

**Hywel Dda
University Health Board**

**ACCOUNTABILITY
REPORT
2019/20**



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INTRODUCTION TO THE ACCOUNTABILITY REPORT

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

As not all requirements of the Companies Act apply to NHS bodies, the structure adopted is as described in the HM Treasury's Government Financial Reporting Manual (FReM) and set out in the 2019-20 Manual for Accounts for NHS Wales, issued by the WG.

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

- **The Corporate Governance Report:** This report explains the composition and organisation of the Health Board and governance structures and how they support the achievement of the Health Board's objectives. The Corporate Governance Report itself is in three main parts; the Directors' Report, the Statement of Accounting Officer's Responsibilities and the 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.
- **National Assembly for Wales Accountability and Audit Report:** The National Assembly for Wales 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 2019/20



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Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

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 2019/20. 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

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of independent members and associate members. In line with these Regulations, the Board of Hywel Dda University Health (the Health Board) comprises 20 voting members, with additional 7 non-voting members including:

- a chair;
- a vice-chair;
- officer members;
- independent members; and
- associate members.

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 by holding its meetings in public. As a result of the public health risk linked to the pandemic the UK and Welsh Government (WG) stopped public gatherings of more than two people and it is therefore not possible to allow the public to attend meetings of our board and committees from March 2020. Further information on this can be found on page 22.

The members of the Board are collectively known as “the Board” or “Board members”; the officer and independent members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All Independent Members and Executive Director Members have full voting rights.

The Health Board has 11 Independent Members (including Chair and Vice-Chair), all of whom are appointed by the Minister for Health and Social Services. There are 9 Executive Directors.

In addition, Welsh Ministers may appoint up to 3 Associate Members. The Board has appointed a fourth with the consent of the Minister for Health and Social Services. Associate Members have no voting rights. There are also 2 Director posts 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:
<http://www.wales.nhs.uk/governance-emanual/regulations-constitution-membership-and->

VOTING MEMBERS OF THE BOARD DURING 2019/20

During 2019/20, the following individuals were full voting members of the Board of the Health Board:

NAME	ROLE	DATES
INDEPENDENT MEMBERS		
Maria Battle	Chair	From 19 August 2019
Judith Hardisty	Interim Chair	To 18 August 2019
Judith Hardisty	Vice-Chair (Mental Health, Primary Care and Community Services)	Resumed from 19 August 2019
Paul Newman	Interim Vice-Chair (Mental Health, Primary Care and Community Services) (Independent Member (Community))	To 18 August 2019 Resumed from 19 August 2019
Anna Lewis	Independent Member (Community)	Full year
Professor John Gammon	Independent Member (University)	Full year
Owen Burt	Independent Member (Third Sector)	Full year
David Powell	Independent Member (Information Technology)	To 30 November 2019
Maynard Davies	Independent Member (Information Technology)	From 1 December 2019
Simon Hancock	Independent Member (Local Government)	Full year
Adam Morgan	Independent Member (Trade Union)	To 12 July 2019
Ann Murphy	Independent Member (Trade Union)	From 9 January 2020
Delyth Raynsford	Independent Member (Community)	Full year
Mike Lewis	Independent Member (Finance)	Full year

EXECUTIVE MEMBERS		
Steve Moore	Chief Executive Officer	Full year
Joe Teape	Deputy Chief Executive/Executive Director of Operations	To 30 November 2019
Phil Kloer	Executive Medical Director & Director of Clinical Strategy Deputy Chief Executive/Executive Medical Director	To 22 January 2020 From 23 January 2020
Karen Miles	Executive Director of Planning, Performance & Commissioning	Full year
Huw Thomas	Executive Director of Finance	Full year
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	Full year

Alison Shakeshaft	Executive Director of Therapies and Health Science	Full year
Lisa Gostling	Executive Director of Workforce & Organisational Development	Full year
Ros Jervis	Executive Director of Public Health	Full year
Andrew Carruthers	Executive Director of Operations	From 1 December 2019

During 2019/20, there were the following vacancies:

INDEPENDENT MEMBERS	EXECUTIVE DIRECTORS
Independent Member (Trade Union) from 13 July 2019 to 8 January 2020	None

Whilst the above role on the Board was vacant, with exception of the trade union element, the other responsibilities were covered by other Board members to ensure continuity of business and effective governance arrangements.

ASSOCIATE MEMBERS/NON-VOTING MEMBERS OF THE BOARD

During 2019/20, there are 4 Associate Members and 5 non-voting officer members of the Board, of which 2 posts (the Turnaround Director and Transformation Director) have been disestablished in-year:

NAME	ROLE	DATES
ASSOCIATE MEMBERS		
Michael Hearty	Associate Member	Full year
Jonathan Griffiths	Associate Member (Pembrokeshire County Council Director of Social Services)	Full year
Hilary Jones	Associate Member (Chair of Stakeholder Reference Group*)	To 29 February 2020
Kerry Donovan	Associate Member (Chair of Health Professionals Forum*)	To 31 January 2020

NON-VOTING MEMBERS		
Joanne Wilson	Board Secretary	Full year
Jill Paterson	Director of Primary Care, Community & Long Term Care	Full year
Sarah Jennings	Director of Partnerships and Corporate Services	Full year
Andrew Carruthers	Turnaround Director	To 30 November 2019 (when commenced role of Executive Director of Operations)
Libby Ryan-Davies	Transformation Director	To 30 April 2019

*Deputising arrangements were in place whilst the Health Board was in the process of recruiting new Chairs for the Stakeholder Reference Group and Chair of Health Professionals Forum (appointments currently awaiting Ministerial approval).

Further details in relation to role and composition of the Board can be found at pages 16 to 38 of the [Annual Governance Statement](#). In addition, short biographies of all our Board members can be found on our website at: <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>.

The Annual Governance Statement also contains further information in respect of Board and Committee Activity.

AUDIT AND RISK ASSURANCE COMMITTEE

The membership of the Audit and Risk Assurance Committee (ARAC) during 2019/20, providing the required expertise was as follows:

NAME	ROLE	DATES
Paul Newman	Committee Chair	Full year
Mike Lewis	Committee Vice-Chair	Full year
Judith Hardisty	Committee Member	From 19 August 2019 (Resumed position as Health Board Vice-Chair)
Owen Burt	Committee Member	Full year
Simon Hancock	Committee Member	Full year
David Powell	Committee Member	To 30 November 2019
Maynard Davies	Committee Member	From 1 December 2019

DECLARATION 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 <http://www.wales.nhs.uk/sitesplus/862/page/97881> , 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 65 of the [Annual Governance Statement](#).

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

We take pride in running our healthcare services responsibly as part of the wider West Wales community. We work hard to reduce our impact on the environment, to encourage staff to make healthy lifestyle choices, and to strengthen our relationships with local people. Our strategic approach to sustainability ensures that we not only look at ways to reduce fixed costs such as energy, water and waste, but we also embed efficiency principles within our processes for procuring goods and services. In terms of social and community matters, we work hard to:

- Make a positive contribution to the work of Public Services Boards (PSBs) in each of our 3 local authority areas to improve the economic, social,

environmental and cultural wellbeing of local people. This has resulted in Health Board commitment to actions within each of our 3 PSB Wellbeing Plans which by working collaboratively, will seek to achieve improvements in environmental, social and community resilience;

- Develop collaborative arrangements with partner organisations including the police, fire and rescue services, schools and universities, and the voluntary and third sector to support greater integration across the services that people need from us, and in doing so improve efficiency, reduce duplication and enhance the experience of each person;
- Progress our Health and Care Strategy, 'A Healthier Mid & West Wales – Our Future Generations Living Well' and managing a demonstrable "shift left" in population health and community/primary care developments over the transitional years. Over the last year, a number of initiatives have been implemented across Hywel Dda community including:
 - ✓ Community Triage and Treat in 25 practices with a total of 111 staff trained;
 - ✓ A series of videos produced demonstrating the services and support offered by community pharmacies;
 - ✓ Multi-disciplinary working in 11 out of 13 GP practices in Pembrokeshire to provide an integrated approach to care;
 - ✓ Community Resources Team in South Ceredigion extended to North Ceredigion;
 - ✓ Development of a joint prevention strategy for Carmarthenshire focused on early intervention & independence;
 - ✓ Successful recruitment of community connectors from the Transformation Fund to support moving from 5 to 6 Integrated Community Networks;
 - ✓ NOSDA (No One Should Die Alone) project successfully piloted in 3 care homes, Withybush General Hospital (WGH), Sunderland Ward and Cleddau River Day Unit - 114 hours of emotional support provided to 39 people;
 - ✓ Delta Well-being expansion to deliver CONNECT prevention programme Health Board wide;
 - ✓ Successful amalgamation of Goodwick and Fishguard surgeries to provide a health & well-being centre;
 - ✓ The opening of the Aberaeron (Minaeron) and the Cardigan Integrated Care Centres during 2019. These support new ways of working with GP's, Pharmacies and the Local Authority partners. New mobile technology has been introduced to facilitate a more agile and adaptable workforce for the growing and changing needs of our local populations;
 - ✓ 24/7 drop-in service commenced at the Gorwelion Community Mental Health Centre in Aberystwyth including a designated Section 136 place of safety;
 - ✓ Opening of the Llanelli Twilight Sanctuary providing a safe and supportive environment for support and advice;
 - ✓ Development of a mental health practitioner for 2 GP practices in Pembrokeshire to improve earlier access to assessment; and
 - ✓ Intensive Learning Disability support team pilot underway as part of the Bevan Exemplar programme to test the provision of increased level of support for at risk individuals in the community

- Continue to embed local leadership across our acute hospitals and within community settings to ensure that our frontline have the support they need to do the best they can;
- Reinforce our organisational values so that our staff are clear on what is expected of them and have a robust framework to provide them with greater resilience against pressure;
- Promote the excellent work and ‘extra mile efforts’ of our staff – as well as our friends in the community – through social media and other channels, so that people who go the extra mile are rightly recognised for their contributions;
- Employ cutting-edge, cost-effective technology to help communicate and engage with everyone who interacts with, or has an interest in, our services;
- Help staff to consider different forms of transport to get to work, including more active options and those that reduce congestion as well as local air and noise pollution. An assessment is underway to determine the feasibility of the phased introduction of electric pool fleet vehicles and electric charging points for staff and visitors;
- Reduce, reuse and recycle: We continue to identify ways to reduce the waste we send to landfill, recycle wherever possible and reuse resources to avoid unnecessary purchases. For example the Health Board are signed up to ‘Warp it’ an online platform for reuse of furniture and equipment and have rolled out source segregation on a number of our acute sites which has boosted our recycling rate. Typically these measures have reduced waste to landfill, encouraged staff to reuse resources and reduced our carbon impact;
- Cut our carbon emissions: In terms of carbon reduction, we have recently installed roof mounted Photovoltaics on 3 community sites – Amman Valley, Elizabeth Williams Clinic and Tenby Cottage hospital. We plan to deliver further roof mounted PV scheme and LED lighting projects on another 4 community sites in 2020/21, along with a ground mounted solar farm project in Hafan Derwen. Key benefits of all these schemes are carbon reduction, improved site resilience and revenue savings;
- Resource Efficiency: Over the last year the Health Board has appointed a specialist contractor who has been reviewing water consumption, leaks, metering infrastructure and tariffs as well as implementing water efficiency measures such as urinal controls. To date this has saved the Health Board circa £53k, 47,000M³ of water and 22.5tCO₂e (tonnes of carbon dioxide equivalent).; and
- Green Space: There has been a growing focus on the use of green space at our sites via staff led projects to benefit the natural environment and the wellbeing of patients and staff. Examples include a grant funded initiative at WGH to renovate the court yard by Costa Coffee, and a ‘Magnificent Meadows project’ which is focusing on a managed approach to leaving areas of grassland on the site grow wild to encourage biodiversity, as well as renovation of the Dementia garden in Prince Philip Hospital (PPH) which is being re-designed to improve the outdoor space for patients and to encourage biodiversity.

STATEMENT OF PUBLIC SECTOR INFORMATION HOLDERS

As the Accountable Officer of the Hywel Dda University Health Board, and in line with the disclosure requirements set out by the Welsh Government and HM

Treasury, I confirm that the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the year.

Signed by:

Date: 29 May 2020

**Steve Moore
Chief Executive**

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: 29 May 2020

**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:2020
Maria Battle

Chief Executive: Date:2020
Steve Moore

Executive Director of Finance: Date:2020
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.

This Annual Governance Statement details the arrangements in place during 2019/20 to discharge my responsibilities as the Chief Executive Officer of the Health Board, and to manage and control the Health Board's resources. It also details 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 our set values and behaviours. It will set out some of the challenges and risks we encountered and those we will continue to face going forward.

At the time of preparing this Annual Governance Statement the Health Board and the NHS in Wales is facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19, whilst also planning to resume other activity where this has been impacted.

The required response has meant the whole organisation has had to work very differently both internally and with our 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, with regard to "COVID -19- 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. Nevertheless, the organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money and demonstrating Value for Money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions.

To demonstrate this the organisation is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes, for example through the use of a register recording any deviations from normal operating procedures. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

Planning has and will remain fluid and responsive to incoming data, and the Health Board is now adjusting its planning assumptions as it anticipates that it will experience a series of peaks in demand for critical care and bed capacity over the

next 8–12 months, the timing and scale of which is currently unknown. Therefore the Health Board is developing careful plans to restart normal services on a clinically prioritised basis whilst maintaining all essential services, alongside managing increased demand from COVID-19, and understanding the impacts of suspended/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 Welsh Government (WG), who have established arrangements for escalation and intervention to support NHS bodies to address issues effectively and deliver the required improvement.

During 2019/20, the Health Board remained in ‘targeted intervention’ (TI), which is the third level in the NHS Escalation and Intervention Framework, however significant progress was made throughout the year, with improvements in overall performance leading to the de-escalation of scrutiny in this area in September 2019. There has been an acknowledgement of the work progressed in relation to our Health and Care Strategy, reduction of infection rates, Referral to Treatment Times (RTT) and diagnostic and therapy waits, however our financial planning and delivery have continued to dominate discussions, along with the increasing fragility of unscheduled care and the out of hours service during the second half of the year.

TI scrutiny was scaled back in Quarter 4 to allow NHS Wales organisations to focus their resources on planning and preparation for the COVID-19 pandemic.

OUR GOVERNANCE FRAMEWORK

The Health Board is responsible for the planning and provision of NHS healthcare services for people in Carmarthenshire, Ceredigion, Pembrokeshire and its bordering counties. It employs 11,000 members of staff who provide primary, community, in-hospital, mental health and learning disabilities services for approximately 384,000 people across a quarter of the landmass of Wales. This is done in partnership with three local authorities and public, private and third sector colleagues, including volunteers.

Figure 1 shows the Health Board’s governance structure that was in place during 2019/20. In January 2020, the Board agreed for a new governance structure to be implemented from 1 April 2020 which would reduce the number of Committees and their core membership to make governance more enabling, while allowing increased visibility of Board Members across the Health Board. However, in light of COVID-19, the Board agreed in April 2020 to have a more streamlined Board and Committee Structure and that implementation of the new governance structure would be phased and responsive until the Health Board returns to routine business arrangements. The new governance structure can be found in the Corporate Governance Structure/Arrangements paper in the January Board papers via the following link: <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.7%20Revised%20Corporate%20Governance%20Structure%20%26%20Arrangements.pdf>.

In March 2020, the Health Board focused on essential business only, and established a Command and Control Governance Structure to facilitate its planning

and preparations for the emerging global COVID-19 pandemic. The Board endorsed this approach in April 2020 – see Board paper

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>. The Board reinforced that in a fast moving pandemic such as COVID-19, 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.

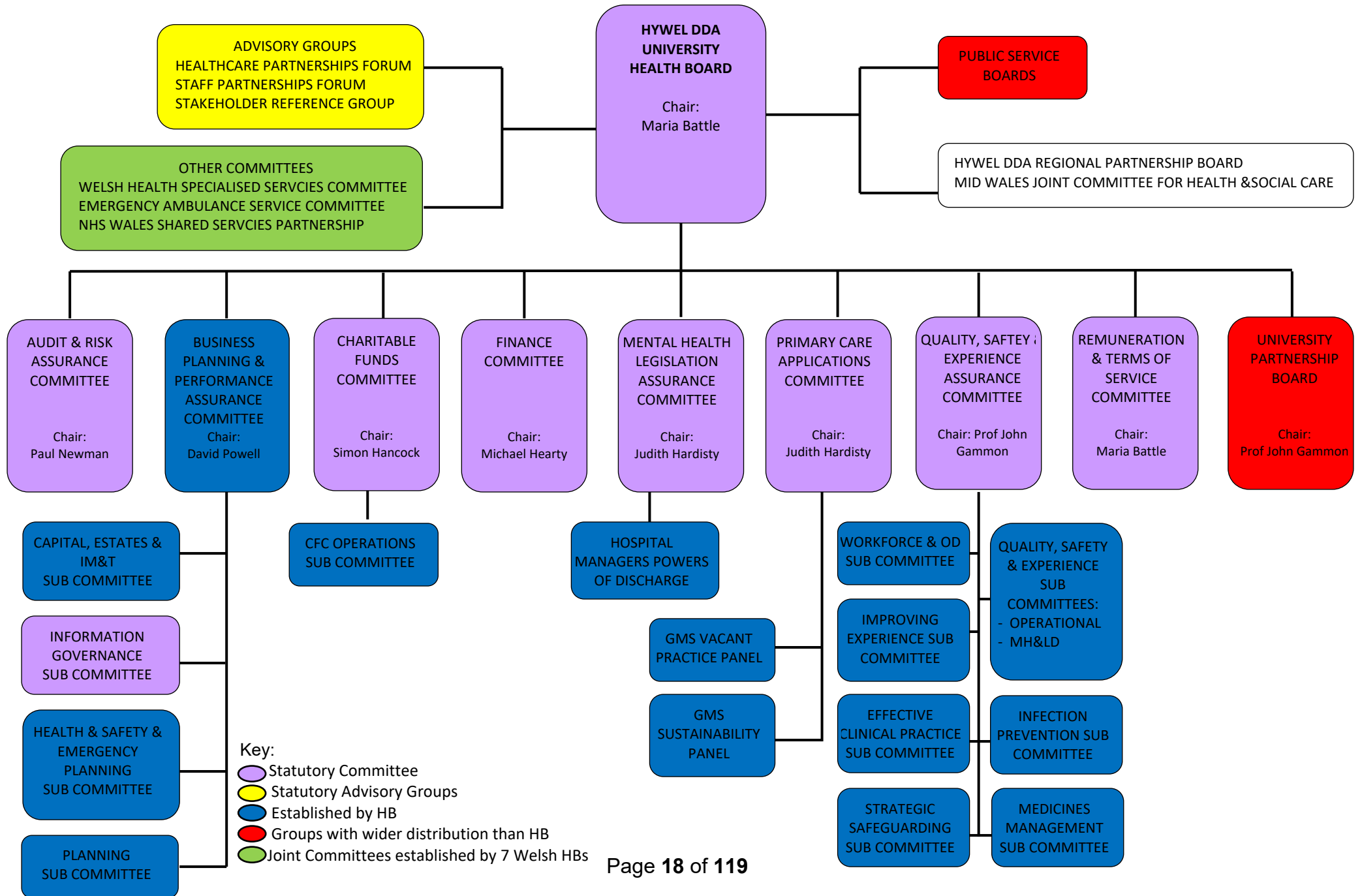
The Board considered and agreed new ways of working to ensure the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints, and its inability to hold meetings in public due to introduction of social distancing measures and restrictions on public gatherings. To facilitate as much transparency and openness as possible, the Health Board agreed to:

- 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 our 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 our website pages and social media accounts signposting to further information will be published.
- Amend the website (which constitutes our official notice of Board meetings) and explain why the Board is not meeting in public.

As Accountable Officer, this approach will remain under constant review with the Chair and the Board Secretary, and further variations will be brought to the attention of the Board, as we respond to COVID-19 and try to resume and maintain normal business throughout the year. The following paper was presented to the Board in May 2020 detailing the revised Command and Control Structure, the revised schedule of Board and Committee meetings, the continuation of the variation to Standing Orders and the approval of the Transformation Steering Group.

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%201.6%20Maintaining%20Good%20Governance%20COVID-19.pdf>.

Figure 1: BOARD AND COMMITTEE STRUCTURE



The Board

The Board's constitution complies with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body. Executive Directors and Independent Members are full and equal members and share corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on our website at: <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>. Further information is also provided in the [Directors' Report](#).

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 including the Chair, Vice Chair and Chief Executive. 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 such as carers and older people. The Board and Committee Membership and Champion roles during 2019/20 is included as Appendix 1 to this statement.

Following the departure of the previous Chair, Bernardine Rees OBE, due to ill-health, in February 2019, the Vice-Chair, Judith Hardisty assumed the role of Interim Chair. Maria Battle, commenced as Chair permanently in August 2019. Additionally, there was the expected changeover of Independent Members during 2019/20 as tenures come to an end. The Health Board warmly welcomed 2 new Independent Members, Ann Murphy, who replaced Adam Morgan as the Trade Union representative, and Maynard Davies, who replaced David Powell as the Information Technology representative on the Board. The term of three further IMs were extended as was the term of the Associate Board Member appointed to chair the Finance Committee (FC).

There have been changes to the composition of the Executive Team where membership has reduced from 14 to 12. In December 2019, the Turnaround Director, Andrew Carruthers, took up post as the new Executive Director of Operations following the departure of the previous post holder, Joe Teape. The turnaround programme has been incorporated into the portfolio of the Executive Director of Finance. The post of Transformation Director was also disestablished and accountability for the delivery of the Health and Care Strategy and the associated resource (including the Strategic Programme Director and the transformation programme office) was transferred from the Executive Medical Director to the Executive Director of Planning, Performance and Commissioning.

Standing Orders and Scheme of Reservation and Delegation

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and, together with the adoption of a scheme of matters

reserved to the Board; a scheme of delegation to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance Framework. These are available on the Health Board's website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>

In addition to the annual review of Standing Orders and Standing Financial Instructions that took place in May 2019, the Board approved the WG revised Standing Orders. This included the revised Standing Orders for WHSSC (Welsh Health Specialised Services Committee) and EASC (Emergency Ambulance Services Committee) at its meeting in November 2019.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of its aims and objectives. To fulfil this requirement, in alignment with the review of Standing Orders and Committee terms of reference, a detailed review of the Board's Scheme of Reservation and Delegation of Powers was undertaken in November 2019.

As part of its response to COVID-19, the Board agreed in April 2020, its 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. Part of the response is in respect of ways of working, which must adapt continually during such a pandemic; however part of the response required temporary variation from its Standing Orders (SOs) and Reservation and Delegation of Powers. To ensure that the Health Board can facilitate agile decision making and reduce unnecessary bureaucracy, without compromising strong governance, it agreed a temporary variation to parts of the Standing Orders. Further information on these can be accessed in the report to Board <http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>.

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.

The following Board Committees were in place during 2019/20:

- Audit and Risk Assurance Committee (ARAC)
- Business Planning and Performance Assurance Committee (BPPAC)

- Charitable Funds Committee (CFC)
- Quality, Safety and Experience Assurance Committee (QSEAC)
- Finance Committee (FC)
- Mental Health Legislation Assurance Committee MHLAC)
- Primary Care Applications Committee (PCAC)
- Remuneration and Terms of Service Committee (RTSC)
- University Partnership Board (UPB)

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 produced an annual report, for 2019/20, setting out a helpful summary of its work.

All Committees have undertaken a review of their Terms of Reference in 2019/20. 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.

The following table outlines dates of Board and Committee meetings held during 2019/20, with all meetings being quorate:

Month	Meeting									
	Board	Audit and Risk Assurance Committee	Business Planning & Performance Assurance Committee	Charitable Funds Committee	Quality, Safety & Experience Assurance Committee	Finance Committee	Mental Health Legislation Assurance Committee	Primary Care Applications Committee	Remuneration & Terms of Service Committee	University Partnership Board
April 2019		23.04.19	30.04.19		04.04.19	25.04.19				
May 2019	29.05.19 30.05.19	07.05.19 29.05.19				20.05.19			20.05.19	29.05.19
June 2019		25.06.19	27.06.19	18.06.19	04.06.19	25.06.19	24.06.19	13.06.19	27.06.19	
July 2019	25.07.19					22.07.19				
August 2019		27.08.19	29.08.19		01.08.19	22.08.19				

September 2019	26.09.19			20.09.19		24.09.19	17.09.19			
October 2019		22.10.19	29.10.19		03.10.19	21.10.19		08.10.19	09.10.19	
November 2019	28.11.19					26.11.19				07.11.19
December 2019		19.12.19	17.12.19	16.12.19	03.12.19	19.12.19	17.12.19			
January 2020	30.01.20					27.01.20		07.01.20	23.01.20	
February 2020		25.02.20	20.02.19		04.02.20					
March 2020	26.03.20			17.03.20		13.03.20				

The Structured Assessment 2019 undertaken by Audit Wales (AW), (known as Wales Audit Office before 1 April 2020), acknowledged that despite a period of change the Board continues to be generally well-run and the quality of scrutiny and challenge remains high. However, at its Board Seminar Session in December 2019, the Board recognised that there are still improvements that need to be made to improve its governance arrangements, and therefore agreed to:

- Strengthen the focus on our core priorities /key issues;
- Improve the focus on delivery;
- Reduce duplication, volume and length of papers whilst improving clarity, focus and quality;
- Reduce the number, length and membership of meetings;
- Improve the visibility of the Executive Team and Independent Members;
- Improve “gatekeeping”/discipline by Committee Chairs and Executive leads; and
- Listen and learn more from patient experience and staff voices.

In January 2020, the Chair proposed a new streamlined Committee structure, which will make governance more enabling and allow increased visibility of Board Members across the Health Board. The new structure will also reduce the number of Committees and moderate membership to a smaller number, with presenters invited to attend for individual items. The Committee structure, approved in January 2020, will be implemented in a phased approach from April 2020 in accordance with new ways of working and agreed variations to Standing Orders as agreed by Board whilst it manages COVID-19 requirements.

Board Activity

As well as meeting in public across the three counties throughout the year, the Board has webcast its meetings (except March 2020) to improve accessibility across a large geographical area. Throughout 2019/20, each meeting held a Public Forum, in which the Chair took questions submitted in advance. However this will be stood down during the COVID-19 pandemic.

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 the UK and WG stopped public gatherings of more than two people and it has therefore not possible to allow the public to attend meetings of our board and committees from March 2020. Recordings of our meetings resumed in May 2020 with the aim to live stream from July 2020. To ensure business was conducted in as open and transparent manner as possible during this time the Board agreed a number of actions at its meetings in April and June 2020 (see above) – the report can be accessed via the following link <http://www.wales.nhs.uk/sitesplus/862/page/100005>.

An assessment was also made to ensure that decisions were time critical and could not be held over until it is possible to allow members of the public to attend meetings. As the duration of the pandemic and the subsequent measures to be taken to mitigate spread are not yet known it will be necessary to keep this under review.

There is a clear patient and staff centred focus by the Board at the meetings, demonstrated by the presentation of patient and staff stories at the start of each meeting.

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 our website: <http://www.wales.nhs.uk/sitesplus/862/page/40875>.

During 2019/20, the Board held:

- 7 meetings in public
- 1 Annual General Meeting
- 6 seminar sessions
- Regular development sessions

All Board meetings held in 2019/20 were quorate. The Board meeting in March 2020 was not held in public, with only a quorum membership to comply with emergency measures for social distancing during the COVID-19 outbreak. Arrangements have now been put in place to hold ‘virtual’ meetings so that all Board Members can attend, and plans are in place to resume broadcasting live meetings.

The Board has a programme of work which was adapted during the course of the year to respond to emerging events and circumstances. The Board discussed and considered the following items during 2019/20:

ITEMS	Approval	Assurance	Information
Strategic Issues			
Partnership Agreements - Pooled Funding and Ceredigion Community Equipment Services: Section 33 Agreement	✓		
Update provided on virtual pooled funding agreement		✓	

Health and Care Strategy Delivery – update on Establishment of Portfolio of Programmes		✓	
Executive Director of Public Health Annual Report for 2018/19		✓	
Ratify the Single Adult Thoracic Surgery Centre at Morriston Hospital, Swansea	✓		
Development of New Chemotherapy Day Unit at Bronglais General Hospital (BGH)	✓		
Inpatient Malnutrition Business Case	✓		
Implementation and funding requirements of the Major Trauma Network	✓	✓	
Reconfiguration of Sexual Assault Referral Centres (SARCs) across Mid and West Wales	✓		
Health & Care Strategy Update		✓	
BGH: Delivering Excellent Rural Acute Care	✓		
Winter Preparedness 2019/20	✓		
Health & Care Strategy Update		✓	
NHS Delivery Unit (DU) Audit on Primary Mental Health Services for Children and Adolescent Mental Health Services (SCAMHS) report		✓	
Major Trauma Network Update			✓
Three Year Plan including the Financial Plan		✓	
Strategic Equality Plan and Objectives 2020-24	✓		
Delivering the here and now			
The Nurse Staffing Levels (Wales) Act Annual Report 2018/19		✓	
The Evaluation of Unscheduled Care Performance through Winter 2018/19			✓
The Health and Care Standards Fundamentals of Care Annual Report 2018		✓	
Internal Assurance Review of the Quality and Safety of Maternity Services following Recent Independent Review of Maternity Services at the former Cwm Taf University Health Board		✓	
Dental Investment Plan 2019/20 Update		✓	
Healthcare Inspectorate Wales Annual Report 2018/19 Presentation			✓
Primary Care Annual Report 2018/19			✓
Medical Revalidation & Appraisal Annual Report 2018/19			✓
NHS Wales Fighting Fraud Strategy			✓
Implementation of the Quality Improvement Strategic Framework		✓	
Fragility of Mental Health Services		✓	
Influenza Vaccination Improvement Plan 2019/20		✓	
Updated Major Incident Plan 2019/20	✓		
Strategic Equality Plan Annual Report 2018/19		✓	
Healthcare Inspectorate Wales Annual Report 2018/19			✓
Working to Improve the Health of Vulnerable Groups		✓	
Public Service Ombudsman for Wales - Annual Letter 2018/19		✓	
Funded Nursing Care Fees increase 2019/20	✓		
Mid-year Review of the Annual Plan 2019/20		✓	

Health Board's Well-being Objectives Annual Report for 2018/19 and refreshed Well-Being Objectives for 2019/20 and beyond	✓		
Annual Presentation of Nurse Staffing Levels for Wards Covered Under Section 25b of the Nurse Staffing Levels (Wales) Act 2016			✓
Hywel Dda Community Health Council (CHC) Annual Report 2018/19			✓
The Charter for Improving Patient Experience	✓		
Progress against the Winter Plan		✓	
Primary Care Models for Wales Delivery Milestones 2019/20 and 2020/21			✓
Governance			
Committee Annual Reports	✓		
Governance, Leadership and Accountability Standard	✓		
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 2018/19	✓		
Standing Orders and Standing Financial Instructions including the revised Standing Orders for WHSSC (Welsh Health Specialised Services Committee) and EASC (Emergency Ambulance Services Committee)	✓		
The Terms of Reference for: <ul style="list-style-type: none"> ○ Charitable Funds Committee ○ Finance Committee ○ Primary Care Applications Committee ○ Healthcare Professionals Forum ○ Health and Care Strategy Delivery Group ○ Remuneration and Terms of Service Committee 	✓		
Amendment of the forecast deficit position from £15m to £25m	✓		
Revised Corporate Scheme of Financial Delegation	✓		
Revised Corporate Governance Structure	✓		
Auditor General for Wales – Annual Audit Report 2019 and Structured Assessment 2019 report		✓	
New governance arrangements relating to the University Partnership Board.	✓		

In addition, the Board regularly undertook the following throughout the year:

- Endorsed the register of sealings, as appropriate;
- Discussed the financial performance and the related risks being managed by the Health Board;
- Received reports on patient experience and feedback, ensuring where concerns were raised that these were escalated to the Board and, where necessary, result in the Board proactively activating agreed multiagency procedures and cooperate fully with partners;
- Discussed the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improve performance where appropriate;

- Received corporate risk reports providing assurance on the management of risks to the achievement of objectives and significant operational risks, and any variances to agreed tolerance levels;
- Received reports from the Chair and Chief Executive;
- Received assurance reports and endorsed any matters arising from the In-Committee Board, Committees, Joint Committees, Advisory Groups and Statutory Partnerships of the Board; and
- Received status reports on consultations that the Health Board has responded to.

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.

The Health Board has renewed its commitment to Board development during 2019/20 under the leadership of the new Chair. The Health Board has a comprehensive, Board-approved Board Development Programme designed to provide ongoing developmental support. The programme involves separate sessions held for Independent Members and Executive Directors and provides a foundation for continued learning and development. The programme is delivered in-house with support from external providers and subject matter experts.

During 2019/20, there has been limited turnover at Executive and Independent Member level, and transition into roles for new Board Members has been managed through robust induction processes. Independent Members have also taken part in the All Wales induction programme run by Academi Wales.

The revised streamlined structure for the Board and Committee working arrangements, has resulted in revised leadership of key committees to match individual areas of expertise and experience. The Chair and CEO are keen to encourage more Board visibility throughout the organisation and to ensure that the Board continues to listen and learn from front line staff experience. The introduction of Reverse Mentoring for all Board members is an example of how this will be applied in practice, when the Health Board returns to normal business.

A new Executive Director Performance Framework was introduced in 2018/19 to provide clarity on performance expectations and role requirements and Year 2 implementation of this framework has continued in 2019/20. This year performance has centred on a 'Team Goal' with each Executive having specific deliverable contributions towards attainment of that goal. Quarterly individual performance

reviews ensure that team progress remains on track. A bespoke development programme is also in place to work through issues of executive team cohesion, effectiveness and performance. Each Executive also has access to Executive coaching support.

The above programme has been supplemented by Board Member participation in the Health Board's Board Seminars which have been held on a regular basis during the year. Board Seminars have provided the Board with an opportunity to receive and discuss subjects/topics which provide additional sources of information and intelligence as part of its assurance framework. This in turn assists with the Board's ability in adequately assessing organisational performance and the quality and safety of services, with sessions held over the year having featured:

- What does the Welsh Health Specialised Services Committee do;
- The Annual Operating Plan 2019/20 Update;
- Healthcare Inspectorate Wales Annual Findings 2018/19;
- Update on the Health Board's Strategy "A Healthier Mid & West Wales";
- Update on the Financial Performance (month 2);
- Public Sector Equality Duty (PSED);
- Communications Update (new Health Board Website);
- Additional Learning Needs and Education Tribunal (Wales) Act 2018;
- The Bevan Commission: driving radical transformation in health and care;
- Adult Thoracic Surgery for South Wales;
- Patient Safety Walkarounds;
- Duty of Candour (Health and Social Care (Quality and Engagement) (Wales) Bill);
- Speaking up Safely;
- Update on Brexit;
- Feedback from AW Structured Assessment 2019;
- Proposed Governance Arrangements;
- Reverse Mentoring;
- Implementation of Community News in Community and Primary Care;
- Transient Ischaemic Attacks (TIA): Our improvement journey;
- Fragility of Services and Winter Planning;
- Update of Integrated Medium Term Plan and Financial Plan;
- Transforming Asthma Care in Hywel Dda: An integrated approach Tywi Taf Respiratory Nurse Role Evaluation Report;
- Emergency Ambulance Services Committee (EASC); and

Board's Self-Assessment of its Effectiveness including the Corporate Governance Code, the Governance, Leadership and Accountability Module

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:

- Feedback from the Joint Executive Team meetings with WG;
- Feedback from the Targetted Intervention meetings with WG;
- Self-assessment against the WG "All Wales Self-Assessment of Current Quality Governance Arrangements" which provided medium assurance. More

information on this can be found in the Quality Governance section of this report;

- AW Structured Assessment;
- Feedback from the Board Committee self-assessment programme. More information on this can be found in the AW Structured Assessment Section of the report; and
- 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.

In addition to these are the Health Board's assessments of its governance arrangements against the Corporate Governance Codes and the Governance, Leadership and Accountability Standard:

Self-assessment against the Corporate Governance in Central Governance Departments: Code of Good Practice 2017

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 2020 prior to impact of COVID-19 against the main principles as they relate to an NHS public sector organisation in Wales. This assessment was informed by its Quality Governance Assessment, the AW Structured Assessment 2019 and its assessment against Health and Care Standard 1 Governance, Leadership and Accountability Module. 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 in the 'maintaining Good Governance during COVID-19 paper to Board in April 2020 -

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>.

Annual Self-assessment against Health and Care Standard

A self-assessment was undertaken to demonstrate how the Health Board operates in accordance with the following criteria for the standard:

- 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.

As part of this work, it was envisaged that there would be a focused session at the April 2020 Board Seminar Session to reflect upon and discuss the internal and external assurances collated by the Health Board during 2019/20 and to agree its maturity level as a Board together with the areas of improvement. However, as the Health Board is in unprecedented times due to the current COVID-19 pandemic, the Board Seminar was cancelled and replaced with formal Board meeting to discuss the

Board's arrangements and decision-making in respect of COVID-19. Therefore, discussions were held with Chair and Chief Executive to agree a revised approach to complete this work for the Annual Governance statement 2019/20.

The following maturity level has been proposed, with suggested areas of improvement that will be taken forward when the Health Board returns to normal business.

Level 3 - We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.

Committee Activity

During 2019/20, Board Committees considered and scrutinised 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, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Hywel Dda Community Health Council. 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.

Audit and Risk Assurance Committee (ARAC)

The ARAC is an important Committee of the Board in relation to this Annual Governance Statement. On behalf of the Board, it keeps under review the design and adequacy of the Health Board's governance and assurance arrangements and its system of internal control, including risk management. The Committee keeps under review the risk approach of the Health Board and utilises information gathered from the work of the Board, its own work, the work of other Committees and other activity in the organisation in order to advise the Board regarding its conclusions in relation to the effectiveness of the system of governance and control.

In enacting its responsibilities, the ARAC is very clear on its role in seeking assurances, with the assurance function being defined as:

- Reviewing reliable sources of assurance and being satisfied with the course of action; and
- An evaluated opinion, based on evidence gained from review – tends to be based on independent validation, both internal and external.

The Committee is therefore a key source of assurance to the Board that the organisation has effective controls in place to manage the significant risks to achieving its strategic objectives and that controls are operating effectively.

The Committee, through its in-year reporting, has regularly kept the Board informed in respect of the results of its reviews of assurances, together with any exceptional issues. In supporting the Board by critically reviewing governance and assurance processes on which reliance is placed during 2019/20, a summary of the work of,

and key issues considered by, the Committee, on which it has specifically commented in relation to the overall governance of the organisation during the year, is included in the ARAC Annual Report for 2019/20 which can be found in the Statutory Committees section of our website. <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>.

The following issues have been reported to the Board during 2019/20, and 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:

- Improving compliance of overnight switchboard workers with the European Working Time Directive (EWTB). The introduction of a new switchboard system will resolve this issue.
- Unsatisfactory findings relating to staff morale, clinical engagement and a lack of clarity around ownership identified in the AW Clinical Coding Follow-up Review which the Committee will monitor in 2020/21.
- The pace of progress in respect of the AW NHS Consultant Contract Follow-up Review. Projections of job-planning processes in place up to March 2020 were requested by the Committee and a plan is in place for delivery with regular monitoring. There has been significant improvement in compliance however completion of work has been interrupted by COVID-19.
- The need for increased focus by the Health Board upon findings and actions identified in the AW report: 'What's the Hold Up? Discharging Patients in Wales' and that real change required effective interaction with other bodies to support a whole system/ partnership approach.
- The AW Review of Primary Care Services in Wales and Local Update report was a reminder that there was a requirement for increased focus on primary care at Board level to strengthen services and enable the 'expected shift left' in healthcare services
- The national and local AW Integrated Care Fund (ICF) Reports highlighted to the Board that further work was needed to improve governance in this area.
- The pace of progress against the AW and IA reviews of Operating Theatres specifically in relation to implementing workforce changes to bring the service in line with Agenda for Change rules had led to the Committee agreeing this had moved beyond its remit, with a request that a resolution can be expedited through the Board.
- The pace of delivery against the AW Radiology Review with continued monitoring.
- Reports on progress against outstanding improvement plans relating to the AW Review of Estates 2016 and the IA of Health and Safety 2016 did not provide assurance that outstanding recommendations would be implemented as planned. Further reports were requested with tangible plans.
- Further assurances on the management actions detailed in the IA Water Safety Report and agreed the need for follow-up audits at different sites. Following receipt of a further report on Water Safety – Additional Sampling, the Committee agreed that it would be helpful for the Executive Team to

conduct a full review of the outstanding Estates/IT/Medical Equipment backlog across the Health Board.

- The IA National Standards for Cleaning Follow-up report raised concerns regarding implications for infection control if compliance with cleaning standards was compromised by capital funding and infrastructure restrictions.
- Concerns that the assurance ratings presented in the IA 'Preparedness and Compliance with the Nurse Staffing Act' report did not reflect the position across the whole organisation (while noting substantial work being undertaken within the Health Board to implement the requirements of the Act). Recognising potential risks in terms of the Health Board's ability to recruit sufficient numbers of temporary staff to enable compliance with the Act, the Committee requested that this area be re-audited. The QSEAC to seek assurance where there are shortfalls of staffing.
- Significant shortcomings in priority areas were noted from the findings presented in the IA Consultant and Specialty and Associate Specialist (SAS) Doctors Job Planning Report whilst recognising time pressures linked to achievement of compliance targets (ie. ensuring all Consultants and SAS Doctors have a valid job plan in place by March 2020), Assurances were sought that the delivery approach taken by the Health Board was appropriate, and that there was a Management Action Plan for achievement of 100% compliance for each service area.
- The IA report 'Financial Safeguarding: Maintenance Team Led Work' identified issues that were considered against wider challenges in terms of the Health Board's outstanding Estate and maintenance work, noting the need to expedite maintenance work and revise processes.
- The IA Review of Personal Appraisal Development Review (PADR) Process report identified areas of concern in respect of the PADR compliance and the quality of the documentation, however a follow up review provided a reasonable assurance rating.
- The IA review of the Research and Development (R&D) department provided 'limited' assurance, however the Committee were assured that a number of actions were underway and the department had been subject to an organisational change process which addressed previous structural gaps, together with a number of concerns identified in the report. The Committee requested a further assurance report on the broader R&D position, including recent, current and planned changes, rather than focusing only on the Health Board's response to the findings in the report. This assurance report and a follow up IA review are planned for 2020/21.
- The IA review of the BGH Directorate reported concerns regarding the Directorate's approach to risk targets and tolerance and other issues that the Directorate should have been aware of. A follow up review will be undertaken in 2020/21.
- The number of audit and regulatory reports not completed by agreed dates, as identified in the Central Audit Tracker report led to the ARAC Chair re-issuing his previous letter to Executive Directors regarding late or non-delivery of recommendations from external/internal audit and regulatory reports.
- Concern regarding error rates in Post Payment Verification (PPV), particularly in those GP practices which had received additional training, revisits and support. A further update report was requested and presented to the Committee, leading to a recommendation by Members that PPV issues be

highlighted to Board, given the potential increase in funding allocation within Primary Care and Community sectors with the proposed 'shift to the left' of services.

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

- The Health Board's recent static performance in terms of meeting WG Response to Concerns times targets, as noted by the Committee in discussion of the Concerns Update report;
- Potential cost to the Health Board associated with invocation of the share agreement applying to the Welsh Risk Pool;
- Findings from the IA Estates Directorate Governance Review, identifying a number of high priority recommendations and issues relating to sickness management, the need for meaningful PADR and recording of risks on the Risk Register;
- Recognition of the progress and improvements made relating to Clinical Audit;
- The operation of the Primary Care Assurance Committee in accordance with its Terms of Reference and appropriate discharge of its duties.
- Committee assurance regarding the adequacy of current arrangements and proposed steps to improve arrangements relating to declaring, registering and handling interests;
- Committee recommendation to Board of the revised version of Health Board's Standing Orders (SOs) and Standing Financial Instructions, including SOs for Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC) (Emergency Ambulance Services Committee);
- All documentation relating to year end was approved by the Board at its meeting held 29th May 2019;
- Committee agreement (subject to Executive Team approval) that outstanding actions highlighted in the Scrutiny of Outstanding Improvement Plans: Royal College of Paediatrics & Child Health report should be included within the Health Board's overall service development, to be monitored by ARAC, rather than being progressed as a discrete workstream.
- Implementation of all recommendations from the 2017 Structured Assessment.

An overview of the other Board Committees is provided below, with the key areas of focus in 2019/20 of these Committees provided in their Annual Reports that can be found on the Statutory Committees section of our website.

<https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>

Business Planning and Performance Assurance Committee

The purpose of the BPPAC is to assure the Board 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 of its performance role, BPPAC provides assurance that the data on which performance is assessed is reliable and of high quality and that any issues relating to data accuracy are addressed; provides support to the Board in its role of scrutinising performance and assurance on overall performance and delivery against Health Board plans and objectives, including delivery of Tier 1 targets, giving early warning on potential performance issues and making recommendations for action to continuously improve the performance of the organisation and, as required, focus 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 through the Committee Update Report.

Charitable Funds Committee (CFC)

The Committee 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.

Finance Committee (FC)

The purpose of the FC is to provide scrutiny and oversight of financial and the revenue consequences of investment planning (both short term and in relation to longer term sustainability), review (and report to the Board) financial performance and any areas of financial concern, conduct 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; regularly review contracts with key delivery partners, and provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning on potential performance issues and making 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. As recognised in Structured Assessment 2019, the improved scrutiny through the FC with an increased focus on the longer term.

Mental Health Legislation Assurance Committee (MHLAC)

The purpose of the MHLAC is to assure 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 Committee will also advise the

Board of any areas of concern in relation to compliance with mental health legislation and agree issues to be escalated to the Board with recommendations for action.

Primary Care Applications Committee (PCAC)

The purpose of this Committee is to determine the Primary Care contractual matters on behalf of the Board, and in accordance with the appropriate NHS regulations. It also discusses matters relating to GP branch closures, opening hours and border change applications, Community Pharmacy opening hours and ownership applications and dental contractual changes and the issuing of remedial and breach notices. Furthermore, it has been a useful forum for discussing primary care estates developments and priorities as well as broader GP sustainability issues.

Quality, Safety and Experience Assurance Committee

The Committee 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 also has the role of providing assurance to the Board in relation to the HB's arrangements for safeguarding vulnerable people, children & young people and improving the quality and safety of health care to meet the requirement and standards determined for the NHS in Wales. In 2019/20, the Health Board continued to strengthen quality governance arrangements.

University Partnership Board (UPB)

The UPB is a formal partnership arrangement between the Health Board and its University partners. It is a creative hub that drives and monitors developments in the three domains of Research and Innovation, Workforce and Organisational Development and Collaborative Partnerships, and provides assurance to the Board.

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)

Matters that have been brought to the attention and dealt with by the Board have been outlined in appendix 2, however each Advisory Group has produced an annual report, for 2019/20 setting out a helpful summary of its work.

Stakeholder Reference Group (SRG)

The Group 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. In January 2020, the SRG chair, Hilary Jones, stood down and deputising arrangements are in place whilst a new Chair is being recruited.

The Staff Partnership Forum (SPF)

The Forum is responsible for engaging with staff organisations on key issues facing the Health Board and met regularly during the year. 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.

The Healthcare Professionals' Forum (HPF)

The Forum should comprise 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.

Other Committees of the Board

Matters that have been brought to the attention of the Board for the Committees below can be found on our website within our 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 Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (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 over £500m 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 circa £155m 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

A NHS Wales Shared Services Partnership Committee (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 our website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>.

NHS Wales Collaborative Leadership Forum (CLF)

The NHS Wales Collaborative Leadership Forum (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.

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

In March 2018, the Mid Wales Healthcare Collaborative transitioned to the Mid Wales Joint Committee for Health and Social Care 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.

Joint Regional Planning and Delivery Committee (JRPDC)

The Joint Regional Planning & Delivery Committee (JRPDC) was established as a Joint Committee of Swansea Bay (formally Abertawe Bro Morgannwg) and Hywel Dda University Health Boards and constituted from 24 May 2017 to provide joint leadership for the regional planning, commissioning and delivery of services for Swansea Bay and Hywel Dda University Health Boards.

In January 2020, the Board agreed to disestablish the JRPDC, given the new confidence in the work to date as expressed by Andrew Goodall, Chief Executive, NHS Wales, subject to formal approval from the Minister for Health and Social Services.

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 Public Services Boards 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. 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), based on LHB 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 2019/20, the RPB extended its membership to include housing and education representatives to enable it to respond to the requirements within revised regulations for Part 9 of the SSWBWA.

AW reported in their review of the Integrated Care Fund that there were weaknesses in the governance arrangements surrounding the RPB, these have not yet been fully addressed. Whilst an Integrated Executive Group comprising the Health Board's Executive Director of Operations, Executive Medical Director, Executive Director of Public Health, Director of Primary Care, Community and Long-Term Care and Director of Partnerships and Corporate Services, alongside the three Directors of Social Services and a Chief Officer from the third sector is in now in place, the membership does not include the directors of planning and finance. A new Regional Leadership Group to provide overall strategic direction has not yet been established and will be reviewed in 2020/21.

Throughout 2019/20, progress has been made in relation to each of the Healthier West Wales programmes funded through the WG's Transformation Fund. Regular updates on delivery of the RPB programmes are provided to the Health and Care Strategy Delivery Group and the Transforming Our Communities Programme Group.

Alongside the Transformation Fund programmes, the RPB also oversees delivery of a range of schemes funded through the Integrated Care Fund (ICF) across the region. The revenue programme totals just over £11m and supports a range of initiatives aimed at older people, children with complex needs, children on the edge of care, learning disabilities, dementia and carers. This sits alongside a Main Capital programme which has a three year span to March 2021 and a value of £12m. This is being deployed on a range of schemes addressing identified priorities of reablement, children and families (complex needs and parent and baby support) and learning disabilities/ mental health and will result in local and regional centres supporting a consistent regional service model for each client group.

Several schemes within the ICF Capital programme have been paused and funds totalling £8m have been diverted to meet design, build and restoration costs of the 9 field hospital sites (7 field hospitals) across the region. ICF revenue programmes for 2020-21 are being reviewed to optimise impact of existing programmes on the

COVID-19 response and identify opportunities for diverting funding to specific COVID-19 related schemes where necessary

In January 2020, the Children's Commissioner for Wales attended the meeting to discuss her aspirations for raising the profile of children's issues with Health Boards and defining a clearer role for them in promoting joined up services for children, particularly in respect of mental health and learning disabilities. The Commissioner highlighted effective collaborative working in West Wales although it was acknowledged that achieving consistency of provision across the disparate region remained a challenge, however the active engagement with Dream Team in the regional learning disability programme was commended.

Collaborative Working between the PSBs and RPB

There have also been meetings between the PSBs and RPB to explore opportunities to work together on shared priorities. There are also clear links between the PSBs and various proposals within the regional Transformation Bid - A Healthier West Wales. There are a number of agreed areas for joint working between RPBs and PSBs, as follows:

- Technology-Enabled Care (TEC);
- Continuous engagement;
- Social and green solutions for health; and
- Connecting people, kind communities

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 2020 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. 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 18 of this statement. 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.

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 remains important during the COVID-19 pandemic, when the Health Board is continuing to respond to the challenge of its targeted intervention status whilst also

forging ahead with its long term Health and Care Strategy. The responsibility for maintaining internal control and risk management systems rests 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 reports can be found in the April Board papers on our website via the following link <http://www.wales.nhs.uk/sitesplus/862/page/100799>.

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. The AW have consistently reported through the Structured Assessment process, that the Health Board has a well-developed BAF.

Over the past year, we have continued to embed our approach to risk management to ensure that risk management activities add value and informs decision-making and priorities for the Health Board.

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 and achieves the best possible outcomes.

Our Risk Management Framework clearly sets out the components that provide the foundation and organisational arrangements for supporting risk management processes in the 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 which make up the Health Board's Risk Management Framework.

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 a Risk Management Strategy in place, however this has not been reviewed since 2015. The Health Board has focussed on strengthening risk management arrangements, culture and attitude to risk however developing a new risk management strategy is a key priority in the year ahead.

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 new business partnering arrangements which were introduced in 2019/20.

Risk Management Process

The Health Board's Risk Management Framework is built around and 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.

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 Corporate Risk Register (CRR). 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 and CRR. AW reported in Structured Assessment 2019 that the Health Board's BAF clearly set out the controls in place, the sources of assurance, where gaps in assurance exist and performance indicators which are used to measure progress. Work will continue in 2020/21 to further strengthen the BAF to better support the implementation of our strategy and provide the Board with assurance on the achievement of our 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.

Management are held to account on the effective and efficient management of risks through the Executive Team Performance Reviews. Risks are also aligned to the Health Board's assurance committee structure whose role it is to provide assurance to the Board that risks are being managed appropriately.

The Board receives the CRR/BAF twice a year, 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/BAF 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 Board agreed its risk appetite through detailed Board Seminar discussions and considered it in line with its capability to manage risk, and formally agreed the following at a Board Meeting in Public.

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

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

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

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

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

In May 2019, the Board, following recommendation from BPPAC agreed to ‘accept’ the Health Board would only be able to reduce 5 specific risks to the stated target risk score acknowledging that these would remain above the Health Board agreed tolerance level unless there were significant changes in resources or circumstances.

Risk tolerance levels have been added to our risk management system and risks above tolerance are reported and challenged at Executive Performance Reviews and through the assurance committee structure.

The Health Board's risk appetite will be reviewed in quarter 4 of 2020/21, to ensure it remains aligned to the Health Board's objectives and its capacity to manage risk, particularly whilst the Health Board manages the COVID-19 pandemic.

Risk Profile

Delivering healthcare through our current clinical model in a large, rural geographical area presents significant financial, service, workforce and quality challenges to the Health Board. The majority of the Health Board's risks relate to fragile services, poor patient flows, poor environments and aging equipment mainly as a result of staffing and funding (capital and revenue) challenges.

Whilst risk management should be iterative, dynamic and responsive, the Health Board acknowledges that given its financial constraints, it does not have sufficient capacity to manage all its risks to within its agreed tolerance level. Many services have long term risks associated with quality, safety and business continuity that arise from local and national workforce challenges, environment constraints and financial limitations.

The most significant of these risks were included on the CRR, as agreed by the Executive Team, and were presented to the Board twice in 2019/20. As of 31st March 2020, there were 26 principal risks, 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 2020:

HYWEL DDA RISK HEAT MAP					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5		634	813 117 129	810 730 245	
MAJOR 4			451 295 44 91 750 646	624 628 371 291 632 686 718 735 684 627	
MODERATE 3			633	733 635	
MINOR 2					
NEGLIGIBLE 1					

Further information on the top principal risks in 2019/20 (those that have risk score of 15 or over) can be found in the March 2020 Board papers <http://www.wales.nhs.uk/sitesplus/862/page/100557>, or at Appendix 3.

During 2019/20, 14 principal risks were closed or de-escalated from the BAF/CRR. These can be found at Appendix 4.

Approach to Managing Risks during COVID-19

In 2019/20, following a recommendation from BPPAC, the Board accepted that due to the delay of the publication of the Cabinet Office review, the Health Board was unable to update its pandemic influenza response framework and associated plan to be in line with latest government guidance, and therefore accepted that it would not be able to reduce this risk to within its agreed tolerance level. This risk has in effect materialised as the Health Board plans and prepares to deal with the current COVID-19 pandemic is being reviewed.

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

- The Health Board's response to COVID-19 will be insufficient to address peak in demand terms of bed space, workforce and equipment/consumables;
- The Health Board's response proves to be larger than needed for actual demand;
- The Health Board's normal business will not be given sufficient focus; and
- The funding costs to address the Health Board response to COVID-19 may exceed the available funding.

Mitigation is detailed in the attached report to the Board in April 2020 <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.1%20Responding%20to%20the%20COVID-19%20Pandemic.pdf>.

In addition to the risks arising as a result of the COVID-19 pandemic there are other risks facing the organisation. Some of these risks will have been exacerbated as a result of the COVID-19 response. In April 2020, the Board also agreed its approach to the management of operational and principal risks during the COVID-19 pandemic, as well as agreeing to review their appetite and tolerance to risk during this period. This is detailed in the following paper <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.4%20Management%20>

THE CONTROL FRAMEWORK

In addition to the Board and Committee arrangements detailed within this document, the key elements of the Control Framework are detailed in this section.

Strategy

In November 2018, the Health Board approved its 10 year Health and Care Strategy 'A Healthier Mid and West Wales: Our Future Generations Living Well' which sets the strategic direction for delivering care that is 'safe, sustainable, accessible and kind'.

Improved health and wellbeing is a cornerstone of the strategy, 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 our 20-year vision for the future, a co-created vision developed from the three Public Services Boards' 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.”

The Health Board's Strategy was developed following extensive stakeholder consultation 'Our Big NHS Change' and has people and communities at its heart. It will deliver whole system change to realise our population health ambitions, and signals a fundamental shift from our current emphasis on hospitals to a focus on working in partnership with people and communities to keep people well in or close to their own homes.

Our health and care strategy signals transformational change across the whole system and states our commitment to a parity of esteem between physical health, mental health and learning disabilities across the age span. To deliver the strategy, in March 2019, the Board agreed to establish three director led, interconnected, change programmes as follows:

- Transforming our Communities
- Transforming our Hospitals
- Transforming Mental Health and Learning Disabilities

Delivery of these programmes will be detailed through our annual planning process and included in our future annual and 3 year plans.

Integrated Medium Term Plan (IMTP)

The National Health Service Finance (Wales) Act 2014 came into effect on 1 April 2014 and places two financial duties upon Local Health Boards.

These duties are:

- A duty under section 175(1) to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years; and
- A duty under section 175(2A) to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the Health Board is responsible and improving the healthcare provided to them.

At its meeting in March 2019, the Board agreed to submit an 'draft interim' Annual Plan for 2019/20, which concentrated on finance, performance, service change and quality, noting the WG expectation that the Health Board should submit an annual plan for 2019/20 as opposed to a 3 year IMTP for 2019/22. The status of 'draft interim' was used as the 2019/20 annual plan did not fulfil the statutory duty to demonstrate financial balance, therefore the Board could not formally approve the Plan prior to submission to WG. To this end, a formal accountability letter to WG was submitted that supported this understanding.

The Annual Plan for 2019/20 set out our priorities for the year with a particular focus on the following areas:

- Performance improvement through holding waiting time performance for medical and surgical treatments, cancer, stroke, and mental health services, and through improvement service developments in the community and primary care, help us to deliver improvements to unscheduled care, in particular accident and emergency (A&E) waiting times performance, improving discharge and reducing unnecessary hospital admissions and length of stay (LOS);
- Finance through delivery of an agreed and improved financial position, with robust turnaround actions and plans;
- Quality through defined quality and patient pathway improvement plans which progress our 5 quality goals;
- Service Change through the development of our population health, primary and community services in line with 'A Healthier Wales'; and finally,
- Our alignment to the key Cabinet Secretary and WG priorities of the NHS Wales Planning Framework 2019/22.

During 2019/20, the BPPAC received quarterly updates on progress against the 2019/20 Annual Plan. As part of the report each plan was RAG (risk) rated for the quarter, as well as detailing the change from the previous quarter, to provide the BPPAC with a level of assurance that actions were being met and that plans were being delivered. Detailed information can be obtained within the BPPAC papers (for Quarters 1, 3 and 4) and in Board Papers (for Quarter 2) (available on the Health Board's website the link

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.6%20Mid%20Year%20Review%20of%20the%20Annual%20Plan%202019-20.pdf>) and in the performance section of the Annual Report. At the end of quarter 3 (quarter 4 monitoring was suspended due to COVID-19), of the of the 34 Action Plans, none were RAG rated as red; 22 were RAG rated as Amber; and 12 were RAG rated as Green.

In addition, WG received quarterly monitoring reports which comprised two sections;

- Specific issues relating to the University Health Board, noted as being areas of risk requiring distinct focus in the short and medium term to meet core expectations of delivery;
- General accountability conditions (applicable to all health boards).

In addition, the Finance Committee received monthly financial performance reports reporting on financial position to date against the Annual Plan and the control total requirements, to assess the key projections and risks for the financial year. These reports are available under the Finance Committee section of the Health Board website <http://www.wales.nhs.uk/sitesplus/862/page/97375>. The Board, also receives reports on financial performance, at each meeting, as well as, a report from the Finance Committee, whose role is to advise the Board on all aspects of finance and the revenue implications of investment decisions.

The Annual Plan for 2019/20 outlined an initial deficit control total of £29.8m, which included a recurring £27m funding allocation from WG in recognition of its demographic challenges. WG subsequently provided conditional additional funding of £10 million and set a control total of £15m. At month 7, the Health Board forecast that it would not be able to meet this control total, and revised the end of year forecast to a deficit of £25m, which was £10m higher than the control total requirement of £15m. This was due to the cumulative financial position to date and the anticipated continuation of cost pressures, in addition to which the savings requirement for the year was not expected to be fully identified. Operational cost pressures also manifested primarily within unscheduled care, especially in the latter part of the year; alongside other risks such as the closure of the aseptic unit and the management of commissioned solutions. Primary care prescribing also caused significant pressures across Wales.

Therefore for the period 2019/20, the Health Board did not meet its financial duty to not exceed the aggregate of funding allotted to it over a period of three years. The Health Board had a deficit position of £69.4m in 2017/18, £35.4m in 2018/19 and £34.9m in 2019/20. Improvements in financial control, alongside the financial recognition of the Health Board's demographic challenges in 2018/19 have contributed to a reduction year on year in the Health Board's in year deficit position.

The Health Board was also unable to meet its statutory duty to prepare and submit an IMTP that was approved by Welsh Ministers for the financial year 2019/20, as required by the National Health Service Finance (Wales) Act 2014.

During 2019/20, the Health Board acknowledged that whilst it would not be in a position to submit an IMTP for 2020/23 given the current financial position and three year forecast, it still intended to submit a 3 year plan for 2020/23, which outlined the first 3 years of our Health and Care strategy, incorporating a robust and detailed Annual Plan focusing on 2020/21 actions. The accountability letter to WG in December 2019 outlined that the plan would be based on the following objectives, agreed by the Board as essential in addressing all of our current challenges, whilst progressing our Health and Care Strategy:

- Stabilising and improving our unscheduled care system;
- Progressing our Health and Care Strategy ('A Healthier Mid & West Wales – Our Future Generations Living Well') and managing the transitional years - demonstrable “shift left” – population health and community/primary care development;
- Strengthening and developing the organisation and supporting the front line;
- Maintaining performance and improving productivity and efficiency; and the
- Financial and Workforce Plans to support the above, including any impact likely to be on implementation timescales.

However, in March 2020, the 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 COVID-19 pandemic, advising that the planning process would be restarted at more appropriate time. Nonetheless the Health Board Three Year Plan for 2020/23 incorporating our Annual Plan 2020/21 was approved for submission at our Public Board on 26th March 2020. However, the Annual Plan was also developed prior to the current situation which we are currently in with regards to COVID-19, and in-light of the WG notification of March 2020, we will use it as the baseline for further planning moving forwards. We will continue to work with WG through our on-going engagement meetings to understand the implications of COVID-19 management on the plan delivery.

External Finance Review

During 2019/20, WG commissioned an external finance review to validate the financial baseline and identify drivers of the underlying financial deficit; the current financial plan for 2019/20 and ability to deliver the £25m control total; the opportunities to improve the deficit for 2019/20 and to achieve financial sustainability; and the financial governance and structure of Health Board. This was a valuable review and the Finance Committee will ensure focus is on the identification of efficiencies, and providing assurance to the Board that the findings in the report are acted on.

Working with partners

The Health Board is committed to developing strong partnerships with our patients, public, stakeholders and partner organisations from the statutory, voluntary and independent sector. Partnership working, whether internally amongst our own directorates and teams or externally with other agencies, can play a vital role in maximising health and well-being outcomes for our population.

Our 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 our 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.

As an organisation, we recognise that although delivering services through partners can bring significant benefits and innovation there is less direct control than delivering them alone. It is essential that partnership agreements are underpinned by robust governance arrangements including appropriate reporting mechanisms.

The SSWBWA 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. Our three 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. Aligning governance across statutory organisations including that of the West Wales RPB has been strengthened in order to ensure appropriate accountability and facilitated joint decision making.

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 our most vulnerable patient groups, and where there needs to be both a trust and confidence in the arrangements in place.

The Health Board's Partnership Governance Framework, based on a Toolkit approach provides guidance and support to all those involved in partnership working in conjunction with key stakeholders, in adopting a consistent approach for the governance of partnerships. Where possible, all existing partnerships and collaborations of which the Health Board is aware, continue to be mapped to the Health Board's internal governance structure in terms of its assurance, operational and strategic arms. This ensures that any decisions or directions of travel that are being proposed in partnership can be tracked and agreed through the Health Board's existing governance arrangements. Regular review of partnership risks enables an understanding of both the risks to the Partnership objectives, their impact on the Health Board's objectives and its reputation, feeding the partnership risk registers and inclusion on the Health Board's corporate risk register, as appropriate.

Building upon the value of the Partnership Governance Framework, significant progress has been made in the development of an International Partnership Framework, however this was not approved by the Board pending legal advice. This maximises the development of robust governance regarding current and future international health partnerships, and the subsequent engagement in initiatives, demonstrating the Health Board's commitment to the Charter for International Health Partnerships in Wales, and enhancing opportunities and benefits for staff, the wider population and wider organisations, as well as for our international partners and their beneficiaries.

In November 2019, the UPB agreed revised governance arrangements under the auspices of a University Partnership Group (UPG), to meet on a bi-annual basis with each university and Pembrokeshire College to scope areas of mutually beneficial activities, building on their unique strengths to improve services to the population of Hywel Dda. These areas of work will culminate in an annual meeting or workshop event bringing together the products of the joint work taken place throughout the year.

Organisational Structure

The Health Board has organisational arrangements in place to help it deliver its strategy and objectives. For 2019/20, the Chief Executive agreed objectives with members of the Executive Team, which have been monitored throughout the year, as well as undertaking a programme of team development to strengthen and improve cohesion and working together. These objectives were included within the Health Board's schemes of reservation of powers and delegation of powers which also detail key responsibilities and accountabilities of the Executive Team.

During 2019/20, there have been some changes to the Executive Team which has allowed the team to be streamlined from 14 members to 12. The Turnaround Director and Transformation Director posts were disestablished. Dr Phil Kloer took on the Deputy Chief Executive role in addition to his post as Executive Medical Director. The Executive Director of Planning, Performance and Commissioning took on accountability for the delivery of the Health and Care Strategy and the associated resource (including the Strategic Programme Director and the transformation programme office).

Performance Management/New Operating Model

In 2019/20 delivery against the Health Board's annual plan has been managed through the Executive Team Performance Reviews (ETPR), BPPAC and reported to Board. The ETPRs are held fortnightly with service leads who are also scrutinised on performance for other key elements including management of risk, workforce (through sickness, staff appraisals and core skills targets), management of incidents, complaints, locums and agency usage, delivery against local and national targets, compliance with audits and inspections findings and information governance requirements. The ETPRs enhance the Executive Team's understanding, monitoring and assessment of the Health Board's quality and performance, enabling appropriate action to be taken when performance against set targets deteriorates.

The Board and BPPAC are presented at each of their meetings with an Integrated Performance Assurance Report (IPAR) that provides assurance on the most recent

outturn position for key deliverable areas with these reports clearly highlighting where improvements are needed. Exception reports are provided within the IPAR for deteriorating targets to provide additional information on why the situation has occurred, what actions are being taken to improve and when the target is likely to be met. Supporting documents including run charts and a series of performance dashboards are also provided.

As a result of COVID-19, in March 2020, many internal processes for assurance, performance management and financial turnaround were scaled down or suspended. This included internal Holding to Account meetings, regular ETPR of directorates and internal audit activity.

In February 2020, work began to review the Performance Management Assurance Framework (PMAF) with the intention to move into a new operating model that would be structured around the annual plan actions, closely linked to risk and performance management, and which would incorporate AW Structured Assessment 2019 feedback. The COVID-19 pandemic meant the work was put on hold for the latter part of 2019/20. However, when capacity is available, this work will continue in 2020/21.

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.

In June 2019, the AW published its review of operational quality and safety arrangements in Hywel Dda which concluded that while the Health Board has some good quality and safety arrangements at directorate level, supported by developing corporate arrangements, these were not consistent and the flow of assurance from directorates to the Board were not as effective as they could be. Strengthening these arrangements was a key focus of work during 2019/20 which has resulted in the Board approving a streamlined governance structure to be implemented from 1 April 2020, following the appointment of the new Executive Director of Operations. Further work on standardising reporting to improve consistency through the quality and safety governance structure will be undertaken in 2020/21.

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 Head of Quality and Governance, an Associate Medical Director for Quality and Safety, a Deputy Medical Director for Primary Care (with responsibility for quality and safety), a Clinical Director for Therapies and a Head of Clinical Engineering. The Deputy Medical Director and Associate Medical Director posts aims to strengthen medical leadership particularly in relation to quality and patient safety. The Associate Medical Director for Quality and Safety works closely with equivalent roles in Executive Director of Nursing, Quality and Patient Safety and Executive Director of Therapies and Health Science teams.

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. The Health Board demonstrated its commitment to improving quality arrangements by agreeing additional resources were also allocated to the Patient Experience and Legal and Redress Team and the Quality Improvement Team in 2019/20. The Assurance, Safety and Improvement Team are developing a business partner model which will be implemented early 2020.

Annual Quality Statement

Each year we are required to publish an Annual Quality Statement. It provides an opportunity for the Health Board to publically share the good practice and initiatives being taken forward, as well as confirming what went well and what not so well and the actions being taken as a result. Each year it brings together a summary highlighting how the organisation is striving to continuously improve the quality of all the services it provides and commissions in order to drive both improvements in population health and the quality and safety of healthcare services.

The Annual Quality Statement provides the opportunity for the Board to routinely:

- assess how well they are doing across all services, including community, primary care and those where other sectors are engaged in providing services, including the third sector;
- identify good practice to share and spread more widely;
- identify areas that need improvement;
- track progress, year on year; and
- account to the public and other stakeholders on the quality of its services and improvements made.

The Annual Quality Statement will be published by November 2020 alongside the Annual Report and Accounts.

All-Wales Self-Assessments of Current Quality Governance Arrangements

In 2019/20, the Minister for Health and Social Services requested that all Health Boards and NHS Trusts in Wales assess themselves against the recommendations of the Healthcare Inspectorate Wales (HIW) and the AW review titled 'A review of

quality governance arrangements at Cwm Taf Morgannwg University Health Board', and provide plans for future review of their arrangements and/or the necessary action to be undertaken.

This assessment was included in the Chair's report to the Board in January 2020, and provided 'medium' level of assurance on the current quality governance arrangements in the Health Board. Planned work to address areas of improvement were also outlined in the self-assessment which can be accessed in the January 2020 Board paper via the following link

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.5%20Report%20of%20the%20Chair4.pdf>.

Internal Assurance Review of Quality and Safety of Maternity Services in Hywel Dda

During 2019/20, the Executive Director of Nursing, Quality and Patient Experience also led an internal assurance review of quality and safety of maternity services in Hywel Dda following the publication of the independent review of maternity services at the former Cwm Taf University Health Board, undertaken by the Royal College of Obstetricians and Gynaecology (RCOG).

The internal assurance review commended in particular the robust leadership within the maternity services teams in both hospital and community settings within Hywel Dda as staff work together as multi-disciplinary teams and responded extremely positively to the issues identified. It has been the responsibility of the QSEAC to ensure that any areas of improvement have been addressed and that associated risks were mitigated.

Healthcare Inspectorate Wales (HIW) have undertaken three unannounced visits to maternity services at Glangwili General Hospital (GGH) and BGH, and the WGH Freestanding Midwifery Led Unit between October and December 2019. There were no issues or concerns raised regarding the governance structure within Hywel Dda when benchmarked against the national standards and the concerns that were highlighted within the 2019 Cwm Taf report.

There was excellent feedback from patient experience with all staff being described as "kind and caring" and always "professional", with some operational improvements recommended. HIW will be reviewing all Health Boards in Wales to review leadership, management structure and specialist midwifery positions within each Health Board. This review was scheduled to take place in March 2020 however was postponed due to the COVID-19 outbreak.

Health and Care standards

The Health and Care Standards (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. They 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. They 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 seven 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. However, there is a recognition that the understanding of how the standards fit across the Health Board is inconsistent.

The Health Board developed a model for the self-assessment against the HCS in 2018/2019, and a staged assessment process was undertaken involving Executive Directors and lead officers for each standard, as well as aligning each standard to appropriate assurance committee. A HCS assurance matrix was developed to capture this information which has been populated with a narrative corporate self-assessment, with each standard being linked to responsible assurance committees.

The HCS are firmly embedded within the Health Board and can be demonstrated in a number of ways:

- Quality Dashboard reported quarterly under HCS domains;
- All Board and Committee reports are linked to HCS;
- IPAR reported on alternative month to either Board or BPPAC under HCS domains;
- Annual Quality Statement reported under HCS domains; and
- Fundamental of Care Audits.

A review of the Health and Care Standards was completed by IA in April 2020 in line with the IA Plan 2019/20 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 'reasonable' assurance rating and confirmed that the Health Board had further developed its processes to assess the utilisation of Health and Care Standards (HCS) in order to improve the quality and safety of services through the use of the assurance and scrutiny framework, and added that the HCS were fully embedded into day-to-day

practices. HCS assurance matrices provide a consistent approach for capturing evidence of the HCS being embedded across service areas.

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. Any unannounced hospital inspections and any special themed reviews undertaken during the year were reported to the QSEAC and any matters for concern escalated accordingly. The outcomes of any such reviews and any emanating improvement plans are discussed with any lessons learnt shared throughout the Health Board. In 2020/21, the Health Board will have a new Listening and Learning from Events Sub-Committee in place that will ensure themes and learning from HIW inspections will be shared across the organisation. The establishment of this Sub-Committee was delayed due to the organisational focus on responding to COVID-19.

All HIW reports, including the improvement plans, are presented 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). Services are held to account on the implementation of the recommendations through the Executive Performance Reviews. The Committee is also informed of any immediate assurance letters received by the Health Board.

During the year, HIW had undertaken 13 inspections across acute, mental health and community services within the Health Board, as well as a number of thematic reviews the details of which are shown in Appendix 5. The key messages emanating from the inspections were that, overall, patients reported they were happy with the care they received with it being evidenced that patients were treated with dignity and respect. The work also highlighted some issues requiring further action and where issues had been identified, the Health Board had generally responded soundly with improvement plans being completed and submitted in a timely manner.

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.

In 2019/20, IA undertook a review of the adequacy of the systems and processes in place within the Health Board for the completion of mortality reviews and to establish if the appropriate level of mortality reviews were being completed for all deaths within the Health Board. A 'reasonable' assurance rating was awarded with IA advising that positive progress had been made since the instigation of the Universal Mortality Review process in 2018, which has significantly improved the timeliness of reviews. The average monthly percentage of completed mortality reviews has increased and is close to reaching the mandated target of 95% of Stage 1 reviews being completed within 28 days of an inpatient death.

Mortality information is regularly reported at Directorate and Health Board level and monthly returns are provided to the WG. The Mortality Scrutiny Group closely monitors the performance of each Directorate, with any variations analysed and remedial actions taken to make improvements. However, one high priority finding was identified in regard of the lack of reviewing the quality of mortality reviews in the Stage 2 process and subsequent sharing of lessons learned and outcomes with the Mortality Scrutiny Group.

Board to Floor Visits

Board to Floor visits are just one of a number of mechanisms adopted by Hywel Dda to ensure a triangulated approach towards patient safety, quality, improvement, culture and engagement. Engagement at Board level demonstrates a strong commitment to a patient safety culture within the organisation. Board to Floor visits with Board Member involvement are a useful tool to connect senior leaders with those working on the front line. This process supports Board visibility and approachability at frontline service level (clinical and indirect service provision), educating senior leaders about safety issues and to signal to the front line workers that senior leaders are committed to and see it as part of their role in the development of the organisational safety culture.

In total Quarter 1, 2 and 3 of 2019/20, 13 Board to floor visits were undertaken across Hywel Dda, with reports of the challenges and good practice reported to the QSEAC. The Board to Floor visits are welcomed at all levels:

"I found the process very rewarding to put the spotlight on good practice and promote it. It was also a good opportunity to discuss the problems with the Board Members that the clinical areas encounter".

"Very proud to hear the ideas from staff to improve the services and from patients how the kindness, the care and compassion is exceptional. The meeting gave me an opportunity to thank the staff first hand"

Charter for Improving Patient Experience

In January 2020, the Board approved its Charter for Improving Patient Experience which clearly sets out what patients, families and carers can expect when receiving services from the Health Board.

The Charter will inform the Health Board's patient experience programme, individual service plans for patient experience, and integration of patient experience feedback into service planning and improvement. The programme for 2020/21 includes training on the Charter and 'customer care and communication skills' for all staff members; expansion of the 'Friends and Family Test'/service user feedback system to all areas of the Health Board, increasing the ways in which feedback can be provided to include a number of surveys in ward, clinic and outpatient areas and providing patient experience ambassador training. This feedback will be presented to the Board on a regular basis and utilised by individual service areas to improve user experiences.

Quality Improvement Framework

The Health Board has an agreed Quality Improvement Framework (QIF) supported by an Ensuring Quality Improvement Programme (EQIIP). The EQIIP is a collaborative training programme for front line staff designed to increase improvement capacity and capability across the Health Board through training, education and coaching support for teams working on a real work problem.

Eleven teams have participated in the first programme which has been independently evaluated by Swansea University through funding from Improvement Cymru. Examples of the eleven projects include:

- NEWS is the community;
- Reduction in unwarranted pathology tests;
- Transient Ischaemic Attack (TIA);
- Surgical skills training;
- Shared Care Model; and
- Delirium in ICU.

The Transient Ischaemic Attack Project which focused on reducing the waiting time for patients referred as an outpatient with suspected TIA, earlier diagnosis, prevention, advice and treatment won an award for their poster at the Improvement Cymru National Conference in December 2019.

Prior to the COVID-19 pandemic, the Health Board had committed to running two further EQIIPs in 2020/21. 20 submissions had been received for a ten team programme. This commitment may need to be reviewed during 2020/21 as services experience increasing capacity pressures as a result of the COVID-19 pandemic.

Formal Quality Panels

Formal Quality Panels are held 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 monthly 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 Formal Quality Panel maybe identified at the weekly meeting.

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 2019/20. This was approved by the ARAC in April 2019.

The work plan for 2019/20 was completed and covered all the requirements under WG directions. The Counter Fraud Service provided regular reports to the ARAC throughout 2019/20.

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).

Counter Fraud have undertaken continued monitoring of the PPV reports with the relevant Primary Care Lead officers. Effective working links have been established and Counter Fraud have been influential in the development of a PPV / Counter Fraud trends analysis group, where review of compliance levels can be addressed and action plans considered. This is supported with a quarterly meeting with the PPV officers for the Health Board area and PPV attendance at Health Board ARAC meetings where they provide an annual report of their activities and a forward work plan.

Equality, Diversity and Human Rights

The Health Board is committed to putting people at the centre of everything we do. Our vision is to create an accessible and inclusive organisational culture and environment for everyone. This includes our staff, those who receive care (including their families and carers), as well as partners who work with us - whether this is

statutory organisations, third sector partners or our communities. This means thinking about people as individuals and taking a person centred approach, so that we treat everyone fairly, with integrity, dignity and respect, whatever their background and beliefs.

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights legislation are complied with. The Health Board's Diversity and Inclusion team help the organisation translate equality and human rights policy into practical actions to effect a positive influence on staff and patient experience. There is proactive engagement and partnerships with staff and the public, in order to help eliminate discrimination, advance equality and enhance understanding between different groups.

Examples of key highlights for 2019/20 include:

- "This is Me Conference" – On 4 July 2019, the Health Board held its first ever conference for staff, in collaboration with Swansea Bay University Health Board, themed around diversity and inclusion in the workplace. Hosted by the Strategic Partnerships, Diversity and Inclusion team, it was held at the National Botanic Gardens of Wales and included a range of in-house and external speakers. The purpose of the conference was to raise awareness of the diversity of staff across the two organisations, to illustrate the benefits of a diverse workforce and the importance of breaking down barriers and supporting staff to be the best they can be;
- Attracting a Diverse Workforce - The Health Board launched some specific recruitment campaigns to promote diversity and inclusion which included the "I am..." recruitment campaign in Autumn 2019 showcasing staff with a range of characteristics including protected characteristics to demonstrate the diversity of the health board and encourage a broad diversity of staff to apply for posts. This can be accessed via the following link <https://www.youtube.com/watch?v=wq-HIOTztc>;
- Sensory Loss Awareness - Sensory loss awareness sessions were held across the Health Board during Sensory Loss Awareness month, which included demonstrations of equipment and personal stories relayed by guide dog users;
- Sharing Good Practice - A veterans' needs assessment developed and carried out by the Health Board has been adapted for use as an all Wales resource; and
- Equality Impact Assessment - During 2019/20, the Health Board undertook 145 Equality Impact Assessments, including 14 directly or indirectly associated with service change. The Health Board is committed to conducting appropriate equality impact assessments, closely linked with our commitment towards continuous engagement.

Our Strategic Equality Plan sets out the context in which our strategic equality objectives sit and outlines what we intend to do to meet our duties under the Equality Act 2010 over the next four years.

Our work to progress the equality agenda is inter-linked with our work around the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Social Services and Wellbeing (Wales) Act 2014.

For more information visit <http://www.wales.nhs.uk/sitesplus/862/page/61233>.

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.

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 our other associated emergency plans, detail our response to a variety of situations and how we 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, we are the first line of response in any emergency affecting our population. In order to prepare for such events, local risks are assessed and used to inform emergency planning.

We continue to ensure that our 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.

The Health Board is also represented on 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. A number of working groups and standing sub groups have been formed to assist the LRF to meet its requirements under the Civil Contingencies Act.

The risk of severe weather is one such example, which has undertaken a robust risk assessment process based on the UK National Risk and Threat Assessment which identifies risks and threats across our community and rates them according to a number of factors to give a risk score (low, medium, high, very high) and a preparedness rating.

The Severe Weather Group focuses on responses to Flooding, Severe Winter Weather, Heat Wave and Drought events and the effects of climate change underpins this work. The Dyfed Powys LRF Severe Weather Arrangements Plan was first developed in 2011 and is now reviewed on a biennial basis.

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 highlights the effects of climate change and informs the public about the potential risks we face such as pandemic influenza, transport & industrial incidents and flooding/severe weather events and encourages them to be better prepared. As part of the LRF we also work as a core partner to train and exercise staff to ensure preparedness for emergency situations.

During 2019/20, key achievements include:

- Annual review of our Major Incident response arrangements, referencing the Mass Casualty Incident Arrangements for NHS Wales;
- Ongoing progress on Business Continuity development and review across the HB, including significant planning for the consequences of no-deal Brexit;
- Preparations for COVID-19 pandemic.

Members also noted the approach taken by the organisation in terms of the use of business continuity planning for all contingency arrangements in the event of a no-deal Brexit scenario.

COVID-19

Towards the end of the reporting period, the Health Board started to work with local, regional and national partners to prepare for the COVID-19 pandemic. The welfare and well-being of our patients and staff are our top priority and all resources are being targeted towards dealing with this pandemic challenge. As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation.

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk

management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve their strategic objectives.

Based on guidance from WG, our response to the COVID-19 pandemic can be summarised into 7 key areas:

1. Suspension of all non-urgent elective activity across the Health Board.
2. From Board level down, many internal processes for assurance, performance management and financial turnaround have been scaled down or suspended.
3. External performance review processes, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended.
4. A number of workforce procedures have been changed, suspended or significantly scaled back to rapidly recruit the staff needed to support our response.
5. Establishing field hospital provision in 9 locations (2 co-located) across the 3 counties to accommodate the additional 1400 beds that may be required based on planning assumptions.
6. Each of the existing hospitals has undertaken significant work over the last month to reconfigure themselves in order to respond to COVID-19. Each has divided itself into COVID and non-COVID areas with separate Emergency Department entrances.
7. All staff have been categorised according to their roles into front line (including front line support functions) and those who can work from home to avoid unnecessary travel wherever possible.

Although decisions on the clinical model will in practice need to be made rapidly by the newly established command and control structure, there are decisions that cannot be formally delegated. Therefore, the Board will need to be kept informed of changes that are being made and either approve these, or ratify them, and therefore will meet on a monthly basis during the pandemic to aid this process. The command and control structure must at all times continue to work within the Board approved Standing Orders and Standing Financial Instructions and refer appropriate decisions to the Board for approval and ratification.

At its Board meeting in May 2020, the Health Board reported that it had under reported death data for the Hywel Dda area for approximately the previous month. This data is used primarily as surveillance data by Public Health Wales to assess trends. The under reporting by Hwyl Dda was equated to approximately 1 additional death for Wales per day which would not have materially changed these assessments but importance of ensuring deaths are properly and accurately reported has been reinforced with clinical teams.

Brexit

In 2019/20, there was a high level of uncertainty about the future of the relationship between the UK and the European Union (EU). The Health Board spent much of the year continuing 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. Whilst the UK formally left the EU on 31 January 2020, there remains uncertainty about what the future relationship will look like, which will need to be worked out during the transition

period which will come to an end on 31 December 2020. Therefore planning and continuity arrangements will continue through the Health Board's Brexit Steering Group, to ensure services are protected, as much as possible, from any disruption. Areas of work will include medicines management, procurement and workforce, amongst others.

Prior to COVID-19, the Health Board planned to undertake a review of the political situation, including trade deals, and whether the implementation period will be extended beyond 31 December 2020, to ensure the highest level of preparedness.

Tuberculosis (TB) Outbreak

During 2019/20, the Health Board also continued to manage a localised outbreak of TB in the community. This involved a screening programme to identify any current active TB and latent TB cases in the local population in order that affected individuals could be treated. The Health Board's response plan included dedicated TB clinics being held for patients that required further investigation and the treatment of patients identified with latent TB, a BCG vaccination programme for individuals under the age of 35 with negative results, and a phase 2 targeted screening exercise. The Health Board established an operational group, chaired by the Executive Director of Public Health, engaged with the Outbreak Control Team, to direct and manage the delivery of the management programme and use of resources.

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 Enforcement 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. This date has since been extended to 31 July 2020 in light of COVID-19.

The Health Board has provided the HSE with an updated action plan to evidence the positive progress made to date, however progress in some areas, such as violence and aggression training, has stalled due the social distancing requirements associated with COVID-19.

The Health Board has established a new Health and Safety Assurance Committee which reports directly to the Board, to demonstrate its commitment to improving health and safety for its patients, staff and visitors. This Committee will provide assurance to Board on the work undertaken towards compliance with the notices.

Fire Safety

During 2019/20, Mid and West Wales Fire and Rescue Service (MWWFRS) issued the Health Board with 7 Enforcement Notices for WGH, 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. The new Health and Safety Assurance Committee will seek assurance on behalf of the Board to ensure that work is undertaken towards compliance with the notices.

Environment, Sustainability and Carbon Reduction

The Health Board has continued to drive performance in key areas over the last year including waste, energy and transport. This has involved a focus on robust data reporting, energy efficiency projects, recycling and reuse schemes and the expansion of a fuel efficient pool car fleet.

In terms of waste disposal, the Health Board continues to identify ways to reduce the waste we send to landfill, recycle wherever possible and reuse resources to avoid unnecessary purchases. For example, the Health Board are signed up to 'Warp it', an online platform for reuse of furniture and equipment, and have also rolled out source segregation (segregation of different types of solid waste at the location they are generated) on a number of our acute sites which has boosted our recycling rate. To date, over 955 staff have committed to reusing no longer needed items, avoiding waste disposal of nearly 42 tonnes and preventing 165 tonnes of CO₂ emissions.

Expenditure on utilities has increased due mainly to the impact of volatile energy markets and poor performance of Biomass and CHP (combined heat and power). Corresponding CO₂ emissions have declined, as grid electricity becomes greener. The first of a number of proposed schemes the Health Board has delivered this year to reduce its carbon footprint and contribute to WG's 2030 net carbon neutral ambition is the installation of roof mounted Photovoltaic Panels (PV) across two community sites, with another to follow. In total, the three schemes are estimated to save approximately 77,379 Kwh of electricity and £12.5K per annum. Carbon savings from these projects are expected to be approx. 76 tCO₂e over the life time of the project (8 years). The Health Board plan to deliver further roof mounted PV scheme and LED lighting projects on another four community sites in 20/21, along with a ground mounted solar farm project.

The Health Board's Energy Performance Contract with Centrica, which is in its fifth year, continues to deliver guaranteed annual savings and carbon reduction. Since its commencement in 2015, a total reduction in carbon emissions of circa 13,500 tonnes has been achieved.

Water costs have decreased by 11% this year primarily due to rates being reduced by 2.5% and measures introduced by through the Aquafund scheme. Water consumption has decreased by 2.5%. Over the last year, the Health Board has appointed a specialist contractor who has been reviewing water consumption, leaks, metering infrastructure and tariffs as well as implementing water efficiency measures such as urinal controls. To date, this has saved the Health Board circa £53k, 47,000M³ and 22.5tCO₂e. From the revenue returned to the AquaFund Scheme, by saving water, they donate 1% of the value of the saving to Water Aid. Through this initiative the Health Board has helped transform lives in rural Mozambique, by bringing fresh water to 49,072 people.

The Environmental Team has continued to maintain the Environmental Management System in line with the ISO 14001 Environmental standard, including the production of annual objectives and targets and presenting a management review of performance via formal committee. The Health Board is well placed to achieve the new ISO standard in 2020/21.

There has been a growing focus on the use of green space at our sites via staff led projects in order to benefit the natural environment and the wellbeing of patients and staff. Examples include a grant funded initiative at WGH to renovate a court yard for our staff, and a planned 'Magnificent Meadows project' which is focusing on a managed approach to leaving areas of grassland on the site grow wild to encourage biodiversity. Plans are also in place to renovate the dementia garden in PPH, which is being re-designed to improve the outdoor space for patients and to encourage biodiversity as part of a capital scheme.

The Health Board is required to publish an annual Sustainability Report which includes data on key metrics including utility, waste, transport and environmental management information. The sustainability report for the period 2019/20 will be available in 2020/21.

The Health Board has undertaken risk assessments and carbon reduction delivery plans to demonstrate compliance with the requirements of the emergency preparedness and civil contingency elements of the UKCIP (UK climate Impacts Programme) 2009 weather projections to ensure that the organisation's obligation under the climate change Act and the Adaptation Reporting

Information Governance (IG)

We have well established arrangements through our information governance framework to ensure that information is managed in line with relevant information governance law, regulations and Information Commissioner's Office guidance. The framework includes the following:

- An Information Governance Sub Committee (IGSC), whose role it 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 December 2020.

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:

- Bi-monthly 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 biannual 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 (NIIAS) platform;
- An Information Asset Register (IAR) used to manage information across the Health Board; and
- The IGSC Chair's assurance report taken to BPPAC and to the Board following all IGSC's meetings.

The National Intelligent Integrated Audit Solution (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). Although this year's submission has been delayed due to the COVID-19 pandemic, it is anticipated the assessment will demonstrate a good level of assurance of information governance risks, as in the previous year. This will be the last CPIP submission as in 2020/21, it will be replaced by the new All Wales Information Governance Toolkit Framework.

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 Information Commissioner's Office (the ICO) in relation to 5 incidents during the year. The incidents fell into three broad categories:

- Loss of information in transit;

- Information sent to another individual in error; and
- Health records accessed by unauthorised individual.

The ICO has closed 4 of the above cases and was satisfied with the preventative and follow up action taken by the Health Board, with no fines or enforcement notices issued. One case is currently open and the Health Board is awaiting the ICO's response. The Health Board was not the data controller for 2 of these incidents, and reports were made as the breaches were brought to Health Board's attention.

Towards to end of 2019/20, IA undertook an Information Management and Technology (IM&T) Assurance follow-up audit to determine the status of previously agreed recommendations arising from the following prior IM&T assurance audits which included:

- IM&T/PC/Laptop Security Arrangements Follow-Up (February 2019);
- IM&T Directorate Review (January 2019);
- IM&T Security Policy & Procedures Follow-Up (August 2018); and
- Procurement and Disposal of IT Assets Follow-Up (November 2018).

A 'reasonable' assurance rating was awarded in the follow up review as of the 14 recommendations that were previously agreed by management, 11 (79%) recommendations were implemented, 1 (7%) was partially implemented and 2 (14%) remain outstanding. The 3 outstanding recommendations are high priority recommendations that the Health Board is still working to implement.

Ministerial Directions

The WG has issued a number of Non-Statutory Instruments during 2019/20. Details of these and a record of any ministerial directions 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 and where appropriate implemented.

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. We are not aware that any of our staff members have elected onto the 'Scheme Pays Scheme' and no benefits have otherwise been provided to staff impacted by the pension tax change. This will be reviewed in October 2020 when individuals receive their pension letters.

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 Health Board has a central system to track progress, which is reported through the Health Board's ETPRs. 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 2019/20 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 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. The Health Board has a tracker that is used to:

- Log all internal and external audits, inspections and reviews in a central repository;
- Detail the Committee that has formally received the report reports have been formally received by the Health Board;
- Identify the lead Director and management lead officer for each report;
- Report progress through the ETPRs; and
- Provide assurance to the ARAC on progress made on implementation of recommendations.

At the February 2020 ARAC meeting, it was reported that there were 101 open reports, with 136 recommendations exceeding their original implementation date. Services and Directorates are challenged for late or non-delivery of recommendations at the ETPR. There is also an escalation processes in place for late and non-delivery of recommendations, whereby the ARAC reserve the right to invite lead Directors and Management Leads to explain reasons behind delays in implementation and the impact to patients. During 2019/20, ARAC have focused on those recommendations where there have been delays in implementation exceeding 6 months.

A strategic log has also been developed to ensure that in instances where the Health Board does not currently have the resources to implement recommendations, these are logged and agreed by the Executive Team to take forward and implement via its strategic and capital plans.

AW reported in the Structured Assessment 2019 that the Health Board continues to have a robust process for tracking recommendations by all regulators and holding officers to account where outstanding recommendations remain.

Towards the end of year, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended in order to enable the Health Board to focus on the COVID-19 pandemic. However in April 2020 as the Health Board moves out of the planning phase, the Board agreed that it would still expect management to ensure their service is safe and the risk of harm to patients and staff is managed and minimised through the implementation of recommendations from audits, inspections and regulators. This is set out in the following Board paper <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.3%20Management%20of%20Outstanding%20Recommendations%20from%20Auditors%2C%20Inspectorates%20and%20Regulators.pdf>.

Legislative Assurance Framework

The legal obligations of the Health Board are wide ranging and complex. In order to provide the Board with a level of assurance of compliance, the Legislative Assurance Framework has been reviewed to focus on those matters that present the highest risk in terms of likelihood and impact of non-compliance. A critical element of compliance is demonstrating the type and level of assurance that is relied upon. The type of assurance relates to the three lines of defence, where first line of assurance is provided by management systems, the second line is provided from oversight and the third line relates to independent and more objective assurance and focuses on the role of internal audit and other external auditors/regulators. The level of assurance follows the internal audit gradings of substantial, reasonable, limited or no assurance.

The framework has been further developed, and now captures:-

- Primary legislation requirement as set out in European law, UK Public Acts or WG measures;
- Relevant Statutory Instruments issued as Regulations and Orders;
- Licences issued by Regulatory Authorities as part of statutory arrangements;
- Summary of requirement;
- Regulatory/monitoring body, where applicable;
- Powers that can be enacted by the Inspectorate/regulatory body;
- Executive and Operational lead arrangements;
- Type of assurance (linked to three lines of defence model);
- Assurance level (this is determined by the appropriate operational lead) and current risk score, if there is limited or no assurance;
- Key controls in place to assist the Health Board in complying with the legislation;
- Date of last inspection and outcome (including actions, where identified); and
- Link to HCS.

This framework does not extend to healthcare professional regulation and certification; neither does it extend to compliance with Alert Notices, which are subject to a separate process.

During 2019/20, Services from across the Health Board were asked to undertake a review of the relevant key laws/legislation (not all legal requirements are included as such a development would require considerable resource) which come under their

remit. Where an assurance rating of 'limited' or 'no assurance' has been given, Services have also undertaken a risk assessment for these areas (if not already in place) to ensure that the impacts are understood and the planned actions detail how risks of limited compliance will be managed/mitigated. Documenting and understanding the level of risk helps to inform Health Board's annual prioritisation process. The LAF enables the Health Board to understand where there are areas of concern and provides a source of information which can be used to triangulate with other sources of information and assurance.

Welsh Language Regulations – The Welsh Language Standards (No.7) Regulations 2018

Effective from 30 May 2019, the Welsh Language Standards replaced the Welsh Language Scheme. The Welsh Language Standards are a set of statutory requirements relevant to the Health Board which clearly identify our responsibilities to provide excellent bilingual services. These can be accessed via the Welsh Language Services section on our website

<https://hduhb.nhs.wales/healthcare/services-and-teams/welsh-language-services/>.

As a Health Board, we are committed not only to comply with the Welsh Language Standards, but to embrace their spirit, and to be the first Health Board where both languages are treated with equal status. Even though we are passionate corporately in terms of delivering our statutory duties, we recognise that the commitment is not always consistent across our sites, and that culture will need to change in order for us to deliver a seamless bilingual service to our service users. In March 2019, the Board approved its Policy Statement on the use of the Welsh Language internally. This Policy Statement can be accessed via the following link -

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.5%20Implementing%20the%20Welsh%20Language%20Standards.pdf>.

Under standard 120, the Health Board is required to produce an annual report within 6 months of the end of the year, which details the way in which we have complied with the standards with which we had a duty to comply with during 2019/20. Whilst the Health Board intended to publish this report at the same time as the Health Board's Annual Report, data collation has been affected as a result of the COVID-19 pandemic.

The Health Board will publish its full annual Welsh Language Report for 2019/20 on its website by 30th September 2020.

(a) *The number of complaints received during 2019/20 related to compliance with the standards with which we were under a duty to comply (in accordance with standard 115);*

Listed below are the complaints received during 2019/20 together with a summary of the action following receipt. Eight complaints were received directly to the Health Board and the Commissioner conducted an investigation into the Health Board's service following a direct complaint. The complaints were dealt with in accordance with the Health Board's Complaints Procedure.

Complaint	Response and action
Received directly by the Health Board	
1. New parking signage at hospital sites - Welsh text not visible on dark background and therefore being treated less favourably	An apology was sent to the individual explaining that it was a graphic designing error and would be rectified imminently
2. Complaints process not outlined on the Health Board's website under Welsh language services section	An apology was sent and the process added to the relevant pages on the website directing complaints to Patient Support Services
3. Posters at a surgery in Carmarthen not fully bilingual. A Welsh 'smoking' poster in particular contained many spelling errors which was not satisfactory	An apology was sent and Welsh language services contacted the surgery in question offering support and translation service to amend poster and translate any other materials needed
4. Letter received from ward – incorrect Welsh	An apology was sent and Welsh language services contacted the ward in question offering support and translation service to amend letter template and translate any other materials needed
5. Lack of Welsh forms and general literature at a local GP surgery in Carmarthenshire	An apology was sent and Welsh language services contacted the surgery in question offering support and translation service to amend poster and translate any other materials needed
6. English only Physiotherapy self-referral form available on the health board's website	An apology was sent and department contacted. Translation of form was prepared and uploaded to the website accordingly
7. CP plus parking ticket issued to a member of staff – ticket information / payment process not available in Welsh	An apology was sent along with a translated summary of instructions by translation service as a temporary measure. Health board's transport team are currently exploring options and the way forward
8. Complaint that Welsh language skills are required when applying for a post - a post advertised as Welsh language skills 'essential'.	Response provided by Workforce team. An explanation provided referring to the bilingual skills strategy.
Complaint received through the Welsh Language Commissioner	
1. <i>Investigation under section 71 of the Welsh Language (Wales) Measure 2011 of a possible failure to comply with Welsh language standards</i> The Commissioner investigated an allegation of a failure to comply with	Welsh language Commissioner issued a proposed report on an investigation into a failure to comply with Welsh Language Standards The proposed report was produced in accordance with sections 73 and 74 of

<p>the Welsh Language Standards regarding English only literature from an MRI department (a letter and a form).</p>	<p>the Welsh Language (Wales) Measure 2011 Assessment, findings, and proposed determination by the Welsh Language Commissioner was to take further action as follows: Standard 36 – requirement to take steps in accordance with section 77 of the Welsh Language Measure 1. The Health Board must conduct a review to check that forms provided to the public by other departments comply with standard 36 and act upon the results of the review. 2. The Health Board must conduct a review to check that forms provided to the public by other departments comply with standard 36 and act upon the results of the review. 3. Hywel Dda University Health Board must provide sufficient written evidence to satisfy the Welsh Language Commissioner that it has carried out enforcement actions 1-2. A review is ongoing with all Health Board departments and a full response will be formulated imminently.</p>
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(b) *The number of employees who have Welsh language skills at the end of the 2019/20 (in accordance with standard 116);*

The language skills of Health Board staff are captured and recorded on the ESR system. As at the 31 March 2020, 96% of staff have recorded their Welsh language skills as follows:

Welsh skill level	Number of Employees	%
0 - No Skills / Dim Sgiliau	3,606	36%
1 - Entry/ Mynediad	2,411	24%
2 - Foundation / Sylfaen	902	9%
3 - Intermediate / Canolradd	758	8%
4 - Higher / Uwch	807	8%
5 - Proficiency / Hyfedredd	1,114	11%
Not yet recorded on ESR	434	4%
Grand Total	10,032	100%

(c) The number (on the basis of the records you kept in accordance with standard 117) of new and vacant posts that you advertised during the year which were categorised as posts where

- (i) Welsh language skills were essential;
- (ii) Welsh language skills needed to be learnt when appointed to the post;
- (iii) Welsh language skills were desirable; or
- (iv) Welsh language skills were not necessary.

Number of Welsh Essential Posts	Number of Welsh Desirable Posts	Number where Welsh needs to be learnt	Number where Welsh not necessary	Total Number of Posts
30	2114	5	0	2149

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
✓ Internal audit	✓ External audit (AW)
✓ Key performance indicators	✓ Healthcare Inspectorate Wales (HIW)
✓ Performance reports	✓ Royal College visits
✓ Sub-committee reports	✓ Deanery visits
✓ Compliance audit reports	✓ External benchmarking and statistics
✓ Local counter fraud work	✓ Accreditation schemes
✓ Clinical audit	✓ National and regional audits
✓ Staff satisfaction surveys	✓ Peer reviews
✓ Staff appraisals	✓ Feedback from service users
✓ Training records	✓ Local networks (for example, cancer networks)
✓ Training evaluation reports	✓ Investors in People and other team development tools
✓ Results of internal investigations	✓ Feedback from healthcare and third sector partners
✓ Serious untoward incident reports	✓ Community Health Councils
✓ Complaints records	
✓ Infection control reports	
✓ Information governance toolkit self-assessment	
✓ Patient advice and liaison services reports	

<ul style="list-style-type: none"> ✓ Workforce and OD ✓ Patient experience surveys and reports ✓ Internal benchmarking ✓ Board Members Walkarounds 	
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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 Corporate Risk Register and the Board Assurance Framework by the Board and Committees;
- The oversight of operational risks through the Board and Committee and the performance Management Assurance Framework;
- 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 through the Performance Management Assurance Framework, overseen by the ARAC; and
- ARAC oversight of audit, risk management and assurance arrangements.

I am content, that further steps that have been taken over the last 12 months to strengthen risk management arrangements, embed the Board Assurance Framework and improve the quality of information have made the assessment and testing of the internal control system a matter of the day-to-day business of my Executive Team.

I am satisfied that generally the mechanisms in place to assess the effectiveness of the system of internal control are working well and that we have 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 2020/21, as far as reasonably practicable as the Health Board manages the COVID-19 pandemic, 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 Health and Care Strategy, with risks being mitigated as far as reasonably practicable in the meantime.

Internal Audit (IA)

IA provide me, as Accountable Officer, and the Board through the ARAC, with a flow of assurance on the system of internal control. The programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the NHS Wales Shared Services Partnership (NWSSP). The scope of this work is agreed with the ARAC in advance, and is focussed on significant risk areas and local

improvement priorities, however the Chair of ARAC, with Committee support, can agree changes to the audit plan through the year, when appropriate.

The role of IA is to provide the Board with an objective assessment of the extent to which the systems and controls to manage our risks are adequate and are operating effectively, based on the work undertaken. The work of the IA service is informed by an analysis of the risks to which the Health Board is exposed with an annual plan based on this analysis. It should therefore, be recognised that many of the reviews were directed at high risk areas, and the overarching opinion therefore needs to be read in that context.

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 2019/20, 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. 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 our drive for continuous improvement. The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion he 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 COVID-19 pandemic and the response to it from the Health Board, IA was not able to complete the audit programme in full. However, IA has undertaken sufficient audit work during the year to be able to provide an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Head of Internal Audit has concluded for 2019/20:

 <p>- + Reasonable Assurance</p>	<p>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. Several significant matters require management attention with low to moderate impact on residual risk exposure until resolved.</p>
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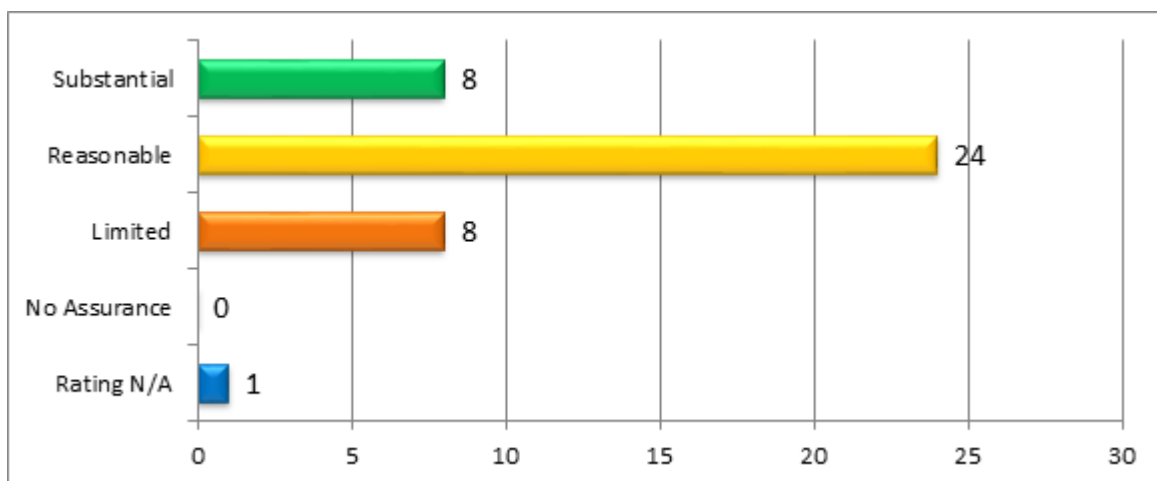
The Head of Internal Audit has considered all the domains, with these being rated for assurance as follows:

- Corporate governance, risk and regulatory compliance (*Reasonable Assurance*);
- Strategic planning, performance management and reporting (*Reasonable Assurance*);
- Financial governance and management (*Reasonable Assurance*);
- Clinical governance, quality and safety (*Reasonable Assurance*);
- Information governance and IT security (*Reasonable Assurance*);
- Operational service and functional management (*Limited Assurance*);
- Workforce management (*Reasonable Assurance*); and
- Capital and estates management (*Reasonable Assurance*).

IA had anticipated, after adjustments to the original audit plan agreed with ARAC, producing 45 audit reports for 2019/20. However, due to the impact of COVID-19 the final position on work is:

- 40 final reports;
- 1 draft report;
- 1 work in progress; and
- 3 where insufficient work was undertaken to be used to support the opinion.

The assurance ratings for the 41 audits undertaken through 2019/20 are outlined below:



All limited assurance reports will generally be subject to a follow-up in year, however where this was not possible due to timings of the COVID-19 pandemic, they will be included in the subsequent IA Plan. Whilst all IA reports were reported to the ARAC, where a limited assurance final report was presented, the Lead Director and Management Lead were in attendance to discuss their management response, the planned action, associated timescales and if appropriate when a follow up audit should be taken. The minutes and all final IA reports can be found within the ARAC section of our website <http://www.wales.nhs.uk/sitesplus/862/page/73602>.

The following audit reports with a conclusion of limited assurance were issued.

- Research and Development;
- Estates Directorate Governance Review*;
- BGH Directorate Governance Review;
- Consultants and SAS Doctors Job Planning;
- Contracting**
- Water Safety – Additional Sampling: WGH;
- Financial Safeguarding (Maintenance Team Led Work);
- Control of Contractors **;
- Glangwili Hospital, Women and Children’s Development, Phase 2**;

* Follow up audit undertaken in 2019/20 which has seen improvement in the assurance rating to either reasonable or substantial.

** Draft reports issued which will be finalised in Q1 2020/21.

Management responses that detail the actions that will be taken to address gaps in control were included in all final by IA reports presented to ARAC. The delivery of these actions is monitored through the ETPR and tracked via the Health Board’s audit tracker which is overseen by the 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.

Audit Wales (AW) Structured Assessment

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. AW (known as Wales Audit Office before 1 April 2020) 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 in 2019 examined the Health Board’s arrangements that support good governance and the efficient, effective and economic use of resources, paying particular attention to the progress made to address recommendations and opportunities for improvement identified in 2018 and previous years.

The main conclusions in respect of the 5 themes in the report; strategic planning; transformation and organisational structure; performance and turnaround; governance arrangements; and managing the workforce, are outlined below:

- The Health Board had set a clear strategic direction and was on track to develop its first three-year plan. Arrangements for monitoring delivery of the Strategic Plan have improved but reporting lines to the Board posed a risk of duplication;

- The Health Board had established robust arrangements to deliver its strategy, and recent changes were helping to simplify the operational structure. More needs to be done to engage staff in the change agenda and capacity in some corporate functions remains a challenge;
- The Health Board had strengthened financial management arrangements and improved performance overall, however a number of financial, service and quality challenges remained, and opportunities to extend performance management exist;
- Governance arrangements were generally sound with further improvements underway; and
- The Health Board compared well against a number of workforce metrics, was putting new initiatives in place to develop the workforce and support staff well-being, and was increasing the focus at Board and Committee level.

The work undertaken as part of Structured Assessment contributed towards the AW Annual Audit Report 2019. The key findings and conclusions emanating from both the assessment and the report are summarised as follows:

- The Health Board continues to strengthen governance and management arrangements. It has a clear strategic direction and is developing the infrastructure to support delivery of strategic plans. There are improvements in performance but challenges in relation to finance and unscheduled care remain. Finally, oversight and scrutiny of planning needs clarifying;
- Some positive examples have been identified through performance audit work however there remain a number of opportunities to secure further improvements in relation to clinical coding and quality governance arrangements;
- The Health Board has continued to embed the sustainable development principle and is working with partners on Education Programmes for Patients, although it will need to plan more effectively to achieve the full potential benefits in the long term; and
- An unqualified opinion was issued on the accuracy and proper preparation of the 2018/19 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 2019, a qualified audit opinion on the regularity of the financial transactions within the 2018/19 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.

The Board did not disagree with any of the content of the AW Annual Report and I can confirm that progress has already been made in a number of the areas outlined above. A detailed management response was prepared in response to the 3 recommendations made in the Structured Assessment report, with implementation of these being tracked through the ARAC. The management response can be viewed on the Health Board's website and can be found in the ARAC section of our website <http://www.wales.nhs.uk/sitesplus/862/page/73602>.

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 2019/20, the AW undertook a follow-up review on recommendations previously made in respect of clinical coding, and concluded that 'coding continues to be a low priority for the Health Board and non-compliance with the completeness target is impacting on overall improvement in accuracy and staff morale. The use of coding data as business intelligence remains underdeveloped and there is still considerable room for progress against our previous recommendations'.

Whilst good progress has been made against the recommendations, the Health Board is still unable to meet the national completeness target for clinical coding. The Health Board routinely achieves an average of 84% against the required target of 95% episodes coded within 1 month of discharge. In 2019/20, the Health Board appointed 3 trainee coders, which will be placed on a training programme to allow them to become fully qualified coders. This remains a principal risk for the Health Board and a workforce plan to address the current shortfall and address future staffing needs has been put forward as part of the prioritisation process for 2020/23.

CONCLUSION

Throughout 2019/20, the Health Board continued to deliver on our promise that our services will always aspire to be safe, sustainable, accessible and kind through the delivery of our Health and Care Strategy 'A Healthier Mid and West Wales: Our Future Generations Living Well'. The Health Board has been making progress towards delivering future models of health and care, and in particular early delivery of an enhanced primary and community care model. The opening of 2 integrated care centres at Cardigan and Aberaeron were two significant achievements in this part of this journey that demonstrated successful engagement with stakeholders, closer working with partners, together with increased delivery of care closer to home. However delivery of the strategy is not just about buildings, it is about developing a new social model for health. The enhancement of the Transformation Programme Office provided much needed capacity and the capability to drive the pace of delivery going forward. This year, we agreed a list of prioritised projects to improve patient flow through our hospitals and into our communities, the stroke pathway, theatres, and optimise demand in radiology and pathology, as well as developing plans for building a new hospital for West Wales.

Delivering the here and now has not been without its challenges this year. Some services have become increasingly fragile over the course of the year such as

unscheduled care, particularly in WGH and GGH, and out of hours. These were a key focus in the latter half of 2019/20. Work to address the underlying issues will continue in 2020/21 and beyond, however this will involve a system-wide approach which will involve key partners. There were some successes in performance and prior to the COVID-19 pandemic, the Health Board was on track to maintain its position of no patients waiting more than 36 weeks for treatment and no one waiting for over 8 weeks for access to diagnostics. There were also improvements in our infection rates from the previous year, our response rate to complaints and concerns, numbers of job plans for consultants/SAS doctors, and of staff completing core skills training and having a performance appraisal development review in place.

The winter period is without doubt one of the most challenging periods for the NHS. During the year, we have worked very closely with our partners to ensure everything ran as smoothly as possible and to ensure everyone could access the right services when they needed them. We want to acknowledge and say thank you to our dedicated staff and volunteers who have shown great commitment and gone above and beyond to rise to these challenges and continue to deliver compassionate and patient centred care.

Whilst there have been some improvements in our performance this year we must also acknowledge the challenges we have faced and will continue to manage, particularly in relation to operational challenges both in provided and commissioned services, staffing levels, recruitment and with our estate. There have been occasions when the services we have provided have not been of the standard or quality we would aspire to achieve. We recognise we need to significantly improve upon waiting times performance, in particular relating to follow ups, and improve our financial performance even further.

At the start of the second half of the year, we had to move our forecast position to a £25m deficit from the £15m control total. This was in line with the Board's original control position agreed at the start of the year. The Health Board's end of year position is £34.9m, given on-going operational pressures and the recovery of £10m additional funding from WG (predicated on the delivery of the £15m control total), against a forecast of £35m.

The Health Board did not meet its statutory duties under the National Health Service Finance (Wales) Act 2014 to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years, and to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the Health Board is responsible and improving the healthcare provided to them. Improving our financial planning and performance are key priorities for the Health Board and by addressing them, will enable us to move out of 'targeted intervention' with WG.

Towards the end of 2019/20, 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 COVID-19 global pandemic. The Health Board did approve and submit a Three Year Plan for 2020/23, which incorporated our Annual Plan for 2020/21 which was developed prior to the COVID-19 pandemic. We will use it as the baseline for further planning

moving forwards and will continue to work with WG through our on-going engagement meetings to understand the implications of COVID-19 management on the plan delivery.

The submitted Annual Plan set out the Health Board's clear strategic vision for the delivery of the Health and Care Strategy as the longer term solution to the long standing sustainability challenges for the Health Board, particularly relating to workforce and financial sustainability. This does however mean that for the immediate future the very challenging operational context for our finances, workforce sustainability and performance remain. Whilst the financial plan for the year ahead projects a year end deficit of £25m, and a significant cost improvement programme will need to be delivered to achieve this target, this was based on our plan prior to the impact of COVID-19 being fully understood and is subject to change.

Despite our forecast deficit we are committed to exhibiting best practice in all aspects of corporate governance and recognises that as a body entrusted with public funds, we have a particular duty to observe the highest standards of corporate governance at all times. However the impact that the COVID-19 pandemic has had on the Health Board in a short period cannot be understated. Although its arrival was late in 2019/20, the Health Board was directed to prioritise its resources into planning and preparing its response to a pandemic that is expected to significantly test the resilience of our health care system. As a result many internal processes for assurance, performance management and financial turnaround were scaled down or suspended, with reviews by inspectorates/regulators and external audits similarly scaled back or suspended, and are likely to remain so until there is a sense that we return to business as usual.

COVID-19 has affected every aspect of Health Board business, and it is anticipated that we will be dealing with the outbreak well into 2020/21, whilst also trying serve our population's routine health needs as best we can. It is unlikely that the Health Board will be in a position to enact its savings plan for at least the first 6 months of the year.

The costs of all the planning and preparations are likely to be considerable and without precedent although it is difficult to set this in a reasonably precise range at this stage given the speed, complexity and constraints inherent in the level of response required by the Health Board. Given the scale of what we are trying to achieve – more than doubling our bed base – it is unsurprising that the cost could be significant. It is hoped that this will be offset partially or wholly by central funding, however this remains a significant risk for the Health Board at present.

In a very short space of time, the Health Board has had to develop new ways of working and new governance structures to facilitate the planning and preparation phase, whilst being conscious that governance arrangements must be strengthened to ensure the Board receives positive assurance, not just on service preparedness and response but also on clinical leadership, engagement and ownership of developing plans; on the health and wellbeing of staff; on proactive, meaningful and effective communication with staff at all levels and on health and care system preparedness. Governance and working arrangements will continue to adapt during

the pandemic, and this has and will involve temporary variations from the legal framework (Standing Orders) in which the Board operates.

Planning has been, and will remain fluid and responsive to incoming data, and the Health Board is now adjusting its planning assumptions as it anticipates that it will experience a series of peaks in demand for critical care capacity over the next 8–12 months, the timing and scale of which is currently unknown. Therefore the Health Board is starting to develop plans to restart normal services, alongside managing increased demand from COVID-19. It will be imperative to gain an understanding of the impacts of suspended/scaled back services on delivery, quality and safety, finances and performance.

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 2019/20. The Board and its Executive Directors are fully accountable in respect of the system of internal control. The Board has had in place during the year a system of providing assurance aligned to support delivery of both the policy aims and corporate objectives of the organisation. As highlighted earlier in this statement overall governance arrangements are generally sound contributing to an effective internal control system. My review confirms that although there have been some internal control issues which have been identified during the year with remedial action taken to address these, the Board has a generally sound system of internal control that supports the achievement of its policies, aims and objectives and that no significant internal control or governance issues have been identified.

The Board is provided with regular and timely information on the overall financial performance of the organisation, together with other information on performance, workforce and quality and safety. Formal agendas, papers and reports are supplied to members in a timely manner, prior to Board meetings. The Board's agenda includes regular items for consideration of risk and control and receives reports thereon from the Executive and the ARAC. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

**Signed
by:**

Date:

**Steve Moore
Chief Executive Officer**

Appendix 1 – Board and Committee Membership & Championship Roles

Name	Position & Area of Representation Role	Board Committee Membership/ Attendance	Attendance at Meetings	Champion Role
Maria Battle	Chair from 19 August 2019	<ul style="list-style-type: none"> • Board (Chair) • RTSC (Chair) 	4/4 2/2	<ul style="list-style-type: none"> • Unscheduled Care • Public & Patient Involvement
Judith Hardisty	Interim Chair to 19 August 2019	<ul style="list-style-type: none"> • Board (Chair) • RTSC (Chair) 	3/3 3/3	
Judith Hardisty	Vice Chair (Mental Health Primary Care & Community Services)	<ul style="list-style-type: none"> • Board (Vice Chair) • ARAC • BPPAC (Vice Chair) • FC • MHLAC • PCAC • QSEAC • RTSC (Chair) 	3/4 4/4 4/4 6/7 2/2 3/3 2/3 3/3	<ul style="list-style-type: none"> • Carers
Anna Lewis	Independent Member (Community)	<ul style="list-style-type: none"> • Board • CFC • PCAC • QSEAC 	7/7 3/4 3/4 4/6	
Prof John Gammon	Independent Member (University)	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC (Chair) • RTSC • UPB (Chair) 	7/7 3/6 6/6 2/4 2/2	
Owen Burt	Independent Member (Third Sector)	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • CFC • PCAC 	6/6* 8/8 6/6 4/4 3/4	<ul style="list-style-type: none"> • Design
David Powell	Independent Member (Information Technology) to 30 November 2019	<ul style="list-style-type: none"> • Board • ARAC • BPPAC (Chair) • FC • PCAC (Vice-Chair) • QSEAC • RTSC 	4/5 5/6 4/4 7/8 2/3 4/4 3/3	
Maynard Davies	Independent Member (Information Technology) from 1 December 2019	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • FC 	1/1* 1/2 1/2 2/3	
Simon Hancock	Independent Member (Local Government)	<ul style="list-style-type: none"> • Board • ARAC • BPPAC 	6/6* 6/8 6/6	<ul style="list-style-type: none"> • Older People • Equalities & Diversity

		<ul style="list-style-type: none"> • CFC (Chair) • MHLAC • UPB (Vice-Chair) 	<p>4/4 1/3 1/2</p>	<ul style="list-style-type: none"> • Flu • Emergency Planning • Armed Forces & Veterans
Adam Morgan	Independent Member (Trade Union) to 12 July 2019	<ul style="list-style-type: none"> • Board • CFC • MHLAC • QSEAC (Vice-Chair) • UPB 	<p>0/2 0/1 0/1 2/2 0/1</p>	
Ann Murphy	Independent Member (Trade Union) from 9 January 2020	<ul style="list-style-type: none"> • Board • CFC • QSEAC 	<p>1/1* 1/1 1/1</p>	
Delyth Raynsford	Independent Member (Community)	<ul style="list-style-type: none"> • Board • CFC (Vice-Chair) • MHLAC (Vice-Chair) • QSEAC 	<p>4/6* 3/4 1/3 4/6</p>	<ul style="list-style-type: none"> • Welsh Language • Cleaning, Hygiene and Infection Management • Children, Young People & Maternity Services • Nutrition & Hydration • Putting things right
Mike Lewis	Independent Member (Finance)	<ul style="list-style-type: none"> • Board • ARAC (Vice-Chair) • BPPAC • CFC • FC (Vice-Chair) • MHLAC 	<p>6/6* 7/8 6/6 2/4 10/11 2/3</p>	
Paul Newman	Independent Member (Community)	<ul style="list-style-type: none"> • Board • ARAC (Chair) • MHLAC • PCAC • QSEAC • RTSC 	<p>6/7 8/8 3/3 1/1 6/6 4/4</p>	
Steve Moore	Chief Executive Officer	<ul style="list-style-type: none"> • Board • BPPAC • CFC • FC • RTSC 	<p>7/7 0/6 0/4 6/11 3/4</p>	<ul style="list-style-type: none"> • Time to Change Wales Mental Health
Joe Teape	Deputy Chief Executive Officer/ Executive Director of Operations to 29 November 2019	<ul style="list-style-type: none"> • Board • BPPAC • FC • MHLAC • QSEAC 	<p>5/5 4/4 6/7 2/2 4/4</p>	<ul style="list-style-type: none"> • Delayed Transfers of Care • Sustainable Development Security • Security Management

				• Fire Safety
Karen Miles	Executive Director of Planning, Performance & Commissioning	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC 	4/6* 6/6 4/6	
Huw Thomas	Executive Director of Finance	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • CFC • FC 	6/6* 8/8 5/6 3/4 11/11	
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	7/7 5/6 6/6 1/2	<ul style="list-style-type: none"> • Violence & Aggression • Children's Act 2004 • Children & Young People's Services
Alison Shakeshaft	Executive Director of Therapies and Health Science	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	6/6* 6/6 6/6 2/2	
Lisa Gostling	Executive Director of Workforce & Organisational Development	<ul style="list-style-type: none"> • Board • BPPAC • RTSC • UPB 	7/7 6/6 4/4 2/2	
Ros Jervis	Executive Director of Public Health	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC 	5/6* 6/6 6/6	• Emergency Planning
Phil Kloer	Executive Medical Director & Director of Clinical Strategy/ (Deputy Chief Executive from January 2020)	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	7/7 4/6 5/6 1/2	<ul style="list-style-type: none"> • Patient Information • Caldicott Guardian
Andrew Carruthers	Turnaround Director to 29 November 2019	<ul style="list-style-type: none"> • Board • FC 	5/5 8/8	
Andrew Carruthers	Executive Director of Operations from 1 December 2019	<ul style="list-style-type: none"> • Board • BPPAC • FC • MHLAC • QSEAC 	1/1* 2/2 0/3 0/1 2/2	<ul style="list-style-type: none"> • Delayed Transfers of Care • Sustainable Development Security • Security Management • Fire Safety

Joanne Wilson	Board Secretary	<ul style="list-style-type: none"> • Board • ARAC • RTSC 	7/7 8/8 4/4	<ul style="list-style-type: none"> • Counter Fraud
Michael Hearty	Associate Member from June 2018	<ul style="list-style-type: none"> • Board • FC 	4/6* 10/11	
Jill Paterson	Director of Primary Care, Community & Long Term Care	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • PCAC 	6/6* 4/6 6/6 4/4	
Sarah Jennings	Director of Partnerships & Corporate Services	<ul style="list-style-type: none"> • Board • BPPAC • CFC • UPB 	6/6* 4/6 4/4 2/2	<ul style="list-style-type: none"> • Public Patient Involvement

**The Board meeting in public in March 2020 was held with only a quorum membership to comply with emergency measures for social distancing during the COVID-19.*

Appendix 2 – Advisory Groups Activity

Stakeholder Reference Group (SRG)

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

- Advise the Board for information purposes issues relating to young carers:
 - Services are delivered differently in each county. There needs to be continuity throughout the Hywel Dda area;
 - There needs to be a team around the family to provide holistic approach and seamless services;
 - Raising awareness of young carers to professionals;
 - Services do not have a single referral from GP practices although practices receive awareness training;
 - Understand why district nurses, health visitors and midwives who must be seeing the young carers at home are not making referrals; and
 - More work could be done with housing officers
- Advising the Board that the Education Programme for Patients programme needs to become an integral part of all care pathways and should be part of social prescribing;
- The future direction of SRG through the review of its terms of reference by extending the potential scope of the membership to advise both the Regional Partnership Board (RPB) and the Hywel Dda University Health Board, especially on matters of integration and seamless health and social care. This provides the opportunity for views to be voiced directly at the Board meeting or RPB. These were approved by the Board;
- As the Education Programme for Patients (EPP Cymru) would be a vital link into some of the transformation work, the SRG would like to see the programme provided with funding to strengthen their team and embed their courses into health and social care services, as well as the development of new programmes with young carers and mental health EPP programmes to help young people and young carers;
- WG may reduce funding in the next financial year to support work with unpaid carers and SRG were concerned about what happens when the funding streams end as funding needs to be sustainable;
- For consideration to be given to setting winter plans by September/October of each year, with a more proactive approach needed by WG;
- In acknowledgement of the important role the Third Sector can play in supporting winter pressures, more investment within the Third Sector should be considered, with adequate time for planning and mobilisation of staff; and
- Concern regarding the continuity and sustainability of projects due to time limitations on Transformation Fund monies.

The Staff Partnership Forum (SPF)

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

- The need for a campaign to reiterate zero-tolerance towards bullying within the Health Board;

- The lack of GP Out of Hours cover and the impact upon Emergency Departments, although it was recognised that the challenges are a national issue requiring a whole systems approach;
- Managing attendance at work due to the increasing levels of sickness absence reported due to anxiety/stress/depression/other psychiatric illnesses; and
- Obligatory response to the Violence in Healthcare recognising the increased support required in this area.

The Health Professionals Forum (HPF)

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

- The need for the Health Board to engage with key clinical leaders and GP leads at an early opportunity, during the infancy of development of proposals for funding, in order for clinicians to have effective influence with any future large scale funding;
- The need for the Health Board to engage with the Health Care Professionals Forum, as the clinical and professional advisory group to Board, at the earliest opportunity in developing proposals for large scale funding;
- Concern that a Task and Finish group, set up to look at Children's Services (particularly the WGH site), consisted mainly of clinical leads in paediatrics, Out of Hours and Accident and Emergency. The role of pharmacy and the pharmacy model with children's services was noted as an important consideration for input to this group;
- The Forum highlighted, that in any service redesign going forward, all professional groups need to be involved. The importance of focussing on whole system service design and service planning in terms of all professional groups (and all partners and third sector, where required) is emphasised;
- The move to generic chronic condition nurses from, provision available in some counties, of Heart Failure Nurse. Whereas equitable services across the 3 counties was welcomed, the value of 'specific specialism' should not be underestimated in favour of the efficiencies that can be offered by Chronic Conditions Nurses trained to deal with a number of conditions;
- BGH's role in the Trauma network – concerns raised should BGH be designated a Local Emergency Hospital only. Consideration needed of BGH being recognised as having a different type of role in the Trauma network from other hospitals due to the particular characteristics of this hospital;
- There are gaps in meeting Trauma unit standards across all acute sites. However the significant work underway to meet this standard, for the identified Trauma unit is encouraging;
- Capacity and pressures already on the GGH site currently and the impact of further flow;
- The timetable for implementation of the Trauma Network appears ambitious in that it would not allow time for the required capital investment to ensure local arrangements were in place;
- The current system of stroke provision across all 4 sites was unsustainable given the challenges involved, and would not enable the relevant standards of delivery to be met;

- The travel time estimates for patients to Morriston Hyper-Acute Stroke Units (HASU) may not have taken into account travel times during the day, rush hour traffic times and holiday traffic. This could impact on critical treatment timelines for patients. Additionally, it may give an inaccurate picture of the number of patients that can attend within 45 or 60 minutes, thus affecting patient flow estimates for planning;
- The gap of some therapy staff in stroke and trauma services particularly clinical psychology, and the lack of investment in these areas;
- The three pieces of work currently underway relating to Trauma, Stroke and neurorehabilitation, and the importance of linking and aligning these 3 pieces of work together in order to make best use of resources and promote service sustainability;
- The level of engagement with clinicians in respect of the submission for funding proposals for the Transformation Fund, given the tightness of timescales and the fact that agreement of proposals was with all partners and not solely based with Health, in the infancy of the development of the proposals, in order for clinicians to make significant influence. Professional groups experienced difficulties with understanding who was involved, how to influence and add value to the process; and
- 'Empowering Clinicians' was welcomed as a positive development in Hywel Dda. Caution is required as different clinicians will have different perceptions of what 'empowerment' means for them which will need to be clarified in the design phase. An additional strand, which focuses on clinicians can have a stronger voice in planning and change at a strategic level, may be valuable.

Appendix 3 - Top Principal Risks in 2019/20

These are the principal risks on the BAF/CRR that had a risk score of 15 or over demonstrated on the Heat Map on page 42 as at the end of March 2020.

- **Risk 810 Poor quality of care within the unscheduled care pathway** (*Added in 2019/20*) – The Executive Team agreed this risk in December 2019 in response to the increasing challenges in the unscheduled care pathway due to a sustained and ongoing period of pressure. Hospital sites are regularly escalated to red escalation. A system wide solution is required to manage this risk, and the first step by the Health Board was taken when it approved its long term strategy, “A Healthier Mid and West Wales: Health and Care Strategy” in November 2018. Since approval, the Health Board has started work to redesign services in unscheduled care through the Transforming Clinical Services Programme, and this will include primary care clusters developing plans that will support wider system changes. The Health Board will deliver an Unscheduled Care Programme including frailty plan, older people plan, Red2Green, SAFER bundles, PJ paralysis, last 1000 days, redesign of the out of hours system, implement transformation schemes funded through transformational funding through Regional Partnership Board to support implementation of TCS over next 10 years. The Health Board will also develop a refreshed approach based on the 4 nationally agreed 'Discharge to Assess/Recover' (D2RA) pathways which will need to be approved with each local authority and will be implemented as part of the Unscheduled Care 3 year plan.
- **Risk 730 Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20** (*Added in 2019/20*) – This risk will replace the previous corporate risk (Risk 626 related to 2018/19 savings objective) and related to achieving the Health Board’s objective to deliver planned recurrent savings of £24m by end of March 2020 through the Turnaround Programme. As at Month 11, there is a savings gap of £6.9m comprising £4.5m on unidentified schemes and £2.4m slippage on identified schemes. Work is underway with Value and Core Team to identify further savings opportunities that could be delivered in the remainder of 2019/20.
- **Risk 245 Inadequate facilities to store patient records and investment in electronic solution for sustainable solution** – This issue requires significant investment in a long term solution that reduces the need for physical space for storage of records. The issue has been compounded by a number of national inquiries that have prevented the Health Board from undertaking its routine weeding and destruction schedule for records. The Health Board needs to develop a business case for the implementation of a scanning solution to deal with long term issue.
- **Risk 624 Ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives** – This risk is caused by insufficient capital, both from the All Wales Capital Programme and Discretionary Capital allocation, to sustain and develop the current estate, medical equipment and IM&T infrastructure. Despite significant controls and assurance mechanisms in place, the Health Board must implement its long term Health and Care Strategy to reconfigure services and become more sustainable. The Board accepted that it would not be able to reduce this risk to within the Health Board tolerance in 2019/20.

- Risk 628 Fragility of therapy provision across acute, community and primary care services** – this risk reflects the risk in respect of gaps across therapy service provision in acute, community and primary care settings from historical under-resourcing, exacerbated by recurrent savings targets, vacancies and recruitment/retention issues due to national shortages. A sustainable therapy workforce solution aligned to the Health and Care Strategy has been agreed. The following 3 high impact/workforce priority areas were identified within the Annual Plan for focus during 2019/20; older people (incorporating frailty, dementia and stroke); improving self-management (including pulmonary rehabilitation and diabetes); therapists as first point of contact in primary care (including musculoskeletal, older people and irritable bowel syndrome). An additional area requiring development is the Major Trauma Network and a sustainable solution is also required to maintain the 14 week waiting time target. These areas of development will require practical, prudent and incremental workforce solutions to improve patient care, outcomes and experience, and sustainable funding models will be required through whole-system review and shifting of resource from elsewhere in the health and care system.
- Risk 371 Inability to meet WG target for clinical coding and decision-making will be based on inaccurate/incomplete information** (*Added in 2019/20*) – This risk was escalated in 2019/20 following the AW Follow-up on Clinical Coding which stated that ‘coding continued to be a low priority for the Health Board.’ The risk relates to the lack of capacity to undertake the increasing level of clinical coding to meet WG targets and that this could lead to the Health Board basing its strategic decision-making on inaccurate and out of date information. Although overtime has been utilised throughout the year and two trainee clinical coders were appointed (it will take 18 months for these to be fully effective), there is still an underlying backlog of episodes that require clinical coding. A workforce plan to address current shortfall and address future staffing/succession needs to be developed and considered for funding in the IMTP 2020/23 prioritisation process.
- Risk 291 Lack of 24 hour access to Thrombectomy services** – Following the withdrawal of thrombectomy services by Cardiff and Vale UHB due to a lack of interventional neuroradiologists, mechanical intervention for Stroke is only available at North Bristol NHS Trust (NBT) (and Walton Centre NHS Foundation Trust for BGH between 9-5pm Monday to Friday), resulting in a risk during out of hours periods. WHSCC, supported by the Delivery Unit, continue to lead in the process of negotiating provision of all Wales service with North Bristol NHS Trust.
- Risk 632 Ability to fully implement WG Eye Care Measures (ECM)** – The Health Board’s ability to fully implement the WG ECM is constrained by a lack of identified on-going funding to support Community Optometrists to undertake enhance referrals and also the capacity within the Hospital Eye Service to support progress with the ECM Plan due to on-going recruitment challenges. Discussions have commenced with Swansea Bay University Health Board to deliver a regional Ophthalmology service for the South West Wales Region. The Board accepted that it would not be able to reduce this risk to within the Health Board tolerance in 2019/20.
- Risk 686 Delivering the Transforming Mental Health Programme (TMH) by 2023** - Delivery of TMH is critical to the Health Board's ability to manage

the increasing demand on Mental Health Services and improving recruitment and retention in key professional groups. Whilst there are work streams in place to identify key risks and issues, the delivery of TMH is reliant on a significant amount of capital. Capital resources are limited and there is a risk that some elements of TMH may need to align with the Health Board's Transforming Clinical Services programme which could result in a delay in the overall delivery of TMH. Capital is also dependent on the Health Board demonstrating that it will be able to manage the increasing revenue costs associated with the increasing demand on services since the development of the TMH. A programme business case to secure required capital allocation has been submitted to WG in 2019/20 and the Health Board awaits a decision. A continuous review process of demand and capacity within Adult Mental Health Services is also being established in 2020/21 to inform whether the current staffing model remains viable.

- **Risk 718 Failure to undertake proactive health and safety (H&S) management** – This risk was added to the CRR in early 2019/20 and increased during the year following a HSE inspection in July 2019. The Health Board received 8 improvement notices and 13 material breaches. In response, it has developed a governance structure comprising of 3 control groups, 3 task and finish groups, with progress overseen monthly by the Health and Safety and Emergency Planning Sub-Committee. The Health Board has also appointed 2 additional health and safety adviser posts in March 2020 and 1 violence and aggression case management post in February 2020 to assist with delivering the required improvements in response to the HSE notices and to improve the culture and overall compliance with health and safety legislation within the Health Board.
- **Risk 735 Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board (Added in 2019/20)** - This risk replaced the previous corporate risk (630 relating to the delivery of the Financial Plan 2018/19) and reflected the risk of delivering the financial plan in 2019/20. During 2019/20, the Health Board revised the end of year forecast to a deficit of £25m, which was £10m higher than the Control Total requirement of £15m. This was due to the cumulative financial position to date and the anticipated continuation of cost pressures, in addition to which the savings requirement for the year was not expected to be fully identified. Operational cost pressures also manifested primarily within unscheduled care, especially in the latter part of the year; alongside other risks such as the closure of the Aseptic Unit and the management of commissioned solutions. Primary Care prescribing also caused significant pressures across Wales.
- **Risk 684 Lack of agreed replacement programme for radiology equipment across the Health Board** - This risk was escalated to the CRR in 2019/20 due to the wide scale disruption to all sites caused by breakdown of key imaging equipment which has a significant impact on the Health Board's ability to meet its RTT target and the impacts to patients which can include delays in diagnosis and treatment. The replacement programme for radiology equipment has been re-profiled by risk, usage and is influenced by service reports. During 2019/20, some funding was secured from the All Wales Capital Programme (AWCP) for 4 high risk pieces of equipment however this does not cover all outdated equipment nor future requirements. The Health

Board's 4 computed tomography (CT) scanners are due to be replaced and the prioritisation of these is being discussed with WG.

- **Risk 627 Ability to implement the Health Board Digital Strategy within current resources to support the Health Board's long term strategy –** Whilst an updated Digital Programme Plan has been developed with resources mapped against specific themes, to illustrate which programmes/projects/products to be developed, without additional investment the Health Board will miss the opportunities that digital can provide. Around 96% of informatics' staff time is dedicated to "keeping the lights on" which comprises of ensuring that the infrastructure is robust and operational and there is not the resources to take forward any innovation or new builds. Anything that is currently progressed, in terms of new builds is undertaken at the expense of guaranteeing robust ICT systems. There has been a reduction in the risk score as additional analytical support has been made available for the modelling element of the clinical services strategy.
- **Risk 813 Failure to fully comply with the requirements of the Regulatory Reform (Fire Safety) Order 2005 (RRO) (Added in 2019/20) –** This risk was added to the CRR in 2019/20 as despite progress made since the NWSSP IA Fire Precautions Report in May 2017 with regards to the key recommendations, such as the establishment of a fully resourced fire safety team, the embedding of appropriate reporting arrangements for fire safety and addressing the backlog of out of date fire risk assessments across the Health Board, there are still some significant challenges faced by the Health Board to fully comply with the fire safety order. In 2019/20, the Health Board has received a number of fire enforcement and improvement notices. This risk reflected the risk of further enforcement due to a lack of available resources within the current operational maintenance function to undertake a fully Health Technical Memorandum (HTM) compliant pre planned maintenance programme (PPM's) for all fire safety components across the entire Health Board 's estate, manage the age, condition and scale of physical backlog (circa £20m relating to fire safety across our estate which significantly affects our ability to comply with the requirements of the RRO in every respect) and a lack of fire safety ownership and understanding of fire safety responsibilities at local hospital management level. The Health Board is working through a number of actions to address this risk and has funded the additional operational estate staff required to undertake PPMs, and is working with WG to secure capital funding in a stages to address the backlog of maintenance, whilst working with general management to improve understanding of fire safety ownership.
- **Risk 117 Delays in transfers to tertiary centres for urgent cardiac investigations, treatment and surgery -** The Health Board is still experiencing delays in transferring patients to Swansea Bay UHB tertiary service for a range of cardiac investigations, treatments and surgery. The historic risk specifically associated with transfer delays for N-STEMI patients (NICE: 'within 72 hours') has reduced since development of the NSTEMI Treat & Repatriate service. However, patients waiting for other reasons, such as cardio-thoracic surgery, permanent pacemaker implantations and electrophysiology studies continue to wait prolonged periods for transfer to the tertiary service. A range of work is underway to address this risk including the development of long term regional plan which is now being overseen by Joint

Regional Planning and Delivery Forum and Committee and ARCH work streams.

- **Risk 129 Ability to deliver an Urgent Primary Care Out of Hours Service for Hywel Dda patients** - Unprecedented and frequent shortfalls in rota cover throughout the 3 counties continue to be seen with very limited additional work being undertaken by the sessional workforce. This is indicative of the Q4 financial year (tax threshold) position. Current availability of times of highest demand are variable with instances of 20% staffing level seen at times. Significant sickness levels amongst salaried GP workforce continue to add to adverse rota positions specifically in Pembrokeshire and Ceredigion and being managed as per policy and occupational health advice. The Advanced Paramedic Practitioner model is providing significant resilience (when available) however this is not currently sufficient to reduce overall risk. There is a plan to increase the model to 3 whole time equivalent (WTE) however they will not be available until May 2020 onwards, subject to successful educational examination. A short to medium term service development plan has been included in the Health Board's 3 year plan for 2019/22 to manage the current fragilities within the Out of Hours Service.

Appendix 4 – Principal Risks closed/de-escalated during 2019/20

Below are the principal risks managed in 2019/20 and were closed or de-escalated from the Board Assurance Framework/Corporate Risk Register:

- **Risk 43 Ability to fully comply with the statutory Welsh Language Standards (WLS) by Mar19** – The Health Board agreed funding to implement the Welsh Language Standards across the organisation and therefore this risk was de-escalated and managed at Directorate level.
- **Risk 626 Failure to realise all the efficiencies and opportunities for the Turnaround Programme** - The Executive Team agreed to close this risk following delivery of £30.7m savings by the agreed date of 31st March 2019. This was achieved through operational savings of £26.4m with the gap mitigated through a range of recovery savings actions to the value of £6m. A new risk (above – risk 730) was approved by Executive Team to reflect the Health Board's new savings target for delivery in 2019/20.
- **Risk 630 Ability to deliver the Financial Plan for 2019/20** – Whilst the Health Board has a statutory duty to breakeven, historically it has not done so and this is the main reason why the Health Board is in heightened escalation with the WG. This risk relates to delivering the financial plan and control total for 2018/19 and was closed following the end the financial period. A new risk (Risk 735) was been approved in respect of the risk to deliver the financial plan and control total for 2019/20.
- **Risk 636 Ability to deliver zero breaches for RTT with 36 weeks, diagnostic within 8 weeks and therapy services within 14 weeks** - The Health Board delivered against its objective to deliver 0 breaches for RTT within 36 weeks in 2018/19 therefore this risk did not materialise and was closed.
- **Risk 625 Ability to recruit, retain and engage clinical staff to meet rising demand and deliver the long term clinical services strategy** - This risk was closed following a detailed review by the Lead Director which has led to this risk being split.
- **Risk 631 Failure to recognise increasing mortality rates across the Health Board** - This risk was de-escalated following a detailed review which has resulted in the level of risk being reduced to 8. Whilst this remains slightly over the Health Board's risk tolerance of 6 for this type of risk, a standardised process for stage 2 reviews agreed by the Effective Clinical Practice Sub-Committee has been implemented across the Health Board. There have also been improvements to meet the 95% target across all sites.
- **Risk 647 Failure to have robust systems in place to support the reporting requirements of the Nurse Staffing Levels (Wales) Act 2016** - This risk was closed as there is a solution in place to meet the reporting requirements in the Act via the Health and Care Monitoring Software System (HCMS).
- **Risk 648 Ability to implement its Quality Improvement Strategic Framework (QISF) within current financial and workforce resources** - This risk was de-escalated; it is now within the Health Board risk tolerance following the launch of the QISF in 2019. The QISF is supported by an EQliP which is a collaborative training programme for front line staff designed to increase improvement capacity and capability across the Health Board

through training, education and coaching support for teams working on a real work problem.

- **Risk 650 Quality and safety governance arrangements** - This risk was closed following the recent AW Review of Quality and Safety Arrangements in Hywel Dda and the introduction of a new organisational objective 'Strengthen the Health Board's Quality and Safety governance arrangements and address the issues raised by AW and reflections from the Cwm Taf UHB Maternity issues'. A new risk is being assessed on the achievement of this objective.
- **Risk 629 Ability to deliver against Annual Plan targets against rising demand in unscheduled care** - This risk was reviewed and removed following reassessment of the risk in unscheduled care (see above - risk 810).
- **Risk 508 Insufficient resources in fire safety management to undertake appropriate Planned Preventative Maintenance (PPMs), risk assessments and audits** - This risk was closed following the increase in capacity within the fire safety team and a further reassessment of the risk associated with fire safety compliance within the Health Board. A new risk has been assessed following the recent Enforcement notice from the Mid and West Wales Fire and Rescue Service (see risk 813).
- **Risk 652 Security on acute hospital sites** - This risk was de-escalated following a reduction in the UK threat level. The development of bespoke hospital lockdown plans will form part of the Health and Safety and Security departmental work plan for 2020 to work with site managers to develop their own plans based upon current infrastructure and highlight any lockdown hazards/challenges on their Directorate risk registers.
- **Risk 384 Ability to fully comply with statutory and manufacturer guidelines for medical devices and equipment** – This risk was de-escalated from the CRR as systems and controls have improved around the management of medical devices since this risk was put on the CRR. Whilst the backlog of replacement requires approximately £7m per annum, this is being managed through the Operations Directorate capital prioritisation process, therefore there is no value to be gained from it being at corporate level. An IA was also undertaken in 2019/20 which provided a 'reasonable assurance' rating supporting the reduction of risk in this area.
- **Risk 805 - Lack of sustainable service for Trans Catheter Aortic Valve Implantation (TAVI) procedure at tertiary centre** – This risk was de-escalated as there are no patients currently waiting at the tertiary centre for treatment, the backlog is clear and Swansea Bay University Health Board have strengthened resourcing in this service. This risk related to the potential harm that patients could have experienced whilst awaiting transfer to the tertiary centre for a TAVI procedure, it does not address the potential reputational risk that may impact the Health Board following the expected publication of the Royal College report.

Appendix 5 – HIW Activity at Hywel Dda during 2019/20

In respect of inspection activity in the Health Board's acute hospitals, an inspection was undertaken at the Cadog and Ceri Wards in GGH. The inspection found that the service provided respectful, dignified, safe and effective care to patients, which included a range of ward based initiative to enhance the patient experience.

However, improvements were identified in order to further promote the safe and effective care of patients in accordance with national guidance and the Health and Care Standards. 23 recommendations were raised, of which 3 remain outstanding as at 31 March 2020.

An inspection was also undertaken at Ystwyth Ward in BGH. The inspection found evidence of good multidisciplinary working between the nursing, therapy and medical staff and a good application of the stroke care pathway. It was also noted that there was good management and leadership at ward level. There was one immediate concern raised in relation to initial admission documentation, care plans and associated risk assessments not being consistently completed for all patients, but has since been addressed. 40 further recommendations were made, of which three remain outstanding but are on track for delivery within the agreed timescales.

As part of HIW's national review of maternity services across Wales, unannounced inspections were undertaken in autumn and winter of 2019, namely at:

- **Gwenllian Ward and Midwifery Led Unit at BGH -**
The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times. There was one immediate concern raised in relation to the daily checks of neo-natal resuscitaires and emergency resuscitation equipment which has since been completed. Six further recommendations were made and have all since been implemented.
- **Labour Ward, Dinefwr Ward and Midwifery Led Unit at GGH -** The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times, and to meet national guidance and the Health Care Standards. Five issues were raised as immediate concerns relating to security measures across maternity services, regular checks of neo-natal resuscitaires and emergency resuscitation equipment, medication storage, data security and consistency in staff training and documentation. All immediate concerns have been addressed. 12 further recommendations were identified, of which four remain outstanding as at 31 March 2020.
- **Midwifery Led Unit at WGH -** The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times, and to meet national guidance and the Health Care Standards. Three immediate concerns were raised relating to regular checks of neo-natal resuscitaires and emergency resuscitation equipment and medicine storage, all of which have now been completed. Seven further

recommendations were raised, of which two remain outstanding as at 31 March 2020.

Inspections were also carried out at community hospitals in the Health Board. An inspection was undertaken at Sunderland Ward in South Pembrokeshire Hospital. It was noted that the service provided safe and effective care, and patients were treated with dignity and respect, however there were some environmental concerns raised, and immediate action required around aspects of medicines management, infection prevention and control, and venous thromboembolism (VTE) assessments in accordance with NICE guidelines. Seven immediate recommendations were raised, and six have been completed. The outstanding immediate recommendation relates to the Health Board adopting an All Wales approach with regards to VTE policy, which will be disseminated to staff once agreed. A further 12 recommendations have been raised, all of which have been completed.

An inspection at Cysgod y Cwm Ward in Amman Valley Hospital was undertaken during the year. The inspection found evidence that the service provided safe and effective care, with good ward-based leadership, however it was noted that staff felt isolated and disconnected from other hospitals within the Health Board. Seven recommendations were raised, of which six have been completed and one is outstanding as at 31 March 2020.

An inspection was carried out at Brienne Ward and the Minor Injuries Unit at Llandovery Hospital, where it was noted that the service provided respectful and dignified care to patients on the ward, with staff on the ward committed to delivering a good standards of patient care and a strong team ethos. It was noted however that there were instances where the Health Board was unable to provide the agreed and appropriate number of registered nurses on the ward. One immediate concern was raised as a recommendation in relation to staffing issues which is outstanding. A further 15 recommendations have also been raised of which 7 have been implemented.

An unannounced inspection of wards 7 and 11 at WGH was undertaken in the latter stages of 2019/20, and the Health Board is currently awaiting a finalised version of this report.

In respect of inspection activity across the Health Board's Mental Health and Learning Disabilities Services, there was an unannounced inspection of the Low Secure Unit (LSU) and Psychiatric Intensive Care Unit (PICU) at Cwm Seren. HIW found that it provided patient centred, effective care for patients, with evidence of strong leadership on both wards and a strong team ethic. Concerns were raised regarding parts of the environment on both LSU and PICU, and appropriateness of the Section 136 suite. 20 recommendations were raised in the report, of which 15 have been completed and two are on course to be delivered within initial timescales. Three recommendations are currently outstanding as at 31 March 2020.

Another unannounced visit was undertaken on St Caradog and St Non Wards at Canolfan Bro Cerwyn, WGH. It was noted that staff were committed to providing a high standard of care to patients and interacted respectfully with them, however the Health Board needed to review the inpatient service provision for adult mental health

to ensure sufficient capacity. It was also observed that the service was not compliant with all aspects of the Health and Care standards, specifically in the implementation between the Mental Health Act and Deprivation of Liberty Safeguards. 22 recommendations were raised from the inspection, of which 20 have been implemented and one is on course to be completed in specified timescales.

An unannounced inspection was also undertaken at Bro Myrddin NHS Residential Setting during the year, where it was noted that staff provided dignified care to patients at the setting was safe and clinically effective. Audit and governance arrangements however were required to be embedded to ensure that improvements are made to the completion of documentation. 16 recommendations were raised, all of which have been completed by the service.

An announced visit conducted jointly by HIW and Care Inspectorate Wales (CIW) was undertaken on the Llanelli Community Mental Health Team. The inspection noted that the service provided safe and effective care, however the service was not fully compliant with all Health and Care Standards and the Social Services and Well-being (Wales) Act. The report was published in April 2020, with 2 recommendations raised for immediate action and a further 24 recommendations included in the main improvement plan.

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.

Hywel Dda University Health Board

PART B: REMUNERATION AND STAFF REPORT 2019/20



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University Health Board

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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.99);
- Cash Equivalent transfer Value (CETV) disclosures for each director (pg.105);
- 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.107).

REMUNERATION REPORT

The Remuneration and Terms of Service Committee (RTSC)

The Remuneration and Terms of Service Committee (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 2019/20 was as follows:

Name	Position	Role on the RTSC
Maria Battle	Chair (from 19 August 2019)	Chair
Judith Hardisty	Interim Chair (to 19 August 2019) Vice Chair & Chair of Business Planning and Performance Assurance Committee (BPPAC) (from 1 December 2019)	Chair Member
Paul Newman	Independent Member and Chair of Audit and Risk Assurance Committee (ARAC)	Vice Chair
Professor John Gammon	Independent Member and Chair of Quality, Safety and Experience Assurance Committee (QSEAC)	Member
David Powell	Independent Member and BPPAC (to 30 November 2019)	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 2019/20 year, no termination payments were made.

Service Contract Details for Senior Managers

Name of Manager	Role	Salary (£) Bands of £5k	Date of contract	Expiration Date	Compensation for early termination
Steve Moore	Chief Executive	190-195	05/01/2015	N/A	N/A
Joe Teape	Deputy Chief Executive/ Executive Director of Operations	100-105	07/09/2015	30/11/2019	N/A
Dr Philip Kloer	Deputy Chief Executive /Executive Medical Director	170-175	25/06/2015	N/A	N/A
Andrew Carruthers *	Executive Director of Operations	120-125	01/12/2019	N/A	N/A
	Turnaround Director		26/06/2017	30/11/2019	
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	130-135	19/06/2017	N/A	N/A
Karen Miles	Executive Director of Planning, Performance & Commissioning	130-135	01/01/2017	N/A	N/A
Huw Thomas	Executive Director of Finance	125-130	10/12/2018	09/12/2020 (2 year fixed term)	N/A
Lisa Gostling	Executive Director of Workforce & Organisational Development	125-130	09/01/2015	N/A	N/A
Alison Shakeshaft	Executive Director of Therapies & Health Sciences	110-115	01/01/2018	N/A	N/A
Ros Jervis	Executive Director of Public Health	115-120	17/07/2017	N/A	N/A

Jill Paterson	Director of Primary Care, Community & Long Term Care	115-120	19/01/2018	N/A	N/A
Sarah Jennings	Director of Partnerships & Corporate Services	105-110	01/01/2018	N/A	N/A
Joanne Wilson	Board Secretary	95-100	01/01/2018	N/A	N/A
Libby Ryan-Davies*	Transformation Director	5-10	12/09/2016	30/04/2019	N/A

* Appointed to a new role in the Health Board during 2019/20.

All Directors are subject to a three month notice period.

Changes to Board Membership in 2019/20

During 2019/20, there were the following changes to Board membership:

- Maria Battle commenced as Chair of the Health Board on 19 August 2019.
- Judith Hardisty took on the position of Interim Chair to 19 August 2019, following which resumed her normal role of Vice-Chair of the Health Board.
- Paul Newman took on the position of Vice-Chair to 19 August 2019, and resumed his normal role of Independent Member after this date.
- David Powell ended his tenure as Independent Member (Information Technology) and was replaced by Maynard Davies on 1 December 2019.
- Adam Morgan ended his tenure as Independent Member (Trade Union) on 12 July 2019. Ann Murphy took up this role on 9 January 2020.
- Kerry Donovan stood down as the Chair of the Healthcare Professional Forum on 31 January 2020.
- Hilary Jones stood down as Chair of the Stakeholder Reference Group on 29 February 2020.
- Joe Teape left the post of Deputy Chief Executive/Executive Director of Operations on 30 November 2019.
- Dr Phil Kloer took on the role of Deputy Chief Executive from 23 January 2020. This role is undertaken alongside his substantive post of Executive Medical Director. His role as lead for delivery of the Health and Care Strategy was moved to Karen Miles, Executive Director of Planning, Performance and Commissioning.
- Andrew Carruthers left his post of Turnaround Director on 30 November 2019 and took up position of Executive Director of Operations on 1 December 2019.
- Libby Ryan-Davies changed role on 30 April 2019 from Transformation Director to Strategic Programme Director and reported directly to the Executive Director of Planning, Performance and Commissioning.

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 UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pensions scheme from their pay and other valuation factors affecting the pension scheme as a whole.

2019/20

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Executive Members and Directors					
Steve Moore, Chief Executive Officer	190 - 195	0	0	0	190 - 195
Joe Teape, Deputy Chief Executive / Executive Director of Operations (to 30/11/19)	100 - 105	0	0	0	100 - 105
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	130 - 135	0	0	13	140 - 145
Karen Miles, Executive Director of Planning, Performance and Commissioning	130 - 135	0	0	26	155 - 160
Lisa Gostling, Executive Director of Workforce and Organisational Development	125 - 130	0	0	73	200 - 205
Phil Kloer, Executive Medical Director	170 - 175	0	0	50	220 - 225
Andrew Carruthers, Turnaround Director (to 30/11/19), Executive Director of Operations (from 01/12/19)	120 - 125	0	0	42	165-170
Alison Shakeshaft, Executive Director of Therapies and Health Science	110 - 115	0	0	92	200 - 205
Ros Jervis, Executive Director of Public Health	115 - 120	0	0	27	140 - 145

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Huw Thomas, Executive Director of Finance	125 - 130	0	0	52	175 - 180
Jill Paterson, Director of Primary, Community and Long Term Care	115 - 120	0	06	39	160 - 165
Sarah Jennings, Director of Partnerships and Corporate Services	105 - 110	0	0	35	140 - 145
Joanne Wilson, Board Secretary	95 - 100	0	0	44	140 - 145
Libby Ryan-Davies, Transformational Director (to 30/04/19)	5 - 10	0	0	2	10 - 15

Independent Members					
Maria Battle, Chair (from 19/08/19)	35 - 40	0	0	0	35 - 40
Judith Hardisty, Interim Chair (to 18/08/19), Vice Chair (from 19/08/19)	50 - 55	0	0	0	50 - 55
Mike Lewis	10 - 15	0	0	0	10 - 15
Paul Newman, Interim Vice Chair (to 18/08/19)	20 - 25	0	0	0	20 - 25
Professor John Gammon	10 - 15	0	0	0	10 - 15
David Powell (to 30/11/19)	5 - 10	0	0	0	5 - 10
Simon Hancock	10 - 15	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	10 - 15
Adam Morgan (to 12/07/19)	0 - 5	0	0	0	0 - 5
Anna Lewis	10 - 15	0	0	0	10 - 15
Owen Burt	10 - 15	0	0	0	10 - 15
Maynard Davies (from 01/12/19)	0 - 5	0	0	0	0 - 5
Ann Murphy (from 09/01/20)	0-5	0	0	0	0-5

2018/19

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Executive Members and Directors					
Steve Moore, Chief Executive Officer	180 – 185	0	0	0	180 – 185
Joe Teape, Deputy Chief Executive / Executive Director of Operations	145 – 150	0	0	0	145 – 150
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	125 – 130	0	0	222	350 - 355
Karen Miles, Executive Director of Planning, Performance and Commissioning	125 – 130	0	0	18	145 – 150
Stephen Forster, Executive Director of Finance (to 31/08/18)	50 – 55	0	0	12	60 – 65
Huw Thomas, Executive Director of Finance (from 01/09/18)	75 - 80	0	0	65	140 - 145
Lisa Gostling, Executive Director of Workforce & OD	115 – 120	0	0	21	135 – 140
Dr Phil Kloer, Executive Medical Director/ Director of Clinical Strategy	165 – 170	0	0	59	225 – 230
Alison Shakeshaft, Executive Director of Therapies and Health Sciences	100 – 105	0	0	0	100 – 105
Ros Jervis, Executive Director of Public Health	110 – 115	0	0	36	145 - 150
Andrew Carruthers, Turnaround Director	115 – 120	0	1	39	155 – 160
Jill Paterson, Director of Primary, Community and Long Term Care	110 – 115	0	4	8	125 – 130
Sarah Jennings, Director of Partnerships and Corporate Services	100 – 105	0	0	21	120 – 125

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Libby Ryan-Davies, Transformation Director	100 – 105	0	0	20	120 – 125
Joanne Wilson, Board Secretary	95 – 100	0	0	17	110 – 115

Independent Members					
Bernadine Rees, Chair (to 28/02/19)	55 – 60	0	0	0	55 – 60
Judith Hardisty, Vice Chair (to 28/02/19), Interim Chair (from 01/03/19)	45 – 50	0	0	0	45 – 50
Paul Newman, Independent Member (to 28/02/19), Interim Vice Chair (from 06/03/19)	10 – 15	0	0	0	10 – 15
Mike Lewis	10 – 15	0	0	0	10 – 15
Professor John Gammon	10 – 15	0	0	0	10 – 15
David Powell	10 – 15	0	0	0	10 – 15
Cllr Simon Hancock	10 – 15	0	0	0	10 – 15
Delyth Raynsford	10 – 15	0	0	0	10 – 15
Adam Morgan	5 – 10	0	0	0	5 – 10
Owen Burt (from 01/05/18)	10 - 15	0	0	0	10 - 15
Anna Lewis (from 01/04/18)	10 - 15	0	0	0	10 - 15
Mr M Hearty (from 01/06/18)	0	0	0	0	0
Julie James (to 30/04/18)	0 – 5	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 2019/20 was £190,000-£195,000 (2018/19, £180,000 - £185,000). This was 6 times (2018/19, 6 times) the median remuneration of the workforce, which was £33,758 (2018/19, £29,608).

In 2019/20, 32 (2018/2019, 34) employees received remuneration in excess of the highest-paid Director. Remuneration for staff ranged from £21,450 to £360,373 (2018/19, £17,460 to £307,299). 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 as part of their medical managerial roles, necessitating extra payment.

	2019/2020	2018/2019
Band of Highest paid Director's Total Remuneration £000	190 - 195	180 - 185
Median Total Remuneration £000	34	30
Ratio	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	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	£000
Steve Moore, Chief Executive*	0	0	0	0	0	0	0	0
Joe Teape, Deputy Chief Executive/ Director of Operations*	0	0	0	0	0	0	0	0
Mandy Rayani, Executive Director of Nursing, Quality & Patient Experience	0-2.5	2.5-5	60-65	185-190	1,382	1,288	64	0
Karen Miles, Executive Director of Finance, Director of Planning, Performance and Commissioning	0-2.5	(2.5)-0	55-60	155-160	1,261	1,174	59	0
Lisa Gostling, Director of Workforce and Organisational Development	2.5-5	5-7.5	45-50	105-110	869	763	87	0
Dr Phil Kloer, Deputy Chief Executive/Executive Medical Director	2.5-5	0-2.5	55-60	115-120	962	874	67	0
Andrew Carruthers, Turnaround Director to (30/11/19), Executive Director of Operations (from 01/12/19)	2.5-5	0-2.5	30-35	60-65	451	402	40	0
Alison Shakeshaft, Executive Director of Therapies and Health Science	2.5-5	7.5-10	45-50	110-115	954	825	109	0
Ros Jervis, Executive Director of Public Health	0-2.5	(2.5)-0	25-30	45-50	431	387	35	0

Name and title	Real increase in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	£000
Huw Thomas, Executive Director of Finance	2.5-5	0-2.5	20-25	0-5	242	198	39	0
Jill Paterson, Director of Primary, Community and Long Term Care	0-2.5	5-7.5	40-45	130-135	0	0	0	0
Sarah Jennings, Director of Partnerships and Corporate Services	0-2.5	0.00	35-40	0.00	536	479	45	0
Joanne Wilson, Board Secretary	2.5-5	0-2.5	25-30	45-50	372	324	40	0
Libby Ryan-Davies, Transformational Director (to 30/04/19)	0-2.5	(2.5)-0	35-40	75-80	563	521	2	0
* Steve Moore and Joe Teape chose not to be covered by the NHS pension arrangements during the reporting year								

STAFF REPORT

Staff Numbers

As at 31 March 2020 the Health Board employed 11,245 staff including bank and locum staff; this equated to 8,741.72 Full Time Equivalent (FTE). The numbers (headcount) of female and male Board Members and employees are as follow:

	Female	Male	Total
Board Members	13	10	23
Employees	8750	2472	11222
Total	8763	2482	11245

Staff Composition as at 31 March 2020

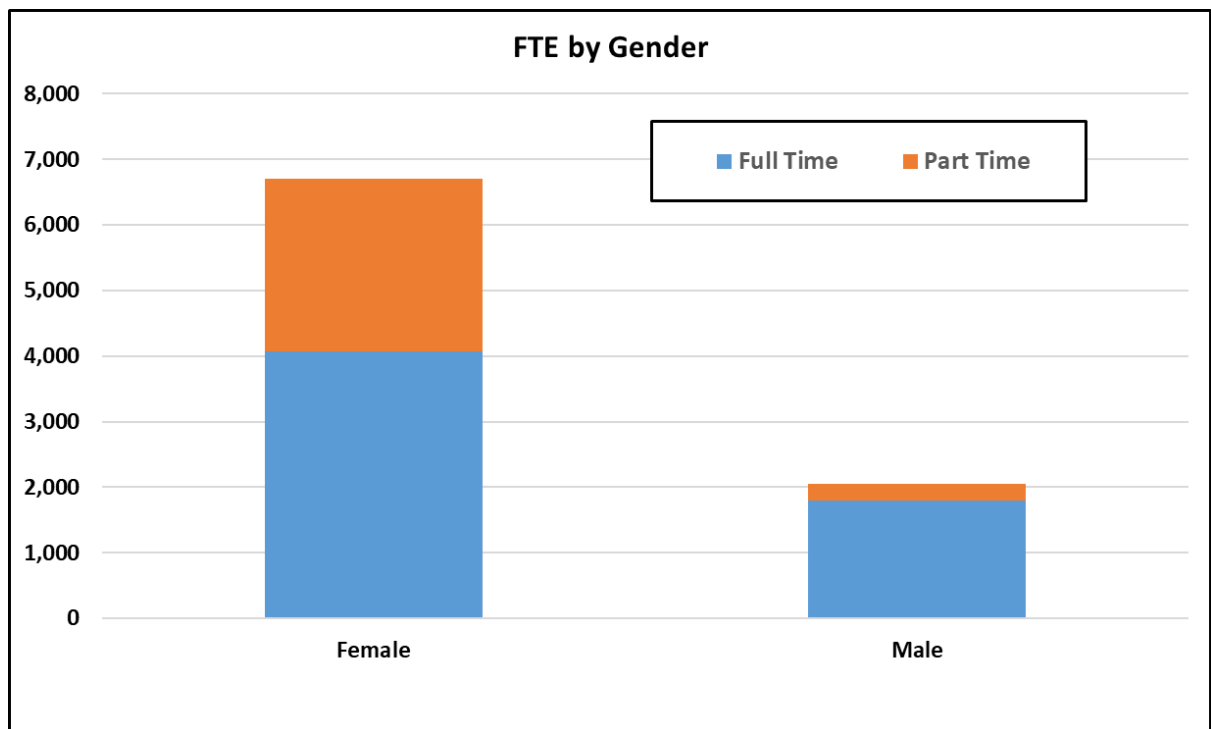
	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Executive Team*	8.00	8	4.00	4	12.00	12
Independent Members	5.00	5	6.00	6	11.00	11
Total	13.00	13	10.00	10	23.00	23

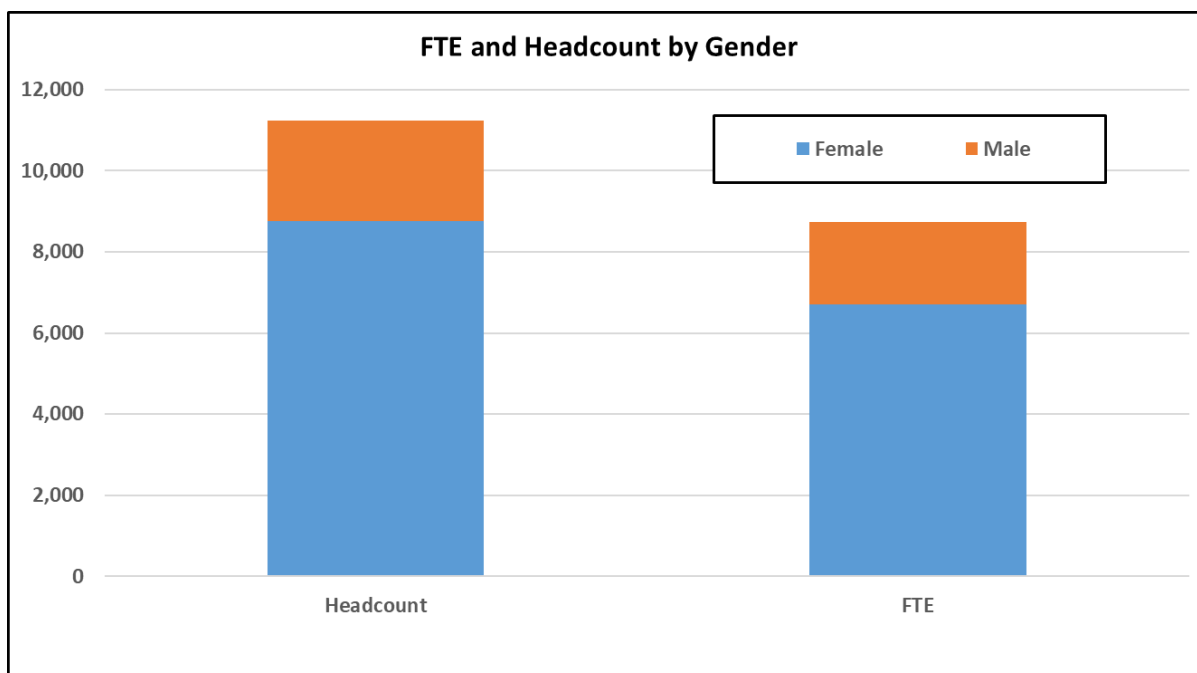
* The Executive Team consists of 9 Executive Directors who are voting members of the Board. In addition there are 2 additional Directors and the Board Secretary (all non-voting) who are members of the Executive Team and attend Board meetings.

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Additional Professional Scientific and Technical	222.96	259	110.93	130	333.88	389
Additional Clinical Services	1,493.51	2,249	335.43	402	1,828.94	2,651
Administrative and Clerical	1,365.20	1,604	300.27	322	1,665.46	1,926
Allied Health Professionals	451.07	535	98.06	109	549.13	644
Estates and Ancillary	365.12	618	416.67	548	781.79	1,166
Healthcare Scientists	96.77	107	82.00	83	178.77	190
Medical and Dental	229.56	320	475.32	640	704.87	960
Nursing and Midwifery Registered	2,471.65	3,070	226.62	248	2,698.27	3,318
Students	0.60	1	0.00	0	0.60	1
Total	6,696.43	8,763	2,045.28	2,482	8,741.72	11,245

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Band 8a	43.82	45	26.00	27	69.82	72
Band 8b	30.80	31	19.60	20	50.40	51
Band 8c	15.59	16	8.40	9	23.99	25
Band 8d	7.80	8	6.00	6	13.80	14
Band 9	3.00	3	6.85	7	9.85	10
Total	101.01	103	66.85	69	167.86	172

- 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% were within the Nursing and Midwifery and Additional Clinical Services staff groups;
- Senior Manager (Band 8a and above) were 1.9% of the workforce - 60% of these by FTE were female and 40% male; and
- The Board does not have any issue with its staff composition.





Sickness Absence Data

The Health Board has the lowest sickness rate of the 6 largest Health Board's in Wales despite the slight increase of the cumulative sickness rate for the 12 month period up to the 31 March 2020 to 5.08% (4.86% at end of March 2019).

	2019-20	2018-19
Days lost (long term)	136,170	105,591
Days lost (short term)	57,086	42,578
Total days lost	193,256	148,169
Total FTE as at 31 March	8,741.22	8,445.61
Average Working Days Lost	11.67	11.10
Total Staff employed as at 31 March (headcount)	11,245	11,007
Total Staff employed in period with no absence (headcount)	3,878	3,534
Percentage of staff with no sick leave	38.38%	37.09%

The percentage and total number of staff without absence in 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.

The main reasons for long term sickness absence are anxiety/stress/depression, followed by musculoskeletal problems. For short term sickness absence the most prevalent reason stated relates to colds/flu and gastrointestinal problems. Managers are provided with Directorate sickness absence metrics on a monthly basis which highlight the sickness absence rates for their areas split by department along with reasons for absence, days lost and cost.

The revised All Wales Attendance at Work Policy is now well established within the organisation with its focus on compassionate leadership and the ability for manager

discretion which may have resulted in the slight increase in sickness absence. Due to the role of the training package across the organisation our audit programme has reduced over the last 12 months. This will now be a key priority going into the new financial year. The issue of COVID-19 will also have impacted on attendance during the latter part of 19/20 and this will continue into 20/21 which will result in higher sickness absence for the coming year.

The HB 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 Employee telephone assistance service.

In addition to dedicated staff wellbeing events held across the Health Board which included financial wellbeing, the Health Board also ran an initiative 'Your Well-Being Matters' in early 2020 to improve staff well-being for nurses, midwives and healthcare support workers across Hywel Dda. The feedback from this confidential, anonymous on workplace well-being survey will help us to understand what it feels like to work in Hywel Dda Health Board, and enable us to further explore and develop ways to improve well-being in the workplace.

Staff Policies

The majority of key employment policies are developed on an All Wales basis and then ratified locally by the Workforce and Organisational Development Sub-Committee (W&ODSC). These policies are developed in partnership with Trade Unions and are approved through the WG Partnership Forum Business Committee. Equality Impact Assessments (EqIAs) are produced, recorded, and made available for All Wales policies by a sub-group of the Partnership Forum.

Other employment policies are developed and reviewed through the Employment Policy Review group that is chaired by a senior member of the Workforce & Organisational Development Directorate. The group membership consists of managers, trade union representatives and other specialist advisors such as those with specialist knowledge of equality and diversity and data protection. Local policies are produced in partnership with trade union colleagues and are issued for general consultation. EqIAs are developed by a sub-group of the Employment Policy Review group that includes a specialist advisor for equality and diversity.

Local policies are subject to formal sign off through both the Health Board's Staff Partnership Forum and the W&ODSC. The Health Board's employment policies can be found - <http://www.wales.nhs.uk/sitesplus/862/page/62308>.

The aim of the Health Board's Equality and Diversity policy is to ensure that equality and diversity considerations underpin the recruitment, employment and development of staff and the development and delivery of the Health Board's services to patients and service users. Policies and practices within Health Board must demonstrate appropriate due regard to relevant equality and diversity issues, thereby ensuring that recruitment and employment and service delivery practices are designed, developed and delivered fairly and equitably, in accordance with equality and human rights legislation.

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 £1,517,841 on consultancy services.

Transforming Clinical Services	£950,675
Legal / Redress Claims Advice	£414,098
VAT / Tax Advice	£50,598
HR Advice	£33,660
Estates Advice	£9,353
Other Service Reviews	£59,457

Tax Assurance for Off-Payroll Appointees

In response to the Government'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.

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). £24,800 exit costs were paid in 2019-20 in relation to settlement claims, the year of departure (2018-19 comparatives). 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:

	2019/20	2019/20	2019/20	2019/20	2018/19
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	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0
	2019/20	2019/20	2019/20	2019/20	2018/19
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	2,500	2,500	2,500	6,180
£10,000 to £25,000	0	22,300	22,300	22,300	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0

Hywel Dda University Health Board

PART C: NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY REPORT 2019/20



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

THE NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY REPORT

Regularity of Expenditure

As a result of pressures on public spending, the UHB has had to meet considerable new cost pressures and increase in demand for high quality patient services, within a period of restricted growth in funding. This has resulted in the need to deliver significant cost and efficiency savings to offset unfunded cost pressures to work towards achieving its financial duty, which is break even over a three year period. Given the scale of the challenge and despite delivering its savings of £18.3m in year, the Health Board has been unable to deliver the surplus required in 2019/20 to deliver a balance over 3 years of the financial duty. The expenditure of £139.8m 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 re-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 2020:

	2019-2020	2018-2019
	£000's	£000's
Guarantees	0	0
Indemnities*	175	536
Letters of Comfort	0	0
Total	175	536

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