, 14 were allocated Reasonable Assurance and 3 were allocated Limited Assurance. No reports were allocated no assurance. In addition, 8 Advisory & Non opinion reports were also issued.

The 35 audit reviews reported during the 2020/21 are outlined below:



In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management, as it was recognised that there was action required to address issues / risks already known to management and an audit review at that time would not add additional value. Such audits were replaced.



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

Report Title	Objectives	Issues leading conclusion	Actions
<b>Partnership Governance</b>	To confirm that the appropriate arrangements and management of allocated integrated care funds in line with national legislation.	4 high priority findings were identified in regard of lack of clear approval of proposed projects, breaches of WG submissions deadlines (including the lack of an audit trail), lack of regular detailed impact outcome updates from project owners, and whether the level of information and scrutiny discussed at the RPB provides sufficient assurance that projects are on target in terms of delivery and financially. 4 medium priority findings with regards to missing project information on the RIP and proposal forms, no formal approval of the rolled over Written Agreement for 2019/20 and the continued lack of a finance representative at the local ICF Panel meetings.	A management response was developed and this was presented to the IEG of the RPB. The IEG will further strengthen governance arrangements in 2021/22.
<b>Records Management Follow up</b>	To establish progress made by management to implement actions agreed to address key issues identified during the 2018/19 review.	Out of the 10 recommendations from the previous report, 4 recommendations had been fully implemented. However, due to the impact of COVID-19 the progress on 5 management actions have only been partially addressed, with 1 management actions not addressed to date.	The Health Board acknowledges that this area requires an in-depth and detailed review of the organisational strategic approach for records management including plans for improvement and modernisation. This has been included in the 2021/22 IA Plan.
<b>Women and Children's Capital Scheme</b>	To determine the adequacy of, and operational compliance with, the	Whilst recommendations have been made to improve systems of control and/or compliance, generally this was positively assessed. However, the project has suffered from	A management response has been developed in response to the 13 new recommendations



	systems and procedures of the Health Board, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.	poor delivery performance, notably time delays and is significantly outside its key delivery parameters, as reflected in the UHB's own 'Red' assessment of project risk/ performance.	within the report. The Health Board is currently reviewing its capital governance arrangements.
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Management responses that detail the actions to address gaps in control were included in all final IA reports presented to ARAC. The delivery of these actions is tracked via the Health Board's audit tracker which is overseen by the ARAC. The minutes and all final IA reports can be found within the ARAC section of the website <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/audit-and-risk-assurance-committee-arac/>.

Where audit assignments planned this year did not proceed to full audits following preliminary planning work, these were either removed from the plan, removed from the plan and replaced with another audit, or deferred until a future audit year. Subsequent to the approval of the updated plan in June 2020, the following audits were deferred.

Review Title	Reason
IT Infrastructure	Replaced by an audit of Data Modelling.
Job plan following up	Deferred due to the impact of the pandemic on the job planning process.
Transformation steering group	Deferred due to operational pressure as a result of the pandemic.
Operational response to COVID-19	Deferred due operational pressure as a result of the pandemic
Field hospitals x 3	An external review was commissioned by WG.
Outpatients	Deferred due operational pressure as a result of the pandemic
Annual Quality Statement	Requirements changed for 2020/21

### **Audit Wales (AW) Structured Assessment**

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. AW undertakes the External Auditor role for the Health Board on behalf of the Auditor General. AW is responsible for scrutinising the Health Board's financial systems and processes, performance management, key risk areas and the IA function. AW undertake financial and performance audit work specific to the Health Board, with all individual audit reviews being considered by the ARAC with additional assurances sought from Executive Directors and Senior Managers as appropriate.

AW also provides information on the Auditor General's programme of national value for money examinations which impact on the Health Board, with best practice being shared.

The Structured Assessment work took place at a time when NHS bodies were responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. Therefore, AW designed this work in the context of the ongoing response to the pandemic to ensure a suitably pragmatic approach to help the Auditor General discharge his statutory responsibilities whilst minimising the impact on NHS bodies as they respond to the COVID-19 pandemic. The key focus of the work was on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Auditors also paid attention to progress made to address previous recommendations where these related to important aspects of organisational governance and financial management especially in the current circumstances.

Overall, AW found that the Health Board has maintained good governance throughout the COVID-19 pandemic and had developed its operational plans in line with the WG guidance. Innovation and learning had been embedded throughout the revised governance arrangements to enable recovery and the acceleration of its strategic vision, however operational and structural pressures continue to present challenges for the financial position which would only be addressed by delivery of the strategic vision. No new recommendations were issued. The full report can be accessed in the Board papers: [AW Structured Assessment 2020](#).

The work undertaken as part of Structured Assessment contributed towards the AW Annual Audit Report 2020. The key findings and conclusions emanating from both the assessment and the report are summarised as follows:

- An unqualified opinion was issued on the accuracy and proper preparation of the 2019/20 financial statements of the Health Board; however due to the Health Board not achieving a financial balance for the three year period ending 31 March 2020, a qualified audit opinion on the regularity of the financial transactions was given within the 2019/20 financial statements. This was accompanied with a substantive report alongside this opinion to highlight the Health Board's failure to meet its statutory financial duties and its failure to have an approved three-year plan in place;
- An Emphasis of Matter paragraph was placed in the report to draw attention to disclosures in the accounts relating to Note 21 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year;
- The Health Board maintained good governance throughout the COVID-19 pandemic;
- the Health Board continues to face financial challenges, exacerbated by the impact of COVID-19 but has maintained effective financial controls, monitoring and reporting;
- Operational plans are informed by strengthened data modelling, and a commitment to stakeholder engagement, regional solutions and staff well-

being, with clear arrangements for monitoring performance and delivery. However, another peak in COVID-19 poses a significant risk to workforce arrangements; and

- The Health Board demonstrated a strong commitment to counter-fraud, has suitable arrangements to support the prevention and detection of fraud and is able to respond appropriately where fraud occurs.

The full report can be accessed on the following link: [AW Annual Audit Report 2020](#).

### **Quality of Data**

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

Good quality clinically coded data plays a fundamental role in the management of hospitals and services. Coded data underpins much of the day to day management information used within the NHS and is used to support healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness and can be an invaluable starting point for many clinical audits. In 2019/2020, AW undertook a follow-up review on recommendations previously made in respect of clinical coding. All recommendations relating to the clinical coding teams have been progressed and actioned.

During 2020/2021, the Health Board has further strengthened the clinical coding department with the appointment of 4 additional clinical coders, and the full benefit of the additional staff will start to be recognised in 2021/2022. COVID-19 has had a significant impact across the NHS and the clinical coding team were also impacted, resulting in a reduced service. Under a recovery plan, work streams have been developed to make better use clinically coded data via several dashboards for operational teams and clinical leads. This ties in as part of the clinical coding development plan that looks to re-establish the clinical coding service as a key enabler across the Health Board.

### **CONCLUSION**

It is now just over a year since the country went into its first national lockdown. The terms 'unprecedented' and 'challenging' have been frequently used during the last year to describe how it has felt. For many, it has been a sad and distressing one, as the Health Board count the physical and emotional cost. Within the Hywel Dda community, 476 people have lost their lives to COVID-19 at the time of writing (these are patients in hospitals or care home residents where COVID-19 has been confirmed with a positive laboratory test and the clinician suspects this was a causative factor in the death. Actual deaths of local people with COVID-19 will be higher). Many others are still struggling with the direct and indirect consequences of the virus. However, as a leader, I have also been inspired, humbled and in awe of the compassion, commitment and innovation shown by our workforce, and I would

firstly like to express my, and the Board's gratitude to them, for keeping the organisation, patients and the wider community safe during 2020/21.

As Accountable Officer and based on the review process outlined above I have reviewed the relevant evidence and assurances in respect of internal control enacted during 2020/21. The Board and its Executive Directors are fully accountable in respect of the system of internal control. During the year, the Health Board has identified emerging areas of work relating to its response to the pandemic, such as the Mass Vaccination Programme, which have been reviewed by IA in order that the Health Board can provide assurance that the associated risks are being managed and mitigated. In addition to this work, IA have also undertaken 2 advisory reviews of the Health Board's governance arrangements during the pandemic, these have been positive with the Health Board taking forward any opportunities for develop and learn.

The Health Board has also received extremely positive feedback from AW on its corporate arrangements for ensuring that resources are used efficiently, effectively and economically during the pandemic. AW found that the Health Board developed its operational plans in line with the WG guidance, and also worked within revised frameworks to discharge Board duties and maintain good governance throughout the COVID-19 pandemic. Adapting quickly to virtual meetings, the Board continued to conduct its business in an open and transparent way with revised governance arrangements which supported rapid decision making and effective scrutiny, with a focus on learning and improvement embedded. Systems of assurance were maintained, with a strong focus on the quality and safety of services. This was also supported by the reviews undertaken by IA on the Health Board's governance and operating arrangements during the pandemic which provided reasonable and substantial assurances. These included the reviews into the Governance Arrangements during the COVID-19 Pandemic, the Information Technology in Response to COVID, the Agility to Flex Workforce to COVID Planning, the Mass Vaccination Programme and Quality and Safety Governance.

I, and the Board, were pleased with the recognition from WG on the Health Board's professional and considered response to the COVID-19 pandemic, as well as its continued good performance prior to the pandemic, and their decision to reduce the Health Board's escalation status from 'targeted intervention' to 'enhanced monitoring'. To move into 'routine monitoring' arrangements with WG, the Health Board needs to focus on its future financial plans, which will be dependent on delivering of its clinical strategy. The Health Board should be proud of its achievements in recent years, these have provided solid foundations which have enabled us to be innovative and leaders in NHS Wales in a number of areas during the pandemic. For example, the degree of change implemented across the Health Board has been remarkable, new ways of working were introduced within days and weeks which would have taken months and years prior to the pandemic. The Health Board was the first to establish Coronavirus Testing Units, the first to develop specifications for field hospital design and the first to re-establish live-streaming public board meetings. In addition to this, the Health Board developed an escalation tool, regarded as best practice for adoption across Wales, for the support and management of the care home sector during the COVID-19 pandemic period.

Whilst 2020/21 has been challenging, the learning that has been embedded throughout the revised governance arrangements has enabled the Health Board to emerge stronger with a focus on recovery and the acceleration of the delivery of its strategic vision. Between the first and second wave, the Health Board reflected, took stock and learnt that some of its long term ambitions, articulated in its strategy, '*A Healthier Mid and West Wales*', had already been partly delivered through necessity: for example, a shift towards delivering some services virtually, through digital platforms, which could have a positive impact on productivity and decrease the Health Board's carbon footprint by reducing the need for patients to travel. Some of the Health Board's ambitions to transform its hospitals and patient pathways also seemed more achievable having seen how pathways were transformed in a matter of days during the first wave of the pandemic.

To accelerate the Health Board out of the pandemic, the Board now has a refreshed set of strategic objectives that set out the aims of the organisation – the horizon it is driving towards over the long term – as well as a set of specific, measurable planning objectives, which moves the Health Board towards that horizon over the next three years. The Annual Plan for 2021/22 should be understood within the wider context of this refreshed set of strategic objectives and planning objectives however the focus of this plan, first and foremost, is how the Health Board recovers from the pandemic, how it supports staff to recover after what has been an exhausting year, and how it lay the foundations to recover its services and support its communities. The Health Board has started to develop its revised BAF, which is made up of 2 elements – measures of progress, and the principal risks that could slow or prevent that progress.

Whilst the Health Board did not achieve its financial duty of breakeven for the 3 years to 31 March 2021, it did operate within its capital resource for the 3 years to 31 March 2021. More detail is provided in the financial statements. Therefore the Health Board did not have an approved IMTP at the start of the 2020/21 financial year, however it did approve and submit a Three Year Plan for 2020/23, which incorporated the Annual Plan for 2020/21 which was developed prior to the pandemic. However in March 2020, WG took the unprecedented decision to pause the IMTP and annual plan process to enable NHS Wales organisations to focus their attention on the immediate planning and preparations to deal with the pandemic. During 2020/21, the Health Board developed quarterly operational plans in line with the NHS Wales Operating Framework.

Despite the increased operational pressures, the Health Board managed to undertake a great deal of work to address both the Improvement Notices and Material Breaches issued by the HSE and the FENs issued by the MWWFRS. The new HSAC has provided the additional rigour required to improve compliance, and the Health Board has developed improved relationships with its regulators through regular meetings.

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

2020/21 and beyond. I will ensure the Governance Framework considers and responds to this need.

As a result of the governance structures established at the start of the pandemic, the continuation of the Board and its Committees, and continued work of Executive Directors and Independent Members, I am confident that the Health Board's systems of internal control have not been materially affected and am assured that there have been no significant internal control or governance issues during the time of the pandemic.

In summary, my review confirms that the Board has sound systems of internal control in place to support the delivery of policy aims and objectives and that there are no significant internal control or governance issues to report for 2020/21.

**Signed  
by:**

**Date:**

**Steve Moore  
Chief Executive Officer**

## Appendix 1 – Advisory Groups Activity

### SRG

The SRG has brought the following matters, risks and issues to the attention and to be dealt with by the Board during the year:

- Recommend a review of the SRG agenda and workplan as a result of COVID-19 and the link to the Transformation Discovery Strategy;
- Recommend consideration of a wider public services partnership approach to developing a Children and Young People charter;
- Link the SRG to the EngagementHQ platform; and
- The increase in mental health problems among young people during the pandemic, recognising it has been a challenge to engage with Young Adult Carers. Virtual contact cannot replace physical contact, and this has contributed to mental health problems in young people.

### SPF

Any matters, risks or issues for the attention of the Board during the year were included in the COVID-19 Report to Board.

### HPF

The HPF has brought the following matters, risks and issues to the attention and to be dealt with by the Board during the year:

- Primary care members reported instances of patients returning to primary care, having been referred to secondary care, with HPF querying the capacity required to address the backlogs created. HPF was satisfied to hear that the COVID-19 outbreak had been a situation where all parties have had to learn and rethink many established systems and pathways which had resulted in instances of unintended circumstances occurring. Work continued to identify and address the capacity and backlog; and
- Patients' digital solutions had not always allowed for virtual consultations, meaning that this model did not suit all circumstances. HPF was satisfied that this challenge was understood, and that alternative access would be necessary for these patients.

### BAME Advisory Group

Since its establishment in July 2020, the BAME Advisory Group has begun work to mainstream equality, diversity and inclusion by:

- Inviting all staff who have identified as BAME to participate in a wider BAME network to offer views, lived experiences and feedback to inform decision making by the BAME Advisory Group, for example, the development of a Charter to be launched in 2021;
- Establishing mentors for newly recruited staff; developing training opportunities;
- Signing off a Faith and Diversity Calendar which celebrates the diversity of the workforce promoting key dates and celebrations throughout the year. This will be gifted to all staff in December 2020;
- Progressing the development of an "active bystander" video to challenge unconscious bias;



- Offering feedback to inform the development of BAME Outreach workers to support the Test, Trace, Protect (TTP) programme which is being undertaken, led by the Director of Public Health through the Regional TTP Oversight Group, in collaboration with local authority partners;
- Progressing the development of a charter for Specialty and Associate Specialist (SAS) doctors and the establishment of a reverse mentoring scheme for Board members who will become “mentees” mentored by BAME staff;
- Establishing a task and finish group to consider the effectiveness of bullying and harassment policies for BAME staff following the Ministerial Statement on NHS anti-bullying policies;
- Inviting the Board and leaders to attend the Race in the Workplace event on 7 December 2020;
- Considering the data currently available on the Electronic Service Record (ESR) to inform future action. The number of staff who have not recorded their ethnicity is reducing; and
- Circulating a questionnaire to the BAME Staff Network regarding the COVID-19 vaccine and suggestions to encourage uptake.

## Appendix 2 – Principal Risks closed/de-escalated during 2020/21

Below are the Principal Risks managed in 2020/21 and were closed or de-escalated from the Board Assurance Framework/Corporate Risk Register:

- **Risk 44 - Ability to manage patients awaiting follow up appointments -** Following discussions with the Scheduled Care Directorate Senior Management Team, this risk would be replaced by a different risk in relation to outpatient management when plans have been developed.
- **Risk 245 - Inadequate facilities to store patient records and investment in electronic solution for sustainable solution -** Whilst records storage remains a significant risk, the planned work will continue, however the Director of Operations de-escalated the risk to Directorate level during COVID-19.
- **Risk 295 - Inability to maintain routine and emergency services in the event of a severe pandemic influenza event -** Under the current circumstances, this risk was closed by the Director of Public Health. This risk has been superseded by COVID-19 as the Health Board is currently operating in a pandemic, although it is noted that the pandemic is a coronavirus rather than influenza. The risk of a pandemic event will need to be assessed when learning from this emerges.
- **Risk 730 - Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20 –** This risk was closed as it related to 2019/20 Turnaround Programme. A new risk relating to the delivery of the 2020/21 Financial Plan was assessed (Risk 856 which has subsequently closed) which incorporated delivery of savings plans as part of the risk statement.
- **Risk 735 - Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board –** This risk was closed as it related to 2019/20 financial plan. A new risk relating to the delivery of the 2020/21 Financial Plan has been assessed (Risk 856 which has subsequently closed)).
- **Risk 627 - Ability to implement the UHB Digital Strategy within current resources to support the UHB's long term strategy -** This risk was de-escalated to reflect the additional funding provided by the Health Board to support taking forward the digital plan and ensuring that the fundamentals of cyber security and a robust infrastructure are maintained.
- **Risk 733 - Failure to meet its statutory duties under Additional Learning Needs and Education Tribunal Act (Wales) 2018 by September 2021 -** This risk was de-escalated to Directorate level following work that had been undertaken.
- **Risk 91 - Insufficient number of Consultant Cellular Pathologists to meet 14 day timescale set out in the new Single Cancer Pathway -** The Executive Team agreed to de-escalate this risk to Directorate level as this was only one of the factors that made delivering the Single Cancer Pathway challenging notwithstanding COVID-19. In addition, the Health Board was not being performance managed during COVID-19. This would be discussed as part of the wider risks of delivering essential services in Quarters 3 and 4.
- **Risk 686 Delivering the Transforming Mental Health (TMH) Programme by 2023 -** The Executive Team agreed to de-escalate this risk as the Business Case for capital funding has been submitted to WG and was awaiting a decision. The Directorate managed to make a number of services

changes during COVID-19 in line with (TMH) Programme. If the Business Case is not supported, the Health Board will need to review the TMH programme.

- **Risk 632 - Ability to fully implement WG Eye Care Measures (ECM)** - The Executive Team agreed to de-escalate this risk as the Health Board was not being performance managed by WG and was clinically prioritising patients in line with the ECM. This would be discussed as part of the wider risks of delivering essential services in Quarters 3 and 4.
- **Risk 718 - Failure to undertake proactive health and safety (H&S) management** - The Executive Team agreed to de-escalate this risk as it had been reduced to the agreed tolerance level following the work undertaken to address the outstanding HSE improvement notices, which remain under the oversight of the HSAC.
- **Risk 810 - Poor quality of care within the Unscheduled Care pathway** - The Executive Team agreed to close this risk as the risk of delivering unscheduled care needs to be assessed as part of the wider service/system risk(s) to delivering the Quarter 3 and Quarter 4 Plan.
- **Risk 890 - Delivery of Quarter 2 Plan – Ability to respond effectively and swiftly to changes in workforce demand as COVID-19 progresses** - The Executive Team agreed to close this risk as it relates to delivery of the Quarter 2 plan and workforce needs to form part of the wider service/system risk(s) to delivering the Quarter 3 and Quarter 4 Plan.
- **Risk 891 - Delivery of Quarter 2 Operating Plan - Delayed Discharges affecting the whole Health Board** - The Executive Team agreed to close this risk as the risk of delayed discharges needs to be assessed as part of the wider service/system risk(s) to delivering the Quarter 3 and Quarter 4 Plan.
- **Risk 892 - Delivery of Quarter 2 Operating Plan - Inability to recruit sufficient Registered Nurses affecting the whole Health Board** - The Executive Team agreed to close this risk as the risk of insufficient numbers of registered nurses needs to be assessed as part of the wider service/system risk(s) to delivering the Quarter 3 and Quarter 4 Plan.
- **Risk 893 Delivery of Quarter 2 Operating Plan – Estate Capacity required for Social Distancing Measures** - The Executive Team agreed to close this risk as it was no longer relevant. Screens were used to minimise the closure of beds due to social distancing measures. A new risk (1016) was assessed in relation to the risk of poor social distancing and its impact on the delivery of Quarter 3 and Quarter 4 Plan.
- **Risk 371 - Inability to meet WG target for clinical coding and decision-making will be based on inaccurate/incomplete information** - The Executive Team agreed to de-escalate the risk as funding for new clinical coders was agreed, with trainees in place. Although it will take up to 18 months for individuals to be fully trained, it was agreed this risk would be managed at Directorate level going forward. A recovery plan was requested by the Information Governance Sub Committee to address the backlog.
- **Risk 635 - No deal Brexit affecting continuity of patient care** - The Executive Team agreed to close this risk as the UK has left the European Union and any residual issues or risks within the supply chain would be managed as part of the Health Board's routine processes going forward.

- **Risk 856 - Risk to delivery of the Financial Plan for 2020/21** - The Executive Team agreed to de-escalate the risk as the Health Board was forecast to deliver a planned deficit of £25m.
- **Risk 894 - Delivery of Quarter 2 Operating Plan – Reduced clinical workforce due to underlying medical condition, pregnancy or ethnicity (BAME)** - The Executive Team agreed to de-escalate this risk as there was some overlap with the workforce Corporate Risk 1018.
- **Risk 956 - Risk that the Health Board will breach its Capital Resource Limit in 2020/21** - The Executive Team agreed to de-escalate the risk as the risk had been reduced within tolerance. Detailed work was undertaken with the Operational Teams to enable the prioritised set of COVID-19 schemes deliverable by 31st March 2021 to be agreed and progressed.
- **Risk 1028 - Delivery of the Quarter 3/4 Operating Plan - Risk that Primary Care contractors may not be able to operate** - The Executive Team agreed to close this risk as the level of infection in the community reduced and the risk was within tolerance.

### **Appendix 3 – HIW Activity at Hywel Dda during 2020/21**

The Health Board has been subject to 2 COVID-19 specific reviews by HIW during the course of the financial year. The first was a Tier 3 review of Ysbyty Enfyys Carreg Las, Pembrokeshire and Ysbyty Enfyys Selwyn Samuel, Llanelli as part of HIW's first review of Field Hospitals in October 2020. The inspection was undertaken when both sites were empty and in the final stages of preparation to receive patients. The published report noted that extensive planning had been undertaken by the service in preparation for the provision of safe and effective care to patients, and saw evidence of good leadership and staff who were engaged and passionate in their roles. No recommendations were raised during the course of the inspection.

Another Tier 3 review was undertaken in March 2021, where 2 of the 7 mass vaccination centres set up by the Health Board were visited, namely Halliwell Centre, Carmarthen and Cardigan Leisure Centre. HIW recognised the significant work undertaken in the planning, preparation and delivery of the vaccine programme. 2 immediate recommendations were raised from the review regarding the undertaking of environmental audits, and compliance with fire regulations and emergency evacuation procedures. Both recommendations have been addressed and completed, and the Health Board has received the draft report resulting from the inspection where all but 1 of the recommendations have been completed.

In respect of inspection activity in the Health Board's acute hospitals, a Tier 1 follow-up quality check was undertaken at Ward 10, Withybush General Hospital in September 2020. This was undertaken to review progress made on recommendations raised in the original inspection undertaken in November 2018. HIW noted that the service provided a positive experience, and safe and effective care to patients. It was also noted that the service had implemented and sustained the majority of improvements identified within the original inspection report. An improvement was identified regarding the consistent completion of falls assessments, which has since been actioned and closed. No further recommendations remain outstanding as at 31 March 2021.

A Tier 1 quality check was also undertaken at Towy Ward in Glangwili General Hospital in November 2020. HIW commented positively on the ward environment during a period of refurbishment, and also noted the good standards of infection, prevention and control. Improvements were identified in relation to action plans for falls and pressure and tissue damage, along with staff training compliance. Towy Ward was in a prolonged period of management as a result of COVID-19 outbreaks between December 2020 and January 2021 which impacted on the ability to address recommendations raised as part of the quality check. As at 31 March 2021, the two recommendations raised are partially completed, with plans in place to fully address the outstanding required actions.

A further Tier 1 quality check was scheduled for December 2020 at Steffan Ward, Glangwili General Hospital, however as a result of the COVID-19 pressures on site at the time, HIW postponed the check. The Health Board are currently awaiting a revised date for this quality check.

An unannounced inspection of wards 7 and 11 at Withybush General Hospital was undertaken in February 2020, with the finalised report published in August 2020. The

report noted that the service provided respectful and dignified care to patients, who were happy with the care which they received. 5 immediate assurance recommendations were raised with issues identified including resuscitation trolleys, storage of medications, fire doors and servicing programme for patient beds and clinical equipment. 39 recommendations were raised in the main improvement plan, with 2 outstanding as at 31 March 2021, 1 of which is outside the gift of the Health Board.

An unannounced inspection of the Paediatric Ambulatory Care Unit at Withybush General Hospital was undertaken in February 2020, with the finalised report published in May 2020. The report noted that patients and their parents/carers reported a positive experience on the ward, and that staff were professional and committed to working collaboratively to provide patient care. 8 recommendations were raised in the main improvement plan, with 1 outstanding as at 31 March 2021

A further unannounced inspection of the Paediatric Ambulatory Care Unit at Glangwili General Hospital was undertaken in March 2020, with the finalised report published in August 2020. The report noted that the service provided safe and effective care to patients, with staff happy within their roles and good arrangements in place for the reporting and management of clinical incidents. 17 recommendations were raised in the main improvement plan, with 2 outstanding as at 31<sup>st</sup> March 2021.

Inspections were also carried out at community hospitals across the Health Board. A Tier 1 quality check was undertaken at Tregaron Community Hospital October 2020, with the report noting that effective arrangements were in place in relation to COVID-19 issues, and positive comments on the hospital environment and governance. 1 area of improvement was noted in relation to infection prevention and control training. The recommendation has since been confirmed as implemented.

A Tier 1 quality check was also undertaken on the Cleddau Ward, South Pembrokeshire Hospital in September 2020. The report noted that effective arrangements had been implemented in relation to COVID-19 issues, and positive comments relating to infection prevention and control, and governance arrangements. 1 recommendation was raised from this review relating to the completion of environmental risk assessments, which has since been confirmed as implemented.

In respect of inspection activity across the Health Board's Mental Health and Learning Disabilities Services, a Tier 1 quality check was undertaken in October 2020 at Bryngofal Ward, Prince Philip Hospital. Effective COVID-19 arrangements were noted in the report, including arrangements around infection prevention and control. 4 recommendations were raised from the review relating to compliance with fire regulations, ward processes relating to the reviewing of incidents, staff training compliance, and further work on the recommendations raised in a C4C audit. All recommendations have since been confirmed as completed.

A further Tier 1 quality check was undertaken at the Bryngolau Ward at Prince Philip Hospital in October 2020. The report noted effective arrangements in relation to governance and infection prevention and control arrangements. 2 recommendations were raised relating to annual risk assessments on ligature risks, and staff training

compliance. The service has confirmed that all recommendations have been completed, and the Health Board is currently awaiting assurance confirmation from HIW on the progress made.

A Tier 1 quality check was held at Morlais Ward, Glangwili General Hospital in March 2021. The Health Board has received a draft of the report which includes 3 recommendations relating to the completion of actions raised from a Cleaning for Credits (C4C) audit, staff training compliance and further information required by HIW relating to restraint data. The service has completed its responses to the recommendations raised, and awaiting publication of the final report by HIW.

A Tier 1 quality check was scheduled at Enlli Ward, Bronglais General Hospital in November 2020, but was postponed and re-scheduled for February 2021 as a result of COVID-19 pressures. No recommendations were raised during the course of the quality check.

A Tier 1 quality check was scheduled for December 2020 at 10 Church Close, Begelly, Pembrokeshire however this was delayed due to COVID-19 pressures. This review was rescheduled for April 2021, with the Health Board currently awaiting receipt of the final report from HIW. .

HIW conducted a Tier 1 IR(ME)R compliance inspection of the Diagnostic Imaging Department at Prince Philip Hospital in February 2021. The inspection focussed on quality of patient experience, the delivery of safe and effective care, and the quality of management and leadership. The Health Board has received a draft of the report which includes 15 recommendations relating to areas including staff training, clarification of process and procedural documents and quality of the patient experience. The service has completed its responses to the recommendations raised, and the Health Board is currently awaiting receipt of the final report.

The Health Board has also been involved in the National Review of Maternity Services, with Phase One of the review complete. The Health Board has provided HIW with progress updates against recommendations raised from the Phase One report which was published in November 2020. Of the 33 recommendations raised on a national level, 8t remain outstanding as at 31 March 2021.

Phase Two will commence in the summer of 2021, and will focus upon the following key areas:

- Antenatal Care – to consider the quality of care provided by community midwifery teams;
- Postnatal Care – to consider the periods after the birth and up to the stage of Health Visitor engagement; and
- Follow-up on some of the inspection undertaken as part of Phase One, to understand what progress is being made.

All outstanding recommendations will be reviewed and re-prioritised accordingly in light of the additional capacity pressures on services as a result of planning and managing the COVID-19 pandemic.



## Appendix 4 – Ministerial Directions

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
WG20-18 - The Primary Medical Services Easter Weekend and Bank Holiday Provision of Essential General Medical Services during the COVID 19 Pandemic) (Directed Enhanced Service) Directions 2020	08/04/2020	This relates to a unique service provision. This has been enacted and the service provided.
WG20-20 - The National Health Service (General Medical Services – Recurring Premises Costs during the COVID-19 Pandemic) (Wales) Directions 2020	20/04/2020	This direction confirms that current premises payments to practices are to continue at the same rate as before COVID-19. No further action required.
WG20-24 - The National Health Service (Wales Eye Care Services payments during the COVID-19 Pandemic) (Wales) Directions 2020	23/05/2020	<p>This direction informed of payments to NHS Opticians as per the Chief Optometric Advisor's letter of 17th March 2020 which outlined the reduction of optometric services due the COVID-19 pandemic, while also explaining that optometrists would still receive a monthly NHS income.</p> <p>The Statement of General Ophthalmic Services Remuneration (COVID-19 Average Monthly Payment) and the National Health Service Directions 2020 (Wales Eye Care Services payments during the COVID-19 Pandemic) (Wales) outlined the legal framework of the calculations to be used for optometrists to receive a monthly NHS income during the COVID-19 period.</p> <p>These calculations have been coordinated by a Payments Team based in Pontypool, who are managed by the All Wales Payments Manager.</p>
WG20-27 - The National Health Service (General Medical Services -	03/06/2020	This direction has been implemented with the following assurance from the NWSSP Premises Payments Supervisor:

Premises Costs) (Wales) (Amendment) Directions 2020		<ul style="list-style-type: none"> <li>• The reviews will continue to be done by Specialist Estates as normal;</li> <li>• The review will be done/completed around 1 to 3 months prior to the review date unless it is a negotiated lease /rent with the landlord, which can take a lot longer;</li> <li>• Specialist Estates will liaise with the practices regarding any changes; and</li> <li>• Timelines relating to the process do not change, except due to the current circumstances where the surveyors cannot access the practices but have all the information required to complete a review remotely.</li> </ul>
WG20-30 - The Primary Medical Services (COVID-19 Care Homes) (Directed Enhanced Services) (Wales) Directions 2020	01/07/2020	This direction was implemented across GP Practices by the Assistant Director of Primary Care by the deadline of 01 July 2020. Practices were contacted to ask for Expression of Interests (EOIs) to deliver the service. One practice has declined to deliver, and is therefore working with neighbouring practices to provide cover to its registered patients who live in Care Homes. Nationally, through Heads of Primary Care (HOPC), it was noted that any contractual changes normally require 3 months' notice, which is preferable.
WG20-28 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2020	23/06/2020	Quality Assurance and Improvement Framework Achievement payments were completed in December 2020, therefore Ministerial Direction has been fully implemented.
WG20-25 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Provision of Enhanced Services during the Recovery Phase of the COVID-19 Pandemic) Directions 2020	29/06/2020	This Direction relates to the payments to be made by Local Health Boards to a GMS contractor under a GMS contract. Practices had options regarding claiming for Enhanced Services, which were confirmed as implemented in January 2021. It is noted that this direction is superseded by WG20-59.
WG20-39 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2020	15/07/2020	This Direction has been enacted

WG20-44 - The National Health Service (Wales Eye Care Services) Directions 2020	28/08/2020	This Direction has been enacted, however is subject to opticians being open again.
WG20-51 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2020	16/09/2020	This Direction has been enacted
WG20-45 - The Primary Medical Services (Directed Enhanced Services) (Wales) (Amendment) Directions 2020	18/09/2020	This Direction has been enacted. Practices are now claiming for influenza administration.
WG20-55 - The Primary Medical Services (Directed Enhanced Services)	28/10/2020	This Direction has been enacted. Practices are now claiming for influenza administration.
WG20-70 - The Primary Medical Services General Practice Seasonal Influenza Additional Immunisation Scheme (Directed Enhanced Service) (Wales) Directions 2020	02/12/2020	This direction provides for the influenza vaccination to be given to people aged 50 – 64. This Direction has been enacted. All necessary action has been taken as this is contractual.
WG20-73 - The Primary Medical Services (Provision of Essential General Medical Services over the Christmas and New Year Period during the COVID 19 Pandemic) (Directed Enhanced Service) (Amendment) Directions 2020	16/12/2020	This Direction highlighted changes to GMS payments over the Christmas period. This Direction has been enacted.
WG20-29 - Directions to Local Health Boards as to the Statement of Financial Entitlements (COVID-19 Suspension of Enhanced	19/06/2020	This Direction has been enacted.

Services) (Amendment) Directions 2020		
WG20-59 - Directions to Local Health Boards as to the Statement of Financial Entitlements (Provision of Enhanced Services during the Relaxation Phase of the COVID-19 Pandemic) Directions 2020	20/11/2020	This Direction related to how GPs should deliver enhanced services during the relation phase of COVID-19, and superseded WG20-25 (above). This Direction has been implemented.
Oxford/AstraZeneca COVID-19 vaccine: Directions and immunisation scheme specification for primary care (No reference provided by WG)	30/12/2020	This has been commissioned from GP practices week commencing 04 January 2021 and will be used in accordance with the Directions for the roll out of the vaccination scheme in Primary Care. This Direction has been enacted.
WG21-04 - Directions to Local Health Boards as to the Statement of Financial Entitlements (COVID 19 Suspension of QAIF and Alteration of Enhanced Services ) Directions 2021	09/02/2021	This Direction has been implemented as part of the monthly claiming procedures for GP practices.
WG21-24 - The National Health Service (General Medical Services Premises Costs) (Wales) (Amendment) Directions 2021	09/03/2021	This Direction has been implemented with rent review requests for leased premises sent to practices. For non-leased premises this is a continuance of the assurance that the rent won't reduce during COVID-19, therefore is considered to be business as usual..
WG21-21 - The Directions to Local Health Boards as to the Personal and General Dental Services Statement of Financial Entitlements (Amendment) Directions 2021	04/03/2021	This refers to the interim payments arrangements for 2020/21 for Dental Services which the Health Board is following.

# Hywel Dda University Health Board

## PART B: REMUNERATION AND STAFF REPORT 2020/21



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## INTRODUCTION

The HM Treasury's Government Financial Reporting Manual (FReM) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410

<https://www.legislation.gov.uk/ukxi/2008/410/contents> made to the extent that they are relevant. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" is:

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

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

- Single total figure of remuneration for each director (pg.108);
- Cash Equivalent transfer Value (CETV) disclosures for each director (pg.114);
- Payments to past directors, if relevant;
- Payments for loss of office, if relevant;
- Fair pay disclosures (Included in Annual Accounts) note 9.6;
- Exit packages, (Included in Annual Accounts) if relevant note 9.5; and
- Analysis of staff numbers (pg.116).

## REMUNERATION REPORT

### The Remuneration and Terms of Service Committee (RTSC)

The RTSC will comment specifically upon:

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



The membership of the RTSC Committee during 2020/21 was as follows:

Name	Position	Role on the RTSC
<b>Maria Battle</b>	Chair	Chair
<b>Paul Newman</b>	Independent Member and Chair of Audit and Risk Assurance Committee (ARAC)	Vice Chair
<b>Professor John Gammon</b>	Independent Member and Chair of People, Planning and Performance Assurance Committee (PPPAC)	Member
<b>Anna Lewis</b>	Independent Member and Chair of Quality, Safety and Experience Assurance Committee (QSEAC)	Member

### **Independent Members' Remuneration**

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

### **Senior Managers' Remuneration**

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

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

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

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

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

## Service Contract Details for Senior Managers

Name of Manager	Role	Salary (£) Bands of £5k)	Date of contract	Date of Contract Expiration	Compensation for early termination
<b>Steve Moore</b>	Chief Executive	190-195	05/01/2015	N/A	N/A
<b>Dr Philip Kloer</b>	Deputy Chief Executive /Executive Medical Director	175-180	25/06/2015	N/A	N/A
<b>Andrew Carruthers</b>	Executive Director of Operations	130-135	01/12/2019	N/A	N/A
<b>Mandy Rayani</b>	Executive Director of Nursing, Quality & Patient Experience	130-135	19/06/2017	N/A	N/A
<b>Karen Miles</b>	Executive Director of Planning, Performance & Commissioning	80-85	01/01/2017	11/10/2020	N/A
<b>Huw Thomas</b>	Executive Director of Finance	130-135	10/12/2018	N/A	N/A
<b>Lisa Gostling</b>	Executive Director of Workforce & Organisational Development	130-135	09/01/2015	N/A	N/A
<b>Alison Shakeshaft</b>	Executive Director of Therapies & Health Sciences	115-120	01/01/2018	N/A	N/A
<b>Ros Jervis</b>	Executive Director of Public Health	115-120	17/07/2017	N/A	N/A
<b>Jill Paterson</b>	Director of Primary Care, Community & Long Term Care	120-125	19/01/2018	N/A	N/A
<b>Sarah Jennings</b>	Director of Partnerships & Corporate Services	45-50	01/01/2018	04/09/2020	N/A
<b>Joanne Wilson</b>	Board Secretary	105-110	01/01/2018	N/A	N/A

All Directors are subject to a 3 month notice period.

## Changes to Board Membership in 2020/21

During 2020/21, there were the following changes to Board membership:

- Mo Nazemi was appointed Chair of the Healthcare Professionals Forum from 1 April 2020.
- Sarah Jennings left the post on Director of Partnerships and Corporate Services on 4 September 2020.
- Hazel Lloyd-Lubran was appointed Chair of the Stakeholder Reference Group from 10 October 2020.
- Karen Miles left the post of Executive Director of Planning, Performance and Commissioning on 11 October 2020. The Executive Director of Finance now has responsibility for performance, commissioning, and digital services, with a new Executive Director of Strategic Development and Operational Planning commenced in post on 26 April 2021.

## Single Total Figure of Remuneration

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

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

## 2020/21

Name and Title	Salary  (Bands of £5k)	Bonus Payments  (£000)	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration ** (£000)	Total  (Bands of £5k)
<b>Executive Members and Directors</b>						
<b>Steve Moore, Chief Executive Officer</b>	195 - 200	0	0	10	0	205 - 210
<b>Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience</b>	130 - 135	0	0	23	0	155 - 160
<b>Karen Miles, Executive Director of Planning, Performance and Commissioning (to 11/10/20)</b>	80 - 85	0	0	0	134	215 - 220

Name and Title	Salary  (Bands of £5k)	Bonus Payments  (£000)	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration ** (£000)	Total  (Bands of £5k)
<b>Lisa Gostling, Executive Director of Workforce and Organisational Development</b>	130 - 135	0	0	51	0	180 - 185
<b>Phil Kloer, Executive Medical Director/ Deputy Chief Executive</b>	175 - 180	0	0	51	0	225 - 230
<b>Andrew Carruthers, Executive Director of Operations</b>	130 - 135	0	0	64	0	195 - 200
<b>Alison Shakeshaft, Executive Director of Therapies and Health Science</b>	115 - 120	0	0	55	0	170 - 175
<b>Ros Jervis, Executive Director of Public Health</b>	115 - 120	0	0	31	0	145 - 150
<b>Huw Thomas, Executive Director of Finance</b>	130 - 135	0	0	5	0	135 - 140
<b>Jill Paterson, Director of Primary, Community and Long Term Care</b>	120 - 125	0	8	29	0	155 - 160
<b>Sarah Jennings, Director of Partnerships and Corporate Services (to 04/09/20)</b>	45 - 50	0	0	4	0	50 - 55
<b>Joanne Wilson, Board Secretary</b>	105 - 110	0	0	27	0	130 - 135
** Other remuneration includes VERS for Executive Director						
<b>Independent Members</b>						
<b>Maria Battle, Chair</b>	55 - 60	0	0	0	0	55 - 60
<b>Judith Hardisty, Vice Chair</b>	45 - 50	0	0	0	0	45 - 50
<b>Mike Lewis</b>	10 - 15	0	0	0	0	10 - 15
<b>Paul Newman</b>	10 - 15	0	0	0	0	10 - 15

Name and Title	Salary  (Bands of £5k)	Bonus Payments  (£000)	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration ** (£000)	Total  (Bands of £5k)
Professor John Gammon	10 - 15	0	0	0	0	10 - 15
Simon Hancock	10 - 15	0	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	0	10 - 15
Anna Lewis	10 - 15	0	0	0	0	10 - 15
Owen Burt	10 - 15	0	0	0	0	10 - 15
Maynard Davies	10 - 15	0	0	0	0	10 - 15
Ann Murphy	5 - 10	0	0	0	0	5 - 10

2019/20

Name and Title	Salary  (Bands of £5k)	Bonus Payments	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration	Total  (Bands of £5k)
<b>Executive Members and Directors</b>						
Steve Moore, Chief Executive Officer	190 - 195	0	0	0	0	190 - 195
Joe Teape, Deputy Chief Executive / Executive Director of Operations (to 30/11/19)	100 - 105	0	0	0	0	100 - 105
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	130 - 135	0	0	13	0	140 - 145
Karen Miles, Executive Director of Planning,	130 - 135	0	0	26	0	155 - 160

Name and Title	Salary  (Bands of £5k)	Bonus Payments	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration	Total  (Bands of £5k)
<b>Performance and Commissioning</b>						
<b>Lisa Gostling, Executive Director of Workforce and Organisational Development</b>	125 - 130	0	0	73	0	200 - 205
<b>Phil Kloer, Executive Medical Director</b>	170 - 175	0	0	50	0	220 - 225
<b>Andrew Carruthers, Turnaround Director (to 30/11/19), Executive Director of Operations (from 01/12/19)</b>	120 - 125	0	0	42	0	165 - 170
<b>Alison Shakeshaft, Executive Director of Therapies and Health Science</b>	110 - 115	0	0	92	0	200 - 205
<b>Ros Jervis, Executive Director of Public Health</b>	115 - 120	0	0	27	0	140 - 145
<b>Huw Thomas, Executive Director of Finance</b>	125 - 130	0	0	52	0	175 - 180
<b>Jill Paterson, Director of Primary, Community and Long Term Care</b>	115 - 120	0	6	39	0	160 - 165
<b>Sarah Jennings, Director of Partnerships and Corporate Services</b>	105 - 110	0	0	35	0	140 - 145
<b>Joanne Wilson, Board Secretary</b>	95 - 100	0	0	44	0	140 - 145
<b>Libby Ryan-Davies, Transformational Director (to 30/04/19)</b>	5 - 10	0	0	2	0	10 - 15
<b>Independent Members</b>						
<b>Maria Battle, Chair (from 19/08/19)</b>	35 - 40	0	0	0	0	35 - 40
<b>Judith Hardisty, Interim Chair (to 18/08/19), Vice Chair (from 19/08/19)</b>	50 - 55	0	0	0	0	50 - 55

Name and Title	Salary  (Bands of £5k)	Bonus Payments	Benefits in Kind  (£000)	Pension Benefits  (£000)	Other Remuneration	Total  (Bands of £5k)
Mike Lewis	10 - 15	0	0	0	0	10 - 15
Paul Newman, Interim Vice Chair (to 18/08/19)	20 - 25	0	0	0	0	20 - 25
Professor John Gammon	10 - 15	0	0	0	0	10 - 15
David Powell (to 30/11/19)	5 - 10	0	0	0	0	5 - 10
Simon Hancock	10 - 15	0	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	0	10 - 15
Adam Morgan (to 12/07/19)	0 - 5	0	0	0	0	0 - 5
Anna Lewis	10 - 15	0	0	0	0	10 - 15
Owen Burt	10 - 15	0	0	0	0	10 - 15
Maynard Davies (from 01/12/19)	0 - 5	0	0	0	0	0 - 5
Ann Murphy (from 09/01/20)	0-5	0	0	0	0	0-5

### 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 banded remuneration of the highest-paid Director in the Health Board in the financial year 2020/21 was £195,000-£200,000 (2019/20, £190,000 - £195,000). This was 6 times (2019/20: 6 times) the median remuneration of the workforce, which was £34,027 (2019/20, £33,758).

In 2020/21, 24 (2019/20, 32) employees received remuneration in excess of the highest-paid Director. Remuneration for staff ranged from £21,879 to £318,973 (2019/20, £21,450 to £360,373). 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.



	2020/2021	2019/2020
<b>Band of Highest paid Director's Total Remuneration £000</b>	195 - 200	190 - 195
<b>Median Total Remuneration £000</b>	34	34
<b>Ratio</b>	6 times	6 times

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

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

## Pension Benefits Disclosure

Name and title	Real increase in pension at age 60  (bands of £2,500)  £000	Real increase in pension lump sum at aged 60  (bands of £2,500)  £000	Total accrued pension at age 60 at 31 March 2021  (bands of £5,000)  £000	Lump sum at age 60 related to accrued pension at 31 March 2021  (bands of £5,000)  £000	Cash Equivalent Transfer Value at 31 March 2021  £000	Cash Equivalent Transfer Value at 31 March 2020  £000	Real increase in Cash Equivalent Transfer Value  £000	Employer's contribution to stakeholder pension  £000
Steve Moore, Chief Executive*	0-2.5	(2.5)-0	55-60	130-135	1,049	998	35	0
Mandy Rayani, Executive Director of Nursing, Quality & Patient Experience	0-2.5	5-7.5	60-65	190-195	1,481	1,382	75	0
Karen Miles, Executive Director of Finance, Director of Planning, Performance and Commissioning	(10)-(7.5)	(10)-(7.5)	45-50	145-150	0	1,261	0	0
Lisa Gostling, Director of Workforce and Organisational Development	2.5-5	0-2.5	50-55	105-110	953	869	70	0
Dr Phil Kloer, Deputy Chief Executive/Executive Medical Director	2.5-5	0-2.5	60-65	120-125	1,050	962	71	0
Andrew Carruthers, Executive Director of Operations	2.5-5	2.5-5	35-40	65-70	517	451	58	0
Alison Shakeshaft, Executive Director of Therapies and Health Science	2.5-5	2.5-5	50-55	115-120	1,049	954	79	0
Ros Jervis, Executive Director of Public Health	0-2.5	0-2.5	25-30	45-50	478	431	40	0
Huw Thomas, Executive Director of Finance	0-2.5	(2.5)-0	20-25	0-5	255	242	9	0
Jill Paterson, Director of Primary, Community and Long Term Care	0-2.5	5-7.5	45-50	135-140	0	0	0	0

Name and title	Real increase in pension at age 60  (bands of £2,500)  £000	Real increase in pension lump sum at aged 60  (bands of £2,500)  £000	Total accrued pension at age 60 at 31 March 2021  (bands of £5,000)  £000	Lump sum at age 60 related to accrued pension at 31 March 2021  (bands of £5,000)  £000	Cash Equivalent Transfer Value at 31 March 2021  £000	Cash Equivalent Transfer Value at 31 March 2020  £000	Real increase in Cash Equivalent Transfer Value  £000	Employer's contribution to stakeholder pension  £000
Sarah Jennings, Director of Partnerships and Corporate Services	0-2.5	0	35-40	0	569	536	10	0
Joanne Wilson, Board Secretary	0-2.5	0-2.5	25-30	50-55	409	372	31	0
* Steve Moore re-entered the NHS pension scheme during the reporting year								

## STAFF REPORT

### Staff Numbers

As at 31 March 2021, the Health Board employed 12,476 staff including bank and locum staff; this equated to 9,402.23 Full Time Equivalent (FTE). The numbers (headcount) of female and male Board Members and employees are as follow:

	Female	Male	Total
<b>Board Members</b>	11	10	21
<b>Employees</b>	9,675	2,780	12,455
<b>Total</b>	9,686	2,790	12,476

\*Included in the Board Members figures is 1 additional Director and the Board Secretary (both non-voting) who are members of the Executive Team and attend Board meetings.

### Staff Composition as at 31 March 2021

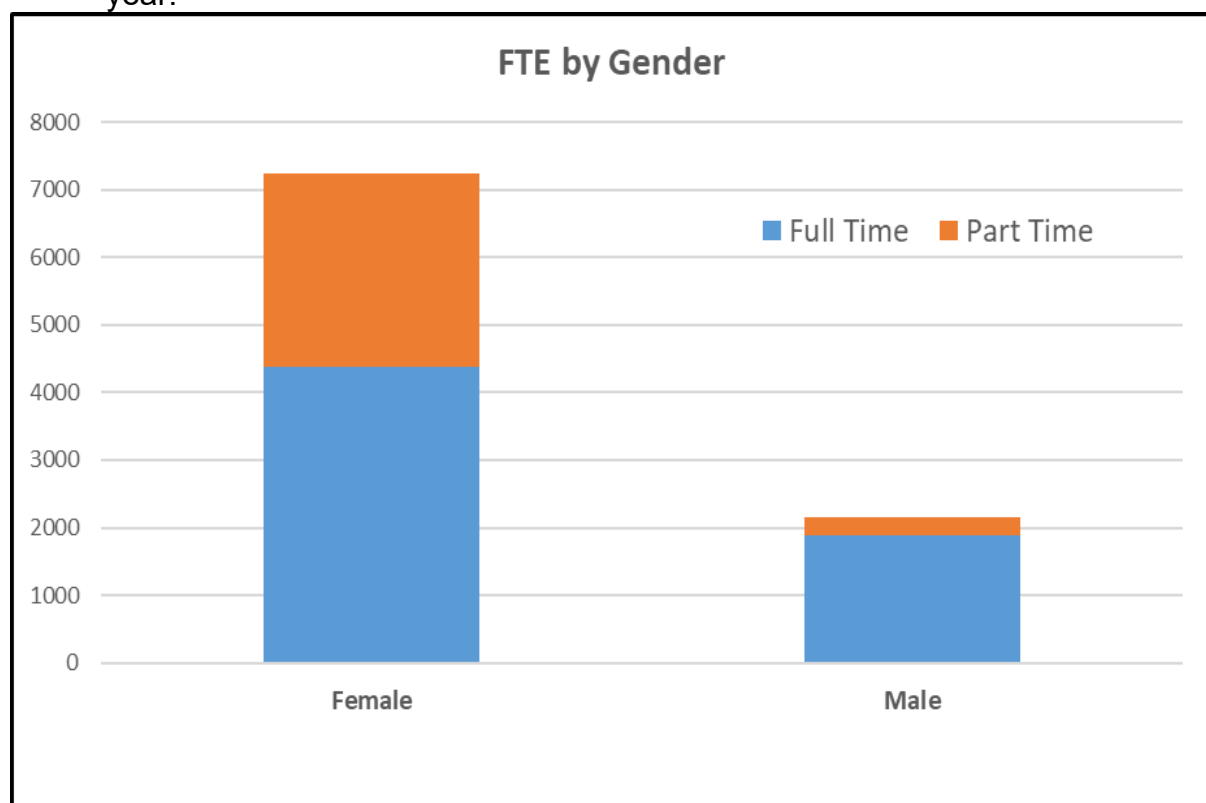
	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
<b>Executive Team*</b>	6.00	6	4.00	4	10.00	10
<b>Independent Members</b>	5.00	5	6.00	6	11.00	11
<b>Total</b>	<b>11.00</b>	<b>11</b>	<b>10.00</b>	<b>10</b>	<b>21.00</b>	<b>21</b>

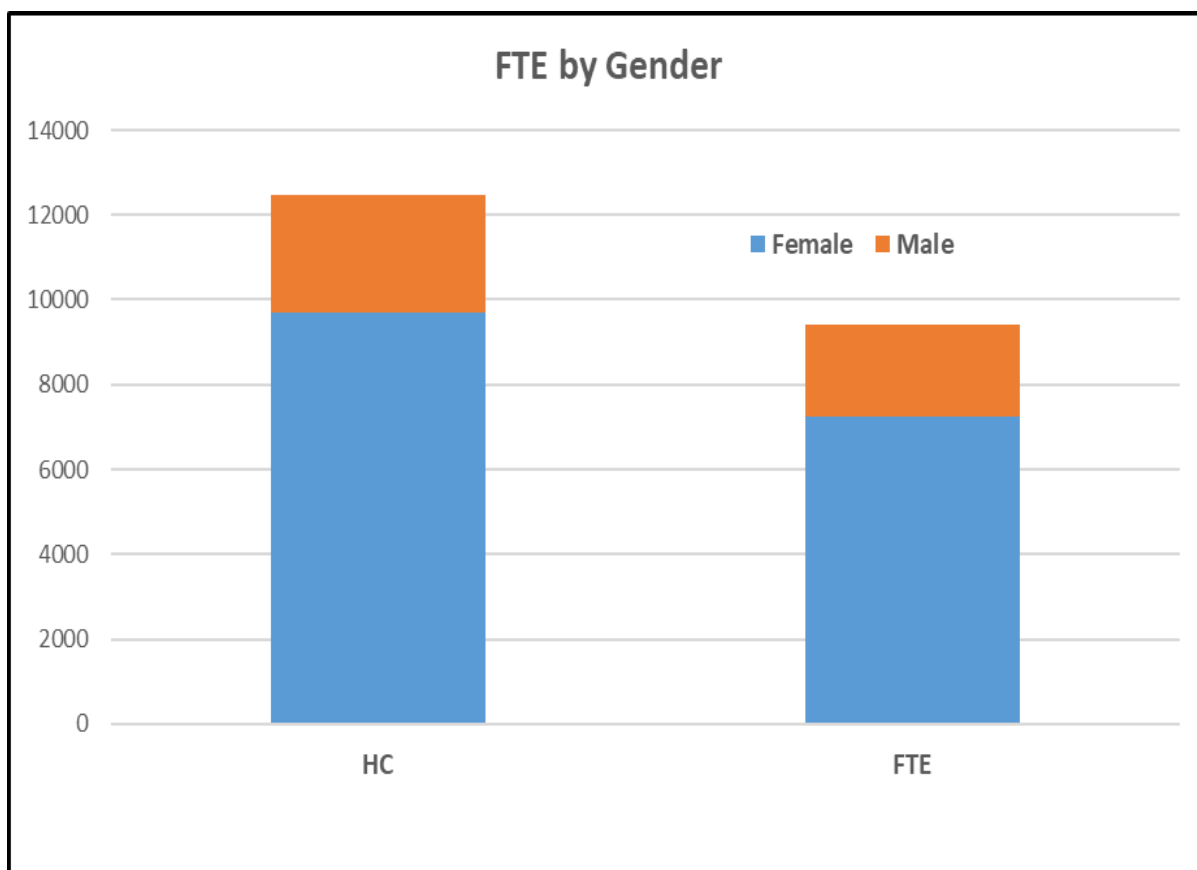
\* The Executive Team consists of 9 Executive Directors who are voting members of the Board (there is 1 vacancy at present which will be filled on 19/04/21), and 2 non-voting members (1 additional Director and the Board Secretary).

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
<b>Additional Professional Scientific and Technical</b>	230.95	266	107.89	124	338.84	390
<b>Additional Clinical Services</b>	1,698.45	2,568	368.57	452	2,067.02	3,020
<b>Administrative and Clerical</b>	1,519.50	1,799	331.29	355	1,850.79	2,154
<b>Allied Health Professionals</b>	483.09	572	108.29	118	591.38	690
<b>Estates and Ancillary</b>	440.82	782	502.26	731	943.08	1,513
<b>Healthcare Scientists</b>	104.87	117	75.20	77	180.07	194
<b>Medical and Dental</b>	214.04	336	427.21	647	641.25	983
<b>Nursing and Midwifery Registered</b>	2,549.11	3,245	239.70	286	2,788.80	3,531
<b>Students</b>	1.00	1	0	0	1.00	1
<b>Total</b>	<b>7,241.82</b>	<b>9,686</b>	<b>2,160.41</b>	<b>2,790</b>	<b>9,402.23</b>	<b>12,476</b>

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
<b>Band 8a</b>	45.01	46	29.91	30	74.92	76
<b>Band 8b</b>	39.80	40	22.60	23	62.40	63
<b>Band 8c</b>	15.00	15	10.40	10	25.40	25
<b>Band 8d</b>	9.00	9	7.00	7	16.00	16
<b>Band 9</b>	3.00	3	6.85	7	9.85	10
<b>Total</b>	<b>111.81</b>	<b>113</b>	<b>76.76</b>	<b>77</b>	<b>188.57</b>	<b>190</b>

- 77% of the Health Board's workforce was female by FTE and 23% male;
- The staff covered a wide range of professional, technical and support staff groups;
- Over 50% of all staff were within the Nursing and Midwifery and Additional Clinical Services staff groups;
- Senior Manager (Band 8a and above) were 2% of the workforce - 59% of these by FTE were female and 41% male; and
- The Board does not have any issue with its staff composition. Detailed information on the Health Board's composition is contained in the Health Board's Workforce Annual Equality Report' published in September each year.





### Sickness Absence Data

Sickness absence remains a priority for the Health Board. The cumulative sickness rate for the 12-month period up to and including March 2021 is 5.18% which is 0.39% above the 2020/21 year-end target of 4.79%. 3.67% of this sickness was attributed to long-term absence and 1.51% to short-term absence. The top reasons recorded for absence during 2020/21 were anxiety/stress/depression/other psychiatric illnesses, chest and respiratory problems, other musculoskeletal problems and infectious diseases. The following table provides information on the number of days lost due to sickness:

	2020-21	2019-20
Days lost (long term)	153,993	136,170
Days lost (short term)	59,136	57,086
Total days lost	213,129	193,256
Total Staff Years	9,252.40	8,571.70
Average Working Days Lost	11.83	11.67
Total Staff employed as at 31 March (headcount)	12,476	11,245
Total Staff employed in period with no absence (headcount)	4,542	3,878
Percentage of staff with no sick leave	45.37%	38.38%

The Health Board has one of the lowest sickness rates of the largest Health Boards in Wales and has seen a 0.01% reduction in the sickness rate for the 12 month period up to the 31 March 2021, which was 5.18% (31 March 2020: 5.19%) The

sickness absence rate of 5.18% is made up of 4.12% non-COVID sickness and 1.06% COVID sickness. There was additional absence from the workplace associated with periods of COVID-related self-isolation and shielding which represented a further 2.46%.

The percentage and total number of staff with no sickness absence reported during the year has been sourced from the standard ESR Business Intelligence (BI) report. With regard to the reporting in relation to the percentage of staff with 'no sickness', the standard BI report excludes new entrants and also bank and locum assignments.

Managers are provided with Directorate sickness absence metrics on a monthly basis, which details sickness absence rates for their areas split by department along with reasons for absence, days lost and cost.

The All Wales Attendance at Work Policy is now well established within the Health Board, with its focus on compassionate leadership and the ability for manager discretion. The training package is now being delivered remotely which has positively increased the numbers of attendees. The audit programme has not progressed over the last 12 months due to other COVID-19 commitments however the Health Board is in the process of looking at how it can reinstate the audit programme virtually for this year. The issue of COVID-19 will also have impacted on attendance during 2020/21 which may continue into 2021/22, and could result in continued higher sickness absence levels than normal.

The Health Board has an in-house Occupational Health Service with a Consultant Occupational Health Physician and a Staff Psychological Well-being Service which staff are able to self-refer to. The Staff Wellbeing service has been enhanced to include a 24 hour bilingual employee telephone assistance service.

### **Staff Policies**

The Health Board has a combination of internally generated workforce policies, and also a number of core policies which apply throughout NHS Wales. The Health Board policies are initiated and reviewed by the Policy Sub Group which consists of managers and trade union representatives. New and revised policies are then subject to consultation at the Hywel Dda Staff Partnership Forum and Local Negotiating Committee in respect of medical staff. All Health Board policies are equality impact assessed at the drafting and review stage by the Policy Sub Group. The Employment Policy Sub Group includes a specialist advisor for equality and diversity.

Local policies are subject to formal sign off through both the Partnership Forum and Health Board's PPPAC. All Wales policies are drafted and negotiated at national level.

All Health Board policies and procedures continued to apply throughout the pandemic, with the exception of pay progression which was paused during the pandemic.

The Health Board has reviewed its approach to policy formation and has determined that it needs to change the process going forward. The new approach will ensure



wider engagement of all stakeholders, while ensuring ser alignment with Health Board strategic objectives.

The Health Board is committed to ensuring that the recruitment and selection of staff promotes equality of opportunity at all times, eliminating discrimination and promoting good relations between all. It is committed to equal opportunities in recruitment and career development/promotion and demonstrates this by displaying the Disability Confident symbol in all adverts, as well as Supporting Age Positive, Mindful Employer, Armed Forces Covenant and Stonewall Cymru symbols. Values Based Recruitment training is offered to all managers which includes comprehensive guidance on the principles of equality of opportunity during all stages of the recruitment pathway.

The Health Board is committed to the principles of equality of opportunity in the delivery of all its training, development and education programmes. Reasonable adjustments are considered in the event that these are needed in relation to accessibility issues. All new training provision will be co-created to ensure it is accessible and meets the needs of the workforce.

An All Wales Managing Attendance Policy exists which advises managers to consider reasonable and tailored adjustments, ensuring that employees with a physical or mental health impairment are not disadvantaged in the workplace. It also provides for a consistent approach to support employees with a disability. The Health Board has an Attendance Management Advisor post within the Workforce team who acts as the key contact for attendance management issues and advises managers on the type of adjustments that should be considered. The post also provides training on the Attendance at Work Policy which includes an element of compassionate leadership and the Equality Act. The Health Board also has an in-house Occupational Health Service, with a full time Occupational Health Physician who provides advice and support to both employees and managers if a staff member is unable to continue with the full range of duties of their substantive post, or if there is a requirement for the employee to be redeployed to another role or other duties. Types of adjustments considered include reduction of specific duties, not working specific shifts (for example night duty), reduction in hours, days or length of shifts and recommending what type of roles maybe suitable for redeployment purposes. The aim is to retain the skills of our workforce in whatever capacity is possible.

### **Other employee matters**

- **Equality, Diversity and Inclusion**

The Workforce, Organisational Development and Education Strategy confirms the intention to establish the Health Board as an inclusive organisation. Inclusiveness means making sure the voices of the workforce are heard and valued, ensuring equal access to opportunities and resources for people who might otherwise be excluded or marginalised. This will not only help to attract and retain the best people to form the workforce, but it will also help to provide better services making the Health Board a great place to work. The Health Board needs to move beyond ensuring equality to promoting diversity, which, ultimately, is about how it builds the organisation with talented individuals from a wide range of backgrounds.

The Health Board reviews its workforce statistical data on an annual basis to help identify aims and positive actions to initiate to support members of the workforce in accordance with their protected characteristics. The Health Board wants all employees, no matter what their identity, culture or background to have the best possible employment experience in Hywel Dda.

During the pandemic, the issue of the Health and Wellbeing of Black, Asian and minority ethnic groups of staff has received a much higher profile nationally. A formal Advisory Group to the Board with specific Terms of Reference has been established to advise the Health Board on mainstreaming equality, diversity and inclusion and to provide a forum to discuss, influence and advise on issues affecting staff with key decision makers.

The Equality and Diversity Policy is being reviewed by a group of stakeholders, many of whom identify themselves with one or more protected characteristics. Engaging staff to co-design the policy is key to ensuring it addresses the lived experiences of the workforce. The performance against a target of 85% for equality and diversity mandatory training is 83.6%.

- **Supporting Research, Innovation and Improvement**

This year saw a small team appointed, funded by WG, to establish alongside Local Authority partners, the Research, Innovation and Improvement Hub. The team was responsible for a Regional Project mapping exercise to review the effectiveness of different funding streams managed by the RPB. It has developed a new framework to upscale and spread innovation, including those emerging from the Bevan Exemplar network within the Health Board. The team are currently working on a Staff Discovery piece of work to understand more about staff experiences during the pandemic so that the Health Board can put measures in place to best support their rest, recuperation and recovery.

- **Bilingual Skills Policy**

The Health Board's Bilingual Skills Policy was launched on St David's Day. The WG's ambition is for the number of people able to enjoy speaking and using Welsh to reach a million by 2050. The Health Board is committed to bilingual skills development as part of its workforce planning process. The aim of the policy is to ensure that the Health Board is able to deliver a bilingual healthcare service to the public and facilitate staff to use the Welsh language naturally within the workplace. The policy will not be delivered instantly as language planning is a long-term endeavour. However, the Health Board aims to be an exemplar in this area, leading by example by promoting and facilitating increased use of Welsh by the own workforce. Whether a fluent speaker, a speaker lacking in confidence who wishes to improve their skills, or a new speaker, the workplace provides opportunities to use, practise and learn Welsh. 35.9% of the Health Board's workforce have Welsh Language skills at Foundation level or above.

- **Learning and Development**

During the last 12 months, Workforce Education and Development on-boarded in excess of 2,000 new employees and supported the training and development of staff deployed to critical areas. In order to do this effectively, there was a need to redesign processes which included:

- Creating a bespoke Clinical Induction Programme for Health Care Support Workers (HCSW);
- Providing telephone/email support towards mandatory training e-learning to cope with increased demand;
- Arranging and co-ordinating face to face training for clinical skills, complying with social distancing guidelines;
- Registered nurse redeployment programme was developed to support nurses to go back into clinical practice from corporate or non-clinical roles should the need arise;
- Managed the database and training of 471 immunisers for the vaccination programme, providing governance that all training requirements were met;
- Co-designed a training package in line with the introduction of the Family Liaison Officer role, ensuring competence towards their role; and
- Created new data recording processes to cope with multiple user requirements.

Despite the occupational specific training delivered, the Agored Centre Status has been on hold due to COVID-19 pressures. The Workforce Development team have developed e-portfolios through Office 365 to allow for clinical employees to continue to progress. An Assessor Network has also been formed to support the registered workforce to deliver, assess and verify accredited qualifications internally, and full standardisation of assessment practices has been achieved. There are currently circa 90 employees registered on level 3 qualifications including Occupational Therapy Support, Physiotherapy Support, Perioperative Care and Podiatry Support. Generic delivery has now been moved to the Clinical Skills Team to support clinical services and creating a holistic delivery model.

Despite the demands upon the Health Board, mandatory training compliance has been continually monitored and compliance levels have been maintained throughout the pandemic. Performance is monitored to ensure the Health Board is moving towards its 85% compliance target. Core training compliance is 82.8%. The majority of training that was delivered face to face prior to the pandemic has been delivered virtually via the use of Microsoft Teams and recorded on ESR, with the Learning and Development Department providing support in relation to this.

- **Leadership Development**

During the last 12 months, leadership programme delivery was initially paused due to the pandemic. However, the design and delivery was adapted in year and has continued on a virtual course or wherever possible in a socially distanced way.

Programme delivery has included:

- Two cohorts of the Band 7 Nurse (STAR) programme;
- A new ILM Level 5 Coaching Skills Development Framework;
- Finance Senior Leader Programme;
- Peer Mentoring for Consultants and a virtual network established; and
- Planning phases for the introduction of a reverse mentoring programme for Board Members.

- **Workforce Development**

Workforce development activities have continued over the past year. The Health Board was unable to proceed with a new intake for the Apprenticeship Academy programme in 2020 due to the pandemic. The apprentices appointed in 2019 continued their development and academic studies and were invaluable in the Health Board's COVID-19 response, working in the areas of greatest need.

The current Apprenticeship Academy will provide more opportunities than in previous years. 2021 will see the recruitment of a further cohort of Healthcare Apprentices and Patient Experience Apprentices as well as other new opportunities in Corporate Governance, Digital Services and Workforce. The Apprentice Academy recently hosted their first live events, attended by 503 individuals. The Healthcare Apprentice Programme alone generated 517 applications, with 158 candidates having been invited to the assessment days.

- **Volunteers**

Volunteers have played an important role in supporting the Health Board during the pandemic, with many volunteering in field hospitals, delivering vital supplies including PPE, supporting in vaccination centres with meet and greet roles or car park attendants, and much more. In excess of 150 volunteers have provided some great stories of their experiences and have been a true asset to the Health Board during the pandemic.

- **Culture and Workforce Experience**

Several staff surveys have been conducted during the last year including the national staff survey. All of these responses are helping the Health Board to understand more about the experience of its staff so that it can respond appropriately and develop health and wellbeing initiatives which will have impact. All of the focus on health and wellbeing has been important for the successful status check for the Gold Standard of Corporate Health.

Working closely with the local Charities team, the Health Board has been successful in bidding for national charities funds to focus on the health and wellbeing of staff. Monthly awards for Employees and Teams, and presented by the Chair, Maria Battle, have been well received by the award winners. The Thankyou cards which were distributed to over 12,000 staff and volunteers in the summer were also well received, and were a small step in helping to create a more positive culture where staff can feel appreciated and valued.

Listening to staff has been important with the creation of 'listening spaces' for staff to share experiences and support each other. Where possible these listening spaces have been held physically, such as in the field hospitals, but where not possible, these have been held virtually.

### **Expenditure on Consultancy**

Consultancy services are a provision for management to receive objective advice and assistance relating to strategy, structure, management or operations of an organisation in pursuant of its purposes and objectives. During the year the Health Board spent £1,837,669 on consultancy services.

Transforming Clinical Services	£402,305
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Legal / Redress Claims Advice	£863,679
VAT / Tax Advice	£120,649
IT Consultancy	£269,040
Estates Advice	£23,327
Other Service Reviews / Advice	£158,669

### **Tax Assurance for Off-Payroll Appointees**

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

Details of these off-payroll arrangements will be published on the Health Board's website <http://www.wales.nhs.uk/sitesplus/862/page/100005> following publication of the Annual Report.

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

This procedure has been finalised in conjunction with changes to the Off-payroll Working legislation which will take effect from 1 April 2021. Changes being introduced include the requirement for Off-payroll Working status assessments to be accompanied by a written Status Determination Statement, which must be presented to the individual worker in question and the body being contracted with for the individual worker's services (if different), and the requirement to establish and operate a Status Disagreement Process.

### **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). £215,132 exit costs were paid in 2020-21 in relation to settlement claims, the year of departure (2019-20 £24,800). The exit costs detailed below are accounted for in full in the year of departure on a cash basis as specified in EPN 380 Annex 13C.

Where the Health Board has agreed voluntary early retirement, the additional costs are met by the Health Board and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table below.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

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

	2020/21	2020/21	2020/21	2020/21	2019/20
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
	Number	Number	Number	Number	Number
less than £10,000	0	1	1	1	1
£10,000 to £25,000	0	2	2	2	2
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	1	1	1	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
	2020/21	2020/21	2020/21	2020/21	2019/20
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
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	1,000	1,000	1,000	2,500
£10,000 to £25,000	0	45,287	45,287	45,287	22,300
£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	168,845	168,845	168,845	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>215,132</b>	<b>215,132</b>	<b>215,132</b>	<b>24,800</b>



# Hywel Dda University Health Board

## PART C: PARLIAMENTARY AND AUDIT ACCOUNTABILITY REPORT 2020/21





## PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

### Regularity of Expenditure

Common with the public sector in general the UHB has faced unprecedented challenges in 2020/21 to deal with the COVID-19 pandemic. Significant funding has been provided from WG to support with delivering the response to COVID-19. However, the Health Board has not been able to deliver a balance over 3 years to meet its financial duty. The expenditure of £95.3m which it has incurred in excess of its resource limit over that period is deemed to be irregular. The UHB will continue to identify efficiency and cost reduction measures in order to mitigate against future cost and service pressures and to establish financial balance in due course.

### Fees and Charges

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

### Managing Public Money

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

### Material Remote Contingent Liabilities

Remote contingent liabilities are those liabilities which due to the unlikelihood of a resultant charge against the Health Board are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2021:

	2020-2021	2019-2020
	£000's	£000's
Guarantees	0	0
Indemnities*	27	175
Letters of Comfort	0	0
<b>Total</b>	<b>175</b>	<b>175</b>

*\* Indemnities include clinical negligence and personal injury claims against the UHB.*