

Velindre University NHS Trust

Annual Report 2019-20



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

A MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE



Professor Donna Mead OBE.
Chair



Mr. Steve Ham
Chief Executive

Welcome to Velindre University NHS Trust

Annual Report for 2019-2020

As we enter a new Chapter in the most unprecedented of times in global history it also serves as a time to pause and reflect, to consider our greatest achievements and accomplishments whilst reframing our ambitions and goals for the future. As Søren Kierkegaard said: *"Life can only be understood backwards; but it must be lived forwards"*.

"I have had the pleasure of being Chair of the Trust for a little over two years now. I continue to be overwhelmed, inspired and immensely proud of the work that we do the passion and commitment of our staff and most recently their resilience and dedication in the most challenging of times, to keep our patients and donors at the heart of everything we do". Professor Donna Mead, Chair.

This year more than ever, we believe we have a story to tell and, while we have a statutory duty to produce an Annual Report reviewing our operational and financial performance for 2019-2020, we are delighted that it also gives us a great opportunity to tell you more about our organisation and the services we provide.

As we look back at 2019-20, we are delighted that this suite of Annual Report documents provides us with the opportunity to celebrate some of the exceptional achievements and successes we have seen across the Trust, and showcase at least some of those innovative and award-winning successes.

Over the next couple of pages, we have included stories of innovation, improvement and staff recognition around their

dedication in putting patients and donors at the heart of everything we do, efforts that have been acknowledged through so many individual and team awards that there are too many to mention in this short message.

As a Trust, we continue to face continually increasing demand for our services that continuously test our strategic prioritisation, operational management and financial planning. Nevertheless, we have worked hard, together as a united team, to ensure that we spend these limited resources on all the right priority areas, and that we have still been able to achieve so much, is testimony to the professionalism and commitment of everyone working for and with our Trust.

The world is six months into the global pandemic, and whilst we may not know what the future holds, what we do know is that whilst the pandemic has tightened borders, closed schools and isolated communities, scientific borders have been flung open and traditional barriers torn down. Never has there been such an open and collaborative platform on which to build and design our services. Velindre University NHS Trust's commitment to quality, care and excellence, together with our talented, loyal and dedicated staff and volunteers, certainly means we can face the future with confidence whatever it might hold.

We are, as ever, grateful for the continued support we receive from the communities we serve and from our partner organisations, and always welcome hearing your views about our services.

You can join us at any of our regular public Board Meetings via live stream, if you want to hear more about how we are doing, or you can contact us by telephone, in writing, or via social media. In the meantime, we hope you enjoy reading this Annual Report for the year 2019-2020.

WHAT THIS ANNUAL REPORT WILL TELL YOU

Velindre University NHS Trust Annual Report is part of a suite of documents about our organisation. It tells the story of the services and care we provide what we do to plan, deliver and improve healthcare for you, and how we are setting out to meet changing demands and future challenges.

It provides information about how we have performed during 2019-20, what we have achieved and our aims for improving further next year. It explains how we are working with our patients and donors in developing our services for the future, and how we recognise the value of listening to you and your needs in planning our services going forward.

Efforts to achieve the Trust's vision and strategic objectives is driven by our Integrated Medium Term Plan (IMTP). Our IMTP sets out the priorities we intend to deliver on a rolling 3 year basis. Our plan for 2020-2023 was submitted to the Welsh Government in January 2020.

Our Annual Report for 2019-2020 includes:

- Our **Performance Report**, detailing how we have performed against our targets and how we will seek to maintain or improve our performance further.
- Our **Accountability Report**, providing information about how we manage and control our resources and risks, and comply with our own Governance arrangements.
- Our **Financial Statements**, detailing how we have spent the Trust's funding allocation in meeting our obligations.
- Our **Annual Quality Statement (AQS)**, highlighting the actions we have taken to improve the quality of our services.

If you would like copies of any of these publications in print form and/ or alternative formats or languages, please contact us using the details below:

Velindre University NHS Trust Headquarters
2 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ
☎ 02920 196161

✉ corporate.services2@wales.nhs.uk

<http://www.velindre-tr.wales.nhs.uk/home>

ABOUT VELINDRE UNIVERSITY NHS TRUST THE SERVICES WE PROVIDE



Velindre University NHS Trust provides specialist services to the people of Wales. The operational delivery of services is managed through Velindre Cancer Centre and the Welsh Blood Service.

Velindre University NHS Trust delivers specialist cancer services for South East Wales using a hub and spoke model. The hub of our specialist cancer services is Velindre Cancer Centre. This is a specialist treatment, teaching, research and development centre for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year.

The Trust Board is accountable for Governance, Risk Management and Internal Control for those services directly managed and those managed via hosting arrangements. As Accountable Officer, the Chief Executive has 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 this organisation's assets for which the Chief Executive is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

The Trust also hosts three organisations, which are explained in more detail below. Directors of the Hosted Organisations are bound by an Annual Governance Compliance Statement (or their own Annual Governance Statement in the case of NHS Wales Shared Services Partnership) with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust.

THE SERVICES WE HOST



On 11th May 2012, the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No.1261 (W.156)

was laid before the National Assembly for Wales and came into force on 1st June 2012. The NWSSP is a dedicated organisation that supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services.

NWSSP is hosted by Velindre University NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the Welsh Government. The Director of NWSSP produces and signs his own Annual Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

NHS WALES INFORMATICS SERVICES (NWIS)

NWIS operates under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and is responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services



and information management across NHS Wales. NWIS has a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems. The Director of NWIS is accountable to the Deputy Director, Digital Health and Care of the Welsh Government. The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

HEALTH TECHNOLOGY WALES (HTW)



HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS

Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, tele-monitoring, psychological therapies, rehabilitation or any health intervention that is not a medicine. HTW independently critically assesses the best available international evidence about the clinical and cost effectiveness of a health technology. This evidence is reviewed by experts and the HTW Appraisal Panel to put the evidence into the Welsh context. HTW also coordinates a Front Door process to support health technology developers to navigate NHS Wales. As well as its Front Door and appraisal functions, HTW also has roles in horizon scanning, evaluating uptake and disinvestment of technologies and providing advice to health technology developers. It does this in partnership with other organisations in NHS Wales to ensure there is no duplication of work and sharing of limited skilled assessment resources. The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

THE PARTNERS WE WORK WITH

The Trust works with a wide range of partners in a range of capacities including health, local authorities, and the voluntary/charity sector.

KEY ACTIVITY, DEVELOPMENT CELEBRATIONS DURING 2019-2020



Cath O'Brien, Interim Chief Operating Officer awarded an MBE for services to the Welsh Blood Service and the adoption of Cell and Gene Therapy in Wales.



Llinos Davies, Radiotherapy Treatment Planner awarded a BEM for services to music in South Wales.



Trust Independent Member, **Judge Ray Singh**, was awarded an honorary doctorate by the University of Wales Trinity St David



Rosie Roberts won a Macmillan Professionals Excellence Award for her work on Developing Acute Oncology Services in Wales.



WBS became the first official community partner for 2019/20 and 2020/21 season of the Football Association of Wales (FAW) Cymru leagues and Welsh Premier Women's League. As community partners, the football clubs will promote the importance of giving blood.



Sam Cox who works at VCC won the Swansea University Medical School Clinical Teacher of the Year award and the Undergraduate Education, Innovation and Excellence Prize from the Royal College of Radiologists.



Professor John Staffurth awarded the first Annual Urology SST Clinical Trialist of the Year trophy for local trial leadership and number of patients recruited to clinical trials.



The Trust was awarded a prize at Wales' Cancer Innovation Challenge. The second award Velindre NHS Trust won at Wales' Cancer Innovation Challenge was for the work we did with industry partners Meridian IT and Rescape Innovation on the use of virtual reality with artificial intelligence to develop an immersive simulation to train doctors to recognise sepsis.

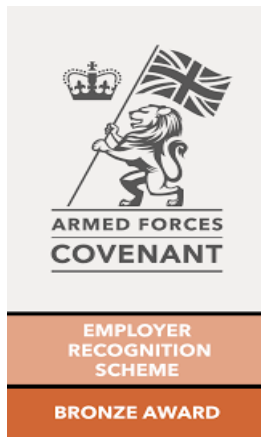


Karen Wright won the HPMa Wales Excellence Awards for the work being undertaken by the Trust in its journey to become a menopause aware and supportive employer.



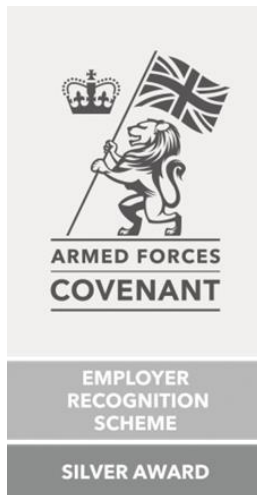
Clinical Trial Success - Radiotherapy Research Team have been the highest UK recruiters of 2019 for the RAPPER.

(Radiogenomics Assessment of Polymorphisms for Predicting the Effects of Radiotherapy) clinical trial led by the University of Manchester, designed to identify the genetic variants that increase a cancer patient's risk of radiotherapy toxicity.)



The Trust was recognised with the **Veteran's Bronze award** as part of the Defence Employer Recognition Scheme. The Trust has received this award in recognition of our excellent record of supporting reservists, armed forces spouses.

The scheme encompasses bronze, silver and gold awards for employer organization's that pledge, demonstrate or advocate support to defence and the armed forces community, and align their values with the Armed Forces Covenant.



Silver Employer Recognition Scheme Award (ERS)

Velindre University NHS Trust is the proud recipient of a Silver Employer Recognition Scheme Award (ERS).

The Trust is only one of 19 Welsh employers to have received an ERS Silver Award in 2019 from the Ministry of Defence (MoD) for its support of the armed forces community.



The Trust has maintained its **GOLD CORPORATE HEALTH STANDARD award** and is now working towards platinum!

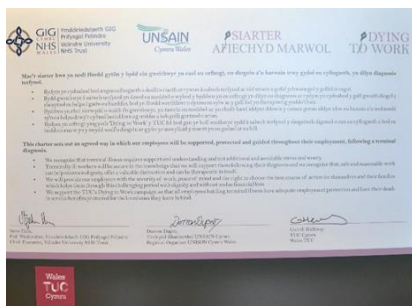


Hospital of Hope Wins BAFTA Cymru Award

The hospital of Hope won the BAFTA Cymru Award for best factual series.



BAPS app - Wales Today and other BBC news outlets ran a story on the BAPS app which has been developed by Velindre, Cardiff and Vale LHB and Orchard Media.



The Dying to Work Charter - Members of the Executive Board signed the TUC's Dying to Work Charter this week. It aims to give employees with terminal illnesses more choice in how to spend their final months and offers peace of mind around job security.



The Time to Change Pledge – The Chair and Members of the Executive Board signed the MIND Mental Health Time to Change Pledge during December 2019. The pledge demonstrates the Trust's commitment to our employees to change how we think and act about mental health at every level of the organisation.



Maggies at Velindre – On the 4th July 2019 Her Royal Highness The Duchess of Cornwall visited Velindre Cancer Centre to officially open the Maggie's Centre. Vaughan Gething AM was also at the event, which was well attended by Velindre colleagues. The Centre will provide valuable support to Velindre patients and we look forward to working closely with the Centre for many years to come.

CHARITY ACTIVITY



The level of support the Charity receives continues to exceed expectations and for this we are extremely grateful and fortunate. It is with great pleasure to report that the Fundraising Team announced that £30 million has now been raised for Velindre Cancer Centre. The Chair would like to reiterate the message shared by the team in saying a very special thank you to everyone who has donated, volunteered and supported the Trust Charity.

Suite of Documents

As indicated on page 4, Velindre University NHS Trust Annual Report is made up of a suite of documents that describe our work between April 2019 and March 2020.

- 1 Performance Report
- 2 Accountability Report
- 3 Financial Report
- 4 Annual Quality Statement

The Velindre University NHS Trust Charitable Funds Annual Reports are [available here](#), these reports demonstrate how the money raised through Charitable Funds allows us to make a difference and enhance the services we provide.

We invite you now to read the further sections of the Velindre University NHS Trust Annual Report.

Velindre University NHS Trust

Performance Report 2019-20



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

CONTENT

	Page
Performance Report Overview – Chief Executive Statement	3
About Us	6
Vision, Ambitions & Strategic Objectives	7
1. Delivering Against our Duties	8
2. Trust Organisational Development Strategy	29
3. Performance Summary	38
4. Performance Analysis	47
Sustainability Performance (2019/20)	72

PERFORMANCE REPORT OVERVIEW - CHIEF EXECUTIVE STATEMENT



Mr. Steve Ham

Chief Executive

Velindre University NHS Trust is a unique organisation within NHS Wales, delivering highly specialised services that are broad, complex, focused on excellence and keeping our patients and donors at the heart of everything we do.

Underpinning everything we do is our total commitment to Quality, Care and Excellence, ensuring patients, donors and the hospitals we supply all benefit from the highest standards of care, innovation and professionalism across the range of services we deliver.

Like the rest of NHS Wales, we have been facing the combined challenge of rising costs and increasing demand for our services. More recently, and as I write this report, our services have been severely impacted by COVID-19 and our staff, in partnership with all our partners and stakeholders, are working incredibly hard to assess the impact that this pandemic will have on our services.

Despite these challenges, we are still striving to continually improve the quality of care and patient and donor outcomes. Inevitably, how to maintain these improvements, while continuing to meet the needs of our population for Cancer, Blood and Transplant Services, is firmly at the forefront of our thinking and planning for the coming year.

Our commitment, however, is to make sure we maintain our focus on providing an excellent service and I am confident I speak for the whole Trust when I reassure you that we are up to the challenge.

2019-20 has been a busy, productive and successful year for us and how we move forward in delivering services into the future is an area we intend to build on during 2020-21. It is our collective ownership of measures that will enable us to show how successful we are in delivering our services in new and innovative ways, both in the coming year and beyond.

We recognise that the *Well-being of Future Generations (Wales) Act 2015* will continue to have a transformative effect on our organisation. The *Act* has allowed us to consider the impact of what we do from a new, distinct perspective.

The *Act* has set an expectation that public sector organisations will work in different ways. We will continue to embrace the opportunity that the *Act* provides to seek opportunities for greater collaboration with other bodies that will provide tangible benefits for our staff, donors and patients. New strategic and operational relationships will result in the more effective integration of services and also, to long term improvements to the well-being of the Welsh population.

Our appreciation of the wide reaching influence of the *Act* has developed and the sustainable development principles at the heart of the legislation have begun to inform our thinking and service development in a more immediate manner.

I am delighted to report that in January 2020, the Velindre University NHS Trust Board approved its **Integrated Medium Term Plan (IMTP)** covering the period 2020 to 2023. This is in accordance with the NHS Wales Planning Framework. The Trust was due to have received an approval decision, in regard to its 2020-2023 IMTP, from the Welsh Government by 31st March 2020. However, the Trust was notified on 19th March 2020 that the IMTP Welsh Government review and approval process was to be paused due to the challenges caused by COVID-19. However, the Trust were informed that:

'Following a robust assessment, your IMTP is considered to be approvable, which stands you in good stead for the future and provides a baseline for future planning discussions'.

The IMTP for 2020 - 2023 reflects on progress against the key priorities, performance and ambitions from the year 2019 - 2020, confirming that delivery/progress against objectives was broadly in accordance with forecasts.

Our focus on excellence has seen us continue to improve the high quality services we provide to our **patients and donors**. This Performance Report and our Annual Quality Statement provide wide ranging details about our performance. The details contained in this report show that we are maintaining and improving our performance in a range of vital areas. However, there is more to do and areas that need further attention.

Our plans for 2020 and beyond demonstrate the fundamental importance we place on Research, Development and Innovation at its core. Work in these areas will help us push forward our well-being agenda by raising our national and international profile, creating highly skilled jobs and, crucially, delivering real clinical benefits for the population of Wales both now and in the future.

We are hugely proud of our committed colleagues who help ensure that our unique organisation continues to deliver the highest quality services. We are excited by the prospect of working with them to continue to deliver quality services and in making a tangible difference to the health and well-being of all our families and the communities in which we live and work.

I believe that we are well placed to assure you that our staff, volunteers, fundraisers and partners are all firmly committed to delivering improved ***'Quality, Care and Excellence'***.



Mr. Steve Ham
Chief Executive

Date: 27.08.2020

ABOUT US

Established in 1994, Velindre University NHS Trust (the Trust) provides a range of specialist services at local, regional and all Wales levels. We provide two core services, Velindre Cancer Centre and the Welsh Blood Service.



We also host a number of organisations on behalf of Welsh Government and NHS Wales. You can find out more about our Service Divisions and Hosted Organisations in the Accountability section of the Annual Report document.

VISION, AMBITIONS AND STRATEGIC OBJECTIVES



We are an ambitious organisation striving to provide services, which are recognised as excellent by the people who use them, the people who work in them and by our peer organisations.

Our vision is:

'To be recognised locally, nationally, and internationally as a renown organisation of excellence for patient and donor care, education and research'

The achievement of our vision is driven by a number of key service strategies, namely:

- Velindre Cancer Centre's 'Shaping our Future Together'.
- Welsh Blood Supply Chain 2020.
- National Blood Health Plan.

We have developed a set of overarching objectives that will enable us to achieve our vision, namely:

- Equitable and timely services.
- Providing evidence based care and research, which is clinically effective.
- Supporting our staff to excel.

- Safe and reliable services.
- First class patient /donor experience and
- Spending every pound well.

Our vision and our objectives, alongside a range of national and local policies drive our planning processes.

DELIVERING AGAINST OUR DUTIES

NATIONAL POLICY AND DRIVERS

We continually scan the environment at a population, national, regional and local level to develop our knowledge and intelligence on key issues, which we need to take account of in the strategic planning and delivery of services. We use the Sustainable Development Principles as the basis for our horizon scanning.

A Summary of the Strategic Context for Velindre University NHS Trust

Local Context

Current Performance:

- Waiting times
- Clinical outcomes
- Quality and safety
- Patient and donor experience
- Financial delivery
- Workforce

Local Drivers:

- Patient and donor outcomes
- Health inequalities
- Population changes
- Demand for services
- Increasing complexity of services
- Commissioner priorities
- Patient, donor and carer experience

National Context



Other Strategies:

- Prudent Health and Care
- Taking Wales Forward (2016-2021)
- Prosperity for All: the National Strategy
- Public Health Wales Act (2017)
- Social Services and Well-being Act (2014)
- Working Differently- Working Together: Workforce and OD Framework
- Nurse Staffing Wales Act (2016)
- Welsh Language (Wales) Measure (2011)
- Equality Act (2010)
- NHS Wales Blood Health Plan

EQUALITY, DIVERSITY & HUMAN RIGHTS

We have made considerable progress over the last year against our five Strategic Equality Objectives. These objectives recognise how the principles of dignity and respect must be embedded across all areas of work, from policy, service design and delivery. The objectives are:

We communicate with people in ways that meet their needs (whether this is via written communication, face to face, signage, Welsh or other community languages including British Sign Language).

People are and feel respected; this includes staff, patients, donors, carers and family members.

People receive care and access services that meet their individual needs.

Improved engagement with public, patients and Donors.

Staff are paid fairly.

Working with partner organisations, we have developed a number of initiatives internally and in collaboration.

WELSH LANGUAGE



The Welsh language standards compliance notices were issued to the NHS in November 2018 with most of the NHS receiving compliance dates of either May 2019 or November 2019 on their specific and individual standards. Most of the standards have been aligned nationally, but a number of caveats or specific differences have been given to certain Health Boards or Trusts giving them standards more relevant to their areas and numbers of Welsh speakers or exceptions to timescales.

COMPLIANCE

Velindre University NHS Trust has responded to the Welsh language standards by positively changing the way it provides a platform for the work in order to further disseminate the importance of bilingual provision for patients and donors.



Since the introduction of the standards, the focus sits as part of the Workforce and Organisational Development department and this includes the training programmes for the workforce. Providing this focus has meant that all initiatives for the workforce, which ultimately provides support for patients and donors, takes into account the needs of Welsh speakers. A number of work streams have been identified and we have developed:



A new Equality Impact assessment process that specifically highlights the relevant Welsh language standards and encourages discussion around the promotion of the language and the protection of individuals' rights to use the language whilst working for the Trust.



A strengthened process that assists managers to assess vacant posts prior to the recruitment process. The process now includes examples of Desirable and Essential Welsh language posts giving managers additional information in order for them to assess the correct level of skills needed.



Translation of workforce policies relevant to staff to ensure staff have access to Welsh language internal development and support.

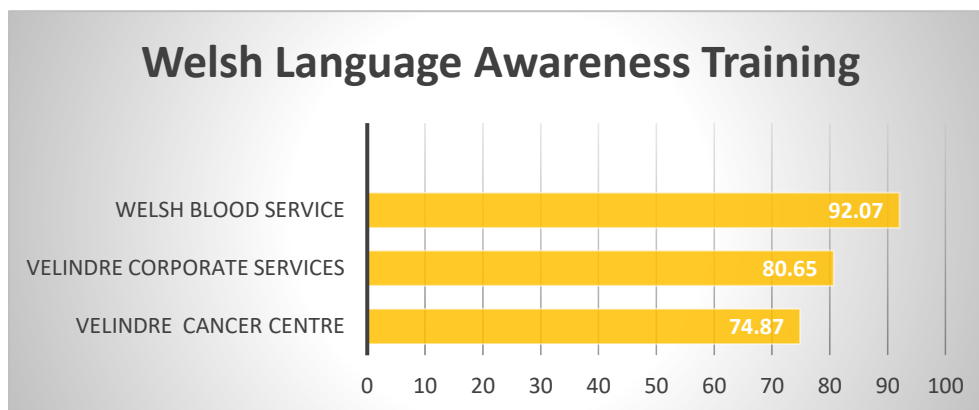


An in-patient plan to enable the Trust to monitor its ability to provide in-patients with access to bilingual staff was drafted and is being monitored and delivered by the Velindre Cancer Centre's Senior Management Team.

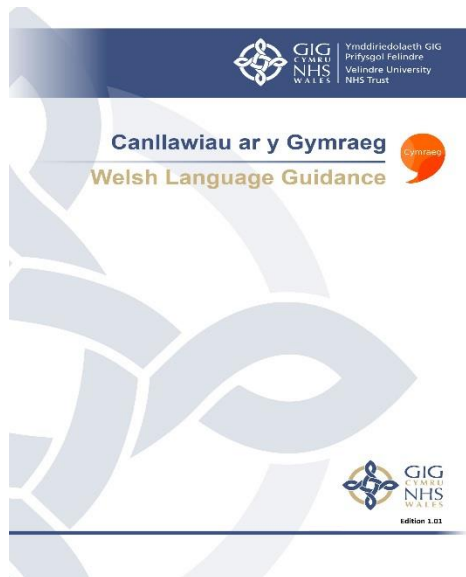


Welsh language awareness training continues as part of the statutory and mandatory training requirements.

To date, and within this reporting period, the following compliance percentage has been achieved:



Guidance documents aimed at the promotion and dissemination of bilingual processes across the Trust and to act as a 'one stop shop' for all process changes in relation to the standards. It specifically looks at practical ways of answering the phone, how to request translation services, internal and external meeting expectations.



Specific Welsh language pages relevant to staff in order to give them full access to workforce issues and Welsh language procedures.



Opportunities offered to staff to receive specific relevant internal training through the medium of Welsh including statutory and mandatory training.



A new internal process ensuring global emails to all staff are fully bilingual with relevant messages to incoming emails regarding the need to identify a language preference for future correspondence.



Changes made to corporate identity relating to emails and opportunities for external correspondence to identify their language preference in order for the Trust to plan future correspondence.



A partnership approach to working with other Local Health Boards was investigated and a workshop was given in order to look at plans to discuss and establish best practice across Wales. All Local Health Boards attended and it resulted in a positive sharing of best practice across the NHS and an opportunity to assess current compliance methods. This method of sharing best practice will be monitored and as the Trust initiated this, we will be assessing the need for another opportunity in the future.



Alongside this, the Welsh language officers have come together to establish a workforce and Welsh language group. The group is well embedded and has been very useful for sharing best practice, knowledge and developments relating to both the Standards and the 'More than just Words...' framework. The group has a portal on the Academi Wales site, which it holds relevant documents available to promote and deliver the Standards. This group continues to meet regularly.



Increased bilingual social media presence across all platforms has meant that all divisions now have both English and Welsh platforms. Increasing the use of these will now be a priority for us.



Training continued to be provided via the online courses and the Welsh Blood service was specifically active in encouraging their staff to complete these courses resulting in an internal staff award for their commitment and drive.



A new Welsh language Policy was developed and is available for staff to view on the Intranet, giving further guidance and support in relation to providing Welsh language services.



NWSSP have actively encouraged a partnership approach to the translation of job descriptions with the Heads of Workforce across Wales. This process has identified the need to rationalise job descriptions and attempt to provide a database that could be accessed across Wales.



NWIS are working on a system that will enable the NHS to collect and record the language choice of individuals. This national system is in order to adhere to standards 4 and 5 and not primarily for recording language preferences of patients in the first instance.

COMPLAINTS OR CONCERNS



A new specific section relating to the Welsh language standards has been developed in order to highlight the importance of collecting concerns relating to this agenda.

When dealing with concerns, Velindre University NHS Trust will take account of its statutory duties in relation to the provision of services in Welsh as laid down by the Welsh language Standards (No 7) regulations 2018.

Velindre University NHS Trust is committed to providing bilingual services through the delivery of its Welsh Language Standards to promote or facilitate the use of the Welsh Language and to ensure that the Welsh Language is treated no less favourably than the English language.

We will ensure effective decision making to achieve positive effects or opportunities for the Welsh Language and in ensuring that individuals and third parties are not disadvantaged nor adversely affected.

Velindre University NHS Trust welcomes concerns. These should be directed to the following email addresses:

Velindre Cancer Centre and or Velindre University NHS Trust:

✉ Pryderonconcerns.canolfanganserfelindre@wales.nhs.uk

Welsh Blood Service:

✉ Pryderonconcerns.gwasanaethgwaedcymru@wales.nhs.uk

Alternatively, concerns can be raised directly with the Welsh Language Commissioner.



<http://www.comisiynyddygyymraeg.cymru/English/Commissioner/Pages/Complaints-about-the-Welsh-Language-Commissioner.aspx>



For further information and to view the Trust's Compliance notice visit:

<http://www.velindre-tr.wales.nhs.uk/welsh-language>

From May 2019 to March 2020 Velindre University NHS Trust received four complaints. Complaints related to:

1. A monolingual patient form – NWSSP
2. A registration process in English only –WBS
3. A donor was given monolingual information only whilst giving blood – WBS
4. A monolingual SMS message - WBS

None of these complaints were taken to the official investigation stage as they were dealt with internally and processes agreed to ensure future compliance.

TRUST WELSH LANGUAGE SKILLS

From May 2019 to March 2020, the Trust was compliant with recording 85.5% of staff skills within its Electronic Staff record system. The Trust, as part of its annual staff performance cycle reminds staff to record their competency levels and informs them of any Welsh language training opportunities. This has enabled the Trust to monitor the percentage of compliance recording and prompt managers to engage further with staff on their Welsh language needs.

It is important to note that a high proportion of these roles are situated in non-patient/donor facing roles and as such would not be available to directly communicate with the public.

Staff on reception areas are given lists of Welsh speakers in order for them to contact an individual with the relevant skills should this be required by a patient or to assist with donor requests. However, the current skill capacity does not meet the required need of the service and as such, the Trust is aware that providing the 'active offer' will take further investment into this area.

The number of employees who have Welsh language skills at the end of the year in question on the basis of the records and in accordance with standard 116. Number of Staff in Velindre including hosted organisations: 4,510.

	No. of staff in the Trust 7 Apr 2020	Higher Level recorded in ESR 3-5	Lower Level recorded in ESR 0-2	No. of staff whose Welsh language skills recorded in ESR by 7 Apr 2020	No. not recorded in ESR	% of staff Welsh language skills recorded in ESR by 7 Apr 2020
Cancer Research Wales	3		1	1	2	33.33
Velindre Corporate HQ	125	9	102	111	14	88.80
Health Technology Wales	17	1	15	16	1	94.12
NHS Wales Informatics Service	743	41	661	702	41	94.48
NHS Wales Shared Services Partnership	2292	192	1735	1927	365	84.08
Research, Development and Innovation	52	1	46	47	5	90.38
Transforming Cancer Services	17	1	15	16	1	94.12
Velindre Cancer Centre	809	48	609	657	152	81.21

	No. of staff in the Trust 7 Apr 2020	Higher Level recorded in ESR 3-5	Lower Level recorded in ESR 0-2	No. of staff whose Welsh language skills recorded in ESR by 7 Apr 2020	No. not recorded in ESR	% of staff Welsh language skills recorded in ESR by 7 Apr 2020
Welsh Blood Service	452	33	345	378	74	83.63
Grand Total	4510	326	3529	3855	655	85.48

RECRUITMENT

In 2019/20, recruitment procedures were tightened and a new process was developed to ensure managers were given the support they needed to assess vacant posts for Welsh language skills. This is an additional element to the current process, strengthening the approach to language assessing posts. The number (in accordance with standard 117) of new and vacant posts that the Trust advertised during the year which were categorised as posts were:



Welsh language skills were essential.



Welsh language skills needed to be learnt when appointed to the post.



Welsh language skills were desirable.



Welsh language skills were not necessary.

	Total	Essential	Desirable	Skills needed to be learnt
Velindre Cancer Centre	255	1	254	0
Velindre NHS Trust	54	0	54	0
Welsh Blood Service	101	0	101	0
NHS Wales Shared Services Partnership	450	7	443	0
NHS Wales Informatics Service	246	4	242	0
Health Technology Wales	2	0	2	0

OUR APPROACH TO THE WELL-BEING OF FUTURE GENERATIONS ACT

We have a commitment to transform the Trust and to create a sustainable organisation. We will commence the acceleration of our journey of transformation with the publication in April 2020 of the Trust Strategy, together with those for specialist Cancer and Blood and Transplantation Services for 2020 - 2025. These will set out what good look like in five years' time and the actions we will take over the coming years to achieve the excellence we are committed to.

These strategies have been developed within the context of the Well-Being of Future Generations Act (*the Act*) and we will seek to implement the principles of the Act within the Trust to ensure that they become the central organising principle of each and every action that our staff take on a daily basis. This will take time but we are committed to ensuring we translate the intentions and spirit of the Act into tangible and sustainable benefits for the people of our region.

The Act requires public-sector organisations in Wales to focus on delivering long-term well-being goals in a sustainable manner. Whilst we have made progress in embedding the *Act* across the organisation we know that we have much more to do.

We appreciate the work of the Auditor General for Wales, in support of the Future Generations Commissioner, in 'benchmarking' our current strength and opportunities for action. The report '*Implementing the Well-being of Future Generations Act – Velindre University NHS Trust*' received in January 2020 has identified a range of organisational strengths and further opportunities for action to support our organisational development. These are shared later in the document.

Moving forwards over the next three years we want to ensure that the *Act* provides a central reference point for everything we do within the organisation and it is a golden thread that will run through all of our strategies, plans and actions.

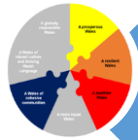
This will require an increased focus on sustainability and well-being over the next three years as we attempt to embed the Sustainable Development (SD) principle still further to make it a 'normal' part of everything that we do. The journey we are on will see us implement a new approach to planning and delivery across the Trust and the development of a different organisation that is more involved across the breadth of health, social care and public services. This collaborative way of working will see us working across the region with a range of partners to ensure the five ways of working are embedded within everything we collectively do and that we are actively contributing to the seven well-being goals.

Leadership will be fundamental to effective change. Our Chair is committed to leading the Trust to function as an exemplar Public Sector body in relation to the five ways of working and the embedding of the sustainability principle in all we do as an organisation. We have worked with our Health Board partners to facilitate the establishment of the South East Wales Collaborative Cancer Leadership Group (and this regional collaborative work also embraces the Act as a central principle).

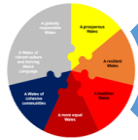
During the next three years we recognise that there are opportunities for us to do more to advance our and the wider community's, well-being and sustainable development agenda. In 2020 - 2023 we will seek to evolve existing partnerships to a much greater extent, and also to develop new relationships within the health sector and beyond in order to maximise our contribution and to support others in doing the same. The table below (page 20) sets down a number of commitments with regard over this timeframe.

TRUST WELL-BEING OBJECTIVES

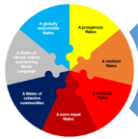
The Trust, recognised under the Act as a national body, it was required to develop and publish a set of its own well-being objectives by the end of March 2017.



1. Reduce health inequalities, make it easier to access the best possible healthcare when it is needed and help prevent ill health by collaborating with the people of Wales in novel ways



2. Improve the health and well-being of families across Wales by striving to care for the needs of the whole person



3. Create new, highly skilled jobs and attract investment by increasing our focus on research, innovation and new models of delivery



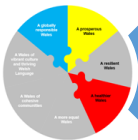
4. Deliver bold solutions to the environmental challenges posed by our activities



5. Bring communities and generations together through involvement in the planning and delivery of our services



6. Demonstrate respect for the diverse cultural heritage of modern Wales



7. Strengthen the international reputation of the Trust as a centre of excellence for teaching, research and technical innovation whilst also making a lasting contribution to global well-being

These objectives were developed following extensive engagement and were designed to focus the Trust's contribution to the realisation of the national well-being goals.

OUR COMMITMENT

The Well-Being of Future Generations Act: Our Commitments for 2020 – 2023	
• We will develop a revised Trust-wide sustainability strategy.	
• We will develop a Trust public health strategy in partnership with Public Health Wales.	
• We will deliver our new blood and cancer service models based on a 'home' first basis.	
• We will work with health boards and education providers to develop WBS as a centre of excellence for the delivery of scientific research.	
• We will seek funding to support our digital Programme for patients diagnosed with cancer.	
• We will continue to help reduce the prevalence of anaemia and to support more sustainable use of platelets and other blood products.	
• We will play a lead role in the delivery of the Advanced Therapeutic Medicinal Products (ATMPs) Programme for Wales.	
• We will support the development a comprehensive Acute Oncology Service. This will help to reduce unavoidable hospital admissions and reduce length of stay.	
• We will continue to develop our patient and donor leadership Programmes which will ensure that patients can play a lead role in the development of future services.	
• We will select the preferred bidder for the new Velindre Cancer Centre based upon how well bidders can demonstrate that their proposal responds to the Act.	
• We will seek capital investment from the Welsh Government to support the re-development of the Welsh Blood Service Estate. This will include a focus on the use of renewable technologies, solar photovoltaic arrays, ground source and air source heat pumps and bio- mass boilers.	
• We will be procure a new and integrated Radiotherapy Solution designed around the principles of the Act.	
• We will introduce a pool of electric vehicles to be used by our workforce	
• We will develop a new staff induction programme, in partnership with Blackrock College, so that all staff understand the Act as well as their collective and individual responsibilities.	
• We will implement a pre-habilitation pathway with Cardiff and Vale UHB to improve the health of patients diagnosed with cancer in advance of their treatment and to provide lifestyle information and support to people with a suspicion of cancer which was negative.	

OUR APPROACH

Our approach is built upon the personal support and leadership from the Chair and our Board. An Independent Member will be identified with a special interest in the Act to champion action. At Executive level, the Director of Transformation, Strategy and Digital holds the responsibility for sustainability within their portfolio and discharges this through a range of Offices which are co-ordinated and led by the Director of Commercial and Strategic Partnerships. The Trust has established a Sustainability Community Group to facilitate and support work across the Trust and the Sustainability Officer plays a key role in this process.

However, it is important to emphasise that our approach is to expect all of our workforce, suppliers and service providers to contribute to the well-being goals and to embody the five ways of working in their day-to-day actions and behaviours. The Act is viewed as adopting a '*way of being*' rather than simply demonstrating compliance to standards. In this regard, at its heart, it is viewed as whole system organisational development and emphasis is being placed on induction, education and training, relationship management, communication and workforce health and well-being.

The workforce, and the processes they utilise to function, will be supported and enhanced respectively so that they: clearly reflect what 'long-term' means, identify the root causes of problems through system wide perspectives, support work across organisational boundaries to maximise value, establish shared processes and ways of working. Importantly, our actions will be framed and facilitated by our strategic approach.

Why do we exist ?

Our vision of the future

How will we work ?

What will we focus our efforts on ?

Where will we be by 2025 ?

Our foundations: the strategies: what do we need to do to get there

Our plan for delivering our ideas to improve the quality of services

How we will go about it

Mission: The mission statement is being refreshed and will be published in June/July 2020
Vision: The mission statement is being refreshed and will be published in June/July 2020

Well Being and Future Generations Act: our organising principles

Strategic Goal 1: To deliver excellent blood and transplantation services

Strategic Goal 2: To deliver excellent tertiary cancer services

Strategic Goal 3: To be recognised as a leader in research, development and innovation

Blood and transplantation 5 year strategy

Tertiary cancer service 5 year strategy

Research, development and innovation 5 year strategy

Quality and Safety (lead director(s))

People (lead director(s))

Digital (lead director(s))

Partnerships and collaboration (lead director)

Investment (lead director(s))

Estates, facilities and assets (lead director(s))

Integrated Medium Term Plan

Planning (what do we need to do and applying resources)

Managing change (culture, service improvement, programmes and projects)

Measuring progress: are we on track ?

Communications and engaging (keeping everyone aboard)

Governance (enabling delivery)

There are a number of actions that the Trust is progressing:

Doing things differently to deliver change:

- *The Trust is reviewing its governance and management arrangements alongside the development of the Trust's strategic framework.*
- The Trust is considering the Sustainability Development (SD) principle when developing its main strategic programmes, in VCC, the TCS programme, and in the Welsh Blood Service (WBS), the National Blood Health Plan and Blood Supply Chain 2020.
- WBS is aiming to incorporate the SD principle into the next phase of the Blood Supply Chain 2020 programme and resulting service changes.
- The Trust is considering how it can evolve existing partnerships to a greater extent, and develop new relationships within the health sector and beyond, to maximise its contribution to A Healthier Wales and to support others in doing the same.

Developing core arrangements and processes:

- The Trust is developing a SD Strategy and plans to use it to embed the SD principle.
- Responsibility for delivering the Act and embedding the SD principle sits within the Strategic Transformation, Planning and Digital Division. The Trust is developing current capacity within the team to deliver the requirements of the Act.
- The Trust is considering the merging or better alignment of its well-being objectives and strategic objectives.
- The Trust will be developing a strategic planning framework, with the aim of ensuring that the Act genuinely underpins all service development work and the Trust's Integrated Medium Term Plan. All planning activity throughout the Trust will utilise this framework in order to ensure that the SD principle is fully embedded across the organisation. The Trust intends for all investment proposals to demonstrate how they align to the Act.
- The Trust is currently undertaking work to create a more systematic approach to tracking and monitoring progress.

Involving citizens and stakeholders:

- The Trust is actively identifying ways to improve how it engages with citizens, stakeholders, patients and donors when developing its services.
- The Trust is exploring possibilities for collaborating with other health bodies to develop a wider regional '*whole system*' Cancer Community and a public health promotion agenda.

OUR STRENGTHS

Whilst recognising we have much more to do, it is important to acknowledge the achievements of the organisation to date and the strengths it can draw on as we grow together as a sustainable community. To date, we have focused our efforts on ensuring that the TCS Programme has embedded the requirements of the Act. The new VCC project is championing sustainable developments, such as integrating sustainable transport into the design of the new VCC, and encouraging the use of sustainable travel. We have identified several proposals for community benefits in the design of the new VCC. In this regard, a number of fundamental deliverables can be evidenced.

We have applied, and continue to apply, the sustainable development principle when designing and developing the TCS Programme clinical service model and supporting infrastructure. The new TCS Programme clinical service model has a clear preventative focus and there are opportunities to educate patients and the wider community on healthier lifestyles to help prevent cancer. The TCS Programme clinical service model and supporting infrastructure also has a strong long-term focus based on a sophisticated understanding of current and future needs.

We have worked in an integrated way to design and develop the TCS Programme and supporting infrastructure and have considered how it can deliver wider benefits as the programme progresses to ensure it has a positive impact on social, economic, environmental and cultural well-being. We are also collaborating with partner organisations across South East Wales to develop and improve cancer services.

In addition, we have a range of strategic and operational examples of good practice in implementing the Well-being and Future Generations Act. A number of these are shared below:

TRUST STRATEGY DEVELOPMENT



Director of Transformation, Planning and Digital is leading on the development of the Trust Strategy. A comprehensive engagement

plan has been created which includes presenting to Patient Liaison Group to ensure members of the community are involved in the strategy development.

VELINDRE CANCER CENTRE



Working in collaboration with Melin to undertake a Sustainability review on the existing site to determine what upgrades can be made in the interim, before the nVCC. For example, determining whether to integrate add photovoltaics to the roof and replacement of lights to LED.

PATIENT AND COMMUNITY LEADERSHIP PROGRAMME

Velindre Cancer Centre has created this programme, which successfully completed the Patient & Community Leadership Programme. Collaborating with Public Health Wales and The Centre for Patient Leadership, Velindre recruited 10 Patient Leaders who now use their newly acquired leadership skills to help shape services for the future, influence change and share their own expertise with clinical staff. It is the first Programme of its kind in NHS Wales.



EMPLOYEE EXCELLENCE AWARDS 2019



The Employee Excellence Awards theme was Wellbeing Future Generations Act and Sustainability and we were pleased to welcome the Future Generation Commissioner who delivered a speech at the event.

Whereas in previous years we had balloons and confetti as decorations, this year, we collaborated with a local garden centre, who donated plants (which staff could take home for a donation to VCC Charity). It wasn't just the decorations which were environmentally friendly, but the food too! The afternoon tea was all vegan and vegetarian. We involved a local primary school choir who performed at the event.

PRIDE 70TH ANNIVERSARY



The Trust is a member of the Stonewall Diversity Champions Programme and has provided a range of evidence on policies, services and support provided to support LGBTQ+ staff as part of our Diversity Index submission. Evidence includes the specialist training we have developed as well as partnership events such as the 70th Anniversary of the NHS celebration at Pride Cymru in August 2018 and 2019, where the CEO, along with senior colleagues and staff attended.

WELSH BLOOD SERVICE INFRASTRUCTURE UPGRADE

The Trust has collaborated with Consilium and Melin to investigate improvements to the existing WBS HQ building's fabric and services and how to integrate low and zero carbon technologies. A business case is currently being developed for Welsh Government.



ELECTRIC VEHICLES



A business case has been developed for Electric Vehicles (EVs). There are 3 stages to the project; phase 1 will be a commuter vehicle for staff, phase 2 will be staff charging stations and phase 3 will be patient charging. This will be completed in collaboration with NWSSP. Further to this project, the use of EVs for the Grey Fleet is being explored. Introducing the EVs contributes to the long-term sustainability goals and the objectives of the Trust Travel Plan.

NEXT BIKE

To encourage active travel, a Next Bike station is being installed in the Cancer Centre. This was meant to be installed in March, but has been postponed due to COVID-19. Integrating the station into everyday service will contribute to the Travel Plan; encourage active travel, which aligns with the Welsh Government targets of active travel.



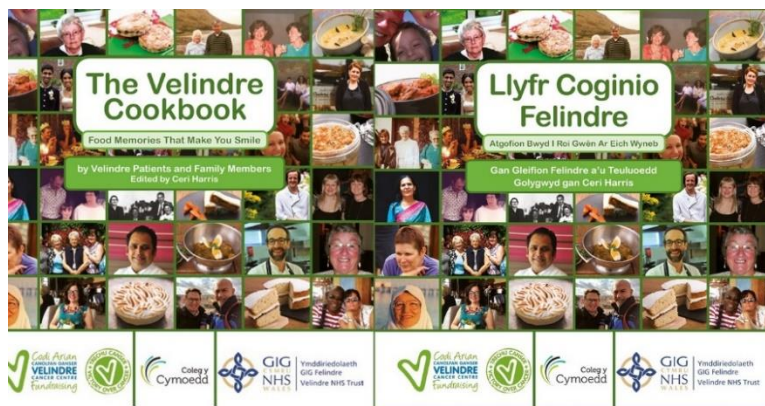
The Trust aims to join the Healthy Travel Charter, having the bike sharing scheme will contribute to achieving one of the fourteen actions.

SOCIAL MEDIA

Social Media is integrated into service and is a useful two-way conversation tool with our online community,



helping the Trust listen and respond to compliments, queries and concerns. Our Patient Advice and Liaison Service team (PALS) are able to respond in a timely and efficient manner, capturing mini-stories and signposting to wider online surveys. The Psychology team at VCC created a Mindfulness app, which was promoted and downloaded by members of the community, staff and patients. The App is deliberately non-cancer specific so anyone can use mindfulness as a tool to manage stress and anxiety.



PATIENT AND FAMILY MEMBER COOKBOOK

Developed in collaboration with our patients, (past and present), their families and those impacted by cancer a charity cookbook. The book

includes tips on adaptations that can support someone going through cancer treatment. Sales from the book are given to Velindre Fundraising. To promote inclusivity and to ensure all could be involved, the book is available in English, Welsh, written and audio and acclaimed chefs have taken part in British Sign Language cooking videos. The Trust attends local food festivals and fetes to promote and sell the cookbook, resulting in sales totalling nearly £10,000.

<https://www.facebook.com/Velindrecookbook/>

SINGLE USE PLASTIC POLICY



A phased approach is planned involving area leads to ensure the policy is integrated effectively. Initially, the policy will only include non-clinical areas. To assist the implementation of this policy, the Trust is investing in Water Refill Stations. Water machines are being installed in the divisions and reusable water bottles will be made available for purchase in VCC canteen to encourage reuse, preventing the purchase single use plastic.

ECO TO GO CUP

To prevent the production of unnecessary waste, single use plastic cups were removed from the Parkside dining room at VCC. Beverages are now served in ceramic mugs and staff are encouraged to use re-useable Eco to Go cups made from natural materials and supplied in collaboration with Keep Wales Tidy. The launch in VCC was so successful it has been rolled out to all divisions and hosted organisations.



SKYPE FOR BUSINESS



All staff have an account for Skype for Business, which is an improved teleconference facility. It is integrated into day-to-day practice; it prevents staff from travelling for meetings, reducing the Trusts carbon footprint. Easy to follow guides have been developed and are accessible to view on the internet/from the Environmental Development Officer to ensure staff of all technological capabilities can be involved.

Whilst acknowledging these deliverables, there is much more for us to do as an Organisation and as a Collaborative Cancer Community across South East Wales.

WORKFORCE & ORGANISATIONAL DEVELOPMENT



Velindre University NHS Trust faces the workforce challenges and opportunities faced by NHS Wales as outlined in The Parliamentary Review, with increasing demand for services, an ageing population, new treatments, new and emerging technology requiring new ways of working, and skills shortages across the healthcare workforce.

Through utilising existing networks and enhancing collaborative working, Velindre University NHS Trust will continue to work with NHS Organisations and other stakeholders across Wales to identify opportunities to address these challenges through supporting, developing, evolving and modernising our workforce to align and enable the vision set out in A Healthier Wales. Development of a Single Cancer Pathway will deliver sustainable changes to workforce models and job planning and improve business intelligence tools and processes developing the right people in the right place at the right time.

We will continue to support a **Culture of Transformation**, priority areas for focus are:

- Healthy and Engaged Workforce
- Skilled and Developed Workforce (which will include Leadership and Management Development)
- Planned and Sustained Workforce.



Healthy and Engaged Workforce

The Corporate Health Standard is a continuous journey of good practice and improvement, and it is used by the Trust as a tool to support the development of policies, practices and interventions that promote the health and well-being of our employees. The Trust currently holds the Platinum Corporate Health Standards Award. The Platinum Award recognises the Trust as an exemplar

employer who demonstrates sustainable business practices and take full account of our corporate social responsibilities.

A key Trust objective is to place the H&WB of the workforce at the heart of all organisational priorities. Current focus from an All Wales perspective is around 'Developing Healthier Working Relationships' and we are working with our NHS Wales colleagues to develop an infrastructure that supports this. Within the Trust, we are developing our offering with regards to mediation and restorative conversations.

Our Health and Wellbeing (HWB) framework places the health and wellbeing of the workforce at the heart of organisational priorities and objectives. This includes:

- Mental Health and Wellbeing.
- Physical Health and Wellbeing.
- Financial Wellbeing.
- Environmental and Cultural Wellbeing.

The Trust has many services and supportive mechanisms in place for our staff centered around the Employee Assistance Programme which provides free advice and support in respect of personal or work related problems that may impact negatively on their mental, emotional, physical and financial wellbeing and also provides employees and their families with rapid access to local counselling services. We are continuing to develop a network of wellbeing champions and also provide a complimentary therapies support scheme for staff. The development of a Mindfulness App is proving popular as well as a Staff Choir

The Trust has taken, and will continue to take a strategic approach to the management of wellbeing. Looking at the profile of the workforce, wellbeing interventions are being aligned to the wellbeing concerns of individuals.

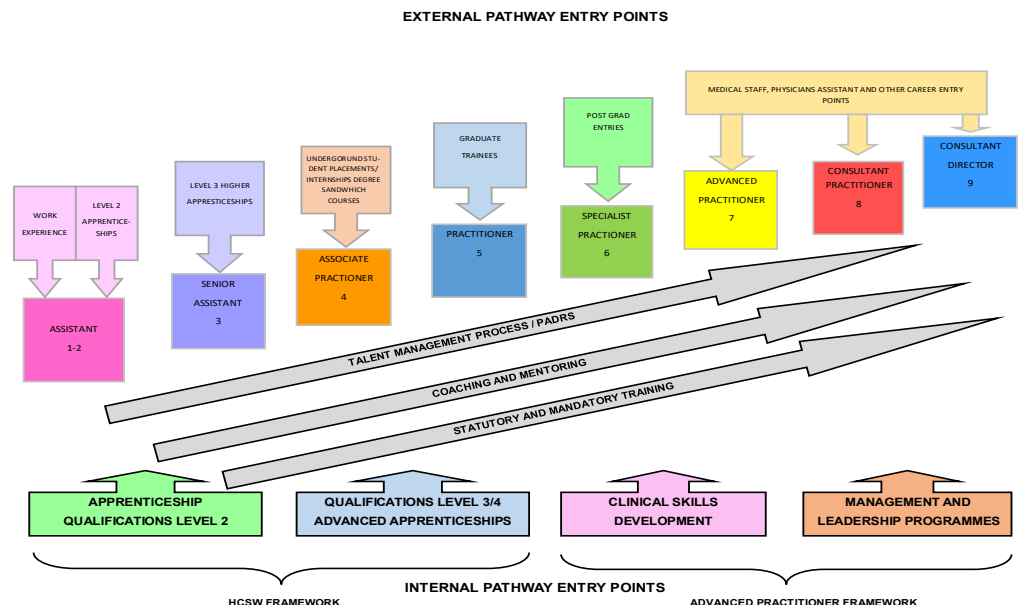
Skilled and Developed Workforce

The Education and Training strategy launched in May 2019 seeks to build upon the existing learning culture, whilst encouraging the growth mind-set required to achieve our ambitions of innovation and transformation. The strategy will support major service transformation programmes including Transforming Cancer Services and Blood Supply Chain 2020, whilst developing innovative ways of engaging learners. These programmes, combined with external influences and opportunities, highlight that training and education are essential components of current and all future change programmes through the development of both education and career pathways, addressing current and future need, and incorporating thorough evaluation of interventions.

Education Direction – Pathway Skills Development

The Trust has developed a number of education pathways for our workforce. To achieve excellence both external and internal pathways and entry points need to be supported to enable an individual

educational journey. Aligned to service need these pathways are enabling skills development to support transformation, innovation and change.



A robust pathway to support development will have external and internal entry provisions to develop staff at all levels. External entry points include the development of:

- Meaningful work experience placements.
- Apprenticeship frameworks at entry and higher level.
- Undergraduate, graduate and postgraduate entry paths.

Internal development is supported by:

- HCSW framework offering apprenticeship opportunities for internal staff.
- Advanced practice framework to support enhancing clinical skills development.
- Management and Leadership development to support strong and skilled leaders and managers, both existing and aspiring.

The strategic direction is underpinned by developing effective relationships between managers, leaders and staff which includes quality Appraisals, effective talent management processes, statutory and mandatory training and creating a coaching and mentoring network.

Direction is informed and enabled by robust divisional work plans, commissioning processes, benchmarking and workforce information, education and development policies and procedures.

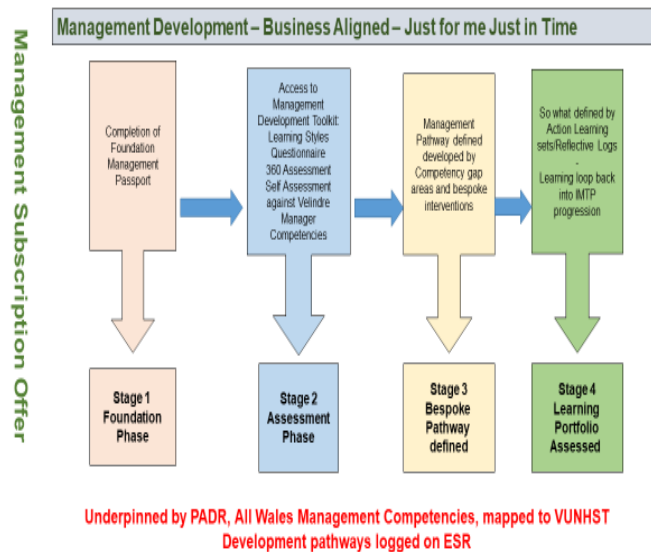
The implementation of the strategy is governed by an Education and Training Steering Group. This group includes representation from all professions and divisions and also co-opted members from partner bodies. The group ensures equity, accountability, transparency of this strategy delivery and is a forum to share and celebrate best practice, avoiding duplication. This group is the mechanism to sign off **education commissioning** decisions so a transparency and benefits realisation process is in place for all investment undertaken.

The four components of the education programme are:

1. Development of Competent Caring and Capable Workforce:

Staff training and development needs are identified through continuous ongoing performance conversations between the manager and the member of staff which could include both formal and informal meetings and the annual appraisal processes. Current appraisal rates are 79%. Through the Education and Training Steering Group divisions will provide information on changes in service delivery and contexts and the need for the development of roles and education. The Education team will work with workforce colleagues and divisions to support the development of meaningful and quality appraisals.

A key element of this component is developing **Strong Leaders and Managers**. A review of existing



Management Education and Training has enabled the development of a more bespoke offer that meets the individual needs of people managers. This agile and flexible approach will help to ensure that all management development is business aligned and individually focussed, with a mechanism that allows a thorough evaluation of education inputs assured via IMTP outputs. The Trust is working

closely with Health Education and Improvement Wales to ensure the management competences are aligned to the ongoing national work.

Evidence continues to demonstrate that leadership impacts directly on staff engagement, quality of care, patient and donor satisfaction and patient outcomes. As the most influential factor in shaping organisational culture, ensuring the necessary leadership behaviours, strategies and qualities are developed is fundamental to the success of the Trust.

The Trust is working in partnership with Health Education and Improvement Wales (HEIW) to develop an all-Wales approach to embedding Compassionate, Collective and Inclusive Leadership behaviours throughout NHS Wales, including the development of competency and behavioural frameworks, development programmes and psychometrics.

The Trust will adopt the NHS Improvement and Professor Michael West approach to developing a Trust-wide Leadership Strategy, having been identified as a pilot site for this work in Wales. This will ensure that we embed cultures that enable the delivery of continuously improving, high quality, safe and compassionate care, whilst developing excellence in innovation and research through our people. All supporting our position and reputation as an

Employer of Choice, evidenced through colleague, patient and donor experience and what we deliver.

2. High quality technology enabled learning environments:

Working with academic and service leaders in innovation technology together these will ensure that we are able provide excellent learning environments for our staff. Work on Virtual Reality Training has already commenced and ambition to be a front runner using this technology is a key deliverable for the Trust. An Adopt and Spread programme via the Bevan Commission has been applied for and if successful will test approaches to innovation and practicalities. The aim is that Local Health boards and Trusts will adopt the virtual reality content and spread within their own organisations.

The virtual reality pilot content will be available bilingually and will be generically created to allow for other organisations to use with the aim that the content will become nationally used within the NHS Wales.

3. Supporting the development of New Training Pathways:

Models of delivery of care are changing and it is important that our existing and future staff are trained and supported to adapt to new systems and settings. As part of our workforce planning approach (see below) we are aligning with our Service Improvement and Research colleagues to create development pathways that respond to changing models of service delivery. Priority areas of current focus are informatics and medical physics, developing apprenticeship and graduate entry pathway routes to support succession and talent management, addressing our current workforce issues. We will enhance our existing relationships with schools and colleges to promote widening access routes and enhance our reputation as an employer of choice.

4. Leading Educational Role with Academic and National Partners:

We work closely with Health Education and Improvement Wales (HEIW) to support leadership development and also to explore the unique opportunities Velindre has as a specialist provider of services and skills development in blood and cancer.

Through synergies with our Academic Board, the Trust is working with academic partners to achieve a credible academic profile for the Trust showcasing its work in innovation and research and development.

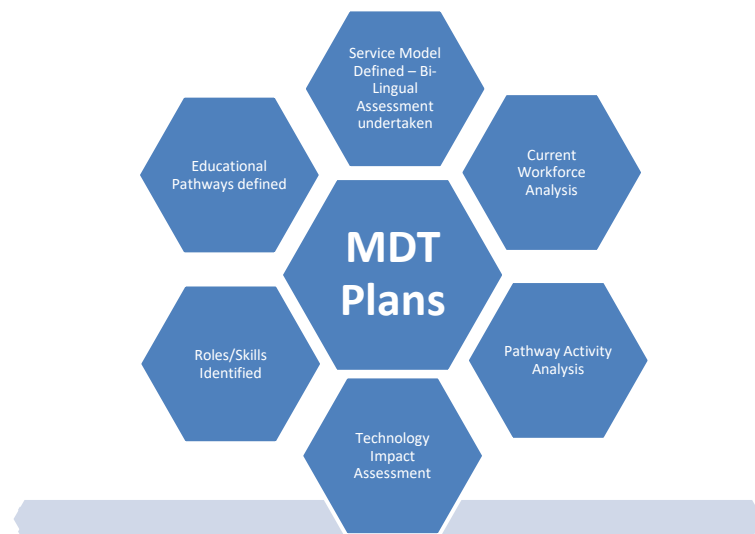
Planned and Sustainable Workforce

Workforce Planning:

The Trust's approach to workforce planning is predicated in ensuring service delivery reflects individual requirements, including bilingual need. The organisation's ambition is to work collaboratively across professions with patients, carers and donors to deliver a person centered module of care, developed across a pathways. Collaboration and involvement are key priorities and principles in this approach to achieve service and workforce integration.

In order to achieve this ambition the Trust are ensuring the alignment and integration of a number of component elements of work as noted below:

The visual here highlights the alignment of clinical, planning, informatics and workforce colleagues to focus on pathways to planning that will support the delivery of this approach.



Workforce Planning Interventions:

Workfore Issues	Workforce Planning Inteventions
<p>Clinical Staff under stress due to an over-reliance on a medical model of care, also impacted by a shortage of Oncologists.</p>	<p>Pathway workforce planning, both at an all Wales level (via the Single Cancer Pathway and internally in the Cancer Centre) to support an integrated nurse/therapist led model of care, thus developing an integrated workforce. Exploration of Physician Assistant Roles, further development of Nurse Led Clinics and improved therapy and nurse integrated working.</p>
<p>Staff survey results regarding Leadership and Management.</p> <p>Focus Group outcomes regarding learning interventions and leadership programmes.</p> <p>National shortage in roles, e.g. Data Science, Medical physics etc.</p>	<p>In line with the E&T Strategy collaboration with educational and research sectors to maximise impact of technological support in service and workforce planning.</p> <p>Leadership and Management programmes (as noted) to support transformation.</p>
<p>Profession specific challenge – informatics (new skills required), medical physics (ageing workforce), BMS (wider access to profession to support greater numbers in training).</p>	<p>Developing Informatics and medical physics education pathways development to support apprenticeship level and graduate entry posts. Working with HEIW new Apprenticeship level 4 created for Healthcare Scientists to support wider access routes - these now being implemented.</p>
<p>Impacts of technology not understood.</p>	<p>Working with RD&I colleagues to undertake Technology Impact Assessments in pathway planning work .</p>

Underpinning enablers

Strengthened Use of Workforce Information and Technology:

As an organisation we are keen to continue to work with NWSSP to continue the development of the ESR Hub.

Further work will now include:

- Exploring and implementing all available functionalities in ESR.
- Developing a responsive bank of intelligent WI that managers can access.
- Developing accessible WI packages to support service and workforce planning.
- Integrating ESR with broader information BI packages.
- Reviewing governance structures.
- Developing and implementing an audit framework for ESR.

Employer of Choice

Through the delivery of ongoing service improvements and transformational change we will continue to build upon and maintain our reputation of excellence and as an employer of choice. We aim to ensure that people will choose to join us and commit to our vision, culture and values, and contribute to our ongoing success. Our ambitions for our workforce will be expressed in the Trust's People Strategy "Employing Excellence" which will be delivered over the course of the plan.

PERFORMANCE SUMMARY



**CANOLFAN GANSER FELINDRE
VELINDRE CANCER CENTRE**

CORE ACTIVITY DURING 2019/2020

2019 / 2020 has been an extremely busy and successful year for the Velindre Cancer Centre. We have continued to deliver excellent care and support to our patients, their carers and their families despite increasing demand and pressure upon key services. This fact is a testament to our hardworking, caring and dedicated staff who continue to go the extra mile to ensure high quality care. Looking back at 2019/20, we can feel extremely proud of our achievements in delivering improved patient care and in introducing a range of service developments and new treatment techniques.

Our work continues to be informed and guided by our two key strategies, **'Shaping the Future Together 2016 – 2026'** and **'Shaping the Future of Radiotherapy 2016 – 2026'**.

'Shaping the Future Together 2016 – 2026' sets out five strategic aims and how they will be delivered:

1. Equitable and consistent care, no matter where.
2. Access to state-of-the-art, world-class, evidence-based treatments.
3. Improving care and support for patients to live well with cancer.
4. To be an international leader in research, development, innovation and education.
5. To work in partnership with stakeholders to improve prevention and earlier detection of cancer.

Achievements at VCC in 2019 / 2020

Patient Support Unit for patients undergoing treatment for cancers of the Head and Neck open and fully operational from October 2019. The Unit provides a focused service for patients which has resulted in a reduction in unavoidable hospital admissions.

VCC's palliative care service was awarded a 2019 Excellence in Patient Care Award by the Royal College of Physicians and received a 2019 European Association Award for Palliative Care Researcher of the Year at the organisation's World Congress in Berlin.

Achieved Welsh Government's two antimicrobial stewardship prescribing improvement goals in 2019/20 ensuring the on-going safety of patients.

Granted a Defence Employer Recognition Scheme Silver Award recognising our commitment to providing support and advocate on behalf of members of the defence and armed forces communities.

Welsh Point of Care Testing implemented in July 2019.

Further increased the range of treatments available and the number of patients accessing the Medicines@Home service, eliminating pharmacy waits for these patients.

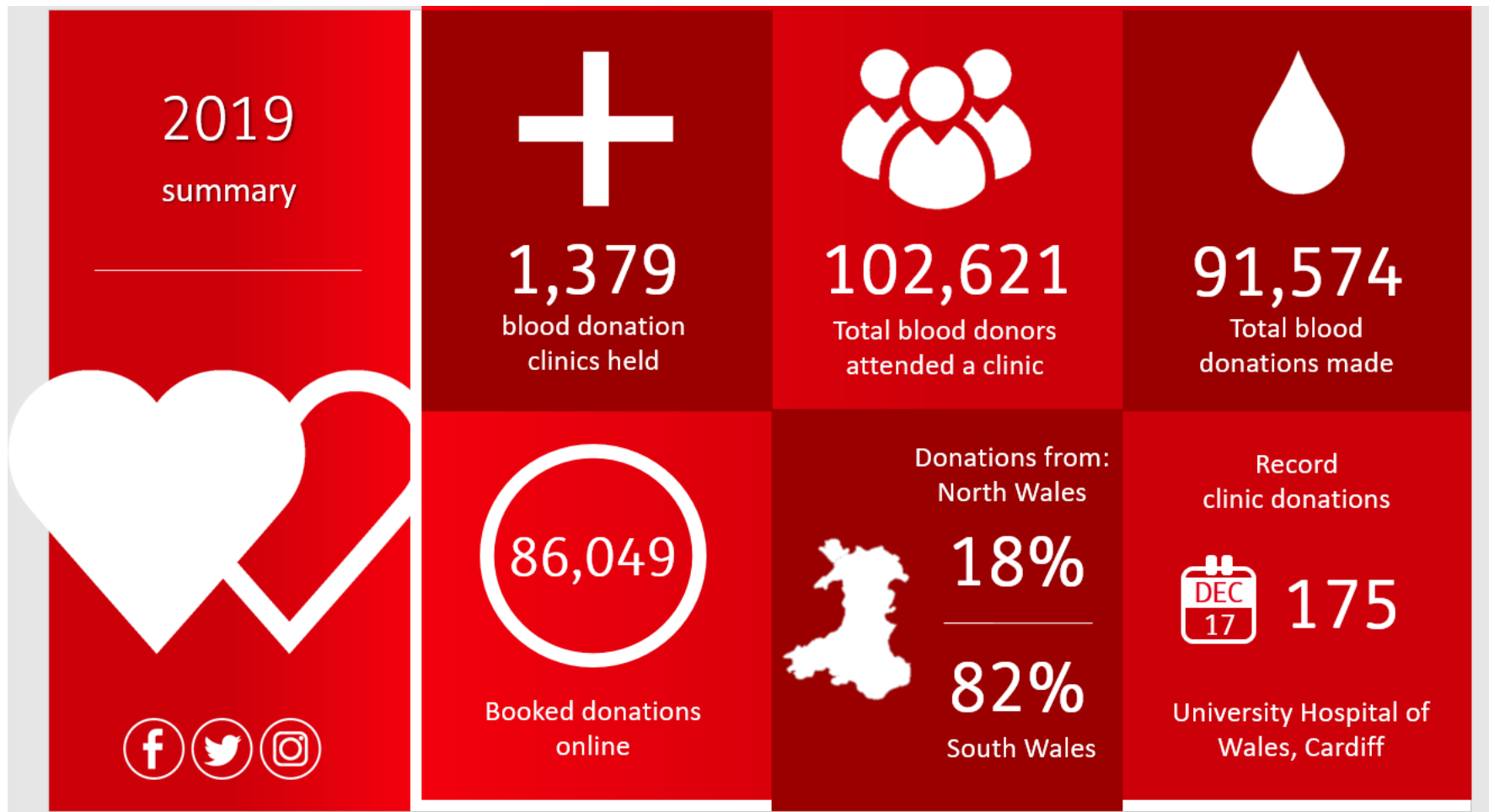
Established a psychological support service to support the Wales Infected Blood Support Scheme.

VCC's Welfare Rights Team were awarded a Benefits Advice Quality Standard.

**GWASANAETH GWAED CYMRU
WELSH BLOOD SERVICE**



The following infographic provide a snap shot of the core activity of the Welsh Blood Service for the period 2019.



The Welsh Blood Service collects voluntary donations from the public across Wales, which are processed, tested and distributed, to customer hospitals. The Welsh Transplantation and Immunogenetics Laboratory, within the WBS, operates the Welsh Bone Marrow Donor Registry and provides direct support to providers of Renal and Stem cell transplantation.



WELSH BLOOD SERVICE: KEY ACHIEVEMENTS IN 2019/2020

MAINTAINED REGULATORY COMPLIANCE



The Welsh Blood Service (WBS) successfully maintained all regulatory and mandatory licences. Five external regulator audits have been successfully completed. In particular, we have retained our National External Quality Accreditation Service (NEQAS) and World Marrow Donor Registry (WMDR) accreditations.

PRUDENT & SUSTAINABLE SUPPLY CHAIN

The WBS has continued to realign the way in which the service plans, collects, manufactures and distributes blood components across Wales via the Blood Supply Chain 2020 (BSC2020) transformation programme, which is entering its final phase of delivery. Phase 1 of the programme is now complete. This involved a thorough review of our current practices and the gathering of evidence to support the development of new ways of working. Phase 2 of the programme is now well underway. This stage is focusing on re-modelling the workflow/processes, reviewing the skill mix and implementing any changes identified.





MEETING THE NEEDS OF AN EVOLVING TRANSPLANT SERVICE

The Welsh Transplantation and Immunogenetics Laboratory (WTAIL) participated in the Organ Donation Transplant initiative to treat patients with organs from Hepatitis C positive donors. This medical breakthrough allows patients to receive a transplant, before then receiving treatment to cure the infection afterwards. To date, six Hepatitis positive donors have donated resulting in nine kidney transplants that would not previously have been possible.

The UK National External Quality Assessment Scheme (NEQAS) for Histocompatibility & Immunogenetics operates an External Quality Assessment (EQA) service for clinical laboratories and in 2019 implemented a new IT system, delivering system efficiencies, improving data quality and enhancing user experience.

DIGITALLY ENABLED TO DELIVER IN THE MODERN WORLD

In October 2019, the WBS completed a major update to its core Blood Establishment Computer System – ePROGESA. The delivery of the “semester patch” represents a key milestone for the WBS, as it enables the future delivery of a number of central components of our wider IT strategy. In particular, the completion of the upgrade enables the WBS to focus efforts on the delivery of an industry-standard customer relationship management (CRM) solution, known as the Electronic Donor Records Management (eDRM) system (due for implementation in 2020) – and a new Hospital Web-based Ordering (HWBO) system for NHS Wales hospitals (due for implementation in 2021). Over the course of 2019, the WBS Technical Services team have also undertaken a range of works to upgrade the networking and IT infrastructure within its Talbot Green data centres. The overall aim of these works was to modernise the equipment in use and remove ‘end of life’ equipment, improve



cyber security resilience and to increase the overall performance of the WBS network. These major works were delivered in two phases, completing in July 2019. As part of these works, new business continuity processes were developed and tested to provide further assurance in respect of the ability of key services to remain operational in the event of a major IT incident.



In May 2019, the Trust approved its cyber security strategy and plan to ensure an ongoing focus on the protection of patient, donor and staff data. Since its approval, a number of new cyber security systems have been introduced, with more currently being tested.

In January 2020, the Trust appointed its first ever Cyber Security Officer to oversee the ongoing delivery against the approved plan and to ensure the Trust has the required local resources and capacity to proactively manage cyber security and respond to active cyber security threats.

STRENGTH IN RESEARCH, DEVELOPMENT & INNOVATION



WBS continues to make strides in its Research, Development & Innovation ambitions. Our specialised expertise has currently supported a study examining the possibility of overcoming immunological barriers to kidney transplantation. The Welsh Bone Marrow Donation Registry (WBMDR) is increasing the support of UK and international donors: receipting matched research. Our scientific endeavours are examining refinement of haematological testing and platelet life. We are supporting colleagues in the development of the professional practice by the support of academic placements. We have also increased our PhD placement in the service to three. Through collaborations with academic partners and our professional group our service is supporting the research infrastructure in Wales, other areas of the UK and Internationally. The WBS hosted its first Research, Development and Innovation Showcase and welcomed delegates from across the Trust. The event was an opportunity to celebrate WBS achievements in

Research, Development and Innovation activities with a range of academic, commercial, and healthcare collaborative partners. The showcase welcomed over 50 attendees and focused on the advancements in healthcare research and development, as well as the application of new innovative techniques and ideas, across the wide range of services provided by the WBS. A series of illustrative and informative posters produced by a range of researchers from across the services were also displayed to inform discussion and debate. Throughout the morning achievements and successes were discussed across the four thematic corners of the WBS RD&I Strategy: Products; Donor Care and Public Health; Transplantation; and Therapies.

SUPPORTING BLOOD HEALTH FOR NHS WALES

Establishment of Blood Health National Oversight Group and five key work streams to deliver against the Blood Health Plan strategic aims.

A trial to reduce platelets wastage by 50% across Betsi Cadwaladr University Health Board has been successfully completed with opportunities identified to share continuous improvement.



ADVANCED THERAPIES



The National Advanced Therapies Programme is progressing. This is part of the Welsh Government endorsed National Precision Medicine Initiative; high-level strategic outline approved, implementation phase in train. The Midland-Wales Advanced Therapies Treatment Centre (MW-ATTC) grant programme, which informs national programme direction, has increased momentum. The MW-ATTC consists of a large regional network with the necessary commercial and NHS infrastructure required to facilitate the delivery of advanced therapy treatments to patients. The centre includes a wide range of specialists in

advanced therapy manufacturing including academic and commercial partners, logistics companies, specialists in clinical trial delivery and teams focussed on IT solutions and health economics. In the coming year, we will continue to respond to the emerging Advanced Therapies sector. Preparing for broader NHS Wales adoption of these treatments, the WBS will continue to deliver its key leadership role, informing the strategic approach, bringing together key stakeholders through the Cell and Gene Therapy Special Interest Group with the Life Sciences Hub Wales and providing advice on potential collaboration with commercial organisations to support the Health and Wealth agenda.

PERFORMANCE ANALYSIS



We have developed a wide range of measures which are routinely used to monitor the quality and performance of our core services. The core measures for Velindre Cancer Centre and the Welsh Blood Service are included in the tables below.

The performance summaries are explored further with supporting narrative in the Trusts performance reports received by the Trust Board. These papers are available on the Trust's internet site via the following link: <http://www.velindre-tr.wales.nhs.uk/trust-board-committees>

VELINDRE CANCER CENTRE (VCC)

Performance metric		Target	2017/18	2018/19	2019/20
Radiotherapy	% of patients commencing radical Radiotherapy within 28 days	98%	98%	85%	92%
	% of patient commencing palliative Radiotherapy within 14 days	99%	98%	93%	93%
	% of patient commencing emergency Radiotherapy within 2 days	100%	100%	98%	97%
SACT	% of patients commencing non-emergency chemotherapy within 21 days	99%	98%	97%	98%
	% of patients commencing emergency chemotherapy within 5 days	100%	100%	100%	100%
	Death within 30 days of Chemotherapy rates	1.6%	<2%	<2%	<2%
Outpatient	% of Outpatients seen within 20 mins	50.2%	n/a	52%	51%
Infection, Prevention & Control	No. of Velindre acquired infections – MRSA	0	0	0	0
	No. of Velindre acquired infections – MSSA	2	0	0	1
	No. of Velindre acquired infections – C.Difficile	1	0	1	1
	No. of Velindre acquired Pressure Ulcers	30	0	25	12
Patient Experience	% of patients overall experience rated 9 or above	85%	>80%	83%	90%

PROGRESS AGAINST OUR THREE YEAR PLAN

The Trust has made considerable progress and achievement with the objectives and priorities it set out to deliver during 2019/20.

Further detail is available in "**Our Three Year Plan - 2020 - 2023**" which is available on the Trust Internet Site via the following link: <http://www.velindre-tr.wales.nhs.uk/key-publications>.

Progress against our three year plan objectives are reported to the Planning & Performance Committee and Trust Board in our "**Delivering Excellence Performance Report**". These reports for are available on the internet site via the following link: <http://www.velindre-tr.wales.nhs.uk/planning-and-performance-committee-p-p> .

PROGRESS AGAINST PERFORMANCE



EQUITABLE AND TIMELY ACCESS TARGETS

Performance during 2019/20 was of a high standard and reflected our on-going ambition to deliver the best possible services. Areas not meeting set levels have been and are subject to continued scrutiny and actions are being taken forward to improve. Below, we examine our performance in 2019/20 in more detail.

WAITING TIMES AND ACCESS TO SERVICES

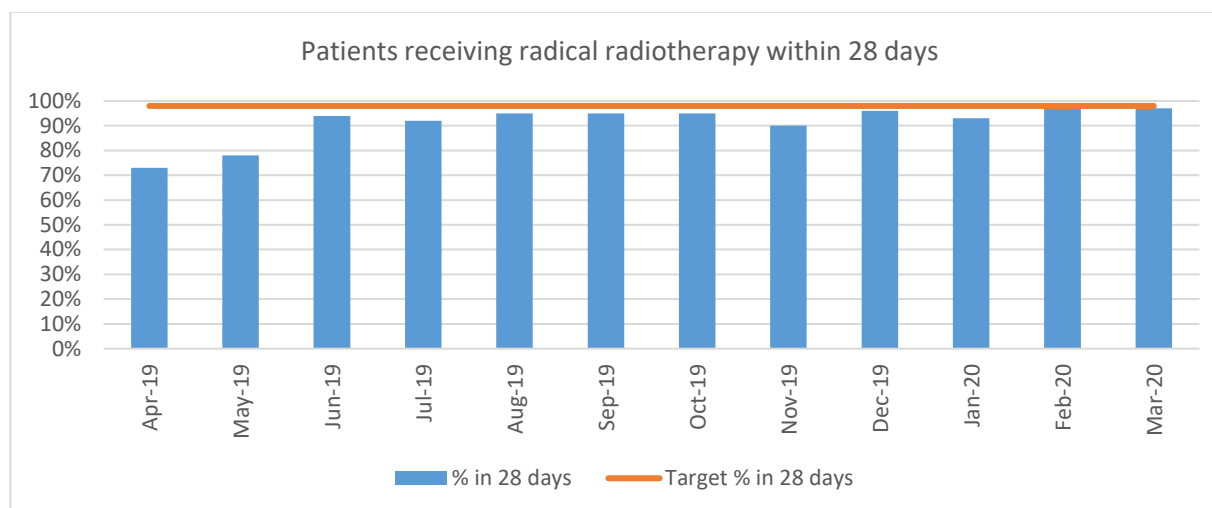


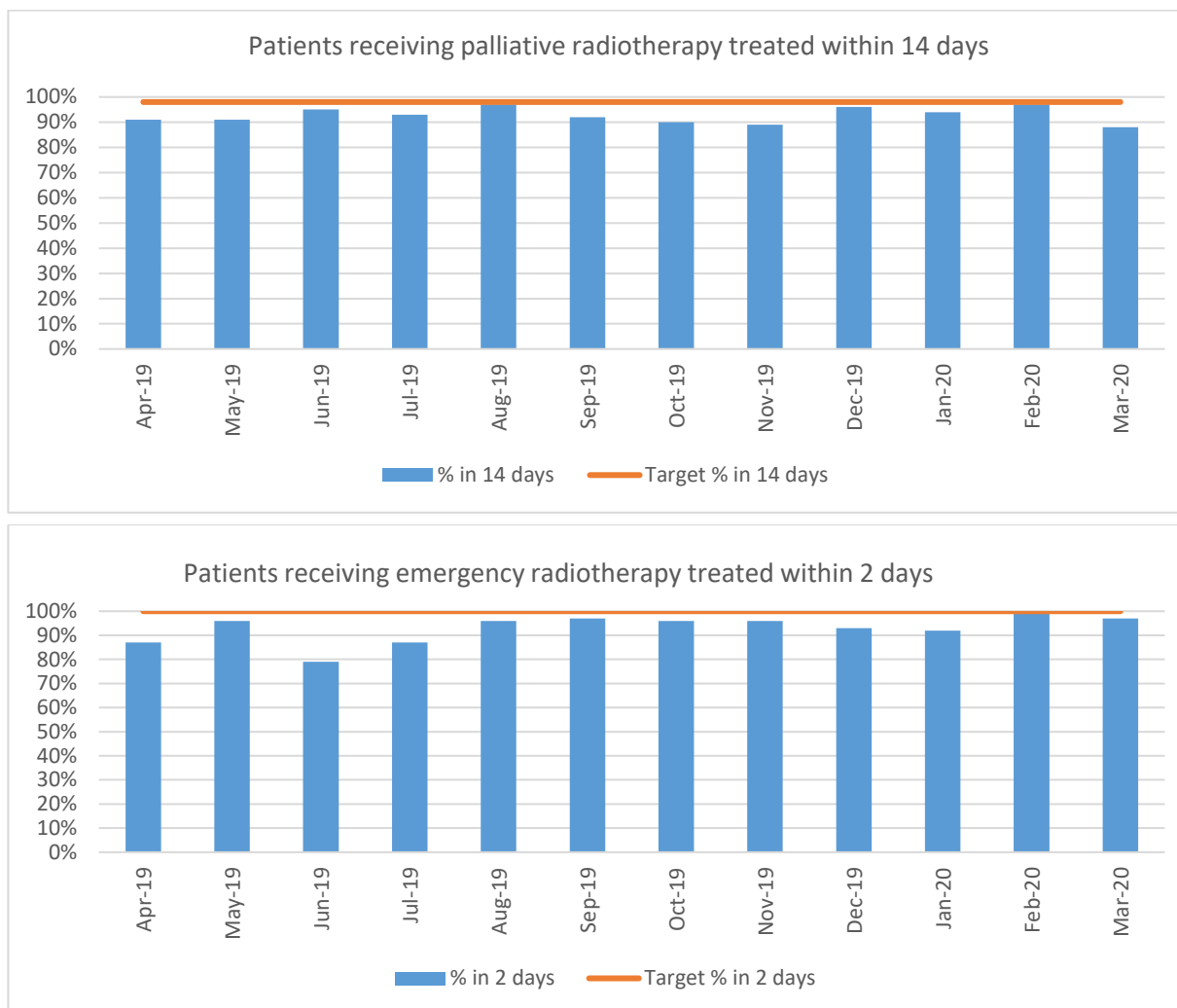
During the year we saw high demand for the radiotherapy and chemotherapy services provided at the Velindre Cancer Centre. Our staff worked hard to meet this demand and we continue to explore new ways of working which will reduce waiting times and improve patient access to our services.

PROGRESS AGAINST: RADIOTHERAPY



In 2019/20, we observed continued demand for radiotherapy services. Responding to this need presented a very real challenge and we acknowledge that we did not always see people referred for radical and palliative radiotherapy as rapidly as we would have liked to. We saw 92% of all patients referred for radical (curative) radiotherapy within 28-days which was below our target of 98%, but represented a marked improvement relative to the previous year. We saw 93% of all patients referred for palliative radiotherapy treatment within 14-days which was somewhat below our target of 98% of patients. We will continue to explore new ways of working which will improve performance in these areas, but recognise that high levels of demand for our services, the increasing complexity of treatments, staffing shortages, particular with respect to the medical workforce, and the ongoing impact of the COVID-19 pandemic will continue to present challenges.



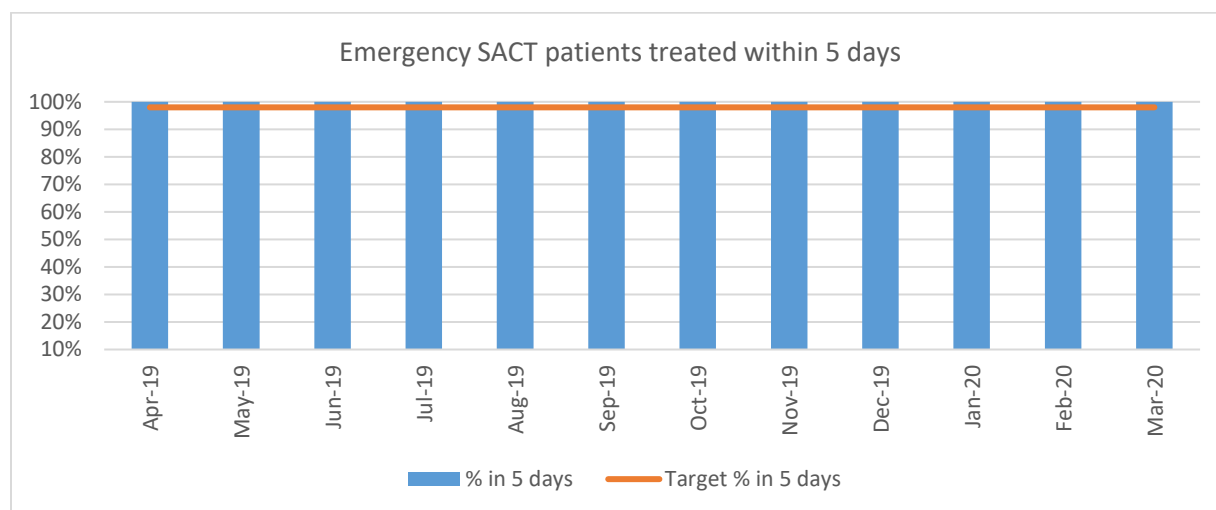
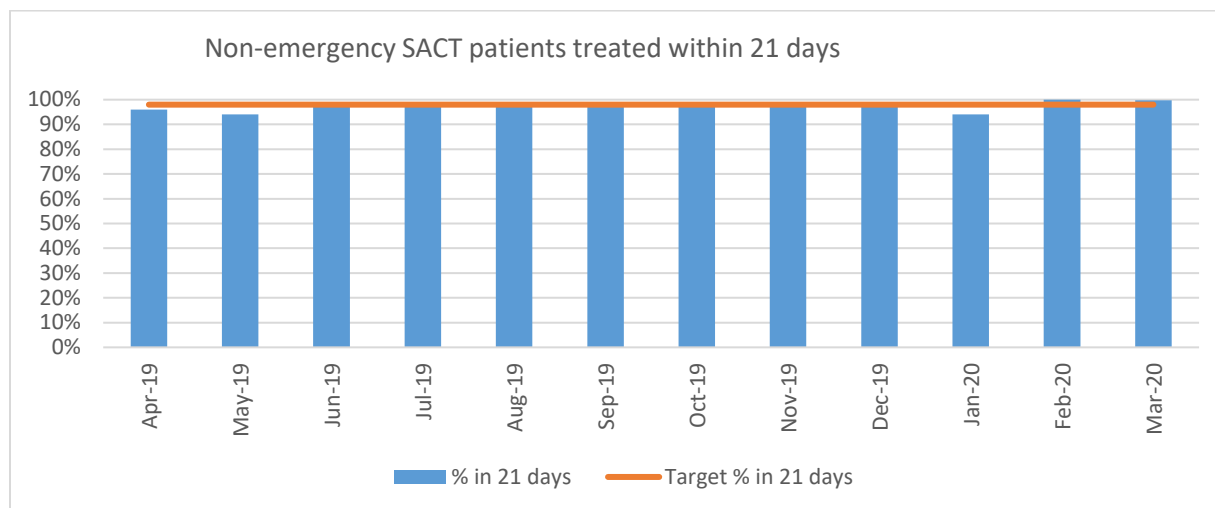


PROGRESS AGAINST: CHEMOTHERAPY



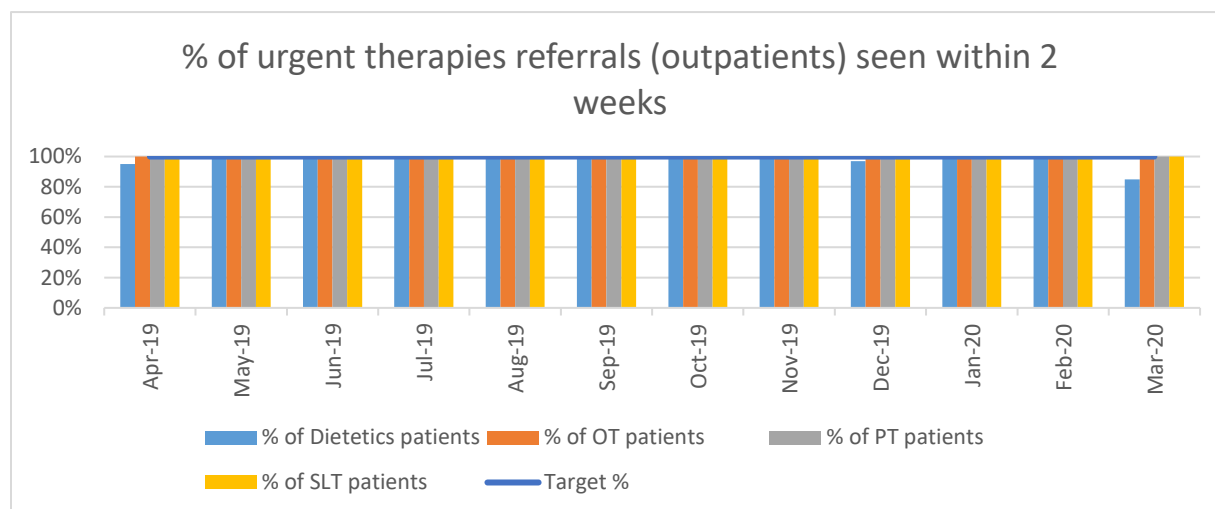
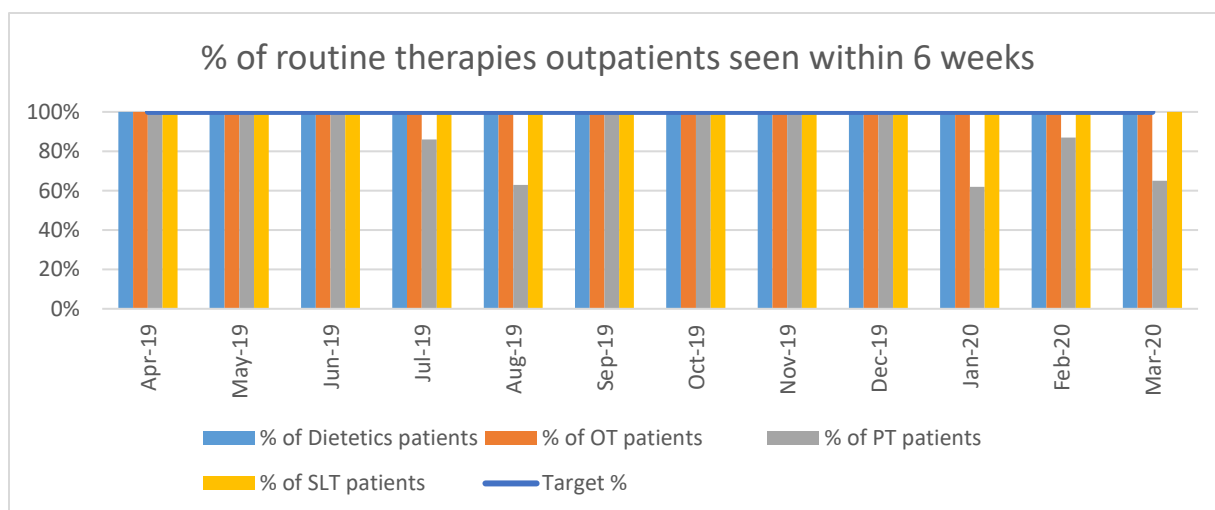
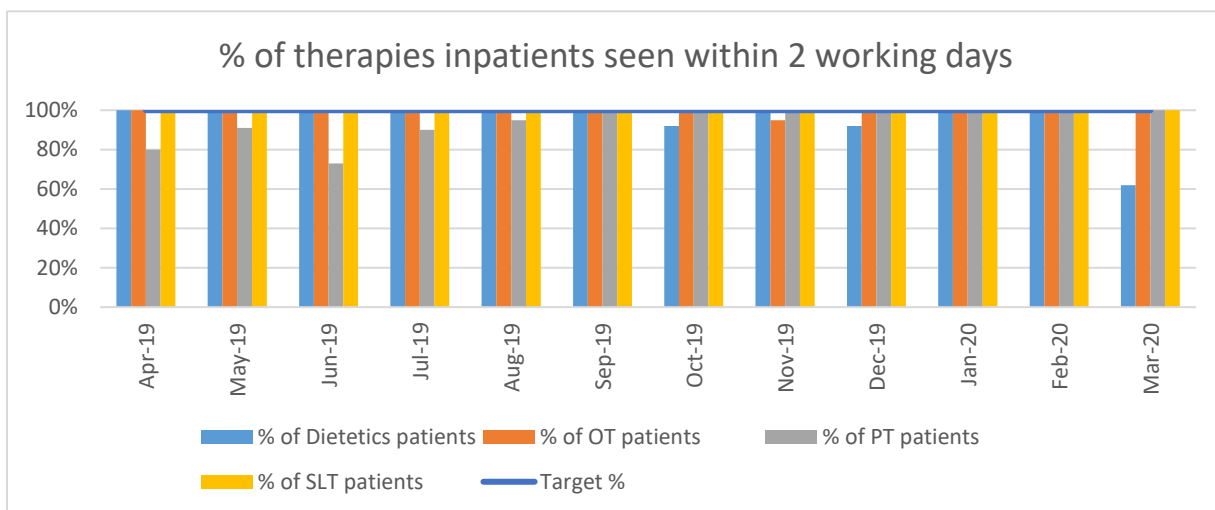
The charts below show we have mostly been able to start chemotherapy within the target time that we set for ourselves. We met our target to treat 98% of all patients referred for non-emergency chemotherapy within 21-days in 2019/20. We also saw 100% of all patients referred for emergency chemotherapy within 5-days. We feel that this reflects the hard work and dedication of our team and our ongoing commitment to improve our services.

We also recognise that in 2019/20 there was, once again, a marked increase in demand for the chemotherapy and related services that we offer at Velindre Cancer Centre. In 2019/20, we saw more patients than ever before and ever more treatments are becoming available.



PROGRESS AGAINST: ACCESS TO THERAPY SERVICES

Performance throughout 2019/20 was generally good, but we recognise that the small number of therapies staff means that staff absence can have a disproportionate effect on overall performance. Every effort is made to manage such situations effectively.

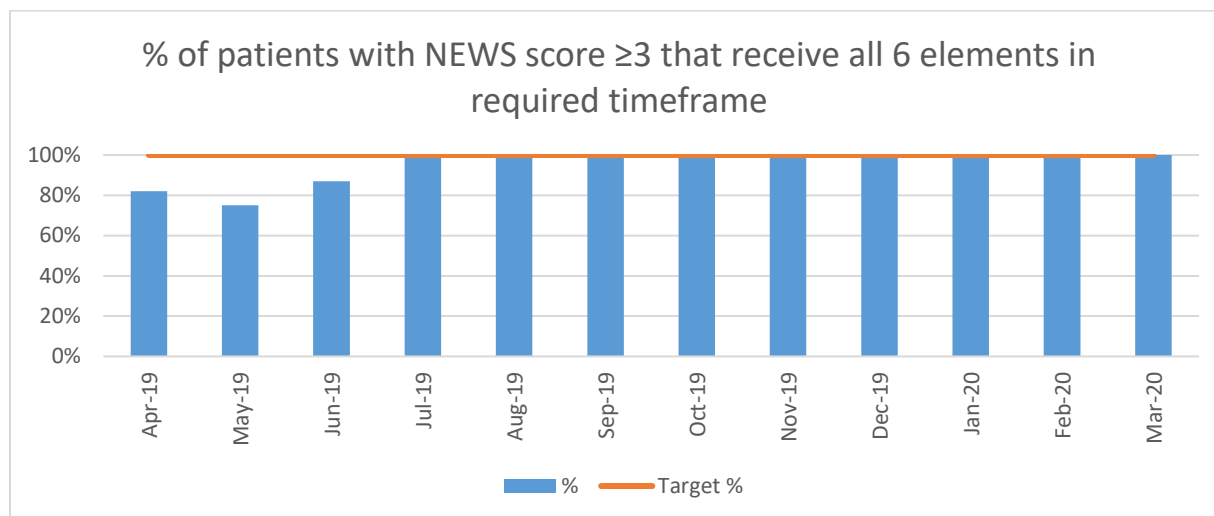


PROGRESS AGAINST SAFE AND RELIABLE SERVICES TARGET

Hospital Acquired Infections: We have continued to maintain our low rates of hospital acquired infections. We have zero tolerance with respect to hospital acquired infections, such as MRSA. This means that our aim is to see no such infections in our inpatients over the course of any year. However, we also recognise that our inpatients can be particularly susceptible to infection because of the nature of the treatments that they undergo and their physical condition.

Pressure Ulcers: We also have zero tolerance with respect to tissue damage and pressure ulcers. Again, our inpatients can be particularly susceptible to this sort of damage. Compliance with our Skin Care bundle, which has been developed to reduce the risk of skin and tissue damage for our inpatients, showed some variation during 2019/20, but was generally good and there were fewer instances of Velindre acquired tissue damage than in 2018/19.

National Early Warning Score (NEWS): NEWS was originally developed by the Royal College of Physicians and is intended to help reduce the number of patients whose conditions deteriorate whilst they are in hospital. When a patient is assessed using NEWS, a score equal to, or greater than 3, indicates that they may be at an increased risk of developing complications. At VCC, we use NEWS to determine whether our patients are at an increased risk of complications related to neutropenic sepsis. Those patients that are deemed to be at greater risk have the 'Sepsis Six' bundle (a combination of 3 different treatments and 3 tests) administered to them within a set time. The graph below shows how we performed against our target (that all patients be administered with the 'Sepsis Six' bundle within the set timeframe) in 2019/20.

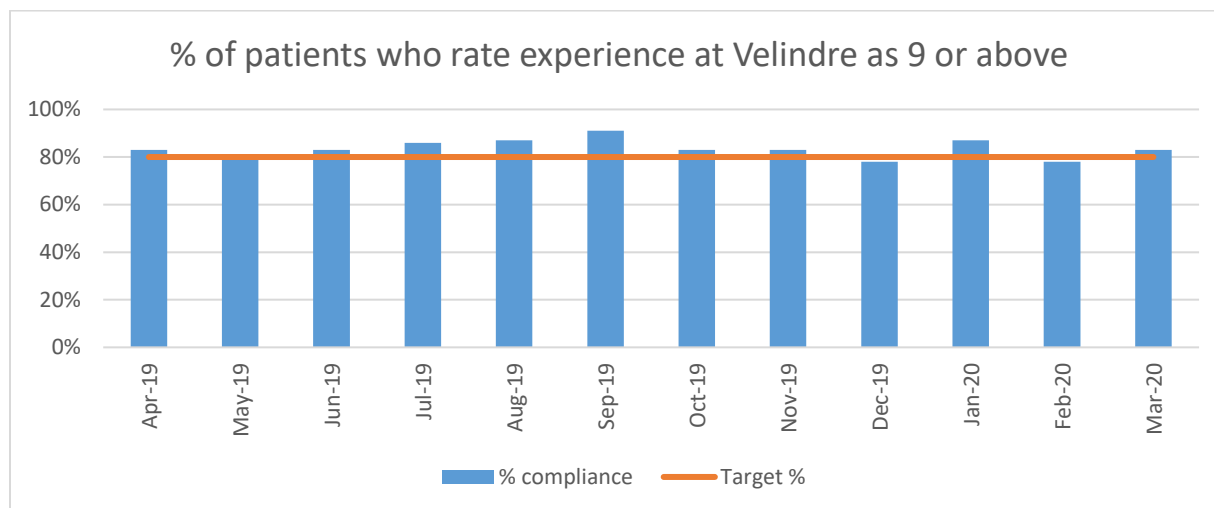


We recognise that there are areas where further work may be required to ensure that we are able to deliver the excellent level of service which our patients are entitled to.

PROGRESS AGAINST: FIRST CLASS PATIENT EXPERIENCE TARGET

Our patient and donor feedback is largely positive. The Trust has worked to improve the way it collects and receives feedback from those who use our services. Work to understand how best to collate feedback, identify themes and to use this information to aid improvement is crucial.

Patients at Velindre Cancer Centre consistently rated their own experience as being very good, a score of 9 out of 10 or above, during 2019/20. The importance of learning from patient feedback remains paramount in the development of our services.



VELINDRE CANCER CENTRE – RISKS AND CHALLENGES

Velindre Cancer Centre, currently, faces a number of key challenges. Additional detail on how we will address these can be found in our three year plan, but it is important to recognise that these issues effect the design of our services and our performance.

CANCER INCIDENCE IS INCREASING

The incidence of cancer in Wales is forecast to increase by 2% per annum to 2031. This is expected to result in an estimated 12,677 new cases per year in the VCC catchment population by 2031, representing an increase of 35% since 2013.

THERE CONTINUES TO BE VARIATION IN OUTCOMES THROUGHOUT WALES

While survival rates have improved, there continues to be significant variation in survival rates between the least and most deprived in south-east Wales. We need to work with our partners to reduce inequalities, improve prevention, improve the rates of earlier detection and diagnosis and patient access and take up of treatment. The advent of the Single Cancer Pathway (SCP) will have important ramifications for the delivery of cancer services across Wales.

THERE IS A GAP BETWEEN FORECAST DEMAND AND SUPPLY WHICH WE NEED TO CLOSE

The increasing incidence of cancer, increasing survival rates of people with cancer and the increasing complexity in treatments will create a significant pressure on our ability to deliver the required level of services in the future. It is crucial that the healthcare system responds to this increasing and changing demand if it is to continue to deliver services and maintain current performance.

TREATMENTS ARE BECOMING MORE COMPLEX

The pace of innovation, clinical and technological change in cancer services is rapid. We know that on the immediate horizon are new advances in radiotherapy along with personalised medicine. Similarly, within SACT services, there is a growing list of cancer types for which immunotherapy has shown promising results and, consequently, we are introducing ever more immunotherapy treatments. These treatments are often used in addition to existing therapies or, in some cases, are providing entirely new options for patients. This is an exciting and dynamic area. We recognise that the use of these novel treatments introduce new levels of complexity and are sometimes delivered over extended periods. We must ensure that the appropriate support and infrastructure is in place to allow us to continue to offer these treatments in a timely, safe fashion in order to optimise outcomes for our patients.

MORE PEOPLE ARE LIVING WITH AND BEYOND CANCER

As treatments have improved survival in the UK has doubled over the last 40 years. A new approach to longer term care is therefore required to support individuals with ongoing treatment and rehabilitation, and to ensure patients are able to maximise their potential and enjoy the highest quality of life.

There is a need to develop a broader range of services which support individuals and helps them engage fully in society, including employment, following their recovery. We need to ensure that we can continue to offer

robust, high quality Therapies and Clinical Psychology services. This will require a change in relationship between patient and clinician, with patients taking an equal role in designing and co-producing care.

SUPPLY OF WORKFORCE



Survival in the UK has doubled over the last 40 years. A new approach to longer term care is therefore required to support individuals with ongoing treatment and rehabilitation and to ensure patients are able to maximise their potential and enjoy the highest quality of life. There is a need to develop a broader range of services which support individuals to engage fully in society, including employment, following their recovery. We need to ensure that we can continue to offer robust Therapies and Clinical Psychology services. This will require a change in relationship between patient and clinician, with patients taking an equal role in designing and co-producing care.

VELINDRE CANCER CENTRE HOW WE WILL MEET OUR CHALLENGES

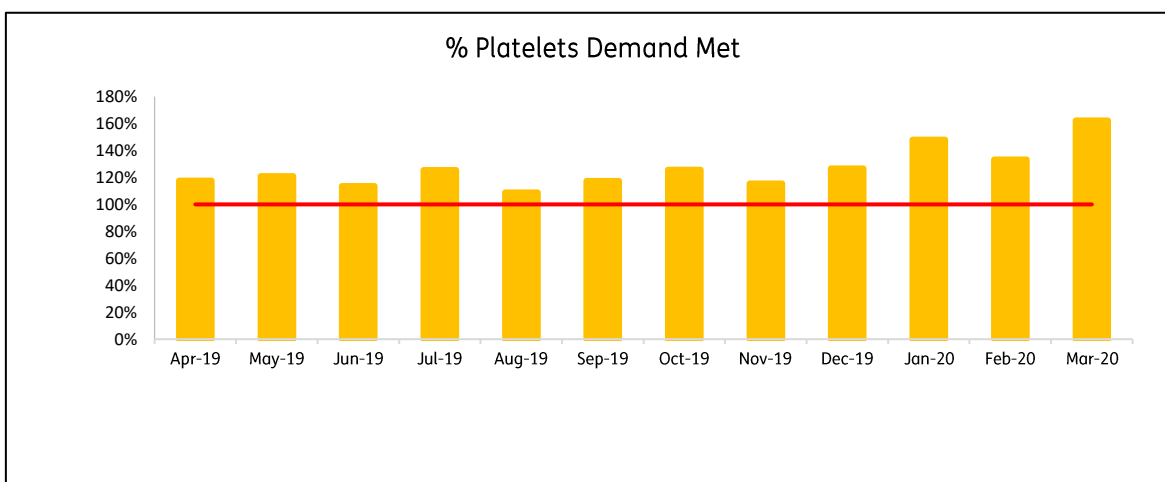
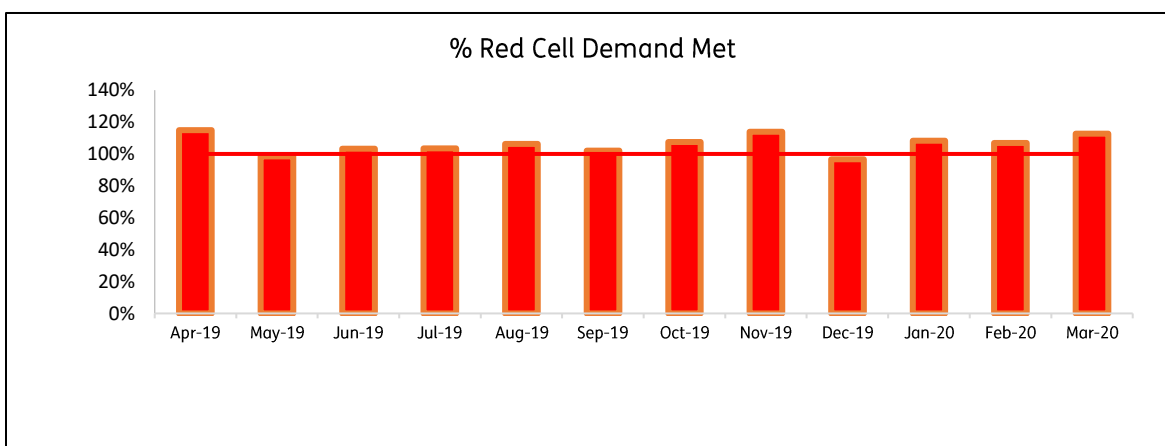
The Challenge...		We will meet this by...
Cancer Incidence is Increasing	➡	<ul style="list-style-type: none">✓ Expanding our role in the early diagnosis of cancer✓ Promoting effective public health messages– making every contact count
There Continues to be Variation in Outcomes Throughout Wales	➡	<ul style="list-style-type: none">✓ Delivering more services of consistent quality in outreach settings closer to patients' homes✓ Delivering a Radiotherapy satellite centre, in collaboration with Aneurin Bevan University Health Board✓ Leading on the standardisation of Acute Oncology Services across and the development of a Cancer of the Unknown Primary service across SE Wales
There is a Gap Between Forecast Demand and Supply Which We Need to Close	➡	<ul style="list-style-type: none">✓ Continuing to implement techniques which are resource neutral or that deliver efficiencies elsewhere in the process✓ Developing a robust, flexible, highly skilled and responsive workforce✓ Rationalising treatment pathways and identifying efficiencies
Treatments are Becoming More Complex and New Advances are Continuously Emerging	➡	<ul style="list-style-type: none">✓ Ensuring, in collaboration with health board partners, that sufficient linear accelerator capacity is available to accommodate new techniques✓ Effective horizon scanning
More People are Living With and Beyond Cancer	➡	<ul style="list-style-type: none">✓ Ensuring timely access to robust, high quality Clinical Psychology and Therapies services

WELSH BLOOD SERVICE (WBS)

Performance metric	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
Number of new Bone Marrow Volunteer (BMV) registrations aged 18-30 recruited to the Welsh Bone Marrow Donor Registry (WBMDR)	4,000	3,540	4,000	3,607	4,000	2,931
≥80% deceased donor typing / cross matching reported within 4 hours (turnaround times target reduced from 6 to 4 hours in 2017/18)	80%	89%	80%	88%	80%	90%
≥90% Anti-D & -c Quantitation results provided to customer hospitals within 5 working days	90%	99%	90%	97%	90%	93%
≥90% routine antenatal patient results provided to customer hospitals within 3 working days	90%	98%	90%	97%	90%	98%
≥80% samples referred for red cell reference serology work up provided to customer hospitals within 2 working days	80%	84%	80%	81%	80%	81%
Number of reportable SABRE events	5	5	5	9	0	2
Maintain 100% to close SABRE reports to MHRA within 30 days	100%	100%	100%	100%	100%	100%
≥71% of blood donors scoring 5 or 6 out of 6 for satisfaction with overall service	71%	92%	71%	95%	71%	94%
≥100 % of concerns answered within 30 days	100%	99%	100%	100%	100%	100%
<10% time expired platelets	7%	14.6%	10%	13.4%	10%	13%
<1% volume of waste (<0.5% until March 2017)	1%	0.6%	1%	2.5%	1%	1.2%
% Part Bags	3%	3.1%	3%	2.7%	3%	2.3%
% Failed Venepuncture	2%	1.6%	2%	1.4%	2%	1.1%

PROGRESS AGAINST: MEETING CLINICAL DEMAND FOR RED BLOOD CELLS AND PLATELETS

Throughout 2019/20, the Welsh Blood Service successfully met all clinical demand for Red Blood Cells (RBC) and Platelets for our customer hospitals across NHS Wales. This is the result of established daily communications between the Collections and Laboratory teams enabling agile responses to variations of stock levels and service needs and working closely with our customer hospitals.

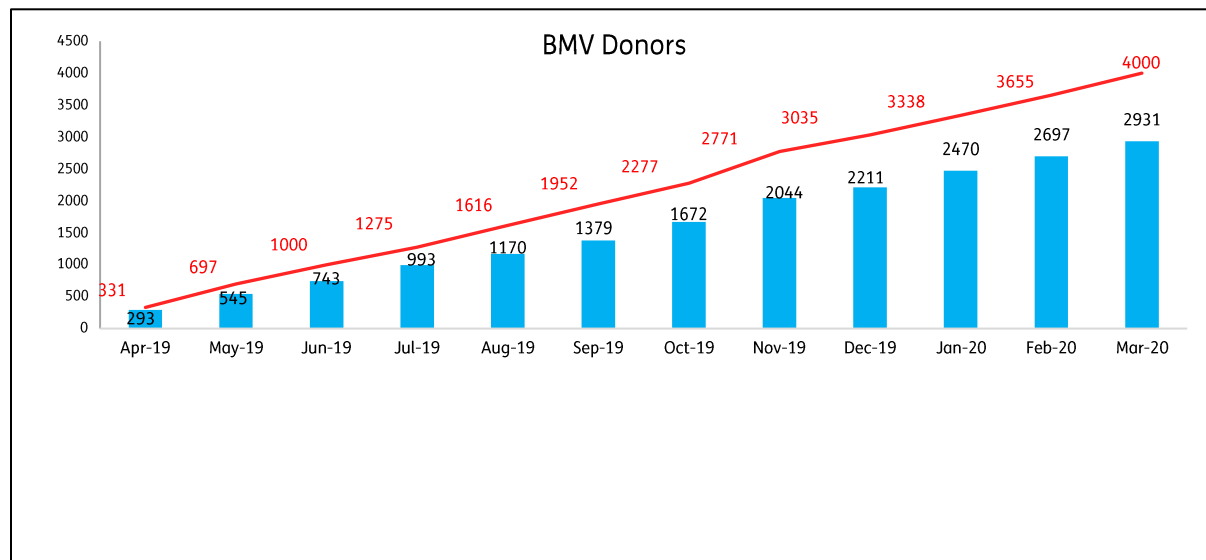


PROGRESS AGAINST: GROWING OUR BONE MARROW REGISTRY

The Welsh Bone Marrow Donor Registry (WBMDR) provides a panel of volunteer donors recruited from the blood donor panel willing to donate stem

cells for use as cellular therapy. A donor attends a blood donor session and if aged between 17 and 30 is asked if they would like to join the panel. Donors stay on the panel until their 61st birthday.

Our registry currently includes more than 66,000 volunteers who were recruited via a blood donor session. However, the WBMDR donors represent only 4.3% of the UK donor panel and the target recruitment is 4,000 per annum (5.7% of the panel) which was not met in 2019/20.



Current Bone Marrow Volunteer (BMV) recruitment involves recruitment of blood donors aged 17-30 at blood donor sessions. This age group is preferred as young donors have longevity as a potential donor and because they provide a more clinically effective transplant. Recruitment on this basis is becoming increasingly difficult to sustain as the strategy of aligning blood supply to demand going forward, will require increased focus on returning blood donors whose demographic is not necessarily aligned to the target BMV age group. As a result, during 2019/20 a pilot project was established to provide proof of concept and operational readiness for a new recruitment strategy for the WBMDR, i.e. the recruitment of non-blood donors using buccal swabs. This programme of work sits alongside a broader piece to review the overarching recruitment and retention strategy launched in 2019/20.

There are 99 registries in the global network in total there are 36 million donors on the global panel. The panel grows at 7% each year. In the UK, there

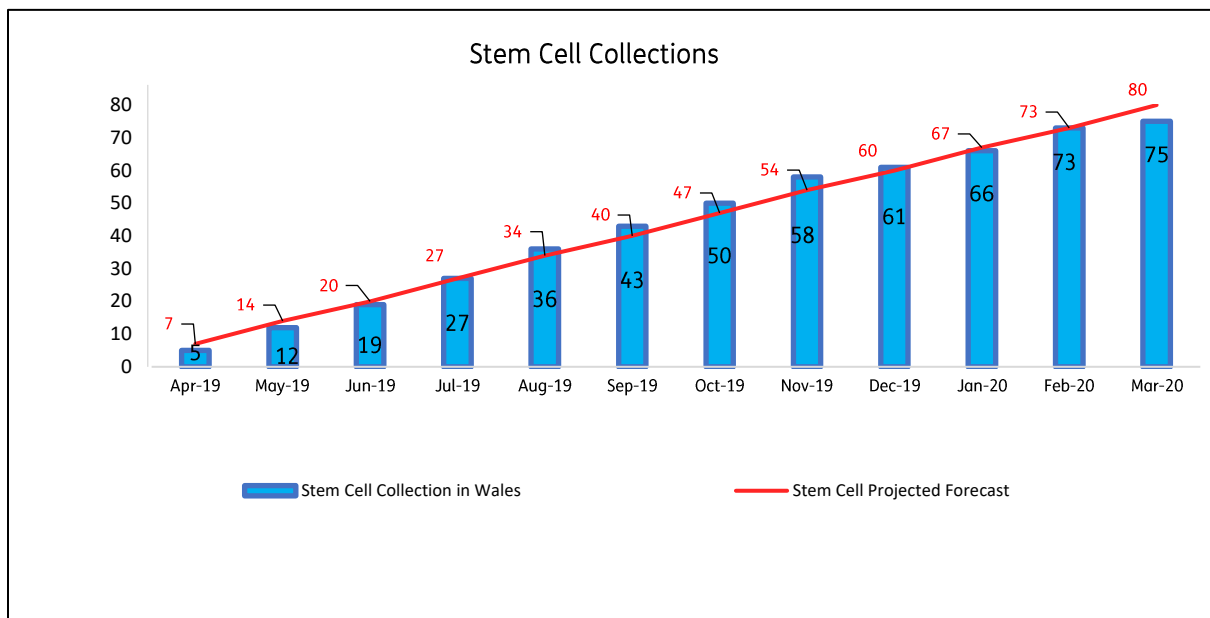
are 4 registries with a total of 1.6 million donors. The Welsh Bone Marrow Donor Registry represents 4.3% of the total donors in the UK.

The international collection index is the number of blood stem cell products provided per 10,000 donors to international transplant centres. This is a useful independent indicator, as it removes country bias, of the efficiency of the registry and its global standing. According to World Marrow Donor Association figures the Welsh Bone Marrow Donor Registry is currently ranked number 3 in the world for collection index. This is a great achievement for the registry and is an indicator of the exemplary work being performed by all registry staff.

PROGRESS AGAINST: MEETING TRANSPLANT SERVICES REQUESTS

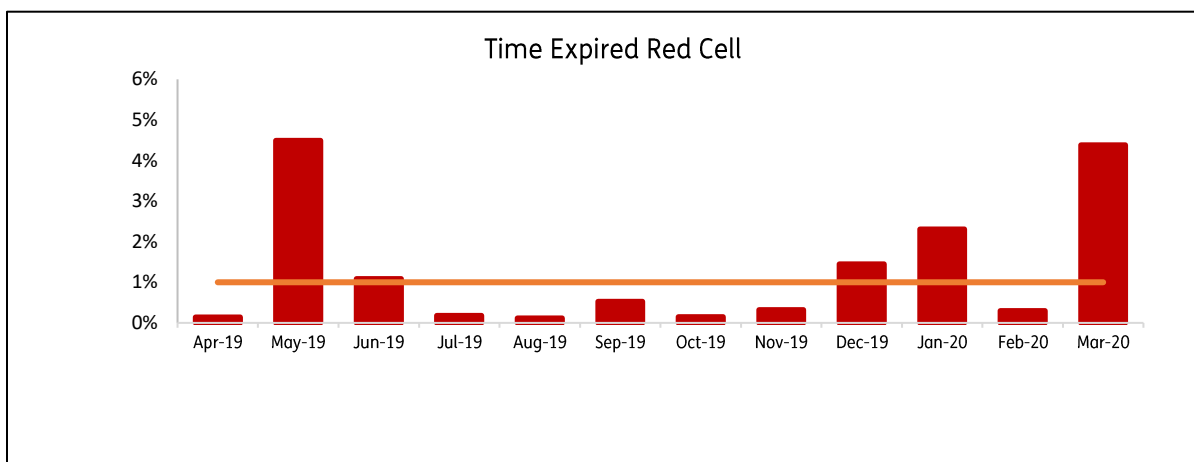
Our annual target for the number of stem cell collections that we would anticipate in any 12-month period is set at the beginning of the year. It has increased dramatically in recent years as the Welsh Bone Marrow Donor Registry has gone from strength to strength.

There are a high number of variable factors that influence the number of stem cell collections that are undertaken in any one calendar month. There is an initial confirmatory test, which is, then sent back to the requesting transplant centre who then make a decision on which donor will be taken forward for their particular patient. From the basic genetic match of our donors, availability and willingness of our donors to participate and donate, the wellbeing of the recipient patient, and their treatment pathway, all contribute to the final number of collections that will be undertaken in any one calendar month. In 2019/20, the Welsh Bone Marrow Donor Registry fell just shy of its annual target. The overarching review of the recruitment and retention strategy highlighted earlier on page 32, will support a revised programme of work in 2020/21 including reviewing our collections target and the means by which we continue to strive to achieve this.

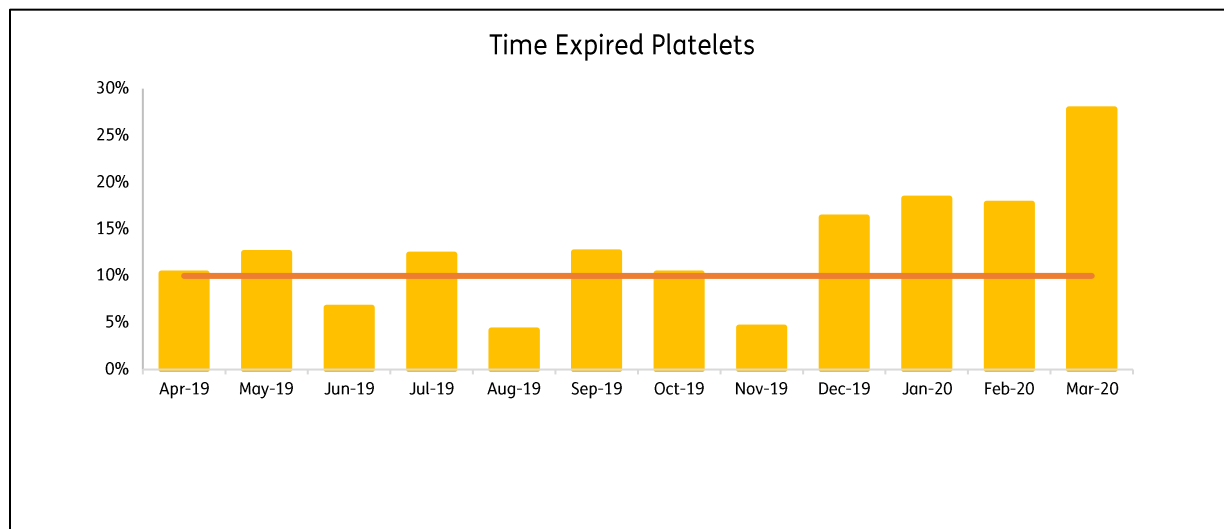


PROGRESS AGAINST: MINIMISING WASTE TIME EXPIRED RED CELLS AND PLATELETS

Aligning the supply of blood components, which have limited shelf life, to the varying demand of hospitals is highly complex and multifaceted. Currently, the WBS has set itself a target of no more than 1% of Red Blood Cells (RBC) time expiring each month where they exceed their 35-day 'shelf-life'.



During 2019/20, the levels of time expired red cells exceeded the maximum tolerance threshold set. This was primarily due to a significant improvement in performance from blood donation clinics combined with the ongoing work of the Blood Health Team to improve the prudent use of blood in transfusion practice across Wales, thus decreasing demand.

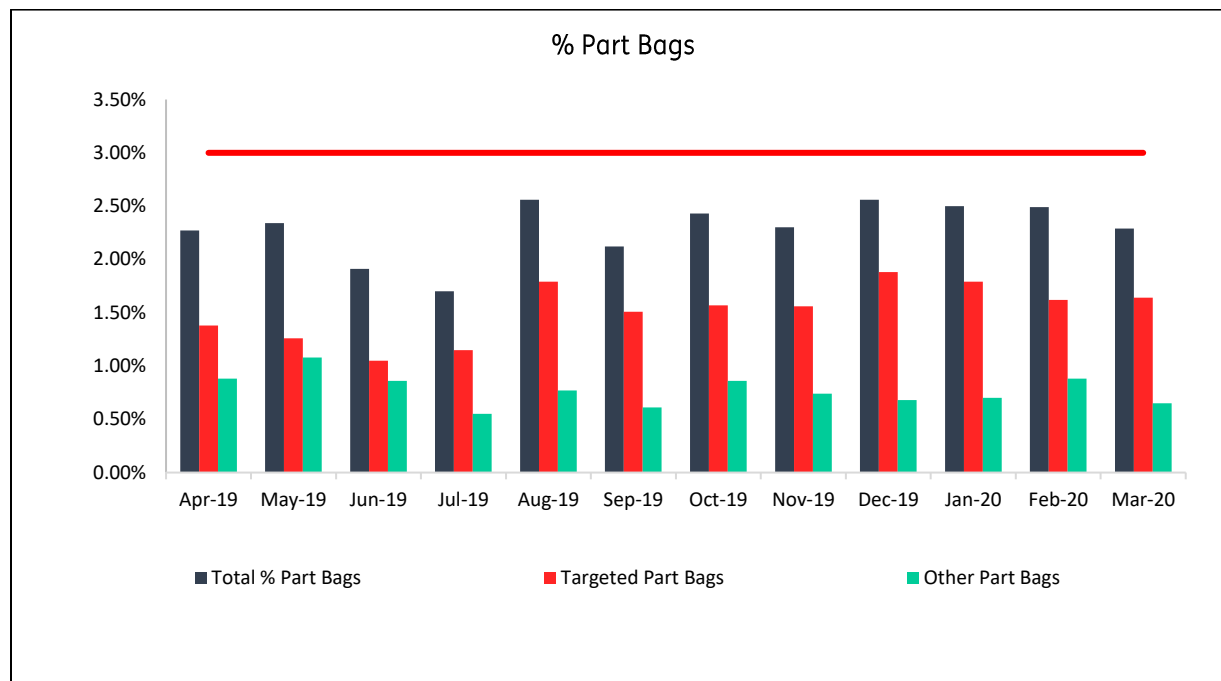


Time expiry of platelets was above the target tolerance threshold on a number of occasions during 2019/20. This was largely due to a strong stock position against a reduction in demand. Operational focus directed towards provision of platelets as opposed to reduction in waste in the short-term. A longer-term review of the platelet production strategy is underway to minimise the potential for waste in the supply chain. This is in addition to work initiated during the year to develop an improved understanding of how the operational factors, which effect supply could continue to improve.

PROGRESS AGAINST: COMPLETE WHOLE BLOOD DONATIONS

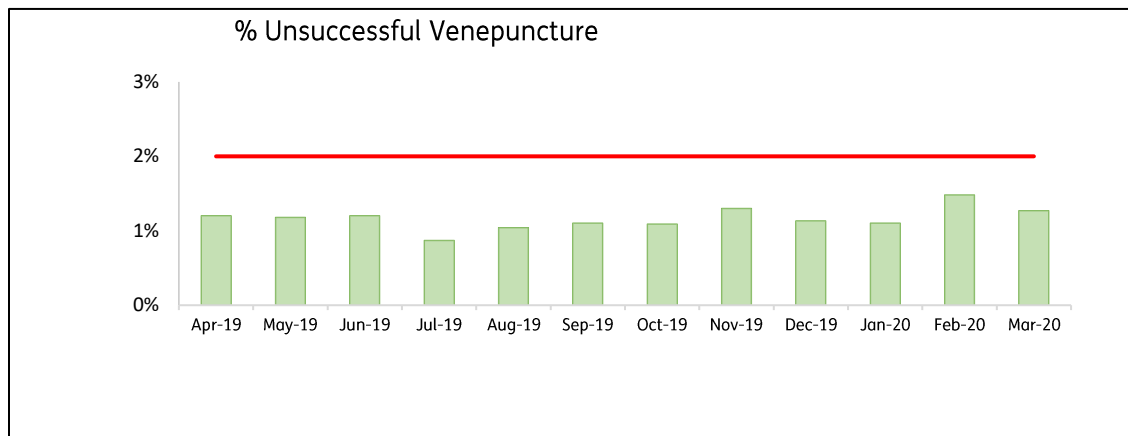
Part bag is the term we use to describe a whole blood donation of less than 420ml of blood and which is therefore not viable for clinical use. There are various reasons why a donation may need to be stopped before the required volume of blood has been collected. These reasons include venepuncture technique, donors feeling unwell or equipment failure. Our current target is to ensure that we collect less than an absolute maximum of 3% part bag blood

donations and during 2019/20, we consistently achieved this target. Despite strong performance in this area, the WBS will continue to modernise our service and strive to reduce the numbers of part bags wherever possible.



UNSUCCESSFUL VENEPUNCTURE

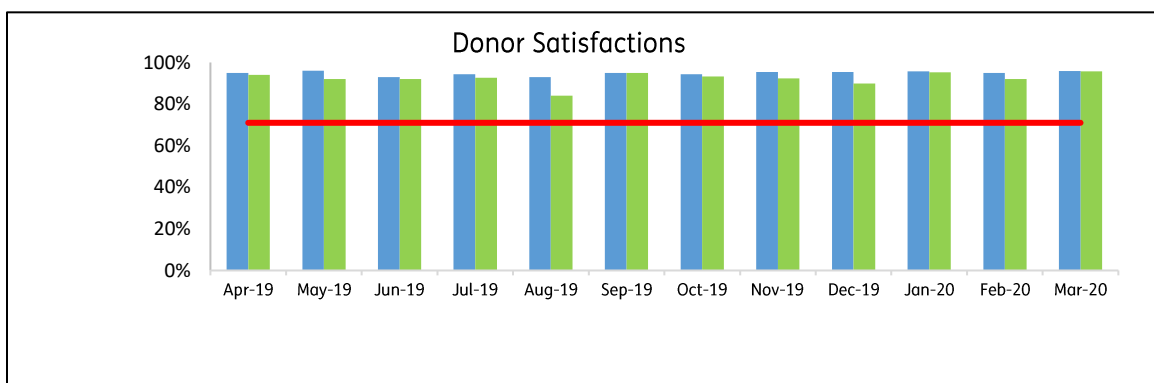
Unsuccessful venepuncture refers to donors who have reached the donation chair but despite an attempt to venepuncture the donor, no blood enters the bag. There are various reasons why this can happen, typically this might be a result of inaccessible donor veins, poor venepuncture technique or equipment failure. Our current tolerance threshold is no more than 2% of all donors where a blood donation is initiated to result in a failed venepuncture attempt. Performance during 2019/20 was consistently within target tolerance levels. Despite strong performance in this area the WBS will continue to modernise our service and strive to reduce the number of unsuccessful venepunctures wherever possible.



PROGRESS AGAINST: FIRST CLASS DONOR EXPERIENCE TARGET

The importance of learning from donor feedback remains paramount in the ongoing development of our services. During 2019, the Welsh Blood Service has worked hard to improve systems and processes relating to concerns management to ensure that donor and service user feedback is consistently managed in a timely and effective manner, whilst ensuring lessons are learnt and identified service improvements are introduced.

In 2019, a new donor survey was introduced. The donor survey aims to provide WBS with information on the service it provides from the view of the Donor. Between September and December 2019, 16,701 email surveys were sent across Wales and 3,445 responses were received. Respondents were between the age of 17 and 81. There was an over 95% donor satisfaction rate.



Maintaining an engaged healthy donor panel:

The challenge of ensuring we have enough donors of the right group to meet our demand is one that is being experienced by blood services globally with an aging population and people having busy lives.

Meeting demand and service development:

Demand for O D negative and Ro blood continues to grow, whilst demand for red cells has declined steadily over the last 5 years, driven by a combination of medical advances, alternatives adjunct to transfusion and scientific innovation and education. We will continue to recruit additional O D negative and Ro donors and to work with hospitals on the appropriate use of these groups through the Blood Health Plan.

Aligning varying hospital use to the supply of blood components, with limited shelf life, is a challenge and to help meet this we need effective use of more specific patient use data.

Increasing use of immunotherapy increases demand for highly specialised reference blood testing provided by WBS Red Cell Immunohaematology (RCI) laboratory. This growing new service is not sustainable under the current commissioning arrangement which needs to be revised.

Demand for stem cell donation and transplant immunology services is also expected to increase through presumed consent legislation across the UK and increased use of stem cell treatments. The Welsh Blood Service is also exploring the opportunity for expansion of its stem cell collection services for partner organisations.

Continuing to meet stringent blood selection guidelines and regulatory requirements:

Changes in science, technology and ways of working provide a continually evolving service and developing regulatory requirements for blood services. The In-vitro-diagnostic Device (IVDD) Regulations, changes to the Advisory Committee on the Safety of Blood, Tissues and Organs (SaBTO) guidance on

plasma and platelets and monitoring the impact of Brexit on UK regulatory policy all provide an immediate work programme for WBS. These are in addition to the regular changes in Donor Selection Guidelines (DSGs) and the Joint United Kingdom (UK) Blood Transfusion and Tissue Transplantation Services Professional Advisory Committee (JPAC) guidelines for the Blood Transfusion Services in the United Kingdom (Red Book).

Changing science and technology:

Advances in both scientific and medical understanding of the origin and management of disease, as well as broader supporting technological developments, provide opportunities for step changes in operational workflows, efficiencies and services provided by WBS. This includes Next Generation Sequencing (NGS) and Advanced Therapy Medicinal Products (ATMPs).

The WBS will continue to 'horizon scan' and support the Welsh Government and NHS Wales on developing strategies to facilitate the adoption of these new ATMP therapies. Through Advanced Therapies Wales, WBS will work closely with NHS Wales organisations, private and third sector to make recommendations on prioritised activities required for such a roll out.

The implementation of NGS testing for transplant services in 2020 will improve the quality of matching and support improved clinical outcomes for stem cell transplantation. Automated technology is rapidly evolving within the field of blood component manufacturing and testing and WBS are exploring the potential of these technologies including red cell genotyping.

Advances, such as artificial intelligence driven data analysis and implementation of augmented reality enhanced routine procedures, that increase throughput and quality, eliminate errors and identify issues earlier in a cost-effective manner are emerging. Adoption of these techniques will enable further developments in efficiency and quality of our services.

Workforce:

WBS has to respond to these advances in terms of its own workforce but also in the role it plays in the training of the current and future scientific workforce for NHS Wales through its support for undergraduate provision and its informal

and formal outreach to support NHS colleagues. Consideration also needs to be given to the throughput of entry level scientific staff and their career progression within the NHS which already creates some pressure within WBS. In addition, competition for scientists with the commercial sector will increase the current difficulties in recruitment / retention, meaning that we will have to develop and maintain attractive roles and opportunities. Education strategies that support succession planning and develop a work force that is flexible and responsive to the transformation will be needed as well as those which support the new and emerging skills requirements.

WELSH BLOOD SERVICE – HOW WE WILL MEET OUR CHALLENGES

2.2: The Challenge...

We will meet this by...

Maintaining an Engaged
Healthy Donor Panel



- ✓ Working in partnership with donors delivering a prudent, safe and sustainable personalised donor service to support lifesaving treatments for NHS Wales and beyond.
- ✓ Making the most of our contact with people in Wales by delivering activity such as public health and wellbeing interventions, alongside our collective activities in our communities.

Meeting Blood
Component and Blood
Product Demand



- ✓ Delivering a fully automated and intelligence led supply model where blood collection is planned to meet specific health service need.
- ✓ Leading and working within a clinically led NHS Wales blood health community with a truly prudent use of blood components and products.

Continuing to Meet
Stringent Blood
Selection Guidelines
and Regulatory
Requirements



- ✓ Delivering state of the art blood and transplant services
- ✓ Active engagement, participation and collaboration with UK and European networks to horizon scan, plan & influence regulatory changes and developments
- ✓ Supporting partners through our expertise in Good Manufacturing Practice (GMP), quality assurance, validation and cold chain logistics.

Changing Science and
Technology



- ✓ Being recognised internationally for our sector leading service model and our research and life science innovation.
- ✓ Working collaboratively with pathology, genomics, ATMP and life sciences sectors and Higher Education Institutions in service delivery and innovation with the required infrastructure and systems to transfer new treatments and technology from the bench to the bedside in Wales creating high skilled jobs.
- ✓ Developing a centre for excellence in laboratory science, supporting professional development of NHS colleagues and educating the next generation science and laboratory workforce for NHS Wales and the life science sector.



SUSTAINABILITY PERFORMANCE
2019/2020

Velindre University NHS Trust (VUNHST) recognises that our day-to-day operations have an impact on the environment in a number of ways. The Welsh Government requires all Welsh Health Boards and Trusts should achieve certification to the ISO 14001:2015 environmental standard for all sites. The Trust, following an audit in September 2019, retained the accreditation.

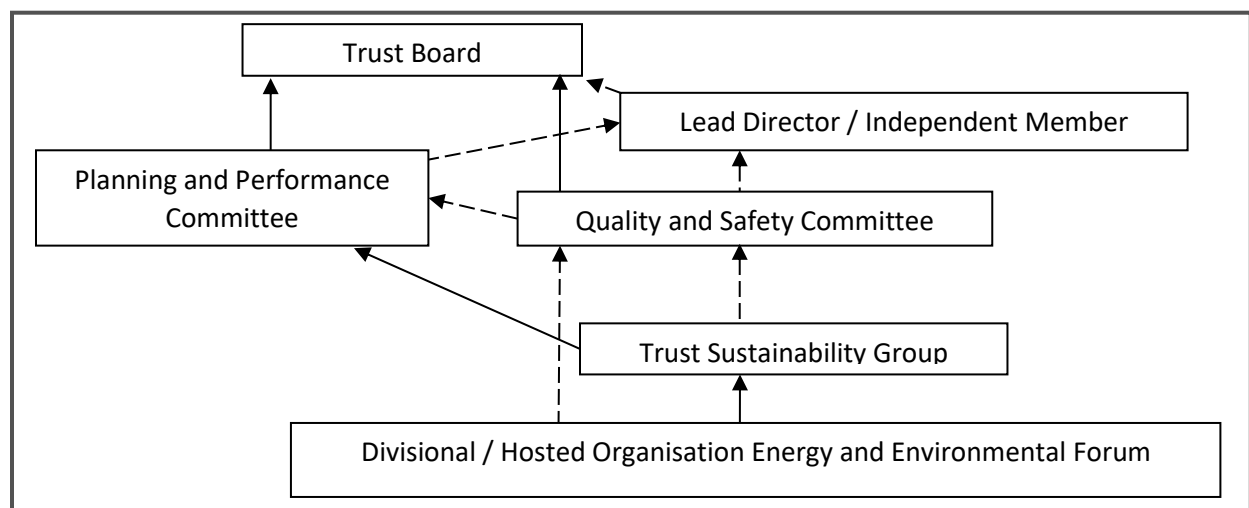


The environmental sustainability agenda is taken forward within the Trust in a structured manner supported by effective governance arrangements.

The Trust actively reports and manages its performance against the Sustainability Key Performance Indicators (KPIs).

The Director of Strategic Transformation, Planning and Digital is the Executive Lead for sustainability. The Assistant Director of Estates, Environment and Capital Development and the Environmental Development Officer are responsible for delivering the sustainability agenda which has been aligned to Welsh Government targets for the public sector. The planning and delivery arrangements related to sustainability within the Trust are set out below in Figure 1.

Figure 1. – Sustainability Planning & Delivery Arrangements



SUMMARY OF PERFORMANCE

The Trust's performance against its goals and targets are set out below for the period 2017/18 – 2019/20.

GREEN HOUSE GAS EMISSIONS

The Trust has reduced total carbon emissions on previous years by 65%.

The Trust now purchases 100% renewable electricity; all electricity is solar, wind or biomass power.

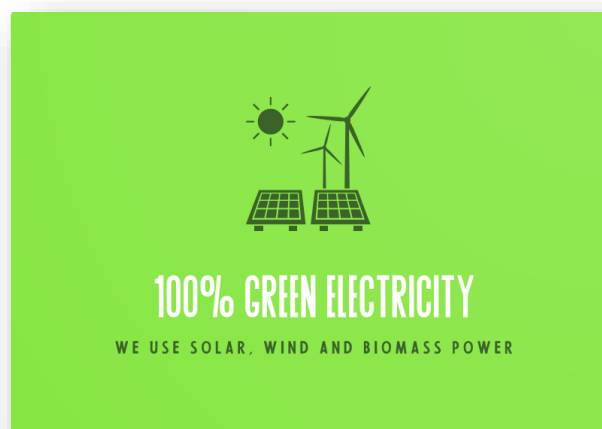


Figure 2. – Green House Gas Emissions

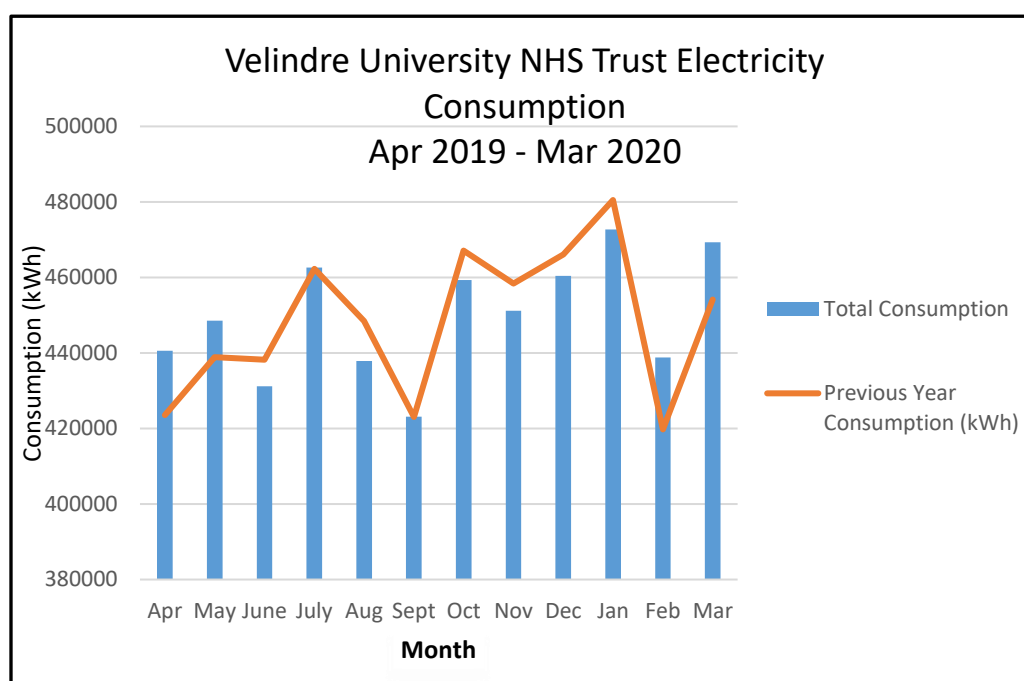
Greenhouse Gas Emissions		2017-18	2018-19	2019-20
Non-Financial Indicators (1,000 tCO2e)	Total Gross Emissions	4.70	4.28	1.61
	Total Net Emissions	4.7	4.28	1.61
	Gross Emissions Scope 1 (direct)	1.39	1.24	1.43
	Gross Emissions Scope 2 & 3 (Indirect)*	3.31	3.04	0.18
Related Energy Consumption (million KWh)	Electricity: Non-renewable	6.70	8.792	0.56
	Electricity: Renewable	0.00	0.00	8.22
	Gas	7.25	6.78	7.8
	LPG	0	0	0
	Other	0.02	0.02	0.02
Financial Indicators (£million)	Expenditure on Energy	£1.44m	£1.49m	£1.56m
	CRC Licence Expenditure (2010 onwards)**	0	0	0
	Expenditure on accredited offsets (e.g. GCOF)**	0	0	0
	Expenditure on official business travel	£0.59m	£0.60m	£0.58m

FINANCIAL INDICATORS

The Trust has increased its costs by 3% on the previous year. This is due, on the whole, to an increase in Tariffs.

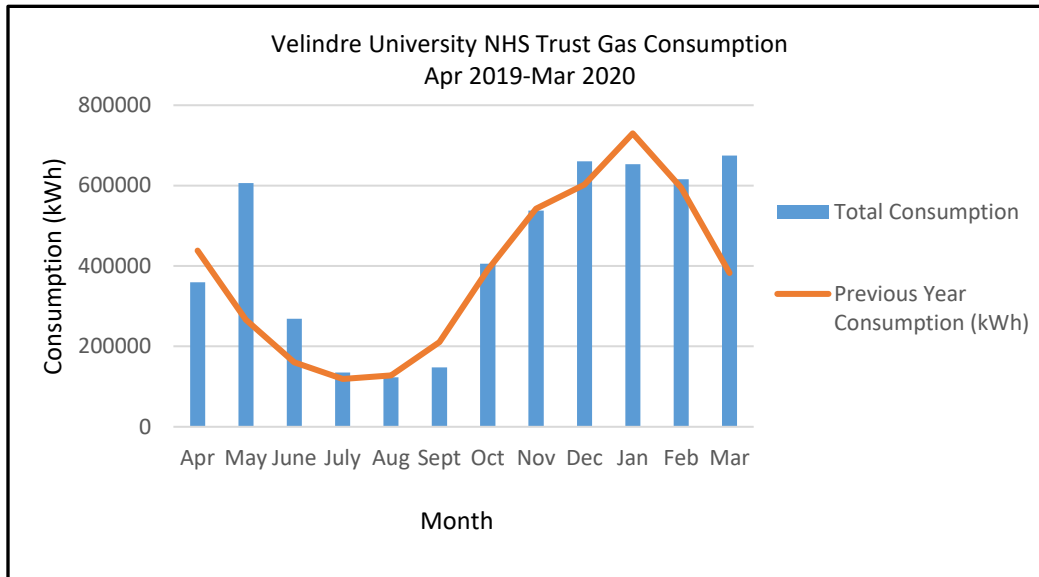
USE OF RESOURCES

Electricity - Despite the reduction in consumption of 8% electricity at WBS HQ, the overall annual electricity consumption (excluding NWIS and NWSSP organisations) increased by 0.2%, compared with similar data of the previous year.



Gas - The Trust's annual gas consumption (excluding NWIS and NWSSP organisations) produced an increase of 13.0%, compared with similar data for the previous year.

A contributor to the increase is due to the colder climate experienced over the last 12 months, which was approximately 6.8% colder.



Water - The Trust's annual water consumption (excluding NWIS and NWSSP organisations) produced an increase of 20.68 %, compared with similar data of the previous year.

This increase is directly attributable to the increased frequency of the water flushing regimes being undertaken VCC and WBS. The flushing is an essential procedure and ensure the Trust is in compliance with water quality regulations.

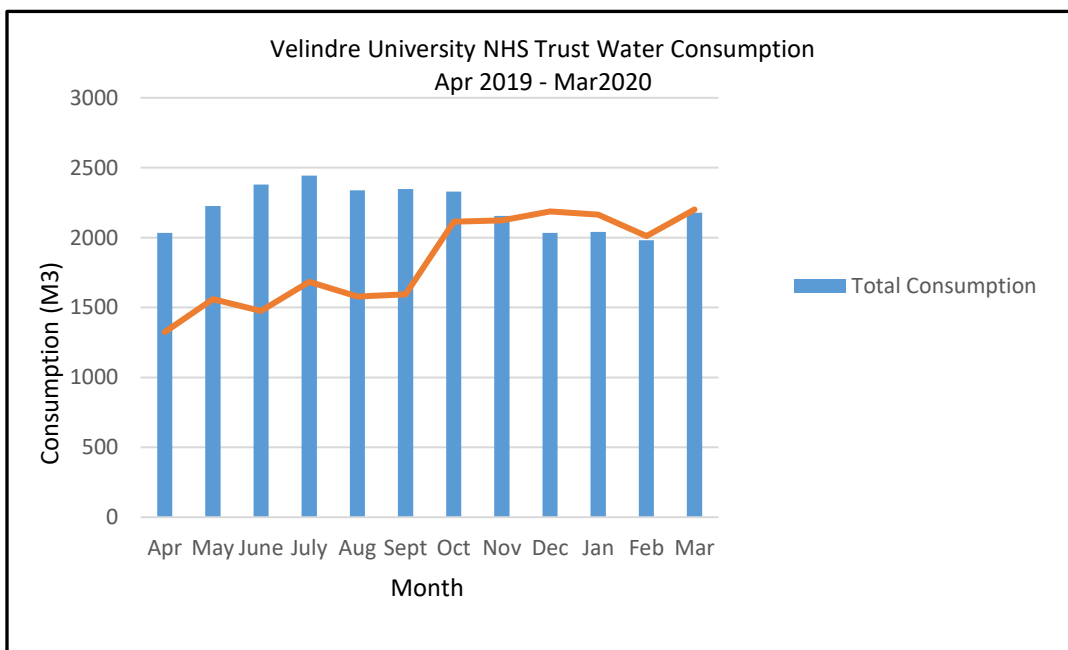


Figure 3. – Use of Resources

Finite Resource Consumption			2017-18	2018-19	2019-20
Non-Financial Indicators (000m ³)	Water Consumption (Office Estate)	Supplied	31.40	33.42	16.48
		Abstracted	N/A	N/A	N/A
		Per FTE	N/A	N/A	N/A
	Water Consumption (Non-Office Estate)	Supplied	24.59	23.82	26.38
		Abstracted	N/A	N/A	
Financial Indicators (£million)	Water Supply Costs (Office Estate)		£0.043M	£0.047M	£0.058
	Water Supply Costs (Non Office Estate)		£0.034M	£0.034M	£0.036

Figure 4. – Waste

	Waste	2017-18	2018-19	2019-20
Non-Financial Indicators (tonnes)	Total Waste	1504.96	1409.93	572.43
	Landfill	540.29	616.46	12.47
	Reused/Recycled	811.70	750.04	409.07
	Composted	4.48	3.1	0.00
	Incinerated with energy recovery	148.48	96.83	147.89
	Incinerated without energy recovery	0	0	0.00
Financial Indicators (£million)	Total Disposal Cost	£0.327m	£0.199m	£0.198m
	Landfill	£0.045m	£0.054m	£0.038m
	Reused/Recycled	£0.172m	£0.090m	£0.138m
	Composted	£0.003m	£0.00081m	£0.00m
	Incinerated with energy recovery	£0.109m	£0.053m	£0.056m
	Incinerated without energy recovery	0	0	0

CARBON MANAGEMENT TARGETS

Welsh Government have an ambition for the public sector in Wales to be carbon neutral by 2030. This, along with the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, are the legislative drivers for the decarbonisation of the public sector. This ambitious target requires the Trust to work alongside patients, donors and staff to mitigate travel, reduce energy usage and adapt behaviours.

The Trust recognises that the consumption of energy and water is necessary for the provision of healthcare services and to provide a comfortable environment for patients, staff & visitors but that it also has a responsibility to be energy and resource efficient by minimising unnecessary energy usage.

The Trust are in the process of developing a Sustainability Strategy to create initiatives aimed at reducing energy consumption, carbon emissions and cost. The reduction of energy usage will deliver benefits of:

- Minimising cost which will allow investment back into healthcare
- Minimising the impact on the environment

All Health Boards and Trusts who secured their Electricity contract via the All Wales consortium have been assured by their supplier that the product is 100% Green. This means that when it comes to Carbon reporting there will be a reduction on the previous year. The Trust now uses Solar, Wind and Biomass power.

In order to mitigate any usage, several initiatives have been implemented. The Trust invested in upgrading the lighting in corridors at WBS HQ at Llantrisant from compact fluorescent to LED, reduced the use of an electric heater oven and also terminated the use of the Electric steam generator for the Autoclave. This has resulted in a consumption reduction of 8% on the previous year. All products for sterilisation are currently carried out by Royal Glamorgan Hospital.



An initiative, which was produced following changes to charges, has led the Nominated Capacity for Electricity reduced at VCC saving the Trust £500/month. At WBS Llantrisant, it was found that the site was categorized as a High Voltage (HV) site which had greater charges than a Low Voltage (LV) site. Following this, investigations with Western Power were carried out and it was found that in fact the site should have been categorised as an LV site. A refund was applied for with the supplier (British Gas Business) and WBS have received a refund of £32k for the last 6 years.

ANNUAL PERCENTAGE TARGETS

The annual percentage target (Figure 6) reduction in electricity, gas and water consumptions and emissions and provides an explanation as to why each target has been set. This year's performance target is highlighted in green.

Figure 6. – Annual percentage targets

Financial Year	Percentage Target (%)	Reason for Percentage Target
2017 - 18	2%	Investment required to maintain ongoing savings.
2018 - 19	1.5%	Diminishing savings as investment required to further increase savings. Extra 0.5% to

Financial Year	Percentage Target (%)	Reason for Percentage Target
		ensure 10% overall five year target is achieved.
2019-20	2%	Investment required to reduce Gas and Electricity usage.

TRAVEL AND TRANSPORT

During 2019/20 the Trust's overall expenditure on official business travel has decreased. The reduction is attributable to the reduction in travel in February and March due to COVID-19.

Transport emissions are dominated by staff commuting and visitor/patient travel (~80%). A concerted strategy of behaviour change will be developed alongside infrastructure upgrades to support electric vehicle technology. A new Trust Travel Survey will be undertaken which will be in accordance with the guidance, objectives and targets within the Welsh Government Strategy The Clean Air Plan for Wales: Healthy Air, Healthy Wales.

There are several factors which impact on the Trust overall performance include:

- Increased hot desk facilities available at sites.
- Use of flexible working facilities, reducing unnecessary travel.
- Improved technology, including Skype for Business, for all staff to discourage travel.

The Trust continues to work towards achieving a significant reduction in its carbon emissions by designing and implementing a number of projects, including the following:

- Next Bike at Velindre Cancer Centre.
- Electric Vehicle Pool Cars.
- Electric Vehicle Charging Ports at 3 main sites.

Next Bike

Next Bike stations are being installed in VCC to encourage Active Travel. By introducing the station, it will contribute to the Travel Plan, encourage active travel, aligning with the Welsh Government targets of active travel. Furthermore, the Trust aims to join the Healthy Travel Charter, by installing the bike sharing facilities, it will achieve one of the fourteen ambitious actions within the Charter.

To encourage utilisation of the bikes, local cycle routes will be promoted on the website and around the site for staff use whether on their lunch break or after work!



Skype for Business and Microsoft Teams

To reduce colleagues travelling between sites for meetings, all staff have an account for Skype for Business, which is an improved teleconference facilities technologies. It is integrated into day to day practice, it prevents staff from travelling for meetings, reducing the Trusts carbon footprint. Easy to follow guides have been developed and are accessible to view on the internet/from the Environmental Development Officer to ensure staff of all technological capabilities can be involved.



The installation of Outlook 365 and Microsoft Teams on all laptops (and work mobile phones) in late March further progress this.

Electric Vehicles

A business case is in development for pool electric vehicles and charging points at the three main sites (Trust HQ, Velindre Cancer Centre and WBS Headquarters). The areas where these will be installed have been identified and this will progressed and implemented in 2020. This work is being

developed in collaboration with NWSSP. At Trust Headquarters, the charging points will be utilized by both NWSSP and Trust HQ staff.

NWIS have successfully implemented electric vehicle chargers in the Headquarters, and due to its success, the Trust's Environmental Development Officer has been working closely with colleagues in NWIS to share best practice and implement a similar scheme.

WASTE MANAGEMENT

Zero Waste to Landfill

The Welsh Government has set a target for all organizations to recycle at least 70 per cent of waste by 2025. The Trust previously set a target of 60% recycling of its waste materials, as it moves towards the 70% goal.



In 2019/20, the Trust sent Zero Waste to Landfill.

The Trust clinical waste contractor is now recovering residual waste (flock) from clinical waste treatment plants.

Therefore, any alternative treated and energy recovery incinerated clinical waste is included in recycled waste.

Reusable Bottles

In Velindre Cancer Centre canteen, two initiatives have been introduced to reduce waste; reusable water bottles and Eco to Go cups. Both initiatives were hugely successful and have reduced single use plastic and cups in the canteen.



The implementation of the simple, but effective item contributes to our Well-being Goals and sustainable ethos. A recent Parliamentary study noted approximately 13 billion plastic bottles are thrown away every year in the UK, with less than 50% being recycled. By introducing the reusable products, we are able to positively contribute to the reduction of waste in the UK.

OUR SUSTAINABLE FUTURE

Sustainability Strategy

A Trust-wide Sustainability Strategy is being drafted which will showcase and lay out how the Trust achieves its goals of being a sustainable exemplar which supports global well-being. The strategy will be developed with extensive engagement throughout the Trust to ensure all colleagues can influence our sustainable future.

The Trust has 'Sustainability Heroes' who comprise of anyone who is passionate in creating a sustainable future. Staff who volunteer will attend Divisional Sustainability Groups, to share ideas, proposals and events. The Sustainability Heroes will play an integral role in the development and roll-out of the Sustainability Strategy.

WBS Sustainable and Resilience Infrastructure Upgrade

The Trust has collaborated with Consilium and Melin consultants to prepare an in-depth study to assess the resilience and sustainability context of the current building infrastructure. The study has identified significant gains that can be achieved with a projection reduction of 70% carbon footprint. The types of engineering systems that have been identified to achieve the carbon reduction are systems such as Solar Voltaics, ground source heat pumps and LED lighting systems upgrades.

Biodiversity

The Trust must comply with the Environment (Wales) Act 2016. Within the Act, under Section 6, all public bodies 'must seek to maintain and enhance biodiversity in the proper exercise of their functions and in doing so promote

the resilience of ecosystems'. The Trust is required to prepare and publish a plan on how they intend to comply with this Biodiversity and Resilience of Ecosystems Duty.

The duty replaces the Section 40 duty in the Natural Environment and Rural Communities Act 2006 (NERC Act 2006), in relation to Wales, and applies to those authorities that fell within the previous duty. The duty came into force May 2016. These provisions go beyond the NERC Act in which public authorities were expected to "conserve biodiversity". The enhanced biodiversity duty recognises the link between biodiversity and the long term functioning of ecosystems.

In order to comply with the Section 6 Duty, the Trust must have regard to:

- The section 7 list of habitats and species of principal importance for Wales.
- The State of Natural Resources Report, published by Natural Resource Wales (NRW).
- Any Area Statement which covers all or part of the area in which the authority exercises its functions, once these are produced.
- The Nature Recovery Action Plan (NRAP) for Wales contains six objectives which should be used to help develop and guide actions to comply with the S6 duty, and further technical guidance will be produced.

A biodiversity audit has been undertaken on all of the Trust sites, a series of recommendations have been set for each site which will be implemented and monitored.

Eco Events

To celebrate World Environment Day on the 5th June, a series of events were planned for the Trust, organised in conjunction with NWSSP. Due to COVID-19, these events have been postponed.

Within the events, staff will be asked to sign a series of pledges;

- Velindre Veg Pledge.
- Plastic Pledge.
- Peddle Pledge.
- Paperless Pledge.

- Phone Pledge.

All colleagues who sign up will be contacted throughout the year, to see how well they have done with their pledges!

The Healthy Travel Charter

The Trust will join the Healthy Travel Charter in 2020. The Charter, which includes many other public bodies, including Public Health Wales and Welsh Government, aims to change patterns in the way we travel and how we design our environments for travel have played a significant role in these issues. It recognises bold action is required in Wales to ensure we contribute to a healthier and more sustainable future for our staff, donors and patients. By joining the Charter, the Trust will be supporting and encouraging our staff, visitors, donors and patients to travel in a more sustainable, healthy way.

Velindre University NHS Trust

Accountability Report 2019-20



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

CONTENT

Scope of Responsibility	3
Scope of the Accountability Report	7
Corporate Governance Report.....	8
i. Director's Report	9
ii. Statement of the Chief Executive's Responsibilities as Accountable Officer of Velindre University NHS Trust	21
iii. Statement of Director's Responsibilities in respect of the Accounts	22
iv. Governance Statement.....	23
Financial Accountability Report	69
Remuneration & Staff Report	75
National Assembly for Wales - Accountability & Audit Report	94
The Certificate and Independent Auditor's Report of the Auditor General for Wales to the National Assembly for Wales	95

VELINDRE UNIVERSITY NHS TRUST SCOPE OF RESPONSIBILITY

Velindre University NHS Trust provides specialist services to the people of Wales. The operational delivery of services is managed through Velindre Cancer Centre and the Welsh Blood Service.

Velindre University NHS Trust delivers specialist cancer services for South East Wales using a hub and spoke model. The hub of our specialist cancer services is Velindre Cancer Centre. This is a specialist treatment, teaching, research and development centre for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year.

The Trust Board is accountable for Governance, Risk Management and Internal Control for those services directly managed and those managed via hosting arrangements. As Accountable Officer, the Chief Executive has 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 this organisation's assets for which the Chief Executive is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

At the time of preparing this Annual Governance Statement, Velindre University NHS Trust 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, demonstrating Value for Money after the COVID-19 crisis has abated, and the organisation returns to more normal operating conditions.

To demonstrate this, Velindre University NHS Trust is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

Velindre University NHS Trust also hosts three organisations, which are explained in more detail below. Directors of the Hosted Organisations are bound by an Annual Governance Compliance Statement (or their own Annual Governance Statement in the case of NHS Wales Shared Services Partnership) with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust Organisations hosted by Velindre University NHS Trust are:

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

On 11th May 2012, the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No.1261 (W.156) was laid before the National Assembly for Wales and came into force on 1st June 2012. The NWSSP is a dedicated organisation that supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services.

NWSSP is hosted by Velindre University NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the

Welsh Government. The Director of NWSSP produces and signs his own Annual Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

NHS WALES INFORMATICS SERVICES (NWIS)

NWIS operates under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and is responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services and information management across NHS Wales. NWIS has a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems. The Director of NWIS is accountable to the Deputy Director, Digital Health and Care of the Welsh Government.

The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

In September 2019, it was announced that NHS Wales Informatics Services will transition to a new standalone NHS Wales organisation, reflecting the importance of digital and data in modern health and care. The new organisation will be a Special Health Authority, like the recently established Health Education and Improvement Wales. It will have an independent chair and board, appointed by Welsh Ministers. The Trust will be working with NWIS to support their transition to a Special Health Authority.

HEALTH TECHNOLOGY WALES (HTW)

The Trust received grant funding to continue the operation of Health Technology Wales during 2019-2020. HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, telemonitoring, psychological therapies, rehabilitation or any health intervention that isn't a medicine.

HTW independently critically assesses the best available international evidence about the clinical and cost effectiveness of a health technology. This evidence is reviewed by experts and the HTW Appraisal Panel to put the evidence into the Welsh context. HTW also coordinates a Front Door process to support health technology developers to navigate NHS Wales. As well as its Front Door and appraisal functions, HTW also has roles in horizon scanning, evaluating uptake and disinvestment of technologies and providing advice to health technology developers. It does this in partnership with other organisations in NHS Wales to ensure there is no duplication of work and sharing of limited skilled assessment resources. The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, the Trust has produced an Accountability Report for the financial reporting period 2019-2020.

The purpose of the Accountability Report, which sits within the suite of Annual Report documents, is to report to the National Assembly for Wales in respect of the key accountability requirements.

The Accountability Report will be signed and dated by the Trust's Accountable Officer - Chief Executive and is made up of the following four sections:

1. CORPORATE GOVERNANCE REPORT
2. FINANCIAL ACCOUNTABILITY REPORT
3. REMUNERATION AND STAFF REPORT
4. NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND
AUDIT REPORT

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition of the Trust and its governance structures and how these support the achievement of the Trust's objectives.

The Corporate Governance Report includes the following sub sections:

- DIRECTORS' REPORT
- THE STATEMENT OF ACCOUNTABLE OFFICERS' RESPONSIBILITIES
- THE STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS
- GOVERNANCE STATEMENT

DIRECTORS' REPORT

This Directors' report brings together information about the Trust Board including the Independent Members and Executive Directors, the composition of the Trust Board and other elements of its governance and risk management structure. It also includes the disclosures and reporting required by the Trust relating to the day to day execution of the Trust's business.

The Trust Board is made up of Executive Directors, who are employees of the Trust, and Independent Trust Board Members (IMs), who were appointed to the Trust Board by the Minister via an open and competitive public appointment process.

CHAIR AND INDEPENDENT MEMBERS OF THE TRUST – 2019- 2020



Professor Donna Mead, OBE, Chair

Appointment:

Professor Mead was appointed Chair of Velindre University NHS Trust in May 2018.

Area of Expertise:

Education, Partnerships and Collaboration.

Trust Board Committee Membership

Professor Mead Chairs the Trust Board meeting, Remuneration Committee, Advisory Consultant Appointment Committee, Charitable Funds Committee, Research, Development & Innovation Committee and the Academic Partnership Committee.

Professor Mead is supported by six other Independent Members.



**Mr. Stephen Harries, Interim Vice
Chair/Independent Member**

Appointment:

Mr. Harries was appointed as an Independent Member of the Trust in April 2017. In November 2018, Mr. Harries was appointed as Interim Vice Chair.

Area of Expertise:

Information Governance & Information Management and Technology.

Trust Board Committee Membership

Mr. Harries is Chair of the Information Governance & Information Management & Technology Committee and Transforming Cancer Services Programme Scrutiny Committee. He is a member of the Remuneration Committee, Quality & Safety Committee, Planning & Performance Committee, Workforce and Organisational Development Committee and Shared Listening and Learning Sub Committee.

Champion Role:

Trust Champion for Information. Trust Board's Independent Member link with the Velindre Cancer Centre.



**Professor Jane Hopkinson, Independent
Member**

Appointment:

Professor Hopkinson was appointed as an Independent Member of the Trust in August 2012. Professor Hopkinson's term came to an end on the 31st August 2019.

Area of Expertise:

University Representative.

Trust Board Committee Membership

Professor Hopkinson Chaired the Research, Development & Innovation Committee, and is a member of Information Governance & Information Management & Technology Committee.

Champion Role:

Trust Champion for Research.



Professor Donald Fraser, Independent Member

Appointment:

Professor Fraser was appointed as an Independent Member of the Trust in December 2019.

Area of Expertise:

University Representative.

Trust Board Committee Membership

Professor Fraser Chairs the Shared Listening & Learning Sub Committee and is a member of the Research, Development & Innovation, Quality & Safety Committee, Workforce & Organisational Development Committee and the Academic Partnership Board.

Champion Role*:

Trust Champion for Research. [*To note that roles for newer Independent Members is currently under review].



Mrs. Janet Pickles, Independent Member

Appointment:

Mrs. Pickles was appointed as an Independent Member of the Trust in October 2012.

Area of Expertise:

Quality & Safety.

Trust Board Committee Membership

Mrs. Pickles Chairs the Quality & Safety Committee and is a member of the Audit Committee, Charitable Funds Committee and the Shared Listening and Learning Sub Committee and Advanced Radiotherapy Programme Committee.

Champion Role:

Trust Champion for Infection Control, Patients and Older People, equality and is the Trust Board's Independent Member link with the Welsh Blood Service.



Mr. Phil Roberts, Independent Member

Appointment:

Mr. Roberts was appointed as an Independent Member of the Trust in March 2012. In September 2018, Mr. Roberts accepted the invitation to continue to serve as Independent Member with the Trust for a further 11 months, 1st April 2019 to 29th February 2020.

Area of Expertise:

Estates & Planning.

Trust Board Committee Membership

Mr. Roberts is Chair of the Planning & Performance Committee and TCS Programme Scrutiny Committee, and a member of the Information Governance & IM&T Committee.

Champion Role:

Trust Champion for Design, Sustainability, Welsh Language, Public & Patient Involvement.



Mrs Hilary Jones, Independent Member

Appointment:

Mrs Hilary Jones was appointed as an Independent Member of the Trust from 1st March 2020.

Area of Expertise:

Estates & Planning.

Trust Board Committee Membership

Mrs Jones will Chair the Planning & Performance Committee and will be a member of the IG&IM&T Committee, Workforce & OD Committee and the Advance Radiotherapy Programme Committee.

Champion Role*:

Trust Champion for Design, Sustainability, Welsh Language, Public & Patient Involvement. [*To note that roles for newer Independent Members is currently under review].



Judge Ray Singh, Independent Member

Appointment:

Judge Singh was appointed as an Independent Member of the Trust in November 2011. Judge Singh accepted the invitation to continue to serve as Independent Member to the Trust in October 2018 and was re-appointed for 12 months from 1st November 2018 to 31st October 2019.

Area of Expertise:

Legal.

Trust Board Committee Membership

Judge Singh was a member of the Audit Committee (Trust), Audit Committee (NHS Wales Shared Services Partnership), Quality & Safety Committee, Remuneration Committee and the Investment Performance Review Sub Committee which is a Sub Committee of the Charitable Funds Committee.

Champion Role:

Trust Champion for Violence & Aggression, Safeguarding and Putting Things Right.



Mr Gareth Jones, Independent Member

Appointment:

Mr Jones was appointed as an Independent Member of the Trust in December 2019.

Area of Expertise:

Legal.

Trust Board Committee Membership

Mr Jones Chairs the Workforce & OD Committee and is a member of the Audit Committee, Planning & Performance Committee and TCS Programme Scrutiny Committee.

Champion Role*:

Trust Champion for Violence & Aggression, Safeguarding and Putting Things Right. [*To note that roles for newer Independent Members is currently under review].



Mr. Martin Veale, JP, Independent Member

Appointment:

Mr. Veale was appointed as an Independent Member of the Trust in April 2017. Mr Veale's second term with the Trust will commence in April 2020.

Area of Expertise:

Finance, Audit & Governance.

Trust Board Committee Membership

Mr. Veale is Chair of the Audit Committee (Trust), Audit Committee (NHS Wales Shared Services Partnership) and the Investment Performance Review Committee (which is a Sub Committee of the Charitable Funds Committee). Mr. Veale is also a member of the Remuneration Committee and the Charitable Funds Committee.

Champion Role:

Trust Champion for Finance and Governance.

EXECUTIVE DIRECTORS (BOARD MEMBERS)



Mr. Steve Ham, Chief Executive (Accountable Officer)

Trust Board Committee Membership

Mr. Ham is a member of the Charitable Funds Committee, Local Partnership Forum, Remuneration Committee and Advisory Consultant Appointments Committee.



Dr. Jacinta Abraham, Medical Director

Trust Board Committee Membership

Dr. Abraham is a member of the Research, Development & Innovation Committee and Advisory Consultant Appointments Committee.

Lead Function: Medical Director & Research.



Mrs. Jayne Elias, Interim Executive Director of Nursing & Service Improvement Mrs. Elias was appointed as Interim Executive Director of Nursing & Service Improvement on the 1st March 2019 to the 26th August 2019.

Trust Board Committee Membership

Mrs. Elias is a member of the Research, Development & Innovation Committee.

Lead Function: Quality & Safety and Nursing.



Mrs Nicola Williams, Executive Director of Nursing, AHPs and Health Scientists

Mrs Williams commenced her appointment with the Trust on the 26th August 2019.

Trust Board Committee Membership

Mrs. Williams is a member of the Research, Development & Innovation Committee.

Lead Function: Quality & Safety and Nursing.



Ms. Sarah Morley, Executive Director of Organisational Development & Workforce

Lead Function: Organisational Development & Workforce

Ms. Morley is Joint Chair of the Local Partnership Forum.



Mr. Mark Osland, Executive Director of Finance

Trust Board Committee Membership

Mr. Osland is a member of the Charitable Funds Committee, the Charitable Funds Sub Committee – Investment Performance Review Sub-Committee and the Local Partnership Forum.

Lead Function: Finance and Charitable Funds.

EXECUTIVE TEAM MEMBERS (NON BOARD MEMBERS)



Mr. Carl James, Director of Transformation, Planning, & Digital

Responsible for strategic developments and planning and the continuous improvement of performance on behalf of the Trust.

Lead Function: Strategic Transformation,



Mrs. Georgina Galletly, Director of Corporate Governance/Board Secretary

Principal advisor to the Trust Board and the organisation as a whole on all aspects of governance and ensuring that the Trust meets the standards of good governance set for the NHS in Wales.

Mrs Galletly is on a 12 month secondment to Cwm Taf Morgannwg Health Board, the last day with the Trust was the 26th July 2019.

Steve Coombe

Mr. Steve Coombe, Interim Director of Trust Assurance

Principal advisor to the Trust Board and the organisation as a whole on all aspects of governance and ensuring that the Trust meets the standards of good governance set for the NHS in Wales.

Mr. Steve Coombe commenced a fixed term position with the Trust commencing on 23 July 2019 until the 31st March 2019.



Mrs. Lauren Fear, Interim Director of Corporate Governance/Board Secretary

Principal advisor to the Trust Board and the organisation as a whole on all aspects of governance and ensuring that the Trust meets the standards of good governance set for the NHS in Wales.

Mrs Fear commenced a fixed term position with the Trust commencing on the 2nd December 2019.

Lead Function: Governance.



Ms Cath O'Brien, Interim Chief Operating Officer

Ms O'Brien was appointed as Interim Chief Operating Officer a new role within the Trust with effect from the 1st March 2019.

Prior to that position Ms O'Brien was the Divisional Director of the Welsh Blood Service.



Mr Alan Prosser, Interim Director – Welsh Blood Service

Mr Prosser has taken up the Interim Director position. Prior to that, Mr Prosser was the Deputy Director of the Welsh Blood Service.

Mr Prosser is responsible for the operational management of the Service Division.



Mrs. Andrea Hague, Director Velindre Cancer Centre

At the September 2019 Board meeting, the Chief Executive Officer reported that Andrea Hague would be spending more of her time focusing on the TCS programme and to facilitate that the Trust would be backfilling the post of Director VCC for two years.



As a result, **Mr Paul Wilkins**, has been appointed to the position of **Interim Director, Velindre Cancer Centre** for the next two years.

As Interim Director of Velindre Cancer Centre, Mr Wilkins is responsible for the operational management of the Service Division.

Further information in respect of the Trust Board and Committee Activity, the System of Internal Control and the Trust Assurance Framework are captured in the Governance Statement section of this report, which starts on page 23 and Appendix 1.

PUBLIC INTEREST DECLARATION

Each Trust Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make the Trust's auditors aware of any relevant audit information.

All Trust Board Members and Senior Managers within the Trust (including Directors of all Hosted Organisations) have declared any interests in companies, which may result in a conflict with their managerial responsibilities. No material interests have been declared during 2019-2020: a full register of interests for 2019-2020 is available upon request from the Director of Corporate Governance.

DISCLOSURE STATEMENTS

The Trust would make the following disclosure statements for 2019-2020:-

During 2019/2020, the Trust reported two personal data breach incidents to the Information Commissioners Office (ICO). Both notifications were submitted in line with the 72 hour breach reporting timeframe.

1. Reported July 2019 - Incident reported in an advisory capacity only, and was not raised as a specific Trust attributed ICO reportable data breach incident. No action taken by the ICO against the Trust.

2. Reported December 2019 – A Dictaphone, containing personal and special category data about 5 patients reported as lost within the Trust. Initial investigation identified the device had insufficient security measures to protect against unauthorised access. During January 2020, the Trust received notification the device had been found. Dictaphone found in a safe location. ICO notified, and subsequent ICO closure email received. No action taken by the ICO against the Trust.

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, Velindre University NHS Trust has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment of governance undertaken by the Trust Board in April 2020 and also evidenced by internal and external audits. The Trust is complying with the main principles of the Code where applicable, and follows the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Trust Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.

There have been no reported/identified departures from the Corporate Governance Code during the year.

Welsh Government have an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales.

The Trust's five year Carbon Reduction Strategy continues to be implemented throughout the Trust and its hosted organisations. As part of this Strategy, carbon reduction projects have been identified and prioritised for implementation. For the period 2018 – 2021, the Trust Sustainable Development Plan has been embedded into the Integrated Medium Term Plan development process and Strategic Objectives have been merged with the Trust's Well-being Goals.

The Trust will continue work on carbon footprint monitoring in line with the recommendations of the recently published NHS Wales Carbon Footprint document. In particular, it will review CO₂e emissions arising from the use of electricity consumption (Scope 2), and those emissions associated with the use of Fleet vehicles (Scope 3).

The Trust recognises that its day to day operational activities have a direct impact upon the environment and is committed to meeting the legislative drivers set out by Welsh Government.

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.

**STATEMENT OF THE CHIEF EXECUTIVE'S
RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF
VELINDRE UNIVERSITY
NHS TRUST**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Velindre University NHS Trust.

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.

The Accountable Officer is required to confirm that, as far as he or she is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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.

Date: 25th June 2020



Mr. Steve Ham
Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the NHS Trust and of the income and expenditure of the NHS Trust for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury.
- make judgments and estimates which are responsible and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust 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:



Professor Donna
Mead, OBE
Chair

Dated: 25th June 2020



Mr. Steve Ham,
Chief Executive

Dated: 25th June 2020



Mr. Mark Osland,
Executive Director of
Finance

Dated: 25th June 2020

ANNUAL GOVERNANCE STATEMENT

THE TRUST'S ASSURANCE FRAMEWORK

This Governance Statement details the arrangements in place for discharging the Chief Executive's responsibility to manage and control Velindre University NHS Trust's resources, and the organisations, which it hosts, during the financial year 2019-2020.

Due to the unique Accountable Officer status of the Managing Director of Shared Services Partnership (NWSSP), an Annual Governance Statement for NWSSP has been requested and submitted by the Director of NWSSP to the Trust's Chief Executive. This is available from the Director of Corporate Governance upon request and helps to inform this report.

The Directors from the other bodies hosted by Velindre University NHS Trust where appropriate have signed and submitted a '*Governance Compliance Statement*' detailing and declaring compliance with Velindre University NHS Trust governance arrangements which is submitted at the end of March each year to the Velindre University NHS Trust Chief Executive to provide assurance that Trust policy, systems and processes are being complied with to support good governance.

DISCHARGING RESPONSIBILITIES

The Trust Board has been constituted to comply with the National Health Service Wales, Velindre University NHS Trust (Establishment) Order 1993 No.2838 and subsequent Amendment Orders (1995 No. 2492, 1999 No.808, 1999 No 826, 2002 No.442 (W.57) and 2002 No.2199 (W.219 2009 No.2059, 2012 No.1261, 2012 No.1262, 2015 No.22, 2017 No.912, 2018 No.887). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Trust Board members also fulfil a number of "champion" roles where they act as ambassadors for these matters. The Trust Board discharges its responsibilities through its Committees (listed in the table on page 24) and scheme of delegation, which is set out in its Standing Orders.

There are 13 Committees/Partnership Forums reporting directly to the Trust Board, which is supported by sub-Committees/groups in the discharge of functions;

Committee	Sub Committee
Advisory Consultant Appointments Committee	N/A
Audit Committee (Trust)	N/A
Audit Committee (For Shared Services to consider NHS Wales Shared Services Partnership (NWSSP) Matters)	N/A
Charitable Funds Committee	Investment Performance Review Sub-Committee
Information Governance & IM&T Committee	N/A
Planning & Performance Committee	N/A
Quality & Safety Committee	Shared Listening and Learning Sub-Committee
Remuneration Committee	N/A
Research, Development and Innovation Committee	N/A
Workforce & Organisational Development Committee	N/A
Transforming Cancer Services Programme Scrutiny Committee	N/A
Local Partnership Forum	N/A
Academic Partnership Board	N/A

At a local level, the Trust Board has agreed Standing Orders (SOs) for the regulation of proceedings and business.

The *Trust Standing Orders and Standing Financial Instructions* have been adopted from the Welsh Government's Model Standing Orders for NHS Trusts in Wales and are designed to translate the statutory requirements set out in the *National Health Service Trusts (Membership and Procedures) Regulations 1990 (1990/2024)* into day to day operating practice. Together with the adoption of a scheme of matters reserved to the Trust Board; a scheme of delegations to officers and others; and Standing Financial Instructions, the SOs provide the regulatory framework for the business conduct of the Trust and define its 'ways of working'.

These documents, together with the range of policies set by the Trust Board make up the Governance and Accountability Framework.

Welsh Government issued revised Model Standing Orders during the period for approval by the Trust Board by the end of November 2019. In addition to this, the Standing Orders have been periodically updated to account for alterations in year; details in respect of the reviews are outlined on page 30.

The dates the Trust Board and Committees met during the period 2019-2020 is captured in Appendix 1.

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 (Admission 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 Welsh Government 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 24 March 2020. To ensure business was conducted in as open and transparent a manner as possible during this time, the following actions were taken:-

- The Trust is inviting all regular attendees to its Public Board, Audit Committee and Quality & Safety Committee via technological solutions.
- The meetings are closed session i.e. public are not invited to join the meetings in person. This allows the Trust to act in accordance with social distancing guidelines.

- To retain openness and transparency during this time the Trust is committed to ensuring that the papers are published in advance of the meeting and the minutes or a briefing within 48 hours of the meeting having met.
- All Board Committees other than Audit and Quality & Safety Committee have been stood down until the end of June 2020.

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.

COMMITTEE ACTIVITY

In line with Standing Orders, each Committee formally reports annually to the Trust Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports for 2019, which outline the activity of each of the Committees for the year ending 31st December 2020, will be published on the Trust Internet site by September 2020, once they have been formally received as part of the agreed Formal Governance Recovery Plan to COVID-19.

In addition, each Trust Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its last meeting. The Trust has a process where committees schedule a pause at the end of each meeting to discuss the key issues they want to raise with the Trust Board through the highlight report process under the following headings:

- Escalate/Alert
- Advise
- Assure
- Inform

The highlight reports are presented to the Trust Board by the Committee Chair. Similarly to the annual reports the highlight reports are available within the Trust Board papers on the Trust's Internet site (<http://www.velindre->

tr.wales.nhs.uk/the-board-committees) or from the Head of Corporate Governance.

The Terms of Reference for each Committee are reviewed annually in line with the Trust Standing Orders, or more frequently if deemed necessary by the Committee or Trust Board. The Terms of Reference for all Committees are available from the Head of Corporate Governance or can be found in the Trust Standing Orders and Standing Financial Instructions.

Key highlights and issues considered by the Trust Board and its Committees during 2019-2020 are included at Appendix 1 of the Governance Statement.

Minutes and papers of all Public Trust Board and Committee meetings are published on the Trust Internet site via the following link: <http://www.velindre-tr.wales.nhs.uk/current-trust-board-meetings-2018>.

During 2019-2020, key aspects of Trust Board business and issues delegated to the Audit Committee for consideration and advice, including action taken included;

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans. The Audit Action Plan, which tracks the implementation of the recommendations of Audits is regularly reviewed by the Audit Committee.
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities.
- Regular review of the Declaration of Interests and Gifts, Hospitality, Sponsorship and Honoraria Register.
- Monitoring the development and draft content of the Trust's Accountability Report.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring the legislative Compliance Register.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.
- Approved an Interim Board Assurance Framework (see more detail below).

BOARD ASSURANCE FRAMEWORK

The Audit Committee and Trust Board approved an interim Board Assurance Framework (BAF) in November 2019.

A more complete BAF will be developed ensuring appropriate up to date risk management arrangements and is planned for implementation by October 2020.

Further detail in respect of the activity on the Audit Committee during 2019-2020 is captured in Appendix 1 on page 59.

ENGAGEMENT WITH THE LOCAL PARTNERSHIP FORUM

In support of the Trust Board, the Trust also has a Local Partnership Forum that met twice during 2019-2020, with Joint Chairs who are each nominated from the Trade Union Representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Examples of engagement with the Local Partnership Forum during 2019-2020 are outlined in Appendix 1 on page 60.

TRUST BOARD DEVELOPMENT AND EFFECTIVENESS

The Board Development Sessions which were held during 2019-2020 are outlined below:

April 2019 –Board Briefing Session

- Exploring the NHS Staff Survey Results.
- Radiotherapy Performance Update.
- Commercial Partnerships Update.
- nVCC Project Update.

September 2019 – Board Development / Board Briefing Session

- Strategic Development. Interactive Session - where are we now and developing a new mission and vision for the Trust.
- Organisational Design Presentation.
- Integrated Medium Term Plan (IMTP) – Update.
- Paediatric Radiotherapy.
- Brexit Briefing.

October 2019 – Board Development / Board Briefing Session

- Strategic Development - emerging themes and options for the Trust mission and vision.
- Presentation on the Welsh Blood Service – Blood Supply Chain and Blood Health Plan.
- Presentation on the Evaluation of the Acute Assessment Unit.

November 2019 – Board Development / Board Briefing Session

- Strategic Development – Developing Strategic Goals.
- Presentation on the Integrated Medium Term Plan (IMTP) – Update.
- Cwm Taf Morgannwg Reviews and Reflections.
- Education Showcase.

December 2019 – Board Development / Board Briefing Session

- Cwm Taf Reflections – All Wales Self-Assessment of Quality Governance Arrangements.
- Mount Vernon Findings and Reflections.
- Integrated Medium Term Plan (IMTP) – Update.

February 2020 – Board Development / Board Briefing Session

- Organisational Narrative and Canterbury Reflections.
- Wellbeing of Future Generations Act (WBFGA)– the Board was joined by Sophie Howe, WBFGA Commissioner.
- Socio Economic Duty Update.
- Strategic Development.
- Blood Collection Operating Model.
- Information Governance Core Skills Training.

STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

The Trust approved a revised set of Standing Orders and Standing Financial Instructions for the regulation of proceedings and business to ensure the following issues were addressed:

June 2019 – Amendments to the Charitable Funds Committee and Local Partnership Forum Terms of Reference.

July 2019 – Amendments to the Charitable Funds Committee, Information Governance & IM&T Committee, Quality & Safety Committee and Research, Development and Innovation Committee Terms of Reference.

September 2019 – Amendments to the nVCC Scrutiny Committee Terms of Reference.

November 2019 – Revised Model Standing Orders issued by Welsh Government were implemented and approved by the Board in November 2019.

March 2020 – Amendments to the Remuneration and Terms of Service Committee and Information Governance and IM&T Committee Terms of Reference.

March 2020 - Variation to Standing Orders Board Committee Management during COVID-19.

TRUST BOARD APPOINTMENTS DURING 2019-2020

The Trust made the following Trust Board appointments/reappointments:

Independent Members

- Professor Donald Fraser, Independent Member University commenced his first term with the Trust on the 2nd December 2019.
- Mr Gareth Jones, Independent Member Legal commenced his first term with the Trust on the 2nd December 2019.
- Mrs Hilary Jones, Independent Member Estates & Planning commenced her first term with the Trust on the 1st March 2020.

- Mr Martin Veale, Independent Member Finance, Audit and Governance will commence his second term with the Trust on the 1st April 2020.
- Professor Donna Mead, Chair will commence her second term with the Trust on the 1st May 2020.

Executive Directors

- Nicola Williams, Executive Director of Nursing, Allied Health Professions and Health Sciences commenced in post on 26th August 2019.

Executive Team (Non Board Members)

- Mr Steve Coombe commenced as Interim Director of Trust Assurance on the 23rd July 2019.
- Mrs Lauren Fear commenced as Interim Director of Corporate Governance on the 2nd December 2019.
- Mr Alan Prosser commenced as Interim Director of the Welsh Blood Service in March 2019.
- Mr Paul Wilkins commenced as Interim Director of the Velindre Cancer Centre in September 2019.

On 23 March 2020, the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. At the time of this suspension the Trust was due to commence an appointment campaign for a new Independent Member as Mrs Jan Pickles third term is coming to end on 31 September 2020. Action to be taken in respect of this appointment will be confirmed by early July 2020.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL (TRUST ASSURANCE FRAMEWORK)

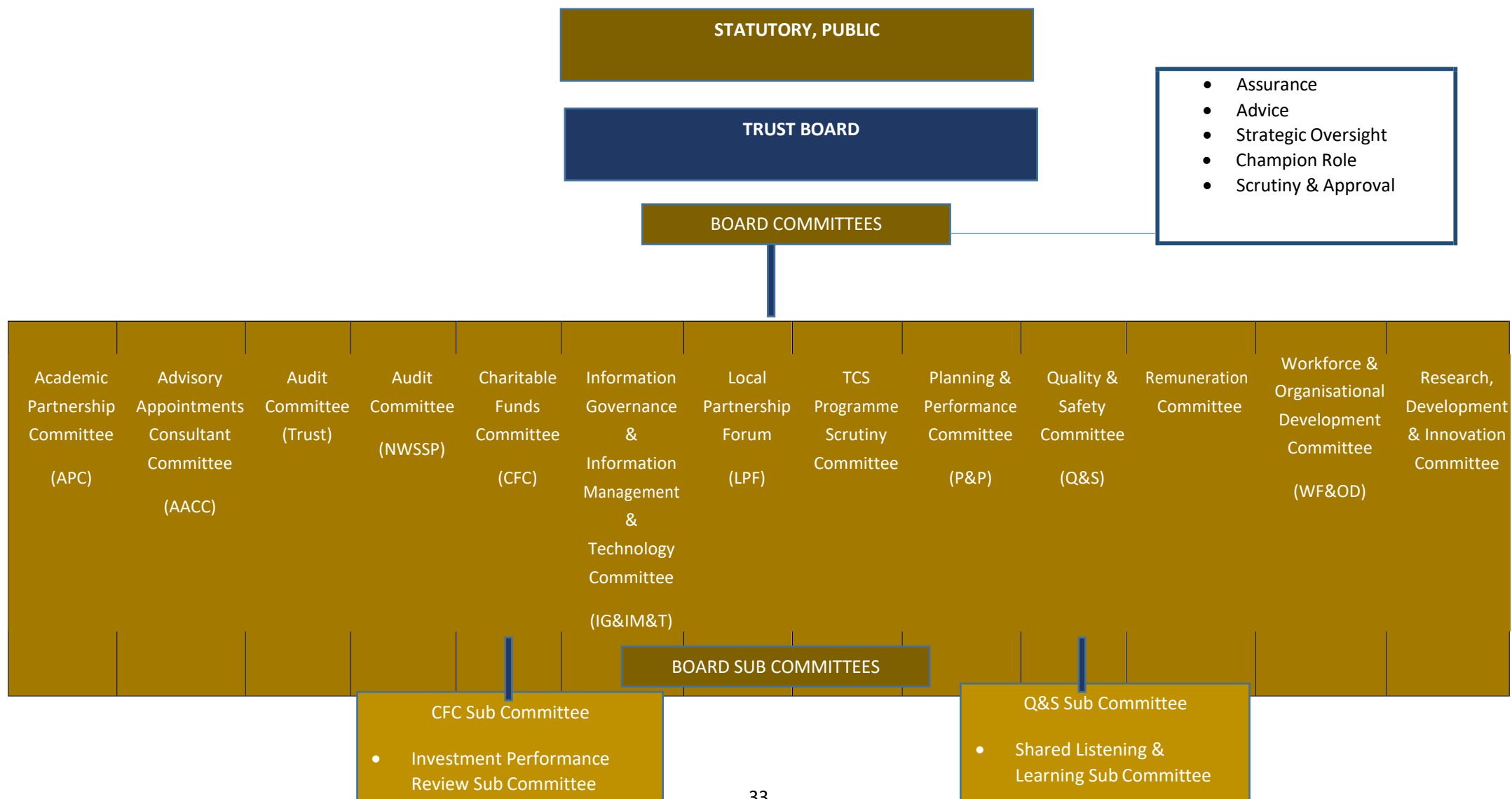
The system of internal control (Trust Assurance Framework) is designed to manage risk to a reasonable level rather than to eliminate all risks, it can therefore only provide reasonable and not absolute assurances of effectiveness.

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 31st March 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

The Welsh Government requires that the Trust operates within the wider governance framework set for the NHS in Wales and incorporating the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

An overarching summary of the Trust's Governance Accountability Framework is illustrated below;



GOVERNANCE OF THE CHARITABLE FUNDS

The Velindre University NHS Trust Board was appointed as Corporate Trustee of the Charitable Funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993, and the Trust Board serves as its agent in the administration of the charitable funds held by the Trust.

As part of their induction programme, new Executive Directors and Independent Members of the Trust are made aware of their responsibilities as Board Members of Velindre University NHS Trust and as Corporate Trustees of Velindre University NHS Trust Charity.

The Trust Board as Corporate Trustee is ultimately accountable for charitable funds given to Velindre University NHS Trust Charity. In order to facilitate the administration and management of these funds the Trust Board has established a Charitable Funds Committee (CFC) to provide advice and recommendations to the Board. Committee meetings are held every three months and otherwise as the Committee Chair deems necessary. At least two members must be present to ensure the quorum of the Committee.

The CFC is supported by the Charitable Funds Operational Management Group that meets as and when required through a face to face or virtual format.

The CFC is also supported by an Investment Performance Review - Sub Committee, to oversee the investments made by the Charity.

Further information in respect of the Charitable Funds is available in the Trustee's Annual Report which can be accessed via the Charitable Funds page on the Trust website: <http://www.velindre-tr.wales.nhs.uk/key-publications>. The Charitable Funds Committee Annual Report for 2019 will be formally received and approved during the Trust Recovery Phase to COVID 19. Thereafter, the Annual Report for 2019 will be published on the Trust website by September 2020.

HOSTED ORGANISATIONS SYSTEMS OF INTERNAL CONTROL AND ASSURANCE

Hosted organisations utilise the existing Trust's Committee Structure illustrated earlier in this report.

A separate Velindre University NHS Trust Audit Committee is held to consider issues relating specifically to NWSSP, having the same Chair and Independent Membership as the Velindre University NHS Trust Audit Committee. Information relating to the governance arrangements in NWSSP is contained within the Director's Annual Governance Statement to the Velindre University NHS Trust Chief Executive which is available from the Director of Corporate Governance upon request.

NWSSP has a 'NHS Wales Shared Services Partnership Committee' which was established as a sub-committee of Velindre University NHS Trust Board in 2012 to comply with Ministerial Directions. The NWSSP Committee has membership from each statutory body in NHS Wales, and is chaired by an Independent Chair. The NWSSP Committee reports to Velindre University NHS Trust Board and all other health body Boards in Wales via their representative member on the Committee. NWSSP have their own Standing Orders which are appended to the Velindre University NHS Trust Standing Orders.

As a result of a number of independent reviews undertaken relating to NWIS, in January 2018 the Trust Board approved an "NWIS Hosting Assurance Requirements Framework", the purpose of which was to clarify the assurance requirements from NWIS to the Velindre University NHS Trust Board as host and how these assurances will be gained from NWIS.

The role of the Audit Committee in respect of this framework is to receive regular, standing agenda reporting on:

1. Internal and External Audit Plans.
2. Internal and External Audit Reports with completed management action plans.
3. Progress reports against audit recommendations (to be highlighted to Welsh Government if progress is deemed unsatisfactory).
4. Risk Register.
5. Compliance and activity governed by the Trust Standards of Behaviour Policy (i.e. Declarations of Interest, Gifts & Hospitality).
6. Single Tender Actions.

This new approach was implemented with effect from the February 2018 Audit Committee and was reviewed and strengthened during March / April 2019.

Currently, organisations hosted by Velindre University NHS Trust are able to link with Trust Board Committees and Management Groups where appropriate to ensure assurance is provided for the governance arrangements including statutory compliance for the areas remaining within the Trust's area of responsibility.

CAPACITY TO HANDLE RISK

The organisations hosted by Velindre University NHS Trust maintain and manage their own risk registers and comply with the Trust escalation processes to ensure the Trust Board is made aware of any significant relevant risks relating to the Trust Board's responsibilities via the Trust Risk Register as necessary.

Risks relating to hosted organisations will only be escalated to the Velindre University NHS Trust risk register where matters directly affecting the Trust are apparent. Matters relating to service delivery and performance are a matter for hosted bodies to receive, manage, and escalate as necessary to the relevant sponsor body.

The Trust involves its public stakeholders in managing risks that impact on them. For example, there is ongoing public engagement as an integral part of the development process of the Transforming Cancer Services (TCS) Programme and the Infrastructure Project. A series of stakeholder events have been undertaken, and will continue throughout the lifespan of the TCS Programme. Risks from the TCS Programme are reviewed and monitored by the TCS Programme Scrutiny Committee and are escalated to the Trust risk register in accordance with the Trust risk escalation process. Information on the risks managed and mitigated during 2019-2020 is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following [link](#).

RISK MANAGEMENT

The Trust has an approved Risk Assessment Policy in place. The Policy details a robust risk assessment process to identify, assess and manage organisational risks which are reported on a risk register to the Trust Board.

The Trust Board is ultimately responsible for overseeing the Trust's risk register and holding the Executive to account for ensuring management action is taken to minimise risk. The Trust Board delegates' responsibility to the Trust's Quality & Safety Committee for overseeing the risk management process and the Trust's Audit Committee retains the oversight to ensure the system of risk management is effective. The overall aim of the Trust's Risk Management approach is to progress a comprehensive risk management programme to ensure that:

- There is compliance with statutory legislation.
- All sources and consequences of risk are identified.
- Risks are assessed and either eliminated or minimised.
- Damage and injuries are reduced, and people's health and well-being is optimised.
- Resources diverted away from patient/service user care to fund risk reduction are minimised.
- Lessons are learnt from concerns in order to share best practice and prevent re-occurrence.

The Trust has a series of controls in place to manage and mitigate these risks.

The Chief Executive, as Accountable Officer for the Trust, has overall accountability and responsibility for having an effective risk management system in place within the Trust, including hosted organisations. The Chief Executive is responsible for meeting all statutory requirements and adhering to guidance issued by the Welsh Government Department of Health & Social Services in respect of governance. Within the Trust's Risk Management Policy, the Chief Executive has set clear measurable risk management objectives for the Executive Directors and Service Directors with delegated responsibility for risk management and governance.

The Director of Corporate Governance has organisational lead responsibility to the Chief Executive and the Board for risk management. Each Executive Director is responsible for overseeing effective management of risk within their area of responsibility, and Executive Directors are supported in these duties by the Service Directors and Senior Managers across the organisation.

Every member of staff, including clinicians, is responsible for ensuring that their own actions contribute to the wellbeing of patients/service users, staff, visitors and the organisation. They are expected to contribute to the identification, reporting and assessment of risks and to take positive action to manage them appropriately.

Risk management is embedded in Trust decision making and service delivery. This is supported by continually considering and assessing Trust compliance with key clinical guidance including:

- Guidance and technology appraisals from the National Institute for Health and Care Excellence (NICE).
- National Service Frameworks (NSFs).
- National Enquiries for example Confidential Inquiries.
- Patient Safety Alerts.
- Professional Guidelines for example from Royal Colleges.
- Guidelines or standards from other national/local bodies.
- Local and national audit.
- Research & Development.
- Participation in clinical trials.
- Health and Care Standards (Wales).

Risk Management and risk resourcing is managed by Divisional Directors through their business plans. All divisions/departments have processes for assessing risk and risk registers are created as appropriate. Risks are updated and reviewed within the service divisions. The divisional Strategic Management Team (SMT) works with their supporting groups/Committees to ensure effective controls are in place for their risks to be managed at a tolerable level.

Risks are referred to the appropriate Committees of the Trust Board for scrutiny and to identify additional control measures. In turn, the Committees provide assurance to

the Trust Board that all reasonably practicable steps have been taken to reduce the risk, that effective controls are in place and the risk is being managed at a tolerable level.

TRUST RISK REGISTER

The organisation's risk profile is visible through the Trust Risk Register. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. Public Stakeholders are involved in the assessment of risk through public consultations, Patient Liaison Group representation and Community Health Council at Trust Board and Committee meetings, feedback received in respect of Patient Experience surveys and Donor Forums and learning from Concerns received from patients, donors, relatives and/or carers.

All risks are assessed and awarded a score, informed by potential impact and likelihood. Risks are escalated resulting in the highest level of risk being referred to the Executive Management Trust Board for appraisal prior to inclusion on the Trust's risk register and reported to Trust Board and relevant Trust Board Committee/s. Each risk entered onto the Trust register is given a 'target' score informed by the appetite for the risk, which is the level of risk the Trust Board is prepared to accept before action is deemed necessary to reduce it. The risk appetite is used in decision making to inform the prioritisation of actions and the resources required to mitigate risks on the Trust risk register.

The significant risks on the Trust Risk Register as at the 31st March 2020 and up to the date of approval of the annual report and accounts are outlined below. Further details in respect of the Trust's key risks are outlined within the Trust's Annual Quality Statement (AQS). The AQS is included within the Trust Annual Report, which is held on the Trust Internet site under key publications.

The Trust uses a Risk Quantification Matrix to evaluate its risk rating. A simple risk quantification is identified by multiplying the Impact X Likelihood = Risk Rating.

Impact	Description	IMPACT	Likelihood	Description	LIKELIHOOD	Risk Score	Risk Level	Risk Rating
1	Insignificant	No injury	5	Almost Certain	Will happen frequently		Score	Risk Rating
2	Minor	Minor injury	4	Likely	Probably will happen, not regularly		1-3	Low
3	Moderate	Moderate injury RIDDOR reportable	3	Possible	Might happen occasionally		4-6	Moderate
4	Major	Major Injury Severe	2	Unlikely	Not expected to happen		8-12	Significant
5	Catastrophic	Death	1	Rare	Never happened		15-25	Critical

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. 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 Trust, although I am confident that all appropriate action has been taken. The identified risks are as follows:

Implications of COVID-19 outbreak to the patients, staff and operations of the Trust (Risk Score of 25). This encompasses a number of key risk areas:

- Maintaining appropriate stock levels of Personal Protective Equipment.
- Workforce capacity / capability due to COVID-19 related workforce absence.
- Workforce well-being.
- Digital capacity / capability.
- Blood supply to customer hospitals.
- Changes in upstream clinical pathways / capacity.
- System unable to cope with forecast demand / acuity & impact on cancer patients / staff.

Velindre University NHS Trust continues to work closely with a wide range of partners, including the Welsh Government as it moves beyond the response phase into the recovery phase. It will be necessary to ensure that 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.

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. As at the 31st March 2020 and up to the date of approval of the annual report and accounts, the organisation's risk profile relating to non-COVID-19 risks includes:

Quality Risk Domain:

- The continued failure to replace the existing Welsh Transplantation and Immunogenetics Laboratory (WTAIL) Information Management Systems means there is a significant, ongoing risk that both current and future requests to deliver new WTAIL services will not be able to be supported and that ultimately, WTAIL will be unable to deliver critical service modernisation that will meet service user expectations, presenting a quality, financial and reputational risk to the Trust if alternative service provision had to be provided (Risk Score 20).

Reputation and Public Confidence:

- Achieving the proposed timescales for the opening of the new Velindre Cancer Centre (nVCC) (Risk Score 16).
- Non-delivery of the expected benefits from the Transforming Cancer Services Programme (TCS) (Risk Score 16).

Workforce and Organisational Development:

- The potential impact on staff wellbeing during the change process of the Welsh Blood Service Blood Supply Chain 2020 Programme (Risk Score 12).

Compliance:

- Achieving compliance against the new Welsh Language Standards (under the Welsh Language (Wales) Measure 2011) within the timescales set by the Welsh Language Commissioner (Risk Score 12).
- Brexit – Disruption, delays or inability to provide full range of treatments and services if the government fails to achieve a withdrawal agreement when the UK leaves the EU (Risk Score 8).
- Deficiencies in compartmentation (fire-resisting construction, fire doors and fire dampers) – Velindre Cancer Centre (Risk Score 15).

Performance & Service Sustainability:

- Radiotherapy Planning CT scanners are nearing the end of useful life. This equipment will not have service/maintenance support after March 2020 (Risk Score 6).

Finance:

- The total quantum for funding for addressing COVID-19 across Wales remains fluid and uncertain. There is a risk that the organisation's operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2020-2021 (Risk Score 12).

Health & Safety:

- Lack of mechanical ventilation at the VCC site (including in-patient ward areas) (Risk Score 12).
- There is a risk that staff could contract COVID-19 in their working environment as a result of poor social distancing or hygiene levels and secondly there is a risk that social distancing measures will impact on site utilisation and subsequently service delivery capacity (Risk Score 16).

Further information on how risks are being managed and mitigated is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following [link](#).

RISK MANAGEMENT STRATEGY

The Trust's current Risk Management Strategy was written for the period 2015-2018. The content is still extant but is now under further review. This was commenced in 2019 but not yet completed. Timescales will be aligned to the implementation of the Board Assurance Framework, which is due for implementation in October 2020.

Risk management continues to be an integral component of the Trust's service delivery, and will ensure alignment to the three year Integrated Business Plan and other supporting strategies.

RISK APPETITE STATEMENT

The Trust faces a broad range of risks reflecting its responsibilities. The risks arising from its responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

The Trust makes resources available to control operational risks at acceptable levels and we recognise that it is not possible or indeed necessarily desirable to eliminate some of the risks inherent in our activities. Acceptance of some risk is often necessary to foster innovation within the services for which we are responsible.

The Trust's Risk Appetite Statement was reviewed and approved at Trust Board in September 2018, and considers the most significant risks to which the Trust is exposed. It provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of the Trust's activities and responsibilities, it is not appropriate to make a single overarching statement of the Trust's attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work has been developed in the following areas:

- Safety.
- Quality.
- Compliance.

- Research & Development.
- Partnerships & Innovation.
- Reputation & Public Confidence.
- Performance & Service Sustainability.
- Financial Sustainability.
- Workforce & Organisational Development.
- Partnerships.

The full Risk Appetite Statement is available is available via this [link](#).

The Risk Appetite Statement will be further reviewed by October 2020 aligned to the implementation of the Board Assurance Framework and review of the Risk Management Strategy.

HEALTH AND CARE STANDARDS FOR WALES

The Health and Care Standards published in April 2015, set out the requirements for the delivery of health care in Wales at every level and in every setting. The onus is on all NHS organisations to demonstrate that the standards are being used and are met on a continuous basis.

The Trust has an established framework through which self-assessments are undertaken and action taken to implement improvements and changes required to enable the Trust to deliver the highest quality of services to the people of Wales.

The Trust's service divisions and hosted organisations use the Standards to self- assess at all levels and across all activities to:


- Map against professional standards and operational plans.
- Assess how well they currently meet the standards.
- Identify what they do well and what could be shared wider.
- Identify what they do less well and what can be done to improve delivery.
- Make changes which contribute to overall quality improvement within their service.

In addition to the Trust undertaking a self-assessment, a selection of Standards were validated by Internal Audit during May 2020:

- Standard 1.0 – Governance, Leadership & Accountability.
- Standard 2.1 - Managing risk and promoting Health & Safety.
- Standard 3.2 - Communicating Effectively.
- Standard 4.1 - Dignified Care.

The audit of the Health & Care Standards in Wales conducted by Internal Audit sought to provide assurance that the Trust has adequate procedures in place to ensure that it is operating in accordance with the Standards and that appropriate self-assessment against the Standards is undertaken.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with establishment controls within the Health and Care Standards is **Reasonable Assurance**.

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

Guidance for the completion of the Health & Care Standards self-assessments have been made available to all relevant staff, Divisional and Executive leads along with Independent Members.

There is a timetable in place that detailed key actions and related dates for the self-assessment process. Appropriate leads at Divisional, Corporate and Executive level had been identified for the Standards, as well as Independent Members appointed to each area, but due to the current issues with COVID-19, the approval process had to be amended. These amendments were submitted and approved at the Executive Management Board.

Due to the on-going issues relating to COVID-19, regular updates on the self-assessment process have been submitted to the Executive Management Board.

There have been regular progress reports on the Health and Care Standards Improvement Plan 2018 /2019 to the Trust's Quality and Safety Committee along with the Executive Management Board.

GOVERNANCE & ACCOUNTABILITY ASSESSMENT/TRUST BOARD EFFECTIVENESS

The Board is required to undertake an annual self-assessment of its effectiveness. The approach taken this year was to bring together the various sources of assurance, internal and external, that would support the Board in considering its overall level of maturity for the Trust in respect of good governance and Board effectiveness.

At the Trust's Annual Board Governance and Effectiveness Assessment meeting on the 15th May 2020, Board members were taken through the process and concluded that the Trust's self-assessment of the overall maturity level for 2019-2020 was assessed at Level 4; this remained the same as the 2018-2019 assessment.

Governance, Leadership & Accountability – Self Assessment	1. Do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	2. Are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	3. Are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	4. Have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	5. Can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Rating				✓	

The above process has been subject to independent internal assurance by the organisation's Head of Internal Audit. The internal audit review confirmed that a satisfactory process exists for the review and completion of the Governance and Accountability assessment, involving Executives and, Independent Members. There

were no recommendations received in respect of the completion of the Governance and Accountability assessment.

REVIEW OF EFFECTIVENESS

As Accountable Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive's review of the effectiveness of the system of internal control is informed by the work of Internal and External Auditors, the Executive Directors and other assessment and assurance reports, including the work of Healthcare Inspectorate Wales. The Chief Executive has listened to the Board on their views of the strengths and opportunities in the system of internal control and been advised by the work of the Audit Committee and other Committees established by the Board.

The Chief Executive's performance in the discharge of these personal responsibilities is assessed by the Director General of the Department of Health & Social Services/Chief Executive of NHS Wales.

At the Annual Board Governance and Effectiveness Assessment meeting (mentioned above) the Trust Board concluded an overall maturity level for 2019-2020 as Level 4; which is defined as 'having well developed plans and processes and can demonstrate sustainable improvement throughout the organisation'.

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to, but also through the independent and impartial views expressed by a range of bodies external to the Trust, these include;

- Children's Commissioner.
- Community Health Councils.
- Health & Safety Executive.
- Healthcare Inspectorate Wales.
- Welsh Language Commissioner.
- Other accredited bodies.
- Older Peoples Commissioner.
- Audit Wales.
- Welsh Government.
- Internal Audit (NHS Wales Shared Services).
- Welsh Risk Pool Services.
- Equality & Human Rights Commission.

INTERNAL AUDIT OPINION & SCORES FOR 2019-2020

Internal audit provides the Chief Executive and the Board through the Audit Committee with a flow of assurance on the system of internal control. The Chief Executive and Internal Audit agreed a programme of audit work, which was approved by the Audit Committee, and delivered in accordance with public sector internal audit standards by the NHS Wales Internal Audit Service, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities. The subject areas covered during 2019-2020 were:

1. Corporate Governance, Risk Management and Reporting.
2. Strategic Planning, Performance Management and Reporting.
3. Financial Governance and Management.
4. Clinical Governance Quality & Safety.
5. Information Governance and Information Technology Security.
6. Operational Service and Functional Management.
7. Workforce Management.
8. Capital and Estates Management.

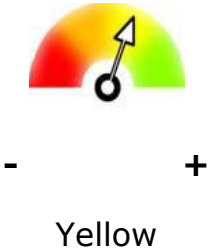
The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

THE HEAD OF INTERNAL AUDIT OPINION

As a result of the COVID-19 pandemic and the response to it from the Trust, Internal Audit has not been able to complete its audit programme in full. However, the Head of Internal Audit is satisfied that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards. Regular audit progress reports have been submitted to the Audit Committee during the year.

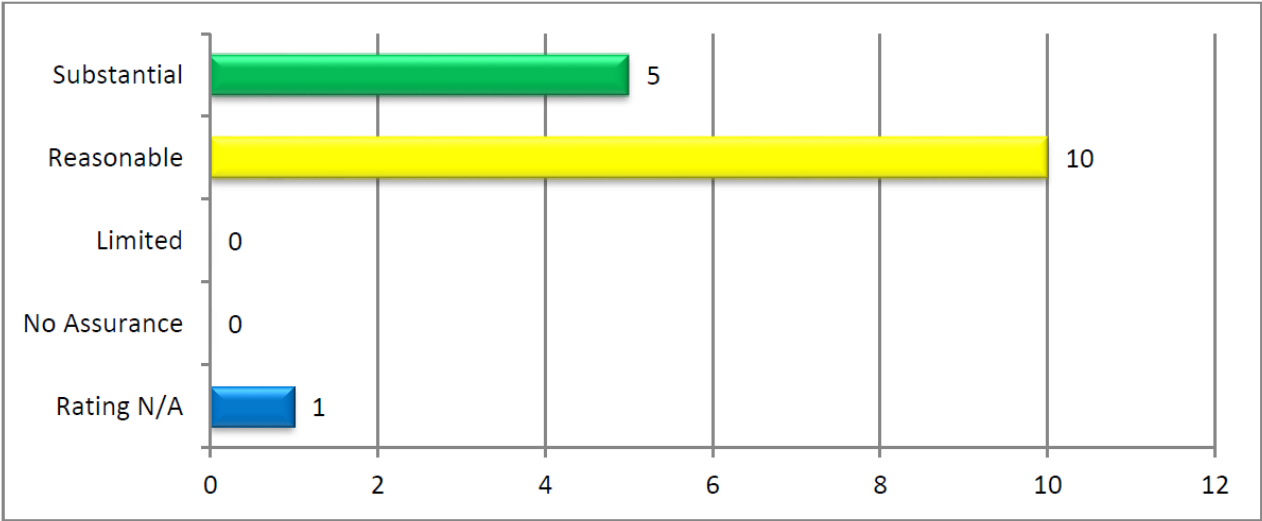
The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control is set out below. The overall opinion was classified as Reasonable Assurance.

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

In reaching this opinion the Head of Internal Audit identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, five were allocated Substantial Assurance and ten were allocated Reasonable Assurance. No reports were allocated limited or no assurance. In total 16 audits were reported during the year. Figure 1 presents the assurance ratings and the number of audits derived for each.

Figure 1 Summary of audit ratings



The management response to all assurance reports will be reviewed by the Audit Committee and progress against management actions will be monitored at each Audit Committee meeting until all actions have been appropriately implemented.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited or no assurance was reported. Further, where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year.

Where changes were made to the audit plan then the reasons were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review; the Head of Internal Audit has considered the impact of changes made to the plan when forming their overall opinion.

The Internal Audit Reports which outline the management responses and detailed actions which have been agreed to address the weaknesses identified are published within the Trust Audit Committee papers which are available on the Trust Internet site by [clicking here](#). The table in Appendix 1 details the dates of the meetings when the reports were received.

AUDIT WALES STRUCTURED ASSESSMENT 2019

The Trust's External Auditors, Audit Wales, conducted a Structured Assessment during 2019 that focused on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. This year, auditors paid critical attention to the progress made to address recommendations and opportunities for improvement identified in 2018 and previous years. The report grouped findings under four themes – the Trust's governance arrangements, strategic planning, managing financial resources and managing the workforce.

The main conclusions from the 2019 report are outlined below;

- **Governance Arrangements:** The Board and its sub-committees are generally effective, but risks and related controls and assurances are not mapped to strategic priorities and there are gaps in information flows relating to clinical audit. Positive progress is being made to redesign the organisational structure to better support the transformation of cancer and blood services.

- **Strategic Planning:** The Trust continues to strengthen its strategic planning arrangements, however, whilst the Board is beginning to scrutinise delivery against plans, the effectiveness of scrutiny is limited by the absence of signposting of progress made against delivering strategic priorities.
- **Managing financial resources:** The Trust has effective financial planning, management and monitoring arrangements and has identified more realistic and sustainable financial savings.
- **Managing workforce productivity and efficiency:** The Trust is taking positive steps to improve staff retention and recruitment and has a comprehensive and proactive approach to staff health and wellbeing.

Recommendations are being addressed by the Executive Management Board and progress will be monitored by the Audit Committee by scrutiny of the Audit Action Plan. Velindre University NHS Trust– Structured Assessment 2019 report is published and available from the Audit Wales internet site by [clicking here](#). The Trust’s management response to the 2019 structured assessment recommendations is captured within the WAO report.

INFORMATION GOVERNANCE

The Trust has established arrangements for Information Governance to ensure that appropriate use and access to information the Trust and its associated organisations hold, including confidential patient and donor information, is managed in line with the relevant Information Governance law, regulations and Information Commissioner’s Office guidance. This is guided by such legislation and guidance that includes General Data Protection Regulation, Data Protection Act 2018 and Caldicott. The Medical Director is the Trust’s Caldicott Guardian and supported by designated Caldicott Guardian roles at both respective Trust Divisions, the Director of Finance is the Senior Information Risk Owner (SIRO) and the Trust has appointed a Data Protection Officer (DPO).

Since its inception in May 2018, and during 2019/2020 the Trust has continued to integrate the requirements of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 (DPA) into its “Business as Usual” activities. Information Asset Register and Data Protection Impact Assessment processes have been established, and in recognition of the evolving Trust Information Governance agenda, the Trust continues to implement processes and communication of associated national

and local GDPR and DPA guidances via its Information Governance Peer Working Group (IGPWR). The IGPWR consists of membership of IG leads from within the respective Divisions and Hosted Organisations of the Trust, with regular reports on all IG related matters provided at Trust-wide forums, namely the Information Governance & Information Management & Technology Committee.

The Trust continues to be proactive in the NHS Wales Information Governance management support framework to ensure consistency of policy and standards of rules across NHS Wales organisations.

During 2019/2020, the Trust completed the inaugural NHS Wales IG Toolkit for Health Boards and Trusts. A Toolkit that enabled the Trust to measure a level of compliance against National Information Governance Standards and data protection legislation to ascertain whether information was being handled and protected appropriately across the organisation.

The statement on the quality of data reported to the Trust Board is included within the Annual Quality Statement within the Velindre University NHS Trust Annual Report. In 2019/20, the Annual Quality Statement timing is not aligned to the production of the Annual Governance Statement due to the review of timelines. In summary, information is provided from our data management and quality improvement systems. To the best of our knowledge, this information is accurate and gives a true reflection of the organisation.

BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

The Trust continues to make significant progress in its business continuity and emergency preparedness framework.

A Trust wide business continuity steering group supports the framework and governance within the Trust. Additionally supported by a Trust wide policy, communications plan and command and control guidance.

The changing environment of risk results in the strategies and plans being reviewed regularly. Emerging threats are considered in the development and enhancement of risk mitigation strategies and the organisation's response mechanisms. These plans are commensurate with the level of risk the Trust anticipates to be exposed to.

Plans have been tested in the last 12 months, and include Major Incident Communications test, Clinical Emergency Communication tests, participation in Exercise Wales Connect, Pandemic Flu workshops and Brexit related workshops. Engagement in exercises has allowed the Trust to encompass lessons learned and to further improve the current procedures.

The Trust has undertaken a significant amount of work with regard to Brexit and specifically undertaken detailed planning in relation to the UK's transition from the EU with regard to a 'No Deal' Brexit. The planning has been multi-faceted and based on risk, across a number of varying themes and integrated with NHS Wales, Local Authorities, the Welsh Government and the Local Resilience Forums (LRFs) it partners with. There has been a specific focus on key risks which include supply chain continuity for medicines, medical devices and clinical consumables. In addition, the Welsh Blood Service has worked closely with UK blood services and enhanced the mutual aid arrangements between services to ensure the safety of the blood supply chain.

The Trust has actively engaged with Welsh Government and Public Health Wales Trust on the Coronavirus Planning & Response Group.

The Trust continues to engage with LRFs around key strategies for workload, training and exercises. The Trust has continued to explore training needs analysis for Strategic and Tactical officers for Emergency Management.

INTEGRATED MEDIUM TERM PLAN (IMTP)

Velindre University NHS Trust is a very ambitious organisation striving to provide services which are recognised as excellent by the people who use them, the people who work in them and by our key partners.

Velindre University NHS Trust vision is:

'To be recognised locally, nationally, and internationally as a renowned organisation of excellence for patient and donor care, education and research'

This vision is supported by a clear set of goals, values and a small number of strategic themes, which provide a framework to operate within.

The NHS in Wales is a planned system and each Health Board and the Trust is required to have a fully costed three-year rolling Integrated Medium Term Plan (IMTP). The IMTP outlines the key actions which will be taken to support the Trust in delivering its strategy.

In accordance with the set statutory duty, the Trust had its IMTP, covering the period 2019-2022, approved by the Welsh Government. Having an approved IMTP provides the Trust with a degree of earned operational autonomy and demonstrates to all of our stakeholders that the organisation possesses the requisite level of maturity to plan and deliver our services with confidence over a three year period.

Delivery of the IMTP during 2019-2020 was subject to scrutiny and assurance through the Planning and Performance Committee and the Trust Board. Through this scrutiny and review process it is clear that great progress has been made across the organisation in working towards the realisation of the Velindre Cancer Centre (VCC) and the Welsh Blood Service (WBS) strategic objectives. Key achievements are described in some detail in the Trust's Annual Performance Report, but noteworthy progress against divisional strategic objectives in 2019/20 is summarised below.

SUMMARY OF OUR KEY ACHIEVEMENTS IN 2019-2020

Achievements at VCC in 2019 / 2020

Patient Support Unit for patients undergoing treatment for cancers of the Head and Neck open and fully operational from October 2019. The Unit provides a focused service for patients which has resulted in a reduction in unavoidable hospital admissions.

VCC's palliative care service was awarded a 2019 Excellence in Patient Care Award by the Royal College of Physicians and received a 2019 European Association Award for Palliative Care Researcher of the Year at the organisation's World Congress in Berlin.

Achieved Welsh Government's two antimicrobial stewardship prescribing improvement goals in 2019/20 ensuring the on-going safety of patients.

Granted a Defence Employer Recognition Scheme Silver Award recognising our commitment to providing support and advocate on behalf of members of the defence and armed forces communities.

Welsh Point of Care Testing implemented in July 2019.

Further increased the range of treatments available and the number of patients accessing the Medicines@Home service, eliminating pharmacy waits for these patients.

Established a psychological support service to support the Wales Infected Blood Support Scheme.

VCC's Welfare Rights Team were awarded a Benefits Advice Quality Standard.

Achievements at WBS in 2019/20

Five external regulator audits have been successfully completed. In particular, we have retained our NEQAS and WMDR accreditations as well as all mandatory licences.

Prudent and sustainable blood supply - The WBS has continued to realign the way in which the service plans, collects, manufactures and distributes blood components across Wales via the Blood Supply Chain 2020 transformation programme, which is entering its final phase of delivery.

The Welsh Transplantation and Immunogenetics Laboratory (WTAIL) participated in the Organ Donation Transplant initiative to treat patients with organs from Hepatitis C positive donors. This medical breakthrough allows patients to receive a transplant, before then receiving treatment to cure the infection afterwards.

Completed a major update to its core Blood Establishment Computer System – ePROGESA. The delivery of the “semester patch” represents a key milestone for the WBS, as it enables the future delivery of a number of central components of our wider IT strategy.

Supported a study examining the possibility of overcoming immunological barriers to kidney transplantation. The Welsh Bone Marrow Donation Registry (WBMDR) is increasing the support of UK and international donors: receipting matched research.

Establishment of Blood Health National Oversight Group and five key workstreams to deliver against the Blood Health Plan strategic aims.

In collaboration with Betsi Cadwaladr University Health Board we have successfully completed a trial to reduce platelets wastage by 50%.

In respect of financial performance, the Trust reported a balanced position against its income and expenditure position for the year ending 31st March 2020, as reflected in the Annual Accounts.

We recognise the success we have had in working towards our strategic objectives. However, we are aware that we must focus our attention on certain areas given the challenging context in which we work. Again, we discuss these issues at greater length in the Trust’s Annual Performance Report.

Looking ahead, the Trust has updated its plan for 2020-2023 and the Trust Board approved the IMTP for 2020-2023 in accordance with the NHS Wales Planning Framework on the 30th January 2020. The Trust was due to have received an approval decision, in regard to its 2020-2023 IMTP, from the Welsh Government by 31st March 2020. The Trust was notified on 19th March that the IMTP Welsh Government review and approval process was to be paused due to the challenges caused by COVID-19. However, the Trust were informed that:

'Following a robust assessment, your IMTP is considered to be approvable, which stands you in good stead for the future and provides a baseline for future planning discussions'.

The final version of the IMTP for 2020-2023 is available upon request from the Director of Corporate Governance.

Further information in respect of progress against the IMTP is captured within the Performance Report in the "Performance Summary" section.

MINISTERIAL DIRECTIONS

Whilst Ministerial Directions are received by Local Health Boards, these are not always applicable to Velindre University NHS Trust. Those considered of relevance to the Trust are listed below:

- **Ministerial Direction regarding the NHS Pension Tax Proposal 2019-2020**
The Trust has disseminated this direction as appropriate and reported it to the Trust Remuneration Committee.

All Ministerial Directions issued throughout the year are available on the Welsh Government website.

Welsh Health Circulars issued by Welsh Government are logged by the Governance Function and assigned an Executive Lead to assess the impact to the Trust and take forward necessary actions as appropriate. A register and action log is maintained by the Governance Function. A list of Welsh Health Circulars issued by the Welsh Government during 2019-2020 is available at: <https://gov.wales/health-circulars>

EQUALITY & DIVERSITY

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

The control measures include:

- Trust Strategic Equality Plan and Objectives (2020 – 2024);
- Trust the Gender Pay Gap Report which includes the Equality Monitoring Report;
- Equality reports to Quality and Safety Committee on the Trust's Equality Objectives and Actions;
- Reports to the Equality and Human Rights Commissions' enquiries;
- Report to the Welsh Government Equalities Team;
- Provision of evidence to the Health Care Standards Audit, specifically Standard 2;
- Equality Impact Assessments.

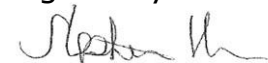
CONCLUSION

As indicated throughout this statement, the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. I will ensure our Governance Framework considers and responds to this need.

The system of internal control has been in place for the year ended 31st March 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

There have been no significant governance issues identified during this period.

Signed by:



Mr. Steve Ham

Chief Executive

Date: 25th June 2020

APPENDIX 1 – GOVERNANCE STATEMENT –
TRUST BOARD AND COMMITTEE ACTIVITY 2019-2020

The table below outlines the key highlights and activity considered by the Trust Board and its Committees during 2019-20, please note this is not an exhaustive list.

Meeting:	Meeting Dates:	Activity:
<p>Velindre University NHS Trust - Public Trust Board meeting.</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 28.05.2019 • 27.06.2019 • 25.07.2019 • 26.09.2019 • 28.11.2019 • 19.12.2019 • 30.01.2020 • 26.03.2020 <p>All meetings were quorate.</p>	<p>Programme/Project Updates:</p> <ul style="list-style-type: none"> • Transforming Cancer Services Programme. • New Velindre Cancer Centre (nVCC) Project. • Blood Supply Chain 2020. <p>Finance:</p> <ul style="list-style-type: none"> • Updating the Board on the financial position of the Trust. • Approving the Annual Accounts and Accountability Report in May 2019. <p>Performance:</p> <p>Considered and scrutinised the Delivering Excellence Performance reports at each meeting.</p> <p>Planning:</p> <ul style="list-style-type: none"> • Progress updates and approval in respect of the Integrated Medium Term Plan (IMTP) and consideration of IMTP Service Plans. <p>Risk Management:</p> <ul style="list-style-type: none"> • Scrutiny of the Trust's Risk Register. <p>Integrated Governance:</p> <ul style="list-style-type: none"> • Audit Wales Structured Assessment Report 2019 and Annual Audit Report 2019. • Revisions to the Standing Orders. • Highlight Reports from Board Committees. • Hosting Assurance Arrangements. • Updates in respect of the Infected Blood

Meeting:	Meeting Dates:	Activity:
		<p>Inquiry (IBI).</p> <ul style="list-style-type: none"> • Updates in respect of the Welsh Language Standards Implementation and Risk Assessment. • Updates in respect of Brexit.
Advisory Consultant Appointments Committee	<p>Panels were held:</p> <p>20.05.2019</p> <p>02.09.2019</p> <p>02.10.2019</p> <p>11.02.2020</p>	<p>As and when required the Advisory Consultant Appointment Committee meet to manage the arrangements for appointments to NHS Consultant posts within the Trust.</p>
<p>Trust Audit Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 11.04.2019 • 28.05.2019 • 24.07.2019 • 05.11.2019 • 06.02.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Audit Committee is to:</p> <p>Advise and assure the Board and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the Trust's system of assurance - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where and how its system of assurance may be strengthened and developed further.</p> <p>The Audit Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
NHS Wales Shared Services Partnership Audit Committee	<ul style="list-style-type: none"> • 9 April 2019 • 9 July 2019 • 22 October 2019 	<p>The NWSSP Audit Committee Annual Report for 2018-19 was received at their meeting in July 2019</p>

Meeting:	Meeting Dates:	Activity:
	<ul style="list-style-type: none"> • 21 January 2020 <p>All meetings were quorate.</p>	<p>and is available via the following link:</p> <p>NWSSP Audit Committee Annual Report 2018-19</p> <p>The 2019-20 Annual Report will be published after the meeting in July 2020.</p>
<p>Charitable Funds Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 05.06.2019 • 24.09.2019 • 03.12.2019 • 20.03.2020 (<i>stood down due to COVID 19</i>) <p>All meetings were quorate.</p>	<p>The Velindre Trust Board was appointed as corporate trustee of the charitable funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993 and that its Board serves as its agent in the administration of the charitable funds held by the Trust.</p> <p>The purpose of the Committee “is to make and monitor arrangements for the control and management of the Trust’s Charitable Funds”.</p> <p>The Charitable Funds Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019, will be formally approved during the Recovery Phase to COVID-19 and subsequently published on the Trust Internet site by September 2020.</p>
<p>Information Governance & IM&T Committee (IG&IMT)</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 07.05.2019 • 10.09.2019 • 10.12.2019 • 28.02.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Information Governance & IM&T Committee “the Committee” is to provide:</p> <ul style="list-style-type: none"> • evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the; • technological advancements and structures. • sustainability and creativity. • Expertise and development. • quality and integrity. • safety and security, and

Meeting:	Meeting Dates:	Activity:
		<ul style="list-style-type: none"> • information technology to support its provision of high quality healthcare; and • assurance to the Board in relation to the Trust's arrangements for developing, creating, collecting, storing, safeguarding, disseminating, sharing, using and disposing of information and information technology in accordance with its; • stated objectives. • legislative responsibilities, e.g., the Data Protection Act and Freedom of Information Act; and • any relevant requirements and standards determined for the NHS in Wales. <p>The Information Governance & IM&T Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19 and subsequently published on the Trust Internet site by September 2020.</p>
Local Partnership Forum (LPF)	<ul style="list-style-type: none"> • 24.6.2019 • 28.10.2019 <p>All meetings were quorate.</p>	<p>The purpose of the Local Partnership Forum (LPF) is;</p> <ul style="list-style-type: none"> • To provide a formal mechanism where the Trust, as employer and trade unions/professional bodies representing Trust employees (hereafter referred to as staff organisations) work together to improve health services for the citizens served by the Trust – achieved through a regular and timely process of consultation, negotiation and communication. In doing so, the LPF must effectively represent the

Meeting:	Meeting Dates:	Activity:
		<p>the Trust's workforce.</p> <ul style="list-style-type: none"> It is the forum where the Trust and staff organisations will engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues; and inform thinking around national priorities on health matters. The Trust may specifically request advice and feedback from the LPF on any aspect of its business and the LPF may also offer advice and feedback even if not specifically requested by the Trust. The LPF may provide advice to the Board: In written advice or, In any other form specified by the Board. <p>The Local Partnership Forum Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19 and subsequently published on the Trust Internet site by September 2020.</p>
<p>Planning & Performance Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> 16.05.2019 09.07.2019 12.09.2019 14.11.2019 20.01.2020 12.03.2020 (<i>stood down due to COVID 19</i>) <p>The January 2020 meeting was not quorate.</p>	<p>The purpose of the Planning & Performance Committee is to:</p> <p>To advise and assure the Trust Board on all aspects of planning and performance and the associated arrangements across the Trust.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where and how the Trust-wide approach to planning and the Trust's Performance Management Framework may be strengthened and further developed.</p>

Meeting:	Meeting Dates:	Activity:
		<p>The Planning & Performance Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
<p>Quality & Safety Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 17.06.2019 • 04.09.2019 • 05.12.2019 • 30.03.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Quality & Safety Committee “the Committee” is to provide:</p> <p>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 healthcare; and</p> <p>Assurance to the Board in relation to the Trust’s arrangements for safeguarding and improving the quality and safety of patient and service user centred healthcare in accordance with its stated objectives and the requirements and standards determined for the NHS in Wales.</p> <p>The Quality & Safety Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19 and subsequently published on the Trust Internet site by September 2020.</p>
<p>Remuneration Committee</p>	<ul style="list-style-type: none"> • 18.04.2019 • 27.06.2019 • 11.09.2019 • 24.10.2019 • 30.01.2020 • 20.02.2020 	<ul style="list-style-type: none"> • Considered Voluntary Early Release applications received during the year for approval. • Agenda for Change Pay Award 2019 / Pay Deals for NHS Staff 2019. • Considered cases of potential redundancies. • Board Appointments/Recruitment Updates.

Meeting:	Meeting Dates:	Activity:
	All meetings were quorate.	<ul style="list-style-type: none"> • Executive Appraisal and Objectives. • Terms of Reference Review. • Pension Tax Proposal.
<p>Research, Development & Innovation (RDI) Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 27th June 2018 • 26th September 2018 • 5th December 2018 • 21st February 2019 <p>All meetings were quorate.</p>	<p>The purpose of the RD&I Committee is to provide:</p> <ul style="list-style-type: none"> • Strategy and policy oversight for Innovation and Research activities at the Trust and advise on and monitor performance in these areas. • Promotion and encouragement of an Innovation and Research ethos and culture which is integral to the Trusts vision, mission and values. • Evidence based timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to the quality and safety of Innovation and Research activity. In the relation to research this includes activity carried out within the Trust both as a research sponsor and host organisation. • Assurance to the Board in relation to the Trust's arrangements for ensuring compliance with the, and the EU Clinical Trials Directive 2004 as amended from time to time. • Foster collaboration and make recommendations on adoption and dissemination. • Consideration of relevant matters with reference to the parameters identified for risk appetite in relation to research, development and innovation as set by the Board. <p>The R,D&I Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>

Meeting:	Meeting Dates:	Activity:
<p>Workforce & Organisational Development (WF&OD) Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 02.05.2019 • 08.10.2019 • 15.01.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Workforce and Organisational Development Committee ("the Committee") is:</p> <ul style="list-style-type: none"> • To advise and assure the Trust Board on all aspects of Workforce & Organisational Development matters and the associated arrangements across the Trust. <p>The Workforce & OD Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19 and subsequently published on the Trust Internet site by September 2020.</p>

APPENDIX 2–Board Member Attendance-Trust Board Meetings 2019 -20

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.20
Professor Donna Mead, Chair	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Stephen Harries, Interim Vice Chair	✓	✓	✓	✓	✓	✓	✓	✓
Mr Martin Veale, Independent Member	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Janet Pickles, Independent Member	✓	Apologies	✓	✓	✓	✓	✓	✓
Mr Phil Roberts, Independent Member	Apologies	✓	✓	✓	✓	✓	✓	
Mrs Hilary Jones, Independent Member								✓
Judge Ray Singh, Independent Member Until 31.10.19	✓	✓	✓	✓				
Mr Gareth Jones, Independent Member						Apologies	✓	✓
Professor Jane Hopkinson, Independent Member until 31.8.2019	✓	✓	✓	✓				

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.20
Professor Donald Fraser Independent Member						Apologies	✓	Apologies
Mr Steve Ham, Chief Executive	✓	✓	✓	✓	Apologies	✓	✓	✓
Mr Mark Osland, Executive Director of Finance	✓	✓	✓	Apologies	✓	✓	✓	✓
Dr Jacinta Abraham, Executive Medical Director	Apologies	✓	✓	✓	✓	Apologies	✓	✓
Ms Sarah Morley, Executive Director of Organisational Development & Workforce	✓	✓	✓	Apologies	✓	Apologies	Apologies	Apologies
Mrs Susan Thomas, Acting Executive Director of Organisational Development & Workforce						✓	✓	Apologies
Mrs Nicola Williams, Executive Director of Nursing, AHPs & Health Science – Commenced August 2019				✓	✓	✓	✓	✓

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.2020
Mrs Jayne Elias, Acting Executive Director of Nursing & Quality until August 2019	✓	✓	✓					

To note that for newer Independent Members dates for Trust Boards were only provided shortly before starting with the Trust and therefore had to be aligned with existing commitments.

FINANCIAL ACCOUNTABILITY REPORT

The Trust continues to operate in a challenging financial environment like all organisations in NHS Wales. Opportunities to make efficiency savings and identify recurring reductions in costs whilst maintaining services are sought wherever possible by Directors, finance teams and staff across the organisation.

Despite these challenges, the Trust was able to achieve all three financial targets set by Welsh Government in 2019/2020, most notably that of expenditure not exceeding income. This will remain a difficult task in 2020/2021 and the foreseeable future and therefore will continue to be of priority focus for the organisation.

FINANCIAL TARGETS

The Trust has met all three of its financial targets for the year ended 31 March 2020:

- Breakeven duty - The Trust achieved a surplus of £24,000 in 2019/2020 (2018/2019: surplus of £31,000), resulting in a surplus of £104,000 over a three year period. The Trust has therefore achieved its statutory financial duty to achieve financial breakeven over a rolling three year period.
- The Trust submitted an Integrated Medium Term Plan for the period 2019/2020 - 2021/2022 in accordance with the NHS Wales Planning Framework, which was subsequently approved by the Cabinet Secretary. The Integrated Medium Term Plan relates only to the Trust's core activities and does not apply to the organisations hosted by the Trust. The Trust has therefore met its statutory duty to have an approved plan for the period 2019/2020 to 2021/2022.
- Creditor payments - The Trust is required to pay 95% of the number of non- NHS bills within 30 days of the receipt of goods or a valid invoice (whichever is the later). The Trust has met this target, paying 97% (2018/2019: 97%) within the required time.

The Trust ordinarily would have four financial targets to meet: the fourth being the External Finance Limit (EFL). The Welsh Government has temporarily removed this target for 2019/2020.

FEES AND CHARGES - AUDITOR REMUNERATION

Fees paid to the Audit Wales for their statutory audit and performance audit work were £208,996.

MATERIAL REMOTE CONTINGENT LIABILITIES

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP). The WRP returns from Welsh Health Organisations estimate that in 2019/2020 the Trust has remote contingent liabilities of £38m (2018/2019: £17.5m) which relate to potential litigation claims against NHS Wales that could arise in the future due to known incidents. Due to the nature and uncertainty of these potential claims, no provision has been made for them within the accounts.

LONG TERM EXPENDITURE TRENDS

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
	£000	£000	£000	£000	£000
Total Revenue	440,033	637,132	712,828	525,607	572,642
Pay	132,653	144,112	149,866	160,551	182,684
Non Pay	289,643	478,901	549,774	352,075	373,015
Depreciation	16,629	15,989	17,595	16,466	17,186
Total Expenditure	438,925	639,002	717,235	529,092	572,885
Non-operating revenue and costs	927	1,725	5,613	3,295	440
Total Consolidated surplus/(deficit)	2,035	(145)	1,206	(190)	197

The table above includes the income and expenditure of the Trust's charitable fund and assets that have been donated to the Trust. The Trust's annual surplus / (deficit) excluding the charitable fund and donated assets is shown below:

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
	£000	£000	£000	£000	£000
Surplus/(deficit) excluding charitable fund and donated assets	40	35	49	31	24

Notes

During 2015/2016 Health Courier Services and GP trainees transferred to the Trust. During 2016/2017 the Trust established a National Technology Adoption Hub. The Surgical Material Testing Laboratory transferred to, and Health and Care Research Wales Workforce, transferred from the Trust. During 2018/2019 – the Wales Workforce Education & Development Services (WEDS), which was part of the NHS Wales Shared Services Partnership (NWSSP), was transferred from the Trust into the newly established Health Education & Improvement Wales (HEIW). The transfer of WEDS resulted in a significant reduction in the income and expenditure reported within the above table but had no impact on the surplus / deficit for the year.

During 2019/2020 two new All Wales services were established within NWSSP – the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.

MODERN SLAVERY ACT 2015 – TRANSPARENCY IN SUPPLY CHAINS STATEMENT 2019/2020

This statement is made to comply with Section 54 of the Modern Slavery Act 2015 and the Welsh Government's Code of Practice: Ethical Employment in Supply Chains. The Statement sets out the steps that Velindre University NHS Trust has taken and is continuing to take, to make sure that modern slavery and / or human trafficking is not taking place within the Trust or supply chain during the year ending 31 March 2020.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Trust has a zero-tolerance approach to any form of modern slavery (slavery,

servitude, human trafficking and forced labour). We are committed to acting ethically and with integrity and transparency in all business activity and to establish effective systems and controls, to safeguard against any form of modern slavery occurring within the Trust's supply chain.

The Trust is also fully committed to complying with its legal obligations. In doing so, it is committed as an NHS employer, to eradicate modern slavery and human trafficking, by combating unlawful and unethical employment practices and to support those affected.

The Trust will not undertake any employment practices that;

- Support modern slavery and human rights abuses;
- Support or abet the operation of blacklist / prohibited lists;
- Facilitate false self-employment;
- Permits the use of unfair umbrella schemes;
- Provide employees or workers with zero hours contracts; and
- Facilitate the payment of salaries which are lower than the National Living Wage.

Current Policies and Initiatives

The Trust is fully aware of its responsibilities towards patients, donors, service users, employees and the local community, and expects all employees and suppliers to act ethically and with integrity, in all our business relationships. During 2019, the Trust identified and reported suspected modern slavery cases, in compliance with legislation and our Safeguarding of Adults and Children Policies.

The Trust produced its first 'Ethical Employment Statement' in 2019, which was approved by the Trust Board and published in the 2019/2020 Annual Report and on the Trust's Internet / Intranet sites. This report set out the Trust's commitment to producing an annual written statement, in relation to its obligations under the Modern Slavery Act (2015) in 2019.

The following steps have been taken by the Trust during 2019/2020, to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business:

People

- The Trust is fully compliant with the six NHS pre-employment check requirements, to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work in the UK check;
- The Trust has a robust IR35 policy and processes in place, which ensures that there is no unfair use of false self-employed workers or workers being

engaged under umbrella schemes. This process ensures the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions.

- The Trust does not engage or employ employees or workers on Zero Hours Contracts. The Trust does employ Bank Staff, but these staff are provided with the opportunity to apply for substantive posts should they wish to.
- The Trust pays our lowest paid employees on Pay Band 2 (the lowest NHS Wales pay band). This salary is compliant with the National Living Wage. This was achieved by closing Pay Band 1 to all new appointees during December 2018. All existing Pay Band 1 employees were transferred onto Band 2 during March 2019;
- The Trust has an Equality and Diversity Policy and a range of processes and procedures which ensures that no potential applicant, employee or worker engaged by the Trust is in any way unduly disadvantaged in terms of pay, employment rights, employment, training and development and career opportunities;
- The Trust has in place a Raising Concerns Policy which confirms that all Trust employees, workers, contractors etc. can raise concerns (using a variety of methods) about how colleagues or people receiving our services are being treated, or about practices within our business or supply chain, without fear of reprisals.
- The Trust has in place a range of workforce policies e.g. Grievance Policy, Dignity at Work Procedure, Anonymous Communications, Violence, Domestic Abuse and Sexual Violence in the Workplace; etc. Our policies enable our employees to raise concerns about poor working practices.
- The Trust has an online 'Your Voice' service which provides our employees with an alternative platform to raise concerns about poor working practices;
- The Trust complies fully with the Transfer of Undertaking (Protection of Employment) Regulations ensuring that Trust employees that may be required to transfer to a new organisation, will retain their current NHS Terms and Conditions of Service; and
- The Trust does not make use of blacklist / prohibited list information.

Procurement and our Supply Chain

- The Trust's Procurement Team operates within the current UK and NHS procurement regulations and includes a mandatory exclusion question regarding the Modern Slavery Act 2015.
- The Trust's NWSSP Supplier Policy sets out the manner in which we behave as an organisation and how we expect procurement employees and suppliers to act.
- The Trust's Procurement Team's approach to procurement and our supply chain includes:

- Ensuring that our suppliers are carefully selected through robust supplier selection criteria/processes;
 - Requiring that the main contractor provides details of its sub-contractor(s), to enable the Procurement Team on behalf of the Trust to check their credentials;
 - Randomly request that the main contractor provide details of its supply chain;
 - Ensuring invitation to tender documents contain a clause on human rights issues;
 - Ensuring invitation to tender documents also contains clauses giving the Trust the right to terminate a contract for failure to comply with labour laws;
 - Using a Supplier Selection Questionnaire which includes a section on Modern Day Slavery;
 - Trust staff must contact and work with the Procurement Team when looking to work with new suppliers, to ensure that appropriate checks can be undertaken;
 - Ensuring supplier adherence to the Trust and NHS Wales values. We are zero tolerant to slavery and human trafficking and thereby expect all our direct and indirect suppliers /contractors to be compliant;
- Assurances are sought from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. The Trust is also able to provide confirmation and assurances that the Trust does not make use of blacklist/prohibited list information.
 - The Transparency in Supply Chain (TISC) Report – Modern Slavery Act (2015) compliance tracker is used, through contracts procured by NWSSP Procurement Services on the Trust's behalf.

Training

- Advice and training about modern slavery and human trafficking is provided to employees through our mandatory safeguarding children and adults training programmes, our safeguarding policies and procedures and our safeguarding lead. The Trust is exploring new ways to continuously increase awareness within our organisation and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking, in our supply chains and in our business.

Policies and Initiatives 2020 /2021

In the forthcoming year, the Trust is committed to taking the following actions to continue to ensure that modern slavery and / or human trafficking is not taking place

within our organisation or supply chain during the year ending 31 March 2021.

People

- The Trust will review its IR35 Policy and process in 2020 to ensure compliance with the revisions to the IR35 Legislation, which comes into effect on the 6th April 2021.
- The Trust will use internal communications to promote and raise employee awareness of modern slavery and human trafficking.
- The Trust will publicise and promote Anti-Slavery Day on the 18th October 2020, to encourage all employees to take action, as appropriate, within their role, to address this issue.
- The Trust will purchase and implement a new digital 'Speaking up with Confidence' system, to replace the current 'Your Voice' email system. The new system will facilitate a two way anonymous communications system and process, using an independent third party.
- The Trust's Safeguarding lead will be updating the Safeguarding Guidance Booklet for staff to include the modern slavery pathway.

REMUNERATION & STAFF REPORT

The details of the Remuneration Relationship are reported on page 86 of this document, and note 10.6 of the Annual Accounts.

The pay and terms and conditions of employment for the Executive Team and senior managers have been and will be determined by the Velindre University NHS Trust Remuneration and Terms of Service Committee, within the framework set by the Welsh Government. The Remuneration and Terms of Service Committee also considered and approved applications relating to the voluntary early release scheme. The Trust Remuneration Committee members are Independent Members of the Board and a Trade Union Representative. The Committee is chaired by the Trust Chair. Details of the membership of the Remuneration & Terms of Service Committee are captured on pages 9-20 of the Directors' Report section of this report.

Existing public sector pay arrangements apply to all staff including members of the Executive Team. All members of the Executive Team are on pay points and not pay scales. In accordance with the Welsh Government Pay Letter ESP (W) 1/2019, all members of the Executive Team were entitled to a 2% consolidated pay increase, with effect from the 1st April 2019.

The performance of members of the Executive Team is assessed against personal objectives and against the overall performance of the Trust. The Trust does not operate a performance related pay scheme.

All Executive Directors have the option to have a lease car, under the terms of the Trust's lease car agreement.

The Chief Executive and Executive Directors are employed on permanent contracts, which can be terminated by giving due notice unless for reasons of misconduct.

There have been no payments to former Executives or other former senior managers during the year.

The remuneration report is required to contain information about senior managers' remuneration. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Transformation, Planning, and Digital, the Chief Operating Officer and the Director of Corporate Governance / Trust Secretary. Full details of senior managers' remuneration are shown later in the table on page 79.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31st March 2020 whilst the Annual Accounts (note 10.2) shows the average number of employees during the year.

Transparency of senior remuneration in the devolved Welsh Public Sector – ANNEX 10.

Guide to Tackling Unfair Employment Practices and False Self-Employment -
<https://gov.wales/docs/dpsp/publications/valuwales/170620-unfair-employment-en.pdf> - ANNEX 10

STAFF COMPOSITION BY GENDER

A breakdown of the workforce by gender is set out in the table below. This figure represents the composition as at 31st March 2020.

*FTE – Full-time Equivalent

Gender	Headcount	FTE*	% of Headcount
Female	2,710	2,393.32	60
Male	1,823	1,759.73	40
Grand Total	4,533	4,153.05	100.00

A breakdown of the Board Members and Senior Managers by gender is set out in the table below. This figure represents the composition as at 31st March 2020. The data confirms that there are more female than male Trust Board Members and Senior Managers. Female employees are employed in five out of the nine Trust Board and Senior Manager posts.

Job Title	Gender	Headcount	FTE	% of Headcount
Chief Executive	Male	1	1.00	12.35
Interim Chief Operating Officer	Female	1	1.00	12.35
Executive Director of Finance	Male	1	1.00	12.35
Medical Director	Female	1	0.80	9.00

Job Title	Gender	Headcount	FTE	% of Headcount
Executive Director of Nursing, AHP and Healthcare Science	Female	1	1.00	12.35
Executive Director of Workforce and Organisational Development	Female	1	1.00	12.35
Director of Transformation, Planning & Digital	Male	1	1.00	12.35
Director of Corporate Governance / Trust Secretary	Female	1	1.00	12.35
Interim Director of Trust Assurance	Male	1	0.41	4.55
Grand Total		9	8.21	100.00
	Male	4		44.5
	Female	5		55.5

STAFF COMPOSITION BY STAFF GROUP

During 2019/20 the average full time equivalent (FTE) number of staff permanently employed by the Trust was 4,016. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year. The table below provides a breakdown of the workforce by staff grouping and in addition to permanently employed staff, shows staff on inward secondment, agency staff and other staff.

Average FTE Number of Employees						
	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2019/20 Total	2018/19 Total
Administrative, Clerical and Board Members	2,477	23	43	14	2,557	2,402
Ambulance Staff	0	0	0	0	0	0
Medical and Dental	513	1	0	5	519	476
Nursing and Midwifery Registered	188	0	1	0	189	185
Professional, Scientific and Technical Staff	56	0	0	0	56	52
Additional Clinical Services	198	0	0	3	201	201
Allied Health Professionals	114	0	11	0	125	119
Healthcare Scientists	135	1	0	2	138	133
Estates and Ancillary	335	0	14	7	356	336
Students	0	0	0	0	0	0
Total	4,016	25	69	31	4,141	3,904

SICKNESS ABSENCE DATA 2019/20

The data shows an overall increase in sickness absence levels during 2019/20 and as a result the Trust did not achieve the Welsh Government Sickness Absence Rate of 3.54% during this period.

	2019/20	2018/19	Variance
Total Days Lost (Long Term):	50,813	40,847	9,966.0
Total Days Lost (Short Term):	20,397	15,009	5,388.0
Total Days Lost:	71,210	55,856	15,354.0
Total Staff Years Lost: (Average Staff Employed in the Period – Full Time Equivalent)	4,015.17	4,119	-103.83
Average Working Days Lost:	9.82	7.90	1.90
Total Staff Employed in Period (Headcount):	4,384	4,223	161
Total Staff Employed in Period with No Absence (Headcount):	1,988	2,305	-317
Percentage Staff with No Sick Leave:	45.35	54.58	-9.23

The Workforce Team has continued to provide Managing Attendance at Work (MAAW) training sessions for managers in partnership with trade union representatives. The Workforce Team has also been providing regular coaching of managers on undertaking sickness audits, which assists them to effectively manage their new and ongoing sickness cases in accordance with the Trust's Policy. This approach is also helping to embed a culture whereby the organisation takes a more proactive approach to the management of attendance at work. The Workforce team are also providing managers, the Executive Management Board and Senior Management Teams with monthly sickness absence data via a dashboard. The dashboard provides both high level and detailed analysis of absences across the Trust, including the reasons for absence. The Trust is using this data to develop appropriate health and wellbeing interventions for our staff, which address the top three reasons for sickness absence.

The Trust also offers and provides staff with free access to a diverse range of traditional medical, psychological and complementary therapy interventions, to assist them to proactively and reactively manage their health and wellbeing. This includes an Employee Assistance Programme, which family members can also access for free. The Trust recognises that menopause related health and wellbeing issues can have a significant impact on the whole workforce, not just our female employees.

The top reason for sickness absence across the Trust continues to be psychological ill health. To provide staff with appropriate support in year, the Trust has focused on interventions to support the psychological wellbeing of our staff. This has included continuing to provide menopause education and awareness sessions for managers and staff and launching the MIND 'Time to Change Pledge', to show our commitment to changing how we think and act about mental health at every level of the organisation.

STAFF POLICIES

During 2019/20 in accordance with the Trust workforce policy review schedule, a significant number of policies and procedures were reviewed and approved by the Workforce and Organisational Development Committee. The Trust achieved an 86% compliance rate in year. All Trust policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work in the Trust or are employed by the Trust. All Trust policies and procedures are available to access via the Trust Internet website, via the [link](#).

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION

This Remuneration Report includes a single total figure of remuneration. The amount of pension benefits for the year which contributes to the single total figure is calculated based on guidance provided by the NHS Business Services Authority Pensions Agency.

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an

additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual by the Trust 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 pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The salary and pension disclosures reflect the senior managers' information. As indicated on page 59 the senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Transformation, Planning, and Digital, the Chief Operating Officer, and the Director of Corporate Governance / Trust Secretary.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF
REMUNERATION (CONTINUED)

	2019/2020					2018/2019				
Name and Title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Executive Directors and Senior Managers										
Steve Ham Chief Executive	140-145	0	0	17	155-160	135-140	0	0	12	145-150
Mark Osland Executive Director of Finance ¹	105-110	0	0	26	130-135	100-105	0	0	25	125-130
Jacinta Abraham Medical Director ²	110-115	25-30	1	38	175-180	110-115	25-30	1	172	310-315
Catherine O'Brien Interim Chief Operating Officer	115-120	0-5 ³	0	45	160-165	5-10	0	0	2	10-15
Georgina Galletly Director of Corporate Governance/Trust Secretary ⁴	25-30	0	0	29	55-60	65-70	0	0	62	130-135
Steve Combe Interim Director of Trust Assurance	30-35	0	0	0 ⁵	30-35	-	-	-	-	-
Lauren Fear Interim Director of Corporate Governance ⁶	25-30	0	0	7	35-40	-	-	-	-	-
Jayne Elias Interim Executive Director of Nursing & Service Improvement	40-45	0	0	- ⁷	-	5-10	0	0	-	-

	2019/2020					2018/2019				
Name and Title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Nicola Williams Executive Director of Nursing, AHP and Healthcare Science	60-65	0	0	- ⁸	-	-	-	-	-	-
Sarah Morley Executive Director of Workforce and Organisational Development	90-95	0	0	21	115-120	90-95	0	0	0	90-95
Susan Thomas Interim Executive Director of Workforce and Organisational Development	10-15	0	0	- ⁹	-	-	-	-	-	-
Carl James Director of Transformation, Planning, and Digital ¹⁰	115-120	0	52 ¹¹	26	145-150	110-115	0	26	24	135-140

Notes:

1 – M Osland's role title has changed during 2019/2020 from Executive Director of Finance and Informatics to Executive Director of Finance.

2 – J Abraham's benefits in kind relate to taxable mileage payments and other remuneration relates to clinical responsibilities.

3 – C O'Brien's other remuneration relates to on call payments.

4 – G Galletly was seconded to Cwm Taf Morgannwg UHB from 26/07/2019.

5 – S Combe was appointed on an interim basis on the 23/07/2019 to undertake the duties of G Galletly following her secondment to Cwm Taff Morgannwg UHB. S Combe chose not to be covered by the NHS pension arrangements during the reporting year.

6 – L Fear was appointed on an interim basis from 02/12/2019.

7 – J Elias was appointed on an interim basis for the period 01/03/2019 to 31/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at the time and cannot be reproduced at a later date. Therefore the total remuneration figure cannot be calculated.

8 – N Williams was appointed to the role of Executive Director of Nursing, AHP and Clinical Scientists on 27/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at the time and cannot be reproduced at a later date. Therefore the total remuneration figure cannot be calculated.

9 – S Thomas was appointed on an interim basis to the role of Executive Director of Workforce and Organisational Development to cover a period of absence from 10/02/2020 to 09/05/2020 for S Morley. The pension benefit has not been provided by the NHS Pensions Agency and therefore the total remuneration cannot be disclosed.

10 – C James' role title has changed during 2019/2020 from Director of Strategic Transformation, Planning, Performance and Estates to Director of Transformation, Planning and Digital.

11 – C James' benefits in kind relate to the use of a Trust lease car and taxable mileage payments.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF
REMUNERATION (CONTINUED)

Name and Title	2019/2020					2018/2019				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Independent Members/Non -Executive Directors										
Donna Mead	40-45	0	0	0	40-45	35-40	0	0	0	35-40
Ray Singh ¹	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Phil Roberts ²	5-10	0	0	0	5-10	10-15	0	0	0	10-15
Jane Hopkinson ³	0-5	0	0	0	0-5	5-10	0	0	0	5-10
Janet Pickles	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Martin Veale	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Stephen Harries	30-35	0	0	0	30-35	15-20	0	0	0	15-20
Donald Fraser ⁴	0-5	0	0	0	0-5	-	-	-	-	-
Gareth Jones ⁵	0-5	0	0	0	0-5	-	-	-	-	-
Hilary Jones ⁶	0-5	0	0	0	0-5	-	-	-	-	-

Notes:

- 1 – R Singh's term ended 31/10/2019.
- 2 – P Roberts' term ended 29/02/2020.
- 3 – J Hopkinson's term ended 31/08/2019.
- 4 – D Fraser's term started 02/12/2019.
- 5 – G Jones' term started 02/12/2019.
- 6 – H Jones' terms started 01/03/2020.

SALARY AND PENSION DISCLOSURE

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

REAL INCREASE IN CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – BOARD MEMBER AND VERY SENIOR MANAGER PENSIONS

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Steve Ham Chief Executive	0-2.5	2.5-5	35-40	115-120	- ¹	906	-	0
Mark Osland Executive Director of Finance	0-2.5	0	5-10	0	108	74	17	0
Jacinta Abraham Medical Director	2.5-5	0-2.5	40-45	95-100	842	764	40	0
Catherine O'Brien Interim Chief Operating Officer	2.5-5	0	20-25	0	309	253	33	0
Georgina Galletly Director of Corporate Governance/Trust Secretary ²	0-2.5	2.5-5	25-30	55-60	432	343	21	0
Steve Combe Interim Director of Trust Assurance ³	0	0	0	0	0	0	0	0
Lauren Fear Interim Director of Corporate	0-2.5	0	0-5	0	5	0	1	0

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Goverance ⁴								
Jayne Elias Interim Executive Director of Nursing and Service Improvement ⁵	-	-	40-45	-	902	-	-	0
Nicola Williams Executive Director Nursing, AHP and Healthcare Science ⁶	-	-	40-45	125-130	885	-	-	0
Sarah Morley Executive Director of Workforce and Organisational Development	0-2.5	(0-2.5)	25-30	60-65	532	486	21	0
Susan Thomas Interim Executive Director of Workforce and Organisational Development ⁷	-	-	-	-	-	-	-	0
Carl James Director of Transformation, Planning & Digital	0-2.5	0	45-50	0	594	545	20	0

Notes:

1 – S Ham - no CETV will be shown for senior managers over Normal Pension Age (NPA).

2 – G Galletly was seconded to Cwm Taf Morgannwg UHB from 26/07/2019. Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service. 3 – S Combe chose not to be covered by the NHS pension arrangements during the reporting year.

4 – L Fear was appointed on an interim basis from 02/12/2019. She was not previously a member of the NHS Pension Scheme.

5 – J Elias - the Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date.

6 – N Williams was appointed on the 27/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date. 7 – S Thomas was the Interim Director of Workforce and Organisational Development from 10/02/2020 to 09/05/2020. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date. The information for 2019/2020 was not generated by the Pensions Agency as the temporary appointment started after the deadline for information requests had passed.

As Independent Members do not receive pensionable remuneration, there are no entries in respect of pensions for Independent Members. The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 08/08/2019. If an individual was entitled to a GMP, this will affect the calculation of the real increase in CETV.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2019/2020 exit packages were approved for 8 staff with a value of £209,837 (16 staff, value £434,256 2018/2019). £102,501 exit costs were paid in 2019/2020, the year of departure (£222,143 2018/2019). These packages were paid in accordance with recognised NHS terms and conditions of service/Trust Policy. None of the exit packages reported related to senior officers and none of the payments related to a special severance payment. The actual date of departure might be in a subsequent period.

REMUNERATION RELATIONSHIP

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 Velindre University NHS Trust in the financial year 2019/2020 was £140,000 - £145,000 (2018/2019, £135,000 - £140,000). This was 4.9 times (2018/2019, 5.0) the median remuneration of the workforce, which was £29,009 (2018/2019, £27,581).

In 2019/2020, 9 (2018/2019, 14) employees received remuneration in excess of the highest paid Director.

Remuneration for all staff ranged from £17,700 to £207,000 (2018/2019 £17,500 to £202,700).

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

Overtime payments are included in the calculation of both elements of the relationship.

In establishing the highest paid Director (Chief Executive) the Trust has taken into account the proportion of remuneration received by Directors for clinical and director responsibilities.

EXPENDITURE ON CONSULTANCY

During 2019/2020 the Trust spent £3,600,569 of its revenue funding on external consultancy fees (£2,067,470 related to the NHS Wales Informatics Service and £836,096 to the NHS Wales Shared Services Partnership); and £2,613,765 of its capital funding (£1,385,920 related to the NHS Wales Informatics Service and £71,205 to the NHS Wales Shared Services Partnership).

Examples include:

- Accountancy fees.
- Legal fees.
- Design fees.
- Project management fees & support costs.
- IT consultancy and advice.
- Fees relating to building management, including surveyor & electrical costs.

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off- payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2020 for those earning more than £245 per day and that last longer than six months for the core department, its executive agencies and its arm's length bodies.

Table 1: For all off-payroll engagements as of 31 March 2020, for those earning more than £245 per day and that last for longer than six months

No. of Existing Engagements as of 31 March 2020	37
Of which the number that have existed.	
for less than one year at time of reporting.	11

for between one and two years at time of reporting.	17
for between two and three years at time of reporting.	7
No. that have existed for between three and four years at time of reporting.	2
No. that have existed for four or more years at time of reporting.	0

Within the total number of off-payroll engagements disclosed, seven engagements related to staff seconded from other NHS Wales Organisations.

All the off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax, and where necessary, that assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	7
Of which:	
No. assessed as caught by IR 35.	6
No. assessed as not caught by IR 35.	1
No. engaged directly (via PSC contracted to department) and are on the departmental payroll.	0
No. of engagements reassessed for consistency/assurance purposes during the year.	4
No. of engagements that saw a change to IR 35 status following the consistency review.	0

Within the total number of new off-payroll engagements disclosed, one engagement related to staff seconded from another NHS Wales Organisation.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

Where the Trust undertakes activities that are not funded by the Welsh Government the Trust receives income to cover its costs. Further detail of income received is published in the Trust's annual accounts; within note 4 headed 'other operating revenue'.

The Trust confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

The Trust ensures public funds are used appropriately and to deliver the intended objectives. Expenditure is compliant with the relevant legislation. Charges for services provided by public sector organisations pass on the full cost of providing those services.

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP) and therefore its accounts include the estimates of remote contingent liabilities from Welsh Health Organisations for potential litigation claims that could arise in the future due to known incidents. In 2019/2020, the financial statements of the Trust are reporting total remote contingent liabilities of £38m.

THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENEDD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I certify that I have audited the financial statements of Velindre University NHS Trust and its group for the year ended 31 March 2020 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Velindre University NHS Trust and its group as at 31 March 2020 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Trust and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that

the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to Note 24 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. The Trust has disclosed the existence of a contingent liability at 31 March 2020 and my opinion is not modified in respect of this matter.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's or its group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the

knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities, which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the trust and its group and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of Directors and the Chief Executive

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 22 and 21 of the Accountability Report, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the Trust's and its group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities, which govern them.

Adrian Crompton
Auditor General for Wales
2 July 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Velindre University NHS Trust

Finance Report 2019-20



Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

Velindre University NHS Trust

Foreword

These accounts for the period ended 31 March 2020 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Public Health Wales NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

Statutory background

The Trust was established by Statutory Instrument on 1 April 1994 and at that time was a single speciality Trust providing only Cancer Services. Over the last 26 years, the Trust has significantly evolved and expanded. The main function of the Trust is to provide all-Wales and regional clinical health services to the NHS and the people of Wales. The Trust consists of two clinical divisions: the Welsh Blood Service and Velindre Cancer Centre.

In addition to the above services, the Trust is host to a number of organisations. At period ended 31 March 2020, these included:

- NHS Wales Informatics Service (NWIS) which was established as a hosted body on 1 April 2010;
- NHS Wales Shared Services Partnership (NWSSP) which was set up on 1 April 2011; following which the functions of a number of separate services were transferred into NWSSP. NWSSP became a hosted body within Velindre NHS Trust on 1 June 2012. Two new All Wales services were established within NWSSP during 2019-2020 - the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.
- Health Technology Wales (HTW) which was established on 1 April 2016 and which continued to receive grant funding from Welsh Government under the Efficiency through Technology Programme.

Performance Management and Financial Results

This Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2019-2020. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-2017.

Under the National Health Services (Wales) Act 2006, the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-2017, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
		NHS Trust		Consolidated	
			Reclassified		Reclassified
Revenue from patient care activities	3	429,374	410,449	429,374	410,449
Other operating revenue	4	142,612	114,597	143,268	115,158
Operating expenses	5.1	(572,235)	(528,132)	(572,885)	(529,092)
Operating (deficit)/surplus		(249)	(3,086)	(243)	(3,485)
Investment revenue	6	109	100	259	254
Other gains and losses	7	2	45	2	45
Finance costs	8	179	2,996	179	2,996
Consolidated Total				197	(190)
Retained surplus	2.1.1	41	55		
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		1,007	849	1,007	849
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	(518)	146
Movements in other reserves		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Sub total		1,007	849	489	995
Items that may be reclassified subsequently to net operating costs					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Sub total		0	0	0	0
Total other comprehensive income for the year		1,007	849	489	995
Total comprehensive income for the year		1,048	904	686	805

2018/2019 revenue from 'other operating revenue' has been reclassified as 'revenue from patient care activities'. Further details of this amendment is provided in notes 3 and 4 to these accounts.

The notes on pages 6 to 73 form part of these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

		Note	31 March 2020	31 March 2019	31 March 2020	31 March 2019
			NHS Trust £000	£000	Consolidated £000	£000
Non-current assets						
Property, plant and equipment	13		129,554	126,554	129,554	126,554
Intangible assets	14		17,644	15,043	17,644	15,043
Trade and other receivables	17.1		862,962	798,646	862,962	798,646
Other financial assets	18		0	0	4,606	5,406
Total non-current assets			1,010,160	940,243	1,014,766	945,649
Current assets						
Inventories	16.1		13,134	8,960	13,134	8,960
Trade and other receivables	17.1		414,260	384,216	414,353	383,846
Other financial assets	18		0	0	0	0
Cash and cash equivalents	19		18,263	20,949	19,735	22,384
			445,657	414,125	447,222	415,190
Non-current assets held for sale	13.2		0	0	0	0
Total current assets			445,657	414,125	447,222	415,190
Total assets			1,455,817	1,354,368	1,461,988	1,360,839
Current liabilities						
Trade and other payables	20		(166,270)	(122,983)	(166,450)	(123,099)
Borrowings	21		(21)	(24)	(21)	(24)
Other financial liabilities	22		0	0	0	0
Provisions	23		(272,376)	(283,743)	(272,376)	(283,743)
Total current liabilities			(438,667)	(406,750)	(438,847)	(406,866)
Net current assets/(liabilities)			6,990	7,375	8,375	8,324
Total assets less current liabilities			1,017,150	947,618	1,023,141	953,973
Non-current liabilities						
Trade and other payables	20		0	0	0	0
Borrowings	21		(8)	(29)	(8)	(29)
Other financial liabilities	22		0	0	0	0
Provisions	23		(863,259)	(799,411)	(863,259)	(799,411)
Total non-current liabilities			(863,267)	(799,440)	(863,267)	(799,440)
Total assets employed			153,883	148,178	159,873	154,533
Financed by Taxpayers' equity:						
Public dividend capital			113,118	108,461	113,118	108,461
Retained earnings			12,432	12,353	12,432	12,353
Revaluation reserve			28,333	27,364	28,333	27,364
Other reserves			0	0	0	0
Funds Held on Trust Reserves					5,990	6,355
Total taxpayers' equity			153,883	148,178	159,873	154,533

The financial statements were approved by the Board on 25 June 2020 and signed on behalf of the Board by:



Steve Ham, Chief Executive and Accountable Officer

Date: 25 June 2020

The notes on pages 6 to 73 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2019-20	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	FHOT Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2019-20						
Balance as at 31 March 2019	108,461	12,353	27,364	148,178	6,355	154,533
Adjustment	0	0	0	0	0	0
Balance at 1 April 2019	108,461	12,353	27,364	148,178	6,355	154,533
Retained surplus/(deficit) for the year		41		41		41
Net gain/(loss) on revaluation of property, plant and equipment		0	1,007	1,007		1,007
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	(518)	(518)
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		38	(38)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	79	969	1,048	(518)	530
New Public Dividend Capital received	4,522			4,522		4,522
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	135			135		135
FHOT - Endowment					0	0
FHOT - Restricted					0	0
FHOT - Unrestricted					153	153
Balance at 31 March 2020	113,118	12,432	28,333	153,883	5,990	159,873

The notes on pages 6 to 73 form part of these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public Dividend Capital £000	Retained earnings £000	Restated Revaluation reserve £000	Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
2018-19						
Changes in taxpayers' equity for 2018-19						
Balance at 31 March 2018	93,567	13,945	26,478	133,990	6,461	140,451
Adjustment for Implementation of IFRS 9	0	(1,610)	0	(1,610)	0	(1,610)
Balance at 1 April 2018	93,567	12,335	26,478	132,380	6,461	138,841
Retained surplus/(deficit) for the year		55		55		55
Net gain/(loss) on revaluation of property, plant and equipment		0	849	849		849
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	146	146
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		(37)	37	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	18	886	904	146	1,050
New Public Dividend Capital received	14,894			14,894		14,894
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					(252)	(252)
Balance at 31 March 2019	108,461	12,353	27,364	148,178	6,355	154,533

The notes on pages 6 to 73 form part of these accounts.

Velindre University NHS Trust Annual Accounts
2019-2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

		2019-20	2018-19	2019-20	2018-19
	Note	£000	£000	£000	£000
Cash flows from operating activities		NHS Trust		Consolidated	
Operating surplus/(deficit)	SOCI	(249)	(3,086)	(243)	(3,485)
Movements in working capital	30	(52,654)	(17,393)	(52,849)	(16,772)
Other cash flow adjustments	31	171,398	145,485	171,398	145,485
Provisions utilised		(101,749)	(110,409)	(101,749)	(110,409)
Interest paid		(2)	(3)	(2)	(3)
Net cash inflow (outflow) from operating activities		16,744	14,594	16,555	14,816
Cash flows from investing activities					
Interest received		109	100	259	254
(Payments) for property, plant and equipment		(15,279)	(25,366)	(15,279)	(25,366)
Proceeds from disposal of property, plant and equipment		10	45	10	45
(Payments) for intangible assets		(8,768)	(3,188)	(8,768)	(3,188)
Proceeds from disposal of intangible assets		0	0	0	0
Payments for investments with Welsh Government		0	0	0	0
Proceeds from disposals with Welsh Government		0	0	0	0
(Payments) for financial assets.		0	0	(1,385)	(328)
Proceeds from disposal of financial assets.		0	0	1,461	343
Net cash inflow (outflow) from investing activities		(23,928)	(28,409)	(23,702)	(28,240)
Net cash inflow (outflow) before financing		(7,184)	(13,815)	(7,147)	(13,424)
Cash flows from financing activities					
Public Dividend Capital received		4,522	14,894	4,522	14,894
Public Dividend Capital repaid		0	0	0	0
Loans received from Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		(24)	(23)	(24)	(23)
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
Net cash inflow (outflow) from financing activities		4,498	14,871	4,498	14,871
Net increase (decrease) in cash and cash equivalents		(2,686)	1,056	(2,649)	1,447
Cash [and] cash equivalents at the beginning of the financial year	19	20,949	19,893	22,384	20,937
Cash [and] cash equivalents at the end of the financial year	19	18,263	20,949	19,735	22,384

The notes on pages 6 to 73 form part of these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of NHS Trusts (NHST) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2019-2020 Manual for Accounts. The accounting policies contained in that manual follow the 2019-2020 Financial Reporting Manual (FRoM), which applies European Union adopted IFRS and Interpretations in effect for accounting periods commencing on or after 1 January 2019, except for IFRS 16 Leases, which is deferred until 1 April 2021; to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the NHST Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NHST for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NHST are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Revenue

Revenue in respect of services provided is recognised when and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Velindre University NHS Trust Annual Accounts 2019-2020

From 2018-2019, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FReM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

1.4 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated in 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA, the NHS Pensions Agency).

However, NHS Wales organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in the 2019-2020 annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 37 'Other Information' starting on page 71 of these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

For early retirements other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme, this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

Velindre University NHS Trust Annual Accounts 2019-2020

- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-2018 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

Velindre University NHS Trust Annual Accounts 2019-2020

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Income (SoCI).

From 2015-2016, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets, current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

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

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

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCI. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This ensures that asset carrying values are not materially overstated.

Velindre University NHS Trust Annual Accounts 2019-2020

For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the intention to complete the intangible asset and use it.
- the ability to use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in developmental costs and technological advances.

1.8 Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCI. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCI. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9 Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCI on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

Velindre University NHS Trust Annual Accounts 2019-2020

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

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

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1 The NHS Wales organisation as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the NHS Trust's surplus/deficit charged.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2 The NHS Wales organisation as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12 Inventories

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

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14 Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Velindre University NHS Trust Annual Accounts 2019-2020

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operate a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in 2019-2020. The WRPS is hosted by Velindre University NHS Trust.

1.14.2 Future Liability Scheme (FLS)

General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

1.15 Financial Instruments

From 2018-2019 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales organisations is a change to the calculation basis for bad debt provisions: changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

1.16 Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses.

Velindre University NHS Trust Annual Accounts 2019-2020

All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1 Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value' through SoCI; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2 Financial assets at fair value through SoCI

Embedded derivatives that have different risks and characteristics to their host contracts and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCI. They are held at fair value, with any resultant gain or loss recognised in the SoCI. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCI on de-recognition.

1.16.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Velindre University NHS Trust Annual Accounts 2019-2020

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Expenditure and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.16.6 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

Financial liabilities are classified as either financial liabilities at fair value through the SoCI or other financial liabilities.

1.17.2 Financial liabilities at fair value through the SoCI

Embedded derivatives that have different risks and characteristics to their host contracts and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCI. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18 Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCI. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21 Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Velindre University NHS Trust Annual Accounts 2019-2020

Losses and special payments are charged to the relevant functional headings in the SoCI on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRPS).

The NHS Wales organisation accrues or provides for the best estimate of future payouts for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5-50%, the liability is disclosed as a contingent liability.

1.22 Pooled budget

The NHS Wales organisation has not entered into pooled budgets with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Velindre University NHS Trust Annual Accounts 2019-2020

1.24 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the WRPS.

1.25 Provisions

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the WRPS which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisations, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

Velindre University NHS Trust Annual Accounts 2019-2020

Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
		Contingent Liability for all other estimated expenditure
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

** Personal injury cases - Defence fee costs are provided for at 100%.*

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.75%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

Discounting provisions

The WRPS discounts estimate future lump sums within the provisions which are assumed to settle over a 3 year period.

A proportion of the lump sum estimates are assumed to settle with RPI indexed annual payments and the remainder as Annual Survey of Hours and Earnings (ASHE) indexed annual payments.

The HM Treasury short term nominal discount rate of 0.51% (2018/19: 0.76%) is applied to the RPI proportion of the lump sum estimate using the retail price index (RPI) inflation rate of 3.35%.

Velindre University NHS Trust Annual Accounts 2019-2020

The remainder is discounted by applying the Annual Survey of Hours and Earnings (ASHE) real discount rate of 0.7%.

PPO Provisions

The majority of high value (>£1M) claims settle with a Periodical Payment Order (PPO) where part or all of the final settlement value is paid over the life time of the claimant.

When cases settle with a PPO arrangement, an individual provision is created by multiplying the claimants' index linked annual payment value by the number of years' life expectancy.

Future cashflows are modelled based on individual claim data and include any agreed future steps in payment value.

The number of years' life expectancy is discounted according to the Ogden table multipliers using HM Treasury's nominal discount rate for general provisions issued annually in the Public Expenditure System (PES) paper and an inflation factor.

For 2019-20, the nominal short, medium, long and very long term rates are; 0.51%, (0-5 years), 0.55%, (+5-10 years) 1.99% (+10-40 years) and 1.99% (over 40 years) respectively.

The inflation factor applied is dependent upon the rate agreed as part of the settlement of the claimant's case. Where annual payments are required to be uplifted by the RPI, the RPI rate of 3.35% has been used. Where annual payments are required to be uplifted based on market data for carers' wages, the annual survey of hours and earnings (ASHE) discount rate of 0.7% has been applied.

The probabilities of survival for each claimant are based on estimated life expectancy, agreed by medical experts in each case.

1.26 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.27 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Velindre University NHS Trust Annual Accounts 2019-2020

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28 Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC.

1.29 Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM:

IFRS14 Regulatory Deferral Accounts Not EU-endorsed.*

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

IFRS 16 Leases is to be effective from 1 April 2021.

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

1.30 Accounting standards issued that have been adopted early

During 2019-2020 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

Velindre University NHS Trust Annual Accounts 2019-2020

1.31 Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is the corporate trustee of the Velindre University NHS Trust Charitable Fund. It is therefore considered for accounting standards compliance to have control of Velindre University NHS Trust Charitable Fund as a subsidiary and, with the agreement of Welsh Government, has made the decision to consolidate the Velindre University NHS Trust Charitable Fund within the statutory accounts of the Trust.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Velindre University NHS Trust Charitable Fund or its independence in its management of charitable funds.

Welsh Government as the ultimate parent of the NHS Wales organisations will disclose the Charitable Accounts in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

1.32 Subsidiaries

Material entities over which the NHS Wales organisation has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS Wales organisation or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

PDC represents taxpayers' equity in the NHS Wales organisation. At any time the Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to and require repayments of PDC from the NHS Wales organisation. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

Velindre University NHS Trust Annual Accounts 2019-2020

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4(2).

The Trust is required to achieve financial breakeven over a rolling 3 year period.

Welsh Health Circular WHC/2016/054 replaced WHC/2015/014 'Statutory and Financial Duties of Local Health Boards and NHS Trusts' and further clarifies the statutory financial duties of NHS Wales bodies.

2.1.1 Financial Duty

	Annual financial performance			2017-18 to 2019-20
	2017-18 £000	2018-19 £000	2019-20 £000	Financial duty £000
Retained surplus	54	55	41	150
Less Donated asset/ grant funded revenue adjustment	(5)	(24)	(17)	(46)
Adjusted surplus/ (Deficit)	49	31	24	104

Velindre University NHS Trust has met its financial duty to break even over the 3 years 2017-2018 to 2019-2020.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework issued to NHS Trusts places a requirement upon NHS Trusts to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust has submitted an Integrated Medium Term Plan for the period 2019-2020 to 2021-2022 in accordance with NHS Wales Planning Framework.

	Status Date	Financial duty 2019-20 to 2021-22
		Approved 26/03/2019
The Minister for Health and Social Services approval		

Velindre University NHS Trust has met its annual financial duty to have an approved financial plan for the period 2019-2020 to 2021-2022.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

Due to the circumstances that arose as a result of Coronavirus Covid 19:

- the suspension of the National loan fund temporary deposit facility, and
- the requirement to issue year-end capital adjustments,

the requirement to achieve the administrative External Financing Target has been suspended for 2019-2020.

2.3. Creditor payment

The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust has achieved the following results:

	2019-20	2018-19
Total number of non-NHS bills paid	74,370	70,966
Total number of non-NHS bills paid within target	72,416	69,141
Percentage of non-NHS bills paid within target	97.4%	97.4%
The Trust has met the target.		

Velindre University NHS Trust Annual Accounts
2019-2020

3. Revenue from patient care activities	Reclassified		Reclassified	
	2019-20	2018-19	2019-20	2018-19
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Local health boards	72,603	65,772	72,603	65,772
Services Committees (WHSSC & EASC)	46,281	40,451	46,281	40,451
Welsh NHS Trusts	1,654	1,506	1,654	1,506
Health Education and Improvement Wales (HEIW)	228	0	228	0
Foundation Trusts	60	0	60	0
Other NHS England bodies	20	754	20	754
Other NHS Bodies	1	0	1	0
Local Authorities	0	0	0	0
Welsh Government	5,856	3,130	5,856	3,130
Welsh Government Welsh Risk Pool Reimbursements				
NHS Wales Secondary Health Sector	170,523	128,124	170,523	128,124
NHS Wales Primary Sector Future Liability Scheme Reimbursement	0	0	0	0
NHS Wales Redress	2,056	2,514	2,056	2,514
Other	0	0	0	0
Welsh Government - Hosted Bodies	128,426	166,082	128,426	166,082
Non NHS:				
Private patient income	1,375	2,089	1,375	2,089
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	291	27	291	27
Total	429,374	410,449	429,374	410,449

Injury Cost Recovery (ICR) Scheme income	2019-20	2018-19
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	21.79	21.89

4. Other operating revenue	2019-20		2018-19	
	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Income generation	1,273	1,323	1,273	1,323
Patient transport services	0	0	0	0
Education, training and research	5,725	4,507	5,725	4,507
Charitable and other contributions to expenditure	3,587	3,654	1,444	892
Incoming FHoT Revenue				
Unrestricted - donations and legacies			2,799	3,323
Restricted - donations and legacies			0	0
Receipt of donations for capital acquisitions	18	24	18	24
Receipt of government grants for capital acquisitions	0	0	0	0
Non-patient care services to other bodies	652	499	652	499
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue:				
Provision of pathology/microbiology services	0	0	0	0
Accommodation and catering charges	200	163	200	163
Mortuary fees	0	0	0	0
Staff payments for use of cars	99	53	99	53
Business unit	0	0	0	0
Other	131,058	104,374	131,058	104,374
Total	142,612	114,597	143,268	115,158

Other revenue comprises:

NHS Wales Shared Services Partnership	96,991	75,763	96,991	196,131
NHS Wales Informatics Services	31,095	25,890	31,095	70,790
Other	2,971	2,721	2,971	3,535

Total	131,057	104,374	131,057	270,456
--------------	----------------	----------------	----------------	----------------

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Business Services Agency on the Trust's behalf. The notional income of £7,714,537 is reported above under 'Welsh Government' and 'Welsh Government Hosted Bodies' lines and has been allocated as follows:

Welsh Government	£2,656,537 (Trust's core divisions)
Welsh Government - Hosted Bodies	£5,058,000 (split NWIS £1,445,000 and NWSSP £3,613,000)

2018/2019 reclassified: income received by Trust hosted bodies NWIS and NWSSP from Welsh Government previously reported in note 4 as 'other' has been reclassified to note 3 as 'Welsh Government - Hosted Bodies'.

Velindre University NHS Trust Annual Accounts 2019-2020

5. Operating expenses	2019-20	2018-19	2019-20	2018-19
5.1 Operating expenses	£000	£000	£000	£000
	NHS Trust		Consolidated	
Local Health Boards	7,927	5,671	7,927	5,671
Welsh NHS Trusts	222	330	222	330
Health Education and Improvement Wales (HEIW)	0	0	0	0
Goods and services from other non Welsh NHS bodies	0	0	0	0
WHSSC/EASC	0	37	0	37
Local Authorities	75	68	75	68
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Government	0	0	0	0
Other NHS Trusts	495	0	495	0
Directors' costs	1,280	1,098	1,280	1,098
Staff costs	181,403	159,453	181,403	159,453
Supplies and services - clinical	62,651	53,984	62,651	53,984
Supplies and services - general	49,001	41,660	49,001	41,660
Consultancy Services	3,601	1,759	3,601	1,759
Establishment	15,814	14,569	15,814	14,569
Transport	2,329	2,230	2,329	2,230
Premises	52,715	42,100	52,715	42,100
FHoT Resources expended				
Costs of generating funds			285	551
Charitable activities			365	409
Governance Costs			0	0
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	11,677	9,439	11,677	9,439
Amortisation	5,509	7,027	5,509	7,027
Impairments and reversals of property, plant and equipment	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	209	209	209	209
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	172,357	133,496	172,357	133,496
Research and development	0	0	0	0
Other operating expenses	4,970	55,002	4,970	55,002
Total	572,235	528,132	572,885	529,092

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Pensions Agency on the Trust's behalf. The notional expenditure of £7,714,537 is reported above under staff costs.

Velindre University NHS Trust Annual Accounts 2019-2020

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

	Reclassified		Reclassified	
	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Clinical negligence;-				
Secondary care	161,267	126,928	161,267	126,928
Primary care	0	0	0	0
Redress Secondary Care	3,350	4,455	3,350	4,455
Redress Primary Care	0	0	0	0
Personal injury	4,653	748	4,653	748
All other losses and special payments	0	1	0	1
Defence legal fees and other administrative costs	2,675	985	2,675	985
Structured Settlements Welsh Risk Pool	412	379	412	379
Gross increase/(decrease) in provision for future payments	172,357	133,496	172,357	133,496
Contribution to Welsh Risk Pool	0	0	0	0
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	0	0	0	0
Total charge	172,357	133,496	172,357	133,496

The Clinical Negligence figure includes £1,431,502 (2018/2019 £1,671,439) in respect of payments made under Redress for the first

9 months of 2019/2020. A further £624,370 for the final quarter is within the creditor balance pending reimbursement in 2019/2020. Redress was previously administered directly by Welsh Government prior to 2018/2019.

2018/2019 clinical negligence costs and redress costs have been reclassified to show the split between secondary and primary care costs.

	2019-20	2018-19
	£	£
Permanent injury included within personal injury:	0	0

Velindre University NHS Trust Annual Accounts 2019-2020

6. Investment revenue

Rental revenue :

PFI finance lease revenue:

Planned

Contingent

Other finance lease revenue

Interest revenue:

Bank accounts

Other loans and receivables

Impaired financial assets

Other financial assets

Total

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
Interest revenue:				
Bank accounts	109	100	109	100
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	150	154
Total	109	100	259	254

7. Other gains and losses

Gain/(loss) on disposal of property, plant and equipment

Gain/(loss) on disposal of intangible assets

Gain/(loss) on disposal of assets held for sale

Gain/(loss) on disposal of financial assets

Gains/(loss) on foreign exchange

Change in fair value of financial assets at fair value through income statement

Change in fair value of financial liabilities at fair value through income statement

Recycling of gain/(loss) from equity on disposal of financial assets held for sale

Total

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
Gain/(loss) on disposal of property, plant and equipment	(2)	45	(2)	45
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	4	0	4	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	2	45	2	45

8. Finance costs

Interest on loans and overdrafts

Interest on obligations under finance leases

Interest on obligations under PFI contracts:

Main finance cost

Contingent finance cost

Interest on late payment of commercial debt

Other interest expense

Total interest expense

Provisions unwinding of discount

Periodical Payment Order unwinding of discount

Other finance costs

Total

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	2	3	2	3
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	2	3	2	3
Provisions unwinding of discount	(279)	(2,604)	(279)	(2,604)
Periodical Payment Order unwinding of discount	98	(395)	98	(395)
Other finance costs	0	0	0	0
Total	(179)	(2,996)	(179)	(2,996)

Velindre University NHS Trust Annual Accounts 2019-2020

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Velindre University NHS Trust for properties and equipment.

Payments recognised as an expense

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
	NHS Trust		Consolidated	
Minimum lease payments	2,905	3,009	2,905	3,009
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	2,905	3,009	2,905	3,009

Total future minimum lease payments

Payable:	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
	NHS Trust		Consolidated	
Not later than one year	2,752	2,994	2,752	2,994
Between one and five years	5,462	6,606	5,462	6,606
After 5 years	756	1,599	756	1,599
Total	8,970	11,199	8,970	11,199

Total future sublease payments expected to be received	0	0	0	0
--	---	---	---	---

Velindre University NHS Trust Annual Accounts 2019-2020

9. Operating leases (continued)

9.2 Trust as lessor

There are no significant leasing arrangements where the Trust is the lessor.

Rental Revenue

Receipts recognised as income

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
	NHS Trust		Consolidated	
Rent	0	0	0	0
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	0	0	0	0

Total future minimum lease payments Receivable:

	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
	NHS Trust		Consolidated	
Not later than one year	0	0	0	0
Between one and five years	0	0	0	0
After 5 years	0	0	0	0
Total	0	0	0	0

Velindre University NHS Trust Annual Accounts 2019-2020

10. Employee costs and numbers

					2019-20 £000	2018-19 £000
10.1 Employee costs	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Other Staff		
	£000	£000	£000	£000	£000	£000
Salaries and wages	141,037	1,458	3,342	994	146,831	133,253
Social security costs	13,272	48	0	1	13,321	12,129
Employer contributions to NHS Pensions Scheme	25,324	37	0	0	25,361	16,299
Other pension costs	29	0	0	0	29	14
Other post-employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	179,662	1,543	3,342	995	185,542	161,695
Of the total above:						
Charged to capital					2,983	1,255
Charged to revenue					182,559	160,440
Total					185,542	161,695

Net movement in accrued employee benefits (untaken staff leave accrual included above) (139) (21)

Other staff includes temporary workers paid directly by Velindre University NHS Trust and staff sub-contracted or recharged from other NHS or public bodies.

In 2019/2020, the Welsh Government paid £7.715m on behalf of Velindre University NHS Trust to the NHS Business Services Agency in respect of an increase in employer's pension contribution of 6.3%. This is recognised in the 'employer contributions to NHS pensions Scheme' line above, in the 'permanently employed staff' column.

10.2 Average number of employees

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2019-20 Total	2018-19 Total
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,477	23	43	14	2,557	2,402
Ambulance staff	0	0	0	0	0	0
Medical and dental	513	1	0	5	519	476
Nursing, midwifery registered	188	0	1	0	189	185
Professional, scientific and technical staff	56	0	0	0	56	52
Additional Clinical Services	198	0	0	3	201	201
Allied Health Professions	114	0	11	0	125	119
Healthcare scientists	135	1	0	2	138	133
Estates and Ancillary	335	0	14	7	356	336
Students	0	0	0	0	0	0
Total	4,016	25	69	31	4,141	3,904

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health

	2019-20	2018-19
Number	4	5
Estimated additional pension costs £	278,470	668,774

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

10.4 Employee benefits

The Trust operates four salary sacrifice schemes (childcare vouchers, cycle to work, home electronics and lease cars) for the financial benefit of its employees. It also provides an Easter and summer childcare subsidy scheme, a respite care subsidy scheme, and a purchase of annual leave scheme. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support, and in 2019-2020 a financial wellbeing scheme was launched to provide staff with access to simple financial education, salary deducted loans, and a range of savings and investment products.

Velindre University NHS Trust Annual Accounts 2019-2020

10.5 Reporting of other compensation schemes - exit packages

	2019-20	2019-20	2019-20	2019-20	2018-19
				Number of departures where special payments have been made Whole	Total number of exit packages Whole
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only		
less than £10,000	1	1	2	0	2
£10,000 to £25,000	0	3	3	0	7
£25,000 to £50,000	0	2	2	0	6
£50,000 to £100,000	0	1	1	0	1
£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	1	7	8	0	16

	2019-20	2019-20	2019-20	2019-20	2018-19
				Cost of special element included in exit packages	Total cost of exit packages
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £		£
less than £10,000	7,434	9,240	16,674	0	8,397
£10,000 to £25,000	0	59,622	59,622	0	114,307
£25,000 to £50,000	0	81,873	81,873	0	240,309
£50,000 to £100,000	0	51,668	51,668	0	71,243
£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	7,434	202,403	209,837	0	434,256

Redundancy, voluntary early release, and other departure costs have been paid in accordance with the provisions of the relevant schemes / legislation. Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table (see note 10.3 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts.

£102,501 exit costs were paid in 2019-2020, the year of departure (2018-2019 £222,143).

10.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in Velindre University NHS Trust in the financial year 2019-2020 was £140,000 to £145,000 (2018-2019, £135,000 to £140,000). This was 4.9 times (2018-2019, 5.0 times) the median remuneration of the workforce, which was £29,009 (2018-2019, £27,581).

In 2019-2020, 9 (2018-2019, 14) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17,700 to £207,000 (2018-2019, £17,500 to £202,700).

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

Overtime payments are included for the calculation of both elements of the relationship.

11. Pensions

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-2020 tax year (2018-2019 £6,032 and £46,350).

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

Velindre University NHS Trust Annual Accounts 2019-2020

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2019-20	2019-20	2018-19	2018-19
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,425	42,009	2,396	34,421
Total bills paid within target	2,165	35,768	1,904	26,558
Percentage of bills paid within target	89.3%	85.1%	79.5%	77.2%
Non-NHS				
Total bills paid in year	74,370	243,194	70,966	248,731
Total bills paid within target	72,416	220,230	69,141	244,073
Percentage of bills paid within target	97.4%	90.6%	97.4%	98.1%
Total				
Total bills paid in year	76,795	285,203	73,362	283,152
Total bills paid within target	74,581	255,998	71,045	270,631
Percentage of bills paid within target	97.1%	89.8%	96.8%	95.6%

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

	2019-20	2018-19
	£	£
Amounts included within finance costs from claims made under legislation.	0	0
Compensation paid to cover debt recovery costs under legislation.	0	0
Total	0	0

Velindre University NHS Trust Annual Accounts 2019-2020

13. Property, plant and equipment :

2019-20

2019-20	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	18,106	65,544	258	21,601	32,131	5,817	26,258	1,277	170,992	0	170,992
Indexation	(178)	1,285	5	0	0	0	0	0	1,112	0	1,112
Additions - purchased	0	569	0	5,888	1,189	637	5,105	271	13,659	0	13,659
Additions - donated	0	0	0	0	18	0	0	0	18	0	18
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	38	0	(2,506)	0	0	2,468	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,022)	(645)	(303)	(97)	(2,075)	0	(2,075)
At 31 March 2020	17,928	67,428	263	24,983	32,316	5,809	33,528	1,451	183,706	0	183,706
Depreciation											
At 1 April 2019	0	6,003	17	0	19,752	3,061	14,884	721	44,438	0	44,438
Indexation	0	105	0	0	0	0	0	0	105	0	105
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,023)	(637)	(303)	(97)	(2,068)	0	(2,068)
Charged during the year	0	2,650	9	0	2,605	631	5,635	147	11,677	0	11,677
At 31 March 2020	0	8,750	26	0	21,334	3,055	20,216	771	54,152	0	54,152
Net book value											
At 1 April 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Net book value											
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Net book value at 31 March 2020 comprises :											
Purchased	17,928	54,214	237	24,983	10,909	2,754	13,299	680	125,004	0	125,004
Donated	0	4,464	0	0	73	0	13	0	4,550	0	4,550
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Asset Financing:											
Owned	17,928	58,542	237	24,983	10,982	2,754	13,285	680	129,391	0	129,391
Held on finance lease	0	136	0	0	0	0	27	0	163	0	163
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
The net book value of land, buildings and dwellings at 31 March 2020 comprises :											
		£000	£000	£000							
Freehold		60,301	0	60,301							
Long Leasehold		11,501	0	11,501							
Short Leasehold		5,040	0	5,040							
Total		76,842	0	76,842							

The NHS Trust Land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Additional capital purchases were made in relation to the COVID-19 pandemic: £46k for the Trust's core divisions and £334k for NWSSP. Whilst NWIS had placed orders with suppliers for capital items, none were fulfilled prior to 31st March 2020. Further detail is available within note 37.2 to these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

13. Property, plant and equipment :

2018-19

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and paymentson account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	17,751	53,144	255	12,530	29,987	4,574	24,340	1,099	143,680	0	143,680
Indexation	355	523	3	0	0	0	0	0	881	0	881
Additions - purchased	0	11,662	0	9,540	2,231	1,577	2,886	262	28,158	0	28,158
Additions - donated	0	0	0	0	0	0	15	0	15	0	15
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	469	0	(469)	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	(21)	0	0	(21)	0	(21)
Disposals other than by sale	0	(254)	0	0	(87)	(313)	(983)	(84)	(1,721)	0	(1,721)
At 31 March 2019	18,106	65,544	258	21,601	32,131	5,817	26,258	1,277	170,992	0	170,992
Depreciation											
At 1 April 2018	0	4,002	8	0	17,209	2,908	11,895	687	36,709	0	36,709
Indexation	0	31	1	0	0	0	0	0	32	0	32
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	(21)	0	0	(21)	0	(21)
Disposals other than by sale	0	(254)	0	0	(87)	(313)	(983)	(84)	(1,721)	0	(1,721)
Charged during the year	0	2,224	8	0	2,630	487	3,972	118	9,439	0	9,439
At 31 March 2019	0	6,003	17	0	19,752	3,061	14,884	721	44,438	0	44,438
Net book value											
At 1 April 2018	17,751	49,142	247	12,530	12,778	1,666	12,445	412	106,971	0	106,971
Net book value											
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Net book value at 31 March 2019 comprises :											
Purchased	18,106	55,008	241	21,601	12,272	2,756	11,353	556	121,893	0	121,893
Donated	0	4,533	0	0	107	0	19	0	4,659	0	4,659
Government Granted	0	0	0	0	0	0	2	0	2	0	2
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Asset Financing:											
Owned	18,106	59,391	241	21,601	12,378	2,756	11,326	556	126,355	0	126,355
Held on finance lease	0	150	0	0	1	0	48	0	199	0	199
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000	£000	£000
Freehold	62,181	0	62,181
Long Leasehold	11,163	0	11,163
Short Leasehold	4,544	0	4,544
Total	77,888	0	77,888

The NHS Trust Land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

Velindre University NHS Trust received the following donated assets during the year:

Medical Equipment	£17,658
Total	£17,658

ii) Valuations

The Trust's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The Trust is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

An insurance claim was submitted for the vehicle related to the Welsh Blood Service (WBS) that was "deemed beyond economical repair". The asset had a NBV of £7.4k which is shown in note 7 "Other Gains & Losses". The Trust later received an insurance payout of £5.5k.

v) Write Downs

The Trust revised the life of the assets associated with the Data centre in Blaenavon. It was agreed that the life of the assets in the hall at the time of an incident were to be reduced by an average 1 year as of 01/06/2019. Due to this action the Trust incurred an additional £1.073m depreciation charge, which was agreed by Welsh Government.

vi) The Trust does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are no assets being held for sale as at 31/03/2020. Assets that have been sold within the year are reported under note 7 "Other Gains & Losses". A brief summary of these assets can also be found below.

viii) Consultancy Services

The Trust capitalised a total of £ 2.614m on consultancy fees in 2019/2020. These figures are included within the additions (category dependent) in notes 13 and 14.

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
WBS Vehicle	Write off	(2)
NWSSP Vehicles (13)	Assets fully depreciated	4
		<hr/> 2 <hr/>

Velindre University NHS Trust Annual Accounts 2019-2020

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	ConsolidatedTo tal
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2019	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2020	0	0	0	0	0	0	0	0
Balance b/f 1 April 2018	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2019	0	0	0	0	0	0	0	0

NWSSP own a piece of land in Denbigh that is being held for sale as 31/03/2020. In accordance with IFRS 5 the land is being held at the NBV of £5k. Given that the fair value less costs to sell is higher than the carrying value, no adjustment has been made to these accounts.

Velindre University NHS Trust Annual Accounts 2019-2020

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	45,523	5,962	4,862	0	0	0	56,347	0	56,347
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	6,143	1,925	43	0	0	0	8,111	0	8,111
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,747)	(475)	0	0	0	0	(4,222)	0	(4,222)
At 31 March 2020	47,919	7,412	4,905	0	0	0	60,236	0	60,236
Amortisation									
At 1 April 2019	35,669	2,812	2,823	0	0	0	41,304	0	41,304
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	3,920	618	971	0	0	0	5,509	0	5,509
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,746)	(475)	0	0	0	0	(4,221)	0	(4,221)
Accumulated amortisation at 31 March 2020	35,843	2,955	3,794	0	0	0	42,592	0	42,592
Net book value At 1 April 2019	9,854	3,150	2,039	0	0	0	15,043	0	15,043
Net book value At 31 March 2020	12,076	4,457	1,111	0	0	0	17,644	0	17,644
Net book value									
Purchased	13,214	3,309	1,111	0	0	0	17,634	0	17,634
Donated	10	0	0	0	0	0	10	0	10
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2020	13,224	3,309	1,111	0	0	0	17,644	0	17,644

Velindre University NHS Trust Annual Accounts 2019-2020

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade- marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	45,075	3,512	4,862	0	0	0	53,449	0	53,449
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	648	2,540	0	0	0	0	3,188	0	3,188
- internally generated	0	0	0	0	0	0	0	0	0
- donated	10	0	0	0	0	0	10	0	10
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(210)	(90)	0	0	0	0	(300)	0	(300)
At 31 March 2019	45,523	5,962	4,862	0	0	0	56,347	0	56,347
Amortisation									
At 1 April 2018	30,216	2,508	1,853	0	0	0	34,577	0	34,577
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	5,663	394	970	0	0	0	7,027	0	7,027
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(210)	(90)	0	0	0	0	(300)	0	(300)
Accumulated amortisation at 31 March 2019	35,669	2,812	2,823	0	0	0	41,304	0	41,304
Net book value At 1 April 2018	14,859	1,004	3,009	0	0	0	18,872	0	18,872
Net book value At 31 March 2019	9,854	3,150	2,039	0	0	0	15,043	0	15,043
Net book value									
Purchased	9,839	0	2,039	0	0	0	11,878	0	11,878
Donated	16	0	0	0	0	0	16	0	16
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	3,149	0	0	0	0	3,149	0	3,149
At 31 March 2019	9,855	3,149	2,039	0	0	0	15,043	0	15,043

14. Intangible assets

Disclosures:

i) Donated Intangible Assets

There were no intangible assets donated this year.

Intangible assets comprise of licenses for use of purchased IT software such as financial systems, internally generated IT software and various licences and trade marks.

An assessment is performed on an annual basis to determine that the assets are still available for use and that there is a continued market for their use. The fair values are based on the original cost and amortised based upon finite lives detailed below, and are as detailed in the note to the accounts.

The useful lives and amortisation rates used is 5 years and no intangible assets are assessed as having indefinite useful lives.

No intangible assets have been acquired by Government Grant.

Velindre University NHS Trust Annual Accounts 2019-2020

15. Impairments

	2019-20		2018-19	
Impairments in the period arose from:	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Other	0	0	0	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	0	0	0	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	0	0	0	0
Revaluation reserve	0	0	0	0
Total	0	0	0	0
FHoT Operating expenses in SoCNI	0	0	0	0
FHoT reserves	0	0	0	0
NHS Consolidated Total	0	0	0	0

There have been no impairments during the year ended 31st March 2020.

**Velindre University NHS Trust Annual Accounts
2019-2020**

16. Inventories

16.1 Inventories

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Drugs	1,523	1,152	1,523	1,152
Consumables	9,034	5,719	9,034	5,719
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	2,577	2,089	2,577	2,089
Total	13,134	8,960	13,134	8,960
Of which held at net realisable value:	0	0	0	0

£3.1m of the additional stock held in 2019/2020 has been purchased by NWSSP. Approximately £2. m of this additional stock is held in respect of Brexit, with a further £1m attributable to COVID-19 requirements across NHS Wales.

16.2 Inventories recognised in expenses

	2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	54,225	48,525	54,225	48,525
Write-down of inventories (including losses)	29	33	29	33
Reversal of write-downs that reduced the expense	0	0	0	0
Total	54,254	48,558	54,254	48,558

Velindre University NHS Trust Annual Accounts 2019-2020

17. Trade and other receivables

17.1 Trade and other receivables

		Reclassified		Reclassified
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
Current	NHS Trust		Consolidated	
Welsh Government	376,844	354,914	376,844	354,914
WHSSC & EASC	167	855	167	855
Welsh Health Boards	16,765	10,616	16,765	10,616
Welsh NHS Trusts	708	579	708	579
Health Education and Improvement Wales (HEIW)	259	435	259	435
Non - Welsh Trusts	56	133	56	133
Other NHS	28	59	28	59
Welsh Risk Pool Claim reimbursement:-	0	0	0	0
NHS Wales Secondary Health Sector	99	105	99	105
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	151	98	151	98
Capital debtors- Tangible	84	0	84	0
Capital debtors- Intangible	0	0	0	0
Other debtors	4,771	6,316	4,814	5,840
FHoT debtor			50	106
Provision for impairment of trade receivables	(1,809)	(1,931)	(1,809)	(1,931)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	12,390	9,371	12,390	9,371
Accrued income	3,747	2,666	3,747	2,666
Sub-total	414,260	384,216	414,353	383,846
Non-current				
Welsh Government	861,947	798,646	861,947	798,646
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Risk Pool Claim reimbursement				
NHS Wales Secondary Health Sector	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	0	0	0	0
Capital debtors- Tangible	0	0	0	0
Capital debtors- Intangible	0	0	0	0
Other debtors	0	0	0	0
FHoT debtor			0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	1,015	0	1,015	0
Accrued income	0	0	0	0
Sub-total	862,962	798,646	862,962	798,646
Total trade and other receivables	1,277,222	1,182,862	1,277,315	1,182,492

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £7,845,000 (£3,955,000 in 2018/2019).

2018/2019 Welsh Risk Pool debtors have been restated to show the split between secondary and primary care, and redress cases where appropriate.

Included within the Welsh Government debtor is £790k to fund NWIS COVID-19 related revenue costs.

Velindre University NHS Trust Annual Accounts 2019-2020

17.2 Receivables past their due date but not impaired

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
By up to 3 months	7,242	3,209	7,242	3,209
By 3 to 6 months	486	210	486	210
By more than 6 months	117	536	117	536
Balance at end of financial year	7,845	3,955	7,845	3,955

The increase in receivables past their due date by up to 3 months but not impaired is primarily due to an increase in the stock issued to and subsequent invoices raised to other NHS Wales organisations towards the end of January and in February 2020, due to the requirements of the COVID-19 pandemic.

17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Balance at 31 March		(314)		(314)
Adjustment for Implementation of IFRS 9		(1,610)		(1,610)
Balance at 1 April	(1,931)	(1,924)	(1,931)	(1,924)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	143	10	143	10
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	(25)	(17)	(25)	(17)
ECL/Bad debts recovered during year	4	0	4	0
Balance at end of financial year	(1,809)	(1,931)	(1,809)	(1,931)

17.4 Receivables VAT

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Trade receivables	250	62	250	62
Other	0	0	0	0
Total	250	62	250	62

Velindre University NHS Trust Annual Accounts
2019-2020

18. Other financial assets

	31 March 2020 £000 NHS Trust	31 March 2019 £000	31 March 2020 £000 Consolidated	31 March 2019 £000
Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
Non-Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	4,606	5,406
Available for sale at FV	0	0	0	0
Total	0	0	4,606	5,406

**Velindre University NHS Trust Annual Accounts
2019-2020**

19. Cash and cash equivalents

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
			Consolidated	
Opening Balance	20,949	19,893	22,384	20,937
Net change in year	(2,686)	1,056	(2,649)	1,447
Closing Balance	18,263	20,949	19,735	22,384
Made up of:				
Cash with Government Banking Service (GBS)	18,225	20,934	18,225	20,934
Cash with Commercial banks	0	0	1,472	1,435
Cash in hand	38	15	38	15
Total cash	18,263	20,949	19,735	22,384
Current investments	0	0	0	0
Cash and cash equivalents as in SoFP	18,263	20,949	19,735	22,384
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	18,263	20,949	19,735	22,384

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are:

Lease Liabilities £nil

PFI liabilities £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2019/2020.

**Velindre University NHS Trust Annual Accounts
2019-2020**

20. Trade and other payables at the SoFP Date	Reclassified		Reclassified	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current	NHS Trust		Consolidated	
Welsh Government	7,103	16	7,103	16
WHSSC & EASC	24	24	24	24
Welsh Health Boards	113,389	72,394	113,389	72,394
Welsh NHS Trusts	1,899	2,799	1,899	2,799
Health Education and Improvement Wales (HEIW)	13	0	13	0
Other NHS	415	263	415	263
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	7	1,364	7	1,364
National Insurance contributions payable to HMRC	6	1,880	6	1,880
Non-NHS trade payables - revenue	9,194	12,114	9,194	12,114
Local Authorities	192	119	192	119
Capital payables-Tangible	6,375	7,911	6,375	7,912
Capital payables- Intangible	1,299	1,956	1,299	1,956
Overdraft	0	0	0	0
FHoT payables			180	115
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	2,483	2,268	2,483	2,268
Non NHS Accruals	21,886	17,332	21,886	17,332
Deferred Income:				
Deferred income brought forward	2,543	2,950	2,543	2,950
Deferred income additions	1,280	1,060	1,280	1,060
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	(1,838)	(1,467)	(1,838)	(1,467)
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
PFI - Payments on account	0	0	0	0
Sub-total	166,270	122,983	166,450	123,099

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

Included within the above is £857k payable by NWIS, £374k payable by NWSSP and £34k by the Trust's core divisions to suppliers for COVID-19 related costs.

2018/2019 capital payables have been reclassified and split between tangible and intangible payables.

**Velindre University NHS Trust Annual Accounts
2019-2020**

20. Trade and other payables at the SoFP Date (cont)

	31 March	Reclassified	31 March	Reclassified
	2020	31 March	2020	31 March
	£000	2019	£000	2019
Non-current	NHS Trust	£000	Consolidated	£000
Welsh Government	0	0	0	0
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Other NHS	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	0	0	0	0
Local Authorities	0	0	0	0
Capital payables- Tangible	0	0	0	0
Capital payables- Intangible	0	0	0	0
Overdraft	0	0	0	0
FHoT payables			0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	0	0	0	0
Deferred income additions	0	0	0	0
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
PFI assets –deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	0	0	0	0
Total	166,270	122,983	166,450	123,099

**Velindre University NHS Trust Annual
Accounts 2019-20**

21. Borrowings

Current

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Bank overdraft - Government Banking Service (GBS)	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	21	24	21	24
Other	0	0	0	0
Total	21	24	21	24

Non-current

Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	8	29	8	29
Other	0	0	0	0
Total	8	29	8	29

21.2 Loan advance/strategic assistance funding

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Amounts falling due:				
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	0	0	0	0
Sub-total	0	0	0	0
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0	0
Sub-total	0	0	0	0
Total repayable after five years by instalments	0	0	0	0

The Trust has not received a loan advance or strategic funding from the Welsh Government.

Velindre University NHS Trust Annual Accounts 2019-2020

22. Other financial liabilities

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Current				
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Non-current				
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

Velindre University NHS Trust Annual Accounts 2019-2020

23. Provisions 2019-20

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	260,174	(32,011)	(18,252)	(41,351)	0	233,169	(74,236)	(82,810)	(279)	244,404
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	4,099	(1,880)	(818)	0	3,335
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,240	0	0	(31)	0	5,408	(2,049)	(765)	0	4,803
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	4,641	0	0	(430)	0	3,645	(1,608)	(1,634)	0	4,614
Structured Settlements - WRPS	13,819	627	0	0	0	14,693	(13,972)	(710)	98	14,555
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	26	0	0	(20)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	908		0	0	0	537	0	(800)		645
Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376

Non Current

Clinical negligence:-										
Secondary Care	386,660	0	0	41,163	0	63,700	(7,693)	(52,792)	0	431,038
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	1,138	(29)	(1,069)	0	40
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	300	0	0	31	0	24	0	(14)	0	341
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,992	0	0	625	0	1,209	(262)	(545)	0	4,019
Structured Settlements - WRPS	408,696	31,384	0	0	0	4,326	0	(17,898)	0	426,508
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	102		0	(26)	0	14	0	0	0	90
Restructurings	0		0	0	0	0	0	0		0
Other	661		0	0	0	562	0	0		1,223
Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259

TOTAL

Clinical negligence:-										
Secondary Care	646,834	(32,011)	(18,252)	(188)	0	296,869	(81,929)	(135,602)	(279)	675,442
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	5,237	(1,909)	(1,887)	0	3,375
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,540	0	0	0	0	5,432	(2,049)	(779)	0	5,144
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	7,633	0	0	195	0	4,854	(1,870)	(2,179)	0	8,633
Structured Settlements - WRPS	422,515	32,011	0	0	0	19,019	(13,972)	(18,608)	98	441,063
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	121		(6)	0	0	14	(20)	0	0	109
Restructurings	0		0	0	0	0	0	0		0
Other	1,569		0	0	0	1,099	0	(800)		1,868
Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635

Expected timing of cash flows:

	In year to 31 March 2021 £000	Between 01-Apr-21 to 31 March 2025 £000	Thereafter £000	Totals £000
Clinical negligence:-				
Secondary Care	244,404	303,331	127,707	675,442
Primary Care	0	0	0	0
Redress Secondary Care	3,335	40	0	3,375
Redress Primary Care	0	0	0	0
Personal injury	4,803	341	0	5,144
All other losses and special payments	1	0	0	1
Defence legal fees and other administration	4,614	4,019	0	8,633
Structured Settlements - WRPS	14,555	60,910	365,598	441,063
Pensions - former directors	0	0	0	0
Pensions - other staff	19	68	22	109
Restructuring	0	0	0	0
Other	645	1,128	95	1,868
Total	272,376	369,837	493,422	1,135,635
FHoT	0	0	0	0
Consolidated Total	272,376	369,837	493,422	1,135,635

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

Velindre University NHS Trust Annual Accounts 2019-2020

23. Provisions NHS Trust 2019-20

Reclassified

Current

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-										
Secondary Care	0	0	0	0	0	114	(114)	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	15	0	0	0	0	0	0	(15)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1	0	0	0	0	8	(8)	(1)	0	0
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	22	0	0	0	0	106	(14)	(43)	0	71
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	19	0	(6)	26	0	0	(20)	0	0	19
Restructurings	0	0	0	0	0	0	0	0	0	0
Other	908	0	0	0	0	537	0	(800)	0	645
Total	966	0	(6)	26	0	766	(156)	(860)	0	736
FIHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	966	0	(6)	26	0	766	(156)	(860)	0	736

Non Current

Clinical negligence:-										
Secondary Care	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	102	0	(26)	0	0	14	0	0	0	90
Restructurings	0	0	0	0	0	0	0	0	0	0
Other	661	0	0	0	0	562	0	0	0	1,223
Total	763	0	0	(26)	0	576	0	0	0	1,313
FIHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	763	0	0	(26)	0	576	0	0	0	1,313

TOTAL

Clinical negligence:-										
Secondary Care	0	0	0	0	0	114	(114)	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	15	0	0	0	0	0	0	(15)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1	0	0	0	0	8	(8)	(1)	0	0
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	22	0	0	0	0	106	(14)	(43)	0	71
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	121	0	(6)	0	0	14	(20)	0	0	109
Restructurings	0	0	0	0	0	0	0	0	0	0
Other	1,569	0	0	0	0	1,099	0	(800)	0	1,868
Total	1,729	0	(6)	0	0	1,342	(156)	(860)	0	2,049
FIHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,729	0	(6)	0	0	1,342	(156)	(860)	0	2,049

Expected timing of cash flows:

	In year to 31 March 2021	Between 01-Apr-21 to 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	0	0	0	0
Primary Care	0	0	0	0
Redress Secondary Care	0	0	0	0
Redress Primary Care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	1	0	0	1
Defence legal fees and other administration	71	0	0	71
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	19	68	22	109
Restructuring	0	0	0	0
Other	645	1,128	95	1,868
Total	736	1,196	117	2,049
FIHoT	0	0	0	0
Consolidated Total	736	1,196	117	2,049

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

Velindre University NHSTrust Annual Accounts 2019-2020

**23. Provisions WRP
2019-20**

Reclassified

Current

	At 1 April 2019	Structured settlement cases transfer- ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-										
Secondary Care	260,173	(32,011)	(18,252)	(41,351)	0	233,199	(74,157)	(82,810)	(279)	244,512
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,940	0	0	(7)	0	4,099	(1,894)	(803)	0	3,335
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,239	0	0	(31)	0	5,400	(2,041)	(764)	0	4,803
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,620	0	0	(430)	0	3,726	(1,657)	(1,591)	0	4,668
Structured Settlements - WRPS	13,819	627	0	0	0	14,693	(13,972)	(710)	98	14,555
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	282,791	(31,384)	(18,252)	(41,819)	0	261,117	(93,721)	(86,678)	(181)	271,873
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	282,791	(31,384)	(18,252)	(41,819)	0	261,117	(93,721)	(86,678)	(181)	271,873

Non Current

Clinical negligence:-										
Secondary Care	386,660	0	0	41,163	0	63,700	(7,693)	(52,792)	0	431,038
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	1,138	(29)	(1,069)	0	40
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	300	0	0	31	0	24	0	(14)	0	341
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,992	0	0	626	0	1,209	(262)	(545)	0	4,020
Structured Settlements - WRPS	408,696	31,384	0	0	0	4,326	0	(17,898)	0	426,508
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	798,648	31,384	0	41,820	0	70,397	(7,984)	(72,318)	0	861,947
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	798,648	31,384	0	41,820	0	70,397	(7,984)	(72,318)	0	861,947

TOTAL

Clinical negligence:-										
Secondary Care	646,833	(32,011)	(18,252)	(188)	0	296,899	(81,850)	(135,602)	(279)	675,550
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,940	0	0	(7)	0	5,237	(1,923)	(1,872)	0	3,375
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,539	0	0	0	0	5,424	(2,041)	(778)	0	5,144
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	7,612	0	0	196	0	4,935	(1,919)	(2,136)	0	8,688
Structured Settlements - WRPS	422,515	32,011	0	0	0	19,019	(13,972)	(18,608)	98	441,063
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,081,439	0	(18,252)	1	0	331,514	(101,705)	(158,996)	(181)	1,133,820
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,081,439	0	(18,252)	1	0	331,514	(101,705)	(158,996)	(181)	1,133,820

Expected timing of cash flows:

	In year to 31 March 2021 £000	Between 01-Apr-21 to 31 March 2025 £000	Thereafter £000	Totals £000
Clinical negligence:-				
Secondary Care	244,512	303,331	127,707	675,550
Primary Care	0	0	0	0
Redress Secondary Care	3,335	40	0	3,375
Redress Primary Care	0	0	0	0
Personal injury	4,803	341	0	5,144
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	4,668	4,020	0	8,688
Structured Settlements - WRPS	14,555	60,909	365,599	441,063
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
Restructuring	0	0	0	0
Other	0	0	0	0
Total	271,873	368,641	493,306	1,133,820
FHoT	0	0	0	0
Consolidated Total	271,873	368,641	493,306	1,133,820

The provisions relate to amounts over £25,000 in respect of ongoing claims against the NHS in Wales, the outcome of which will not be determined until the case has been finalised.

Timings of cashflow have been profiled to match total current liabilities. However, the total will include cases which may settle with a structured settlement, so the underlying cashflows will be over a number of years. Also, there can be delays in settlement dates anticipated for next year which will further impact the cash flow timings.

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

Velindre University NHS Trust Annual Accounts 2019-2020

23. Provisions (continued)

2018-19

NHS Trust and Welsh RiskPool

	At 1 April 2018	Structured settlement cases	Transfers	Transfers between	Transfers (to)/from	Arising during the	Utilised during the	Reversed	Unwinding	At 31 March
		transferred to Risk Pool	to creditors	current and non current	other NHS body	year	year	unused	of discount	2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	258,701	(65,119)	(2,819)	76,292	0	184,678	(85,387)	(103,568)	(2,604)	260,174
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	4,455	(2,514)	0	0	1,941
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,672	0	0	(18)	0	4,073	(4,862)	(3,625)	0	2,240
All other losses and special payments	0	0	0	0	0	1	0	0	0	1
Defence legal fees and other administration	4,543	0	0	579	0	3,090	(1,189)	(2,382)	0	4,641
Structured Settlements - WRPS	11,187	2,148	0	0	0	13,372	(12,054)	(439)	(395)	13,819
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	20		(7)	25	0	0	(19)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	743		0	0	0	999	(834)	0		908
Total	281,866	(62,971)	(2,826)	76,878	0	210,668	(106,859)	(110,014)	(2,999)	283,743
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	281,866	(62,971)	(2,826)	76,878	0	210,668	(106,859)	(110,014)	(2,999)	283,743
Non Current										
Clinical negligence:-										
Secondary Care	420,776	0	0	(76,488)	0	53,662	(3,446)	(7,844)	0	386,660
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6	0	0	(6)	0	300	0	0	0	300
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,178	0	0	(359)	0	644	(104)	(367)	0	2,992
Structured Settlements - WRPS	358,279	62,971	0	0	0	4,024	0	(16,578)	0	408,696
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	132		0	(25)	0	(5)	0	0	0	102
Restructurings	0		0	0	0	0	0	0		0
Other	283		0	0	0	378	0	0		661
Total	782,654	62,971	0	(76,878)	0	59,003	(3,550)	(24,789)	0	799,411
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	782,654	62,971	0	(76,878)	0	59,003	(3,550)	(24,789)	0	799,411
TOTAL										
Clinical negligence:-										
Secondary Care	679,477	(65,119)	(2,819)	(196)	0	238,340	(88,833)	(111,412)	(2,604)	646,834
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	4,455	(2,514)	0	0	1,941
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,678	0	0	(24)	0	4,373	(4,862)	(3,625)	0	2,540
All other losses and special payments	0	0	0	0	0	1	0	0	0	1
Defence legal fees and other administration	7,721	0	0	220	0	3,734	(1,293)	(2,749)	0	7,633
Structured Settlements - WRPS	369,466	65,119	0	0	0	17,396	(12,054)	(17,017)	(395)	422,515
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	152		(7)	0	0	(5)	(19)	0	0	121
Restructurings	0		0	0	0	0	0	0		0
Other	1,026		0	0	0	1,377	(834)	0		1,569
Total	1,064,520	0	(2,826)	0	0	269,671	(110,409)	(134,803)	(2,999)	1,083,154
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,064,520	0	(2,826)	0	0	269,671	(110,409)	(134,803)	(2,999)	1,083,154

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

Velindre University NHS Trust Annual Accounts 2019-2020

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	Reclassified		Reclassified	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence;			0	
Secondary care	1,097,725	936,248	1,097,725	936,248
Primary Care	71	0	71	0
Secondary care - Redress	1,174	0	1,174	0
Primary Care - Redress	0	0	0	0
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other: Damage to third party equipment	1,020	117	1,020	117
Total value of disputed claims	1,099,990	936,365	1,099,990	936,365
Amount recovered under insurance arrangements in the event of these claims being successful	(1,099,883)	(936,133)	(1,099,883)	(936,133)
Net contingent liability	107	232	107	232

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales. They also include a liability for damage to equipment which is included in a claim NWIS are making (see note 24.3 contingent assets below).

From 2019/2020 legal claims for alleged medical or employer negligence claims are analysed separately between primary and secondary care, and also for redress claims. The 2018/2019 values shown in the table above have been reviewed and only relate to secondary care (non redress) cases.

Pensions tax annual allowance - Scheme Pays arrangements 2019/2020

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-2020 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;
- The Trust will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to the Trust. Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national average discounted value per nomination (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by the number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff in 2019/2020 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.

24.2. Remote contingent liabilities

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Guarantees	0	0	0	0
Indemnities	38,006	17,465	38,006	17,465
Letters of comfort	0	0	0	0
Total	38,006	17,465	38,006	17,465

24.3 Contingent assets

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Damage to equipment	2,821	0	2,821	0
	0	0	0	0
	0	0	0	0
Total	2,821	0	2,821	0

The above contingent asset relates to a claim being made by NWIS for damage to equipment. Associated with this is a claim being made against NWIS by a third party which is shown as a contingent liability in note 24.1 above.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Property, plant and equipment	6,406	904	6,406	904
Intangible assets	2,842	2,678	2,842	2,678
Total	9,248	3,582	9,248	3,582

Velindre University NHS Trust Annual Accounts 2019-2020

26. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	331	66,827,409
Personal injury	32	1,169,944
All other losses and special payments	349	1,874,601
Total	712	69,871,954

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Aneurin Bevan UHB	7	Clinical Negligence	4,299,898	4,299,898
Betsi Cadwaladr UHB	12	Clinical Negligence	10,290,889	12,304,262
Cardiff & Vale UHB	9	Clinical Negligence	17,213,712	21,680,743
Cwm Taf Morgannwg UHB	3	Clinical Negligence	1,130,730	1,130,730
Hywel Dda UHB	5	Clinical Negligence	2,583,207	3,028,063
Powys THB	0		0	0
Swansea Bay UHB	8	7 x Clinical Negligence; 1 x Damage to Property	8,019,423	13,719,424
Public Health Wales NHST	2	Clinical Negligence	2,130,098	2,130,098
Velindre UNHST	0		0	0
Welsh Ambulance Service NHST	0		0	0
Health Education & Improvement Wales	0		0	0
Sub-total	46		45,667,957	58,293,218
All other cases	666		24,203,997	109,618,449
Total cases	712		69,871,954	167,911,667

Velindre University NHS Trust Annual Accounts 2019-2020

26.2 Velindre NHS Trust excluding WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	0	0
Personal injury	1	7,647
All other losses and special payments	116	159,077
Total	117	166,724

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year	Cumulative amount
Cases where cumulative amount exceeds £300,000			£	£
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
Sub-total	0		0	0
All other cases	117		166,724	166,724
Total cases	117		166,724	166,724

Velindre University NHS Trust Annual Accounts 2019-2020

26. 3 WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	331	66,827,409
Personal injury	31	1,162,297
All other losses and special payments	233	1,715,524
Total	595	69,705,230

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Aneurin Bevan UHB	7	Clinical Negligence	4,299,898	4,299,898
Betsi Cadwaladr UHB	12	Clinical Negligence	10,290,889	12,304,262
Cardiff & Vale UHB	9	Clinical Negligence	17,213,712	21,680,743
Cwm Taf Morgannwg UHB	3	Clinical Negligence	1,130,730	1,130,730
Hywel Dda UHB	5	Clinical Negligence	2,583,207	3,028,063
Powys THB	0		0	0
Swansea Bay UHB	8	7 x Clinical Negligence; 1 x Damage to Property	8,019,423	13,719,424
Public Health Wales NHST	2	Clinical Negligence	2,130,098	2,130,098
Velindre UNHST	0		0	0
Welsh Ambulance Service NHST	0		0	0
Health Education & Improvement Wales	0		0	0
Sub-total	46		45,667,957	58,293,218
All other cases	549		24,037,273	109,451,726
Total cases	595		69,705,230	167,744,944

27. Finance leases

27.1 Finance leases obligations (as lessee)

Velindre University NHS Trust leases certain items of plant and equipment, which are mainly printers, under finance leases. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of Velindre University NHS Trust's lease obligations is approximately equal to their carrying amount. Velindre University NHS Trust's obligation under finance leases are secured by the lessors' rights over the leased assets disclosed in note 13.

Amounts payable under finance leases:

LAND	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

Velindre University NHS Trust Annual Accounts 2019-2020

27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

BUILDINGS

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

OTHER

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	21	26	21	26
Between one and five years	9	30	9	30
After five years	0	0	0	0
Less finance charges allocated to future periods	(1)	(3)	(1)	(3)
Minimum lease payments	29	53	29	53
Included in: Current borrowings	21	24	21	24
Non-current borrowings	8	29	8	29
Total	29	53	29	53
Present value of minimum lease payments				
Within one year	21	24	21	24
Between one and five years	9	29	9	29
After five years	(1)	0	(1)	0
Total present value of minimum lease payments	29	53	29	53
Included in: Current borrowings	21	24	21	24
Non-current borrowings	8	29	8	29
Total	29	53	29	53

Velindre University NHS Trust Annual Accounts 2019-2020

27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Gross investment in leases				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.3 Finance Lease Commitment

The Trust does not have any commitments becoming operational in a future period.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the trade and other receivables note.

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Movements in working capital				
(Increase) / decrease in inventories	(4,174)	(2,937)	(4,174)	(2,937)
(Increase) / decrease in trade and other receivables - non-current	(64,316)	(16,407)	(64,316)	(16,135)
(Increase) / decrease in trade and other receivables - current	(30,044)	(6,396)	(30,507)	(5,986)
Increase / (decrease) in trade and other payables - non-current	0	0	0	0
Increase / (decrease) in trade and other payables - current	43,287	9,751	43,351	9,677
Total	(55,247)	(15,989)	(55,646)	(15,381)
Adjustment for accrual movements in fixed assets - creditors	2,193	(2,639)	2,194	(2,640)
Adjustment for accrual movements in fixed assets - debtors	84	(153)	84	(153)
Other adjustments	316	1,388	519	1,402
Total	(52,654)	(17,393)	(52,849)	(16,772)

31. Other cash flow adjustments

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Other cash flow adjustments				
Depreciation	11,677	9,439	11,677	9,439
Amortisation	5,509	7,027	5,509	7,027
(Gains)/Loss on Disposal	0	0	0	0
Impairments and reversals	0	0	0	0
Release of PFI deferred credits	0	0	0	0
Donated assets received credited to revenue but non-cash	(18)	(24)	(18)	(24)
Government Grant assets received credited to revenue but non-cash	0	0	0	0
Non-cash movements in provisions	154,230	129,043	154,230	129,043
Total	171,398	145,485	171,398	145,485

32. Events after reporting period

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the Trust, wider NHS and society as a whole. This has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the Trust and wider society throughout 2020/2021 and beyond, and the Trust's Governance Framework will need to consider and respond to this need on an on-going basis.

33. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

The Welsh Government is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	15,287	239,041	7,103	1,238,790
WHSSC	96	46,720	24	167
Aneurin Bevan UHB	12,748	40,611	13,441	2,903
Betsi Cadwaladr UHB	18,801	21,808	14,264	1,905
Cardiff and Vale UHB	26,838	34,826	23,201	5,696
Cwm Taf Morgannwg UHB	8,347	30,214	32,773	2,648
Hywel Dda UHB	7,998	13,561	19,049	1,525
Powys THB	667	3,143	492	173
Swansea Bay UHB	17,195	17,564	10,169	1,915
Public Health Wales NHS Trust	2,956	4,643	788	491
Welsh Ambulance Service NHS Trust	1,478	1,845	1,021	217
Health Education & Improvement Wales	76	24,717	13	259
Welsh Risk Pool	0	0	0	99
Welsh Local Authorities	2,630	13	192	151
City Hospice	3	220	3	22
Cardiff University	2,181	17	238	87
Swansea University	174	48	23	11
Cardiff Metropolitan University	25	0	1	0
University of South Wales	292	5	46	1
University of Wales	170	0	15	0
Bangor University	0	0	5	0
Glyndwr University	0	0	0	0
Other	0	0	0	0
	117,962	478,996	122,861	1,257,060

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies. The majority of these transactions have been with universities as disclosed above; other transactions include payments to English, Scottish and Irish NHS organisations amounting to £2,217,062 (2018/2019 £493,181); of this total £1,310,014 related to an English Trust that provides a lease car salary sacrifice scheme to Trust employees.

The Trust Board is the corporate trustee of Velindre University NHS Trust Charitable Funds. During the year the Trust received £2,143,000 (2018/2019 £2,762,000) from Velindre University NHS Trust Charitable Funds.

Transactions with City Hospice have been disclosed as an Independent Member of the Trust was a Trustee of City Hospice for part of the 2019/2020 financial year, and the transactions are deemed to be of a material value to City Hospice.

The Welsh Government receipts exclude £4,522,000 that relates to Public Dividend Capital (PDC) received during 2019/2020 (2018/2019 £14,894,000).

Velindre University NHS Trust Annual Accounts 2019-2020

34. Third party assets

The Trust held £nil cash at bank and in hand at 31 March 2020 (31 March 2019, relates: £nil) which to monies held by the Trust on behalf of patients. Cash held in Patient ' Accounts Investment amounted to £nil at 31 March 2020 (31 March 2019, £nil).

35. Pooled budgets

Velindre University NHS Trust has no pooled budgets.

Velindre University NHS Trust Annual Accounts 2019-2020

36. Operating Segments

IFRS 8 requires organisations to report information about each of its operating segments.

36. Operating Segments	VELINDRE		NWIS		NWSSP		WRP		TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Operating Revenue	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Segmental Income	148,916	127,487	88,461	70,790	162,088	196,130	172,521	130,638	571,986	525,045	2,799	3,323	(2,143)	(2,762)	572,642	525,606
	148,916	127,487	88,461	70,790	162,088	196,130	172,521	130,638	571,986	525,045	2,799	3,323	(2,143)	(2,762)	572,642	525,606
Operating Expenses	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WHSSC & EASC	0	0	0	0	0	37	0	0	0	37	0	0	0	0	0	37
Local Health Boards	299	291	3,978	1,646	3,650	3,735	0	0	7,927	5,672	0	0	0	0	7,927	5,672
Welsh NHS Trusts	0	0	152	163	70	168	0	0	222	331	0	0	0	0	222	331
Other NHS Trusts	0	0	0	0	495	0	0	0	495	0	0	0	0	0	495	0
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Local Authorities	0	27	75	40	0	0	0	0	75	67	0	0	0	0	75	67
Other Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors' costs	1,280	1,098	0	0	0	0	0	0	1,280	1,098	0	0	0	0	1,280	1,098
Staff costs	66,112	54,322	31,338	27,906	83,955	77,225	0	0	181,405	159,453	0	0	0	0	181,405	159,453
Supplies and services - clinical	62,112	53,473	18	21	521	490	0	0	62,651	53,984	0	0	0	0	62,651	53,984
Supplies and services - general	790	592	203	263	48,008	40,805	0	0	49,001	41,660	0	0	0	0	49,001	41,660
Consultancy Services	697	313	2,067	1,109	836	336	0	0	3,600	1,758	0	0	0	0	3,600	1,758
Establishment	2,523	2,342	7,218	4,912	6,073	7,315	0	0	15,814	14,569	0	0	0	0	15,814	14,569
Transport	967	928	23	15	1,339	1,286	0	0	2,329	2,229	0	0	0	0	2,329	2,229
Premises	7,297	6,493	35,555	26,897	9,863	8,710	0	0	52,715	42,100	0	0	0	0	52,715	42,100
Costs of generating funds	0	0	0	0	0	0	0	0	0	0	518	743	(233)	(192)	285	551
Charitable activities	0	0	0	0	0	0	0	0	0	0	2,175	2,935	(1,810)	(2,526)	365	409
Governance Costs	0	0	0	0	0	0	0	0	0	0	100	44	(100)	(44)	0	0
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	6,041	5,944	3,638	2,052	1,999	1,444	0	0	11,678	9,440	0	0	0	0	11,678	9,440
Amortisation	420	383	4,748	6,344	339	302	0	0	5,507	7,029	0	0	0	0	5,507	7,029
Impairments and reversals of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	209	209	0	0	0	0	0	0	209	209	0	0	0	0	209	209
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	(446)	(203)	0	0	102	61	172,702	133,637	172,358	133,495	0	0	0	0	172,358	133,495
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	689	1,331	(552)	(578)	4,832	54,247	0	0	4,969	55,000	0	0	0	0	4,969	55,000
Total	148,990	127,543	88,461	70,790	162,082	196,161	172,702	133,637	572,235	528,131	2,793	3,722	(2,143)	(2,762)	572,885	529,091
Investment Revenue	109	100	0	0	0	0	0	0	109	100	150	154	0	0	259	254
Other Gains and Losses	(2)	0	0	0	4	45	0	0	2	45	0	0	0	0	2	45
Finance Costs	(2)	(3)	0	0	0	0	181	2,999	179	2,996	0	0	0	0	179	2,996
SURPLUS / (DEFICIT)	31	41	0	0	10	14	0	0	41	55	156	(245)	0	0	197	(190)

37. Other Information

37.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2019 to 31 March 2020. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2019 and February 2020 alongside Trust data for March 2020.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

STATEMENT OF COMPREHENSIVE INCOME		£'000
FOR THE YEAR ENDED 31 MARCH 2020		

Revenue from patient care activities	2019-20	7,715
Operating expenses	2019-20	7,715

3. Analysis of gross operating costs

3. Revenue from patient care activities

Welsh Government	2019-20	2,657
Welsh Government - Hosted Bodies	2019-20	5,058

5.1 Operating expenses

Directors' costs	2019-20	76
Staff costs	2019-20	7,639

37. Other Information (continued)

37.2 COVID-19 Income and Expenditure

Towards the end of the 2019-2020 financial year, the COVID-19 pandemic required some additional financial expenditure to be incurred. This expenditure was not significant in comparison to the overall income and expenditure reported within these accounts, but is summarised below for information.

Information has also been provided within some specific notes to these accounts where appropriate.

Trust's Core Divisions

Total revenue expenditure was £34k and was funded from existing budgets with no additional funding sought or provided. The majority of this expenditure related to Personal Protective Equipment (PPE), cleaning, additional signage and additional software licences.

Capital expenditure of £46k was incurred to purchase laptops and software to enable reporting of scans within the Velindre Cancer Centre Radiology department. Funding for these items was provided by Welsh Government as an addition to the agreed 2019/2020 Capital Programme.

NHS Wales Shared Services Partnership (NWSSP)

NWSSP revenue expenditure was £648k and largely related to both pay and non pay costs incurred by the Health Courier and Procurement Services in addition to non-pay costs of PPE purchased centrally and provided to NHS Wales. £507k funding was received by Welsh Government with the remainder funded by NWSSP.

Capital expenditure of £334k was provided for ventilators that were purchased and capitalised within NWSSP. During the pandemic these are being treated as national assets to provide flexibility so that ventilators can be transferred to areas of need. Funding for these items was provided by Welsh Government as an addition to the agreed 2019/2020 Capital Programme.

NHS Wales Informatics Services (NWIS)

NWIS revenue expenditure was £857k and primarily related to additional licences and text message functionality for GPs, for which additional funding was provided by Welsh Government.

No capital orders were fulfilled by suppliers prior to 31st March 2020, so there is no capital expenditure linked to COVID-19 reported for NWIS within these accounts.

37. Other Information (continued)

37.3 IFRS 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2021, because of the circumstances caused by COVID-19. To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

The Trust expects the introduction of IFRS 16 will not have a significant impact and this will be worked through for disclosure in the 2020-2021 financial statements.

37.4 Brexit

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

Velindre University NHS Trust Annual Accounts 2019-2020

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities)