



Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Velindre University NHS Trust

Annual Report 2023-2024



Annual Report for 2023-2024

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 2023-2024, 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 Annual Report for 2023-2024 includes:

- Our Performance Report, detailing how we have performed against our plans 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.

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

Velindre.Communications@wales.nhs.uk

<https://velindre.nhs.wales/>

Performance Report 2023/2024

Contents

Introduction – Chief Executive Statement	06
Annual Planning and Delivery Framework Context 2023-2024	09
Duty of Quality	10
Our Approach to the Planning and Delivery of Safe, Effective and Quality Services	12
Performance Analysis 2023-2024	18
Velindre Cancer Services	
Welsh Blood and Transplant Services	
Risks and Challenges	38
Velindre Cancer Services	
Welsh Blood and Transplant Services	
Concerns	42
Delivering in Partnership	50
Workforce and Wellbeing	52
Digital Transformation	55
Sustainability Strategy 2023-2024	58
Welsh Language Standards and Compliance	68
Conclusions and Forward Look	74
Annex – Glossary of Terms	77

Introduction and CEO statement

This Annual Performance Report describes how we delivered services from 1st April 2023 to 31st March 2024. It also provides assurance that we continued to deliver excellent patient and donor care over the last year with our commitment to Quality, Care and Excellence being our guiding principle.

During 2023 / 2024 I am proud that our patients, donors and families have continued to benefit from the highest standards of care, innovation and professionalism across the range of services we deliver. We successfully maintained the delivery of transplant services and the supply of blood and blood products to the whole of NHS Wales whilst also delivering essential tertiary cancer services to the South East Wales population. We believe the strong foundations and clinical operating models that we have established will stand us in good stead, as we enter 2024 / 2025.

The NHS Wales Annual Planning Framework Guidance required the production of a three year Integrated Medium Term Plan (IMTP), covering the period 2024 / 2025 – 2026 / 2027. In line with this guidance we submitted our plan to the Welsh Government on the 28th March 2024, following approval by the Velindre University NHS Trust Board on the 26th March 2024. Our IMTP builds upon the excellent work undertaken by teams from across the Trust, working with our many partners, to develop a set of ambitious organisational priorities, which build on our strengths and which will result in people who use our services receiving excellent care, service and support. Our plans are outlined in four distinct areas.

Firstly, the plan sets out our commitment to ensuring that we have firm foundations to support the delivery of high quality, safe and effective services which provide an excellent experience to all of our service users.

We then provide an overview of the Trust's strategic intent. This not only covers the scope of our core services but also identifies wider opportunities where we believe we can contribute across the health and social care system so that we can further support our partners in achieving outcomes and benefits for the populations we serve. It outlines our key strategic priorities and objectives and describes the programmes of work we have established to ensure that these will be delivered.

Thirdly, the plan identifies our priorities related to the implementation of enhanced models and integrated pathways of care and services for blood and cancer services. This will see donors and patients being able to access services as close to home as possible, being able to receive a wider range of information services digitally, and having access to clinical trials and other services. To support this ambition we are also actively progressing a number of key infrastructure

programmes. These infrastructure improvements, together with our clinical and sustainability plans, will provide us with the opportunity to deliver a carbon net-zero organisation and a range of wider benefits to support the development services across Wales.

Finally, we have included a detailed financial plan which sets out how we will deliver our key actions whilst remaining within our assumed financial allocation, both for revenue and capital.

The plan we have set out demonstrates the challenging, but exciting times, ahead for the Trust. We look forward to working with our commissioners, staff, patients, donors and partners to deliver the changes set out within the plan and continue our transformation into the future.

Mr Carl James
Interim Chief Executive Officer





Annual planning framework and delivery framework

Context

Our Integrated Medium Term Plan (IMTP) for 2024 / 2025 – 2026 / 2027 was approved by the Trust Board, on 26th March 2024, as part of the Trusts' statutory duty under the Finance (Wales) Act 2014. Our IMTP was developed in line with the requirements of the Welsh Government NHS Wales Planning Framework.

Our plan builds upon our approved plan for 2023 / 2024 – 2025 / 2026 and is an output of the excellent work undertaken by teams from across the Trust and strong engagement with our many stakeholders. We have set ourselves a set of ambitious priorities, which build upon our strengths, and which will result in the people who use our services receiving excellent and person-centred care.

Our plan is framed within the Trusts' ambition for the future, following the Boards' approval of the Trust strategy 'Destination 2033' and brings together the immediate, medium and long-term ambitions of the organisation.

The core principle in developing our plan has been our commitment to quality and safety. Our plan will ensure that we put our patients and donors at the centre of everything we do; working towards optimum quality, safety and experience; and continual learning and improving. This is the 'golden thread' throughout our organisation.

Our strategic goals will be achieved by ensuring that all of our services are developed and delivered in collaboration with the patients and donors who use them, continually reviewing outcomes and experience and using these to learn and improve. These priorities, as set out within our IMTP, have been discussed and agreed with our commissioners and reflects their service needs.

Our IMTP for 2024 / 2025 – 2026 / 2027 will be subject to internal performance management arrangements and will be reported to various external stakeholders, including the Welsh Government.

Duty of quality:

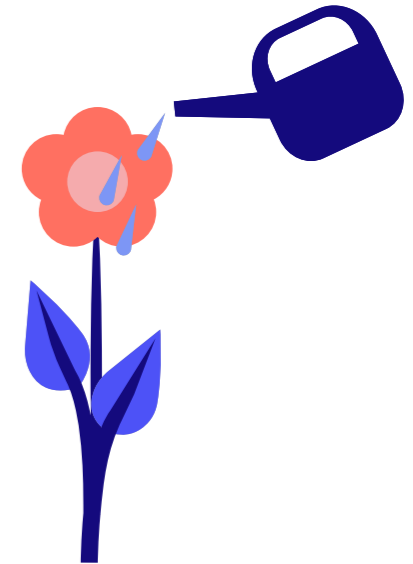
The Duty of Quality came into legal force in April 2023, in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The Trust has ensured that all reporting requirements are in place in line with the statutory requirements and these are reported through the Trust Public Quality, Performance and Safety Committee.

Our commitment to quality and safety:

Our Trust strategy (Destination 2033) sets out our commitment to quality and safety:

1. Outstanding for quality, safety and experience

2. An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed, expectations



Quality and safety is at the heart of everything we do. We will ensure we will continue to put our patients and donors at the centre of everything we do, working towards optimum quality, safety and experience and continual learning and improving.

Our strategic goals will be achieved by ensuring that we meet in full the requirements of the Duty of Quality (Health and Social Care Quality and Engagement (Wales) Act 2020) and by ensuring that quality improvement is driving all strategic decision making. We will also ensure that our services are developed and delivered in collaboration with the patients and donors who use them, continually reviewing outcomes and experience and using these to continually learn and improve.

We will continue to actively engage and participate with Improvement Cymru, the Safe Care Collaborative and national improvement work Programmes. Our quality Improvement Goals are being progressed through the collaborative.

During 2023 / 2024 we have continued to ensure that 'quality is at the heart of what we do' to deliver and improve the quality of services we provide and to drive further improvements in care:

- Continued embedding of the Trust Quality & Safety Framework - Quality, Safety, Outcomes is everyone's business
- Duty of Quality & Duty of candour requirements implemented
- All service developments are now required to be subject to a quality impact assessment prior to approval by the Trust Board
- Integrated Quality & Safety Group working effectively and ensuring enhanced triangulation & assurance across the Trust
- Quality governance assurance mechanisms implemented with training for all department, divisional, executive and Board leaders

The Trust continually drives hard to ensure that quality, safety, experience and value are fundamental in the delivery of both the Velindre Cancer Service and the Welsh Blood Service.

Our approach:
To the planning and delivery of safe, effective and quality services

Destination 2033:

Developing our Strategy:

Over the last twelve months we have worked closely with our workforce, patients, donors and other key stakeholders to develop our revised Trust strategy ('Destination 2033') which was approved during the reporting year. In developing this strategy we considered the following in relation to the services which we deliver as well as the wider requirements across the health and care system.



Everything we do will make a contribution to developing:

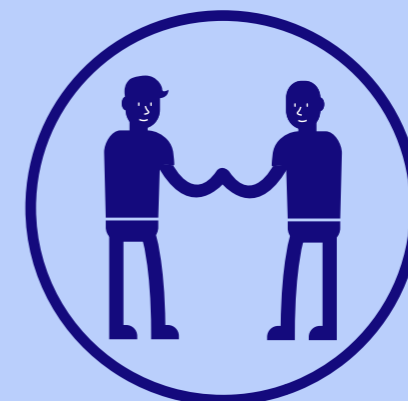


Our guiding principles: the Well-Being of Future Generations Act (2015).

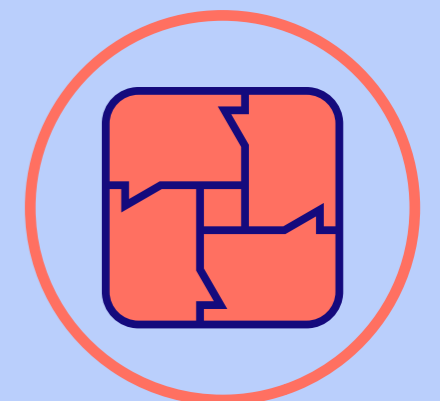
How we will work:



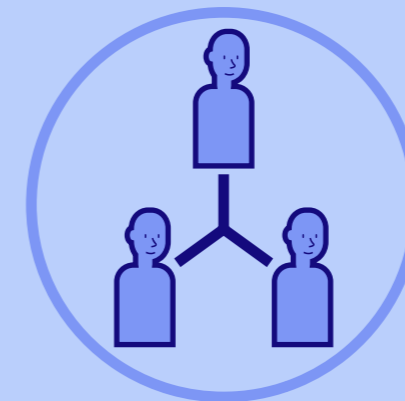
Long-term



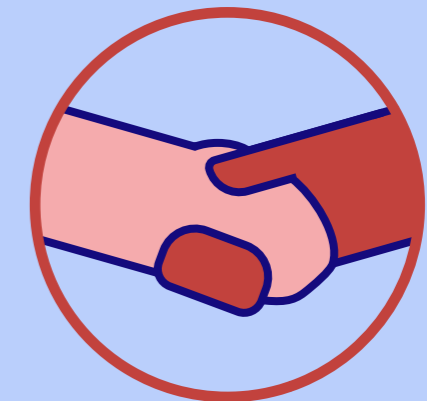
Involvement



Integration



Collaboration



Partnership

Our strategic goals:

We will be recognised as...

- 1.** Outstanding for quality, safety and experience
- 2.** An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed, expectations
- 3.** A beacon for research, development and innovation in our stated areas of priority
- 4.** An established University Trust which provides highly valued knowledge and learning for all
- 5.** A sustainable organisation that plays its part in creating a better future for people across the globe

Destination 2033:

Our view of the future:



Our purpose
To improve lives

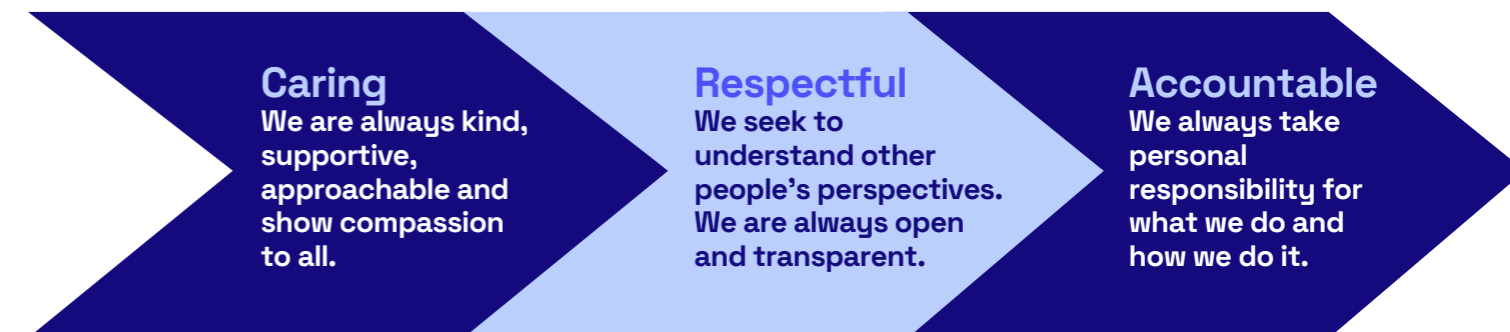


Our vision
Excellent care, inspirational learning, healthier people



Our values
Caring, respectful, accountable

Our trust values:



Performance analysis

Velindre University NHS Trust accounts are prepared on an ongoing concern basis as the continued provision of services in the future are anticipated, as evidenced by the inclusion of financial provisions for those services. There are no known events or considerations that might cast doubt on this assessment.

During 2023/24 our Performance Management framework has continued to evolve with an enhanced range of measures which are routinely used to monitor the quality and performance of our core services. Importantly, in the development of our regular performance reporting, we have considered social matters, respect for human rights, diversity, anti-corruption and anti-bribery matters.



Our performance management framework

This Annual Report provides an overview of the performance our Trust for the financial year 2023/24 against a range of national targets, best practice standards and locally identified outcome measures for our cancer and blood and transplant services, as well as incorporating measures of patient and donor satisfaction, staff wellbeing and sustainability.

The performance report format adopts a 'balanced scorecard' approach which seeks to 'triangulate' the interplay between operational delivery, service quality and safety, our people and physical/finance resources, and is based on the 'six domains' of the Quality Safety Framework (QSF), namely safe, effective, patient/donor centred, timely, efficient and equitable care.

Each Key Performance Indicator (KPI) is supported by analysis that explains the current performance, using wherever possible Statistical Process Control (SPC) Charts, to enable the distinction to be made between 'natural variations' in activity, and trends or performance requiring investigation.

The continued process of enhancing the Performance Management Framework has involved extensive engagement and discussion with Independent Members, Executive Directors, patient and donor representatives plus detailed work with Directorate Leads and all staff.

The Trust performance reports are received by the Trust Board and these papers are available on the Trust's internet site via the following link.



Velindre University NHS Trust

Performance for 2023/24

QSF Domain	Trust-wide Performance Management Framework Scorecard			Average Monthly Performance for 2023/24		
	Key Performance Indicator (KPI)	Target	Reported	Baseline March 23	Target	Actual
Safety	% compliance for staff who have completed the Core Skills and Training Framework Level 1 competencies	National	Monthly	87%	85%	86%
	Number of VCC Inpatient (avoidable) falls	National	Monthly	4	0	0
	Number of Potentially (avoidable) Hospital Acquired Thromboses (HAT)	National	Monthly	2	0	0
	Number Healthcare acquired Infections (HAIs) MRSA Bacteraemia	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) MSSA Bacteraemia	National	Monthly	0	0	1
	Number Healthcare acquired Infections (HAIs) P. aeruginosa Bacteraemia	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) Klebsiella spp Bacteraemia	National	Monthly	0	0	1
	Number Healthcare acquired Infections (HAIs) C Difficile	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) E Coli Bacteraemia	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) Gram negative bacteraemia	National	Monthly	0	0	1
	Number of Velindre Cancer Centre acquired (avoidable) patient pressure ulcers	National	Monthly	1	0	0
	% Compliance with World Health Organization 5 moments of Hand Hygiene standard	National	Monthly	100%	100%	99%
	Number of National VCS Reportable Incidents recorded with Welsh Government	National	Monthly	0	0	0
	Number of WBS Incidents reported to Regulator / Licensing Authority	Local	Monthly	0	0	2
	Number of Health and safety incidents recorded	Local	Monthly	15	0	14
	Carbon Emissions – carbon parts per million by volume	National	Annually	2018/19 C/ m3	205.7C/ m3 Dec	137.4C/m3 Dec
	Equitable	Mean Gender Pay Gap – Annual	Local	Annually	13.45%	TBA
Diversity of Workforce – % Black, Asian and Minority Ethnic people		Local	Quarterly	5.18%	TBA	5.96%
Diversity of Workforce – % People with a Disability within workforce		Local	Quarterly	4.63%	TBA	5.74%
% of Workforce not declared Welsh Language Listening/ Speaking capability		National	Quarterly	11.63%	0%	7.50%

QSF Domain	Trust-wide Performance Management Framework Scorecard			Average Monthly Performance for 2023/24		
	Key Performance Indicator (KPI)	Target	Reported	Baseline March 23	Target	Actual
Effectiveness	Number of Pathway of Care Delays	National	Monthly	1	0	1
	% Demand for Red Blood Cells Met	Best practice	Monthly	104%	100%	94%
	% Time Expired Red Blood Cells (adult)	Local	Monthly	0.02%	Max 1%	0%
	% Demand for Platelet Supply Met	Best practice	Monthly	133%	100%	121%
	% Time Expired Platelets (adult)	Local	Monthly	20%	Max 10%	10%
	Number of Stem Cell Collections per month	Local	Monthly	6	7	5
	% Rolling average Staff sickness levels	National	Monthly	6.22%	3.54% 4.70%	5.17%
Patient/Donor/Staff Experience	% of Patients Who Rate Experience at VCC as very good or excellent	Prof. Std.	Monthly	95%	95%	96% 94%
	% Donor Satisfaction	Local	Monthly	95%	95%	97%
	% of 'formal' VCC concerns responded within 30 working days	Local	Monthly	100%	85%	100%
Timeliness	% Responses to Formal WBS Concerns within 30 Working Days	Local	Monthly	100%	90%	N/A
	Scheduled Radiotherapy Patients Treated 80% within 14 Days and 100% within 21 Days	National	Monthly	29% 47%	80% 100%	17% 94%
	Urgent Symptom Control Radiotherapy Patients Treated 80% within 2 Days and 100% within 7 days	National	Monthly	6% 50%	80% 100%	11% 85%
	Emergency Radiotherapy Patients Treated 80% within 1 Day and 100% within 2 days	National	Monthly	94% 100%	80% 100%	94% 100%
	Elective delay Radiotherapy Patients Treated 80% within 7 Days and 100% within 14 Days	National	Monthly	27% 32%	80% 100%	100% 100%
	% Patients Beginning Non-Emergency SACT within 21 days February position	National	Monthly	98%	98%	79%
	% Patients Beginning Emergency SACT within 5 days February position	National	Monthly	100%	98%	100%
	% Antenatal Turnaround Times (within 3 working days)	Best practice	Monthly	96%	90%	97%
Efficient	% Turnaround Times (Antenatal -D & -c quantitation) within 5 working days	Best practice	Quarterly	83%	90%	97%
	Financial Balance – achievement of Trust forecast (£k) in line with revenue expenditure profile	National	Monthly	0	0	£0.030m
	Financial Capital spend (£m) position against forecast expenditure profile	National	Monthly	0	£31.005m	£31.002m
	Trust expenditure (£k) on Bank and Agency staff against target budget profile	National	Monthly	N/A	£0.543m	£0.775m
	Cost Improvement Programme £1.3M achievement of savings (£k) in line with profile	National	Monthly	N/A	£1.8m	£1.8m
Public Sector Payment Performance (% invoices paid within 30 days)	National	Monthly	95%	95%	98%	

Velindre Cancer Service (VCS)

Overview

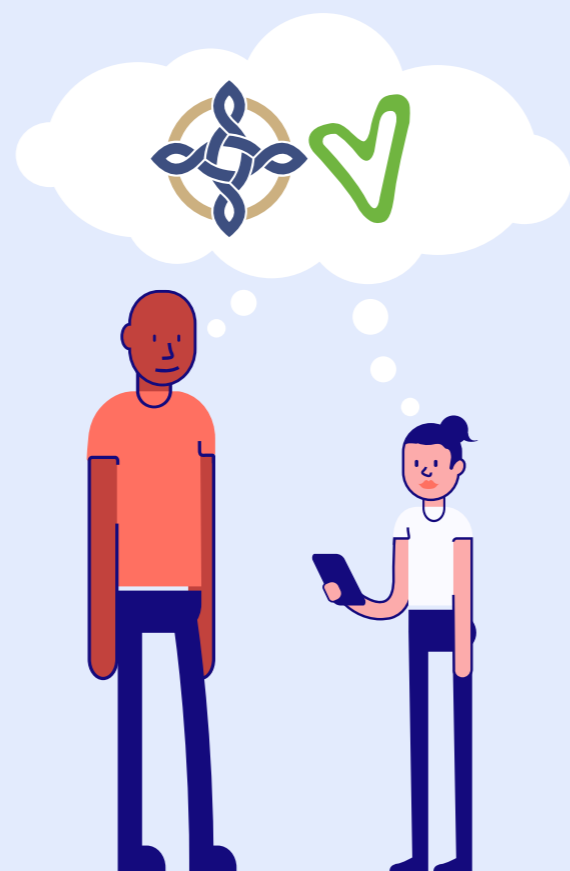
Performance during 2023/24 was of a high standard and reflected our on-going ambition to deliver the best possible services. Areas not meeting set levels have been and are subject to continued scrutiny and actions are being taken forward to improve. Below, we examine our performance in 2023/24 in more 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.

Demand for cancer services is driven by the need to deliver care for patients newly diagnosed with cancer but, also by the requirement to make available new cycles of treatment to existing patients, e.g. patients with metastatic disease who are prescribed further cycles of therapy.

Demand is also influenced by the availability of new treatment regimens, i.e. newly approved treatment agents, such as certain immunotherapies and targeted treatments, which are presenting entirely new treatment options or are influencing dramatic changes to treatment pathways.



Demand for non-surgical cancer services at VCS has been increasing steadily in recent years. The demand forecast for 2024/25 is informed by data derived from a major exercise we have led in conjunction with our health board partners, the Wales Cancer Network, Improvement Cymru and the NHS Executive's Delivery Unit.

The demand modelling initially focused on historic flows of patients from primary care to diagnosis and on to treatment. This approach was used to develop a predictive model which could forecast external demand driven by new patient referrals. We have used this model to quantify capacity requirements for 2024/25 and beyond. We will continue to use this model to review demand in the future.

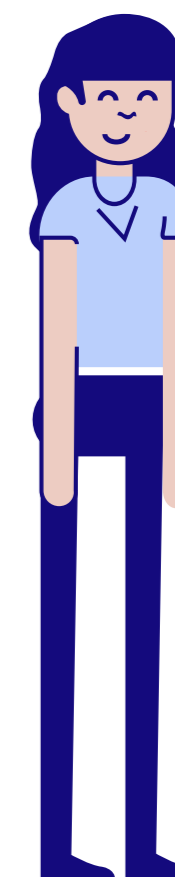
The table below provides a summary of the planning assumptions that underpin the capacity and delivery plan for 2024/25:

Forecast Growth in Demand for our Services in 2024/25

To accommodate the forecast increases in demand for anticipated in 2024/25 will require changes to clinical practice and service delivery. The increased utilisation of virtual outpatient attendances, the mix of oral and IV infusion SACT delivery, the expanded use of hypofractionation in administering radiotherapy treatments to certain patient groups and the delivery of patient care in outreach settings will all need to be explored. This work is ongoing alongside activity to identify efficiencies and developments across all treatment pathways.

The forecast demand profile across all services was refreshed as part of the final Strategic Case for the new Velindre Centre Full Business Case. This therefore has ensured that the future infrastructure is appropriately designed to meet this demand, as part of a regional clinical model of cancer care.

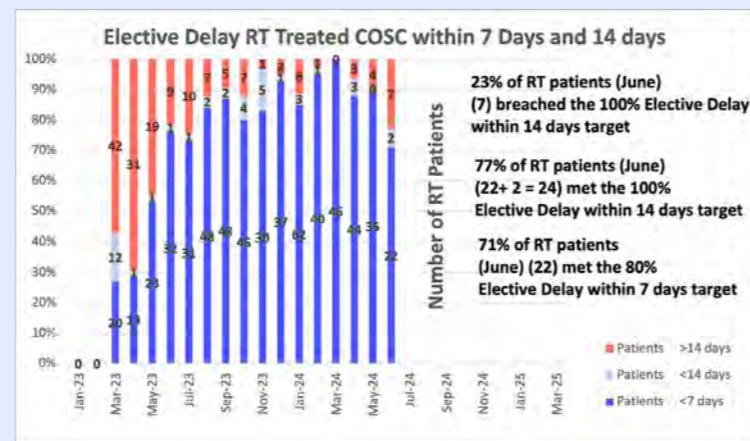
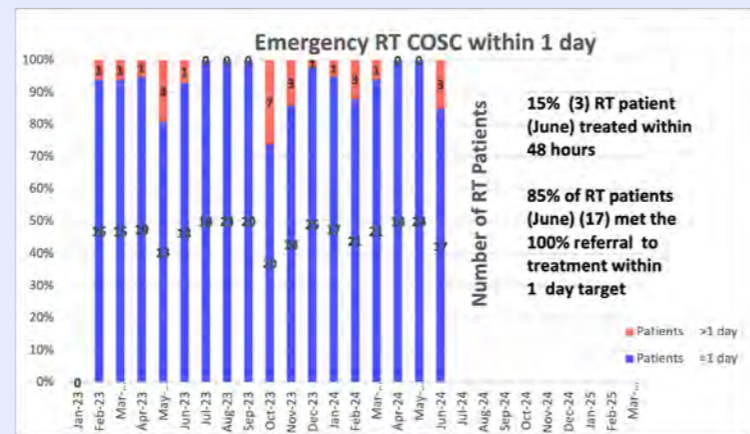
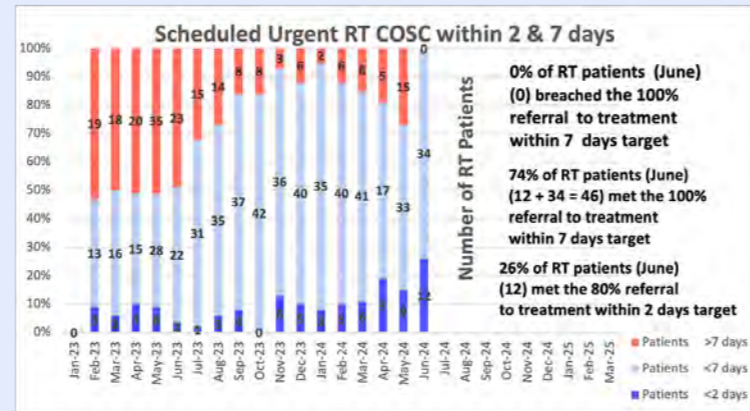
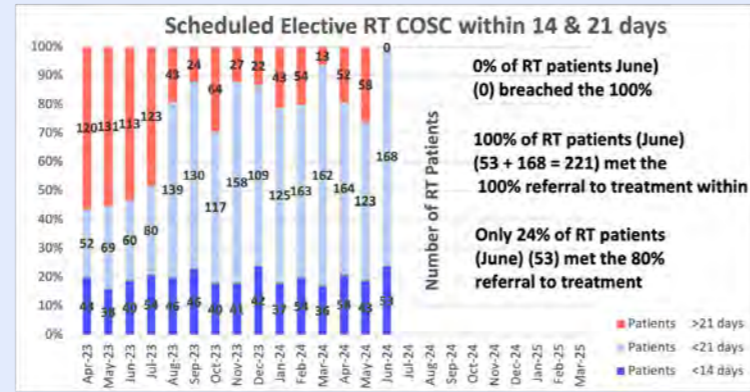
Service	2024-2025
Radiotherapy	6%
Nuclear Medicine	2%
Radiology Imaging	10%
Preparation and Delivery for Systematic Anti-Cancer Therapy	10%
Ambulatory Care Services	2%
Outpatient Services	10%
Inpatient Admitted Care	2%



Progress Against: Radiotherapy

In 2023/24, we experienced an increase in demand for radiotherapy services. Our performance improved across the year and by March 2024:

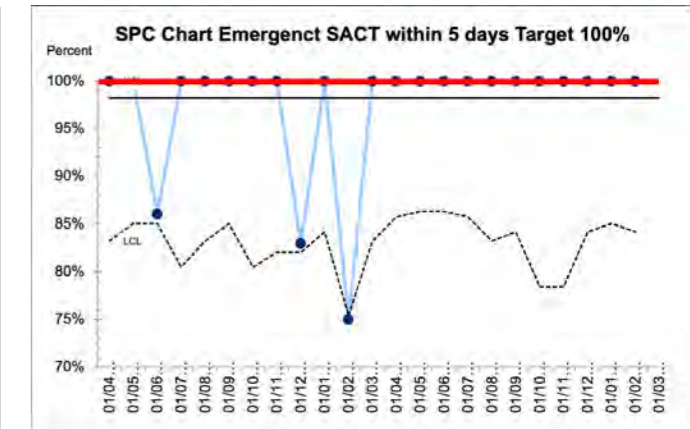
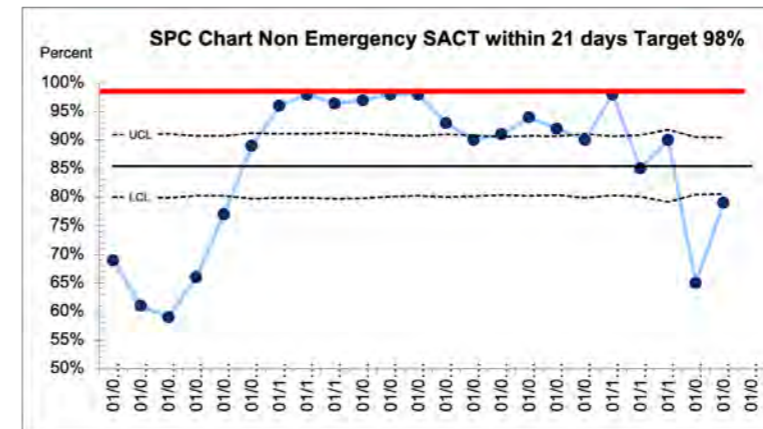
- 94% of radiotherapy patients met the referral to treatment target (21 day target)
- 85% of radiotherapy patients met the referral to treatment target (7 day target)
- 94% of radiotherapy patients met the referral to treatment target (1 day target)
- 100% of radiotherapy patients met the elective day target (14 day target)



Progress Against: SACT

In 2023/24, we experienced an increase in demand (circa 12%) for SACT services. This resulted in a significant in-year challenges in being able to deliver sufficient capacity to meet demand. A major contributing factor was a continued reduction on the provision of outreach services across our Health Board partners as well as constrained pharmacy capacity. However, we are pleased to report that performance improved significantly towards the end of the year and by March 2024:

- 100% of emergency patients were treated within target (5 days)
- 91% of non-emergency patients treated within target (21 days)



Please Note: Velindre University NHS Trust has established an incident management approach, via a Gold command structure in February 2024 to oversee the delivery of SACT services. This group reports into the Trust Quality, Safety and Performance Committee.

Progress Against: Access to Therapy Services

Performance throughout 2023/24 was excellent overall, 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.

VCC	Jan 23	Feb 23	Mar 23	Apr 23	My 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Percentage of Therapies Referrals (Inpatients) Seen Within 2 Working Days															
Dietetics	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Physio	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
OT	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
SLT	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Percentage of Urgent Therapies Referrals (Outpatients) Seen Within 2 Weeks															
Dietetics	91	100	98	84	100	97	95	93	97	100	100	100	100	100	100
Physio	100	100	100	100	100	100	100	100	100	100	100	100	100	na	100
OT	100	100	100	100	100	100	100	67	100	64	100	100	100	100	100
SLT	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Percentage of Routine Therapies (Outpatients) Seen Within 6 Weeks															
Dietetics	100	100	100	96	94	100	100	100	100	100	100	100	100	100	100
Physio	100	100	100	100	100	100	94	94	81	100	100	100	100	70	73
OT	96	100	96	100	100	100	100	100	93	100	100	100	100	100	100
SLT	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

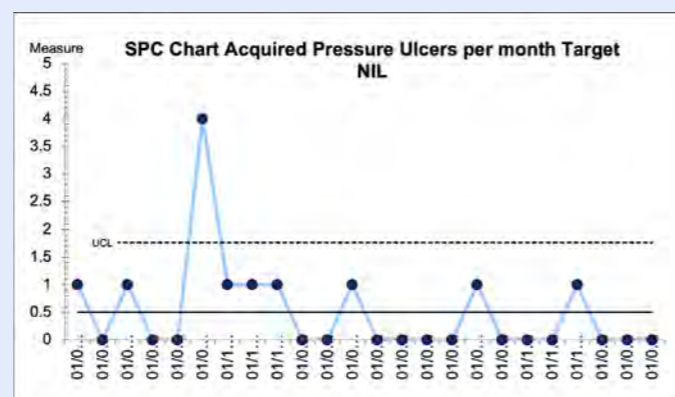
Progress Against: Safe and Reliable Services Target

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.

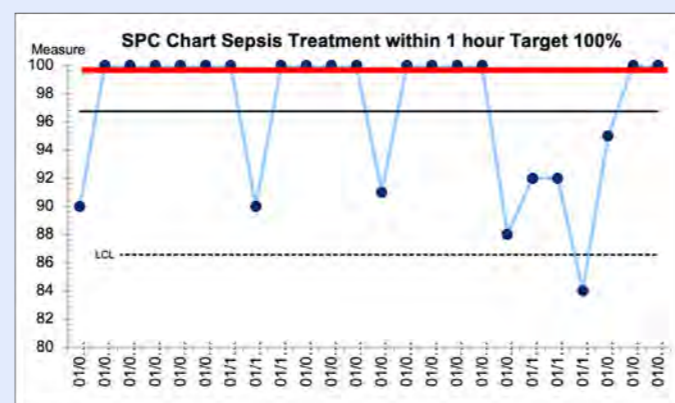
VCC	Jan 23	Feb 23	Mar 23	Apr 23	My 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
C.diff	1	0	0	1	0	0	0	0	0	1	0	1	0	0	0
MRSA	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
MSSA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
E.coli	3	1	0	1	0	1	1	0	1	0	0	0	0	0	0
Klebsiella	1	0	0	1	1	0	1	1	0	0	0	0	0	0	1
Pseudo Aerugi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gram Neg	4	1	0	3	1	1	3	1	1	1	0	0	0	0	1

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 full compliance with the avoidable pressure ulcer target all year.



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 VCS, 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 that we consistently achieved or narrowly missed our target of treating 100% of Sepsis patients within one hour.



Progress Against: First Class Patient Experience Target

Our patient 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. There are 2 surveys used in VCS – ‘Would you recommend us?’ and ‘Your Velindre Experience’ The Your Velindre experience uses 0-10 in the question about rating VCS, whereas ‘Would you recommend us?’ used Very good, good etc.

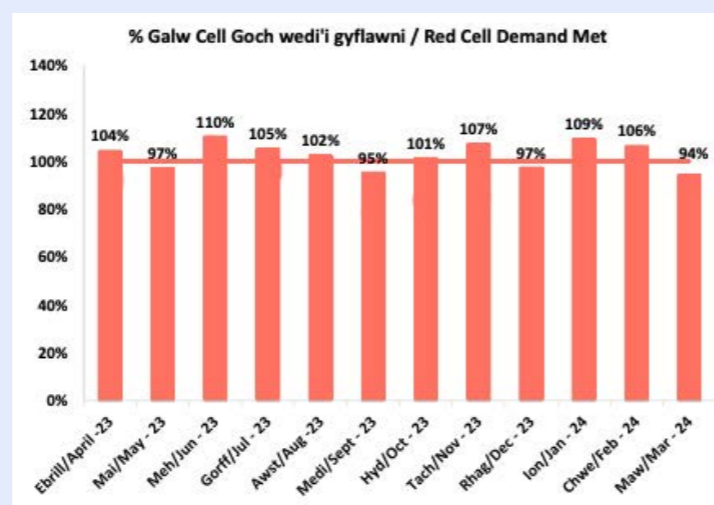
Patients at Velindre Cancer Centre consistently rated their own experience as being very good, scoring an average in the 96% for ‘would you recommend us?’ to an 86% average for ‘your Velindre experience’. The importance of learning from patient feedback remains paramount in the development of our services.

VCC	Jan 23	Feb 23	Mar 23	Apr 23	My 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Would you recommend us? %	93	96	95	95	98	96	97	97	95	95	94	95	89	97	96
Your Velindre Experience? %	84	86	82	82	68	71	91	94	63	83	87	95	98	94	94

Welsh Blood and transplant Service (WBS)

Overview

Performance during 2023/24 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 2023/24 in more detail.



Progress Against: Meeting Clinical Demand for Red Blood Cells and Platelets

Throughout 2023/24, 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

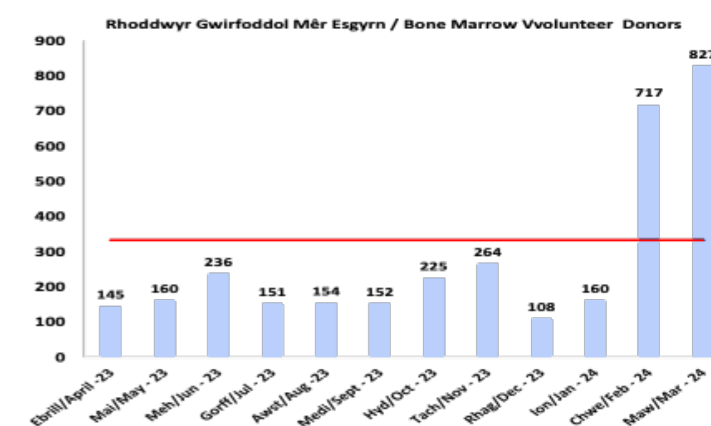
The Welsh Bone Marrow Donor Registry (WBMDR) provides a panel of volunteer donors recruited from the blood donor panel willing to donate stem cells for use as cellular therapy. A donor attends a blood donor session and if aged between 17 and 30 is asked if they would like to join the panel. Donors stay on the panel until their 61st birthday.

Our registry currently includes more than 70,000 volunteers who were recruited via a blood donor session. The target recruitment is 4,000 per annum which was not met in 2023/2024 (actual – 3,341). However, we continue to focus on our five-year service strategy with the aim to address this shortfall.

Current Bone Marrow Volunteer (BMV) recruitment involves a combination of recruitment of blood donors aged 17-30 at blood donor sessions and the recruitment of non-blood donors using buccal swabs. This age group is preferred as young donors have longevity as a potential donor and because they provide a more clinically effective transplant. Recruitment via blood donor sessions 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.

This has resulted in the requirement to increase our focus on recruitment of bone marrow volunteers via buccal swabs.

There are 114 registries in the global network and in total there are approximately 41 million donors on the global panel. The panel grows at around 7% each year. In the UK, there are 4 registries with a total of just over 2 million donors. The Welsh Bone Marrow Donor Registry represents 3% - 4 % of the total donors in the UK. The WBMDR has the highest collection index of the 4 UK registries and consistently scores high in international collection and efficiency indexes and trend reports such as the WMDA Global Trends Report and the National Marrow Donor Program (NMDP-USA) Global Registry Report. The WBMDR has recently passed inspection by the Human Tissue Authority (HTA) and the World Marrow Donor Program (WMDA) and maintains its status as a donor centre for the NMDP.

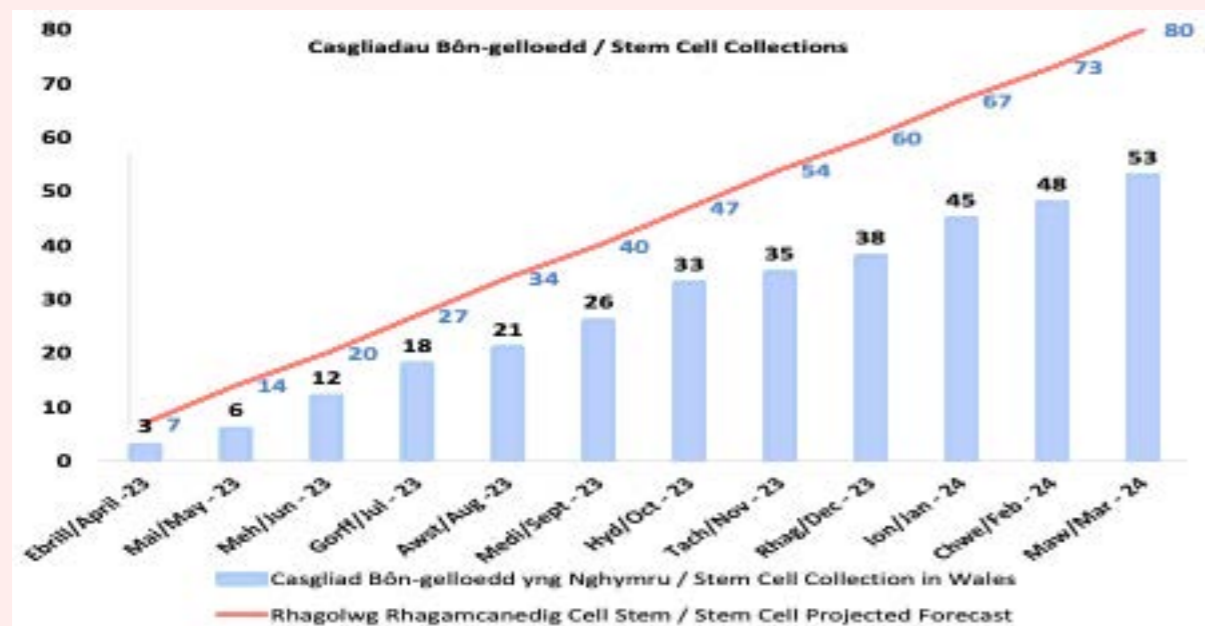


Progress Against: Meeting Transplant Services Requests

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.

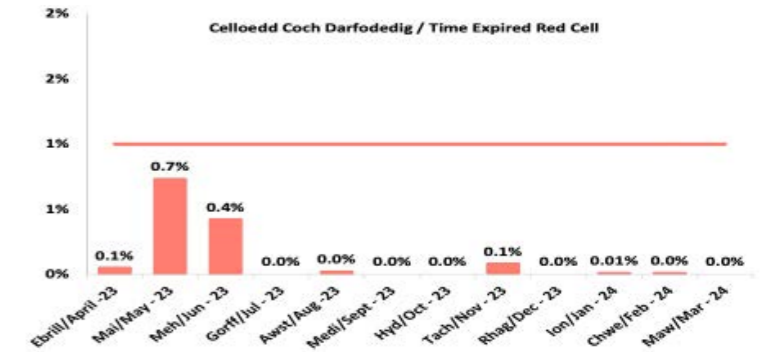
There are a high number of variable factors that influence the number of stem cell collections that are undertaken in any one calendar month. There is an initial confirmatory test, which is, then sent back to the requesting transplant centre who then make a decision on which donor will be taken forward 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.

During 2023/24, the Welsh Bone Marrow Donor Registry fell short of its annual target. The Welsh Bone Marrow Donor Registry five-year strategy, re-appraising the existing collection model and its ambition, is being developed to support the ongoing development of the service. This is part of the Welsh Blood Service Futures programme and as part of this programme a recovery plan has been implemented to improve recruitment of new donors to the Register which over time will increase the number of collections.

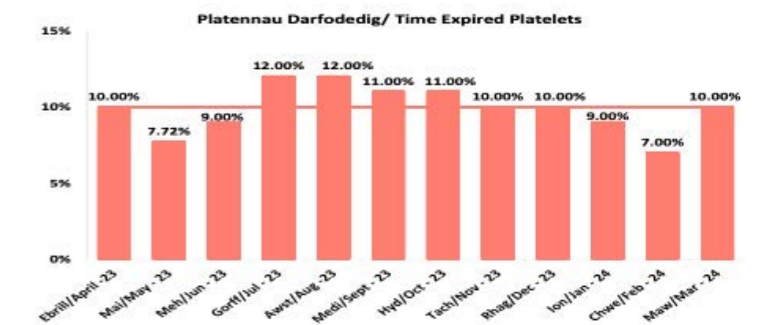


Progress Against: Minimising Waste Time Expired Red Cells and Platelets

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' and a 10% target for platelets (7 days shelf life). During 2023/24, the levels of time expired red cells remained consistently below the 1% target, this was attributed to the active and agile management of the supply chain and demonstrates the excellent performance of the service.



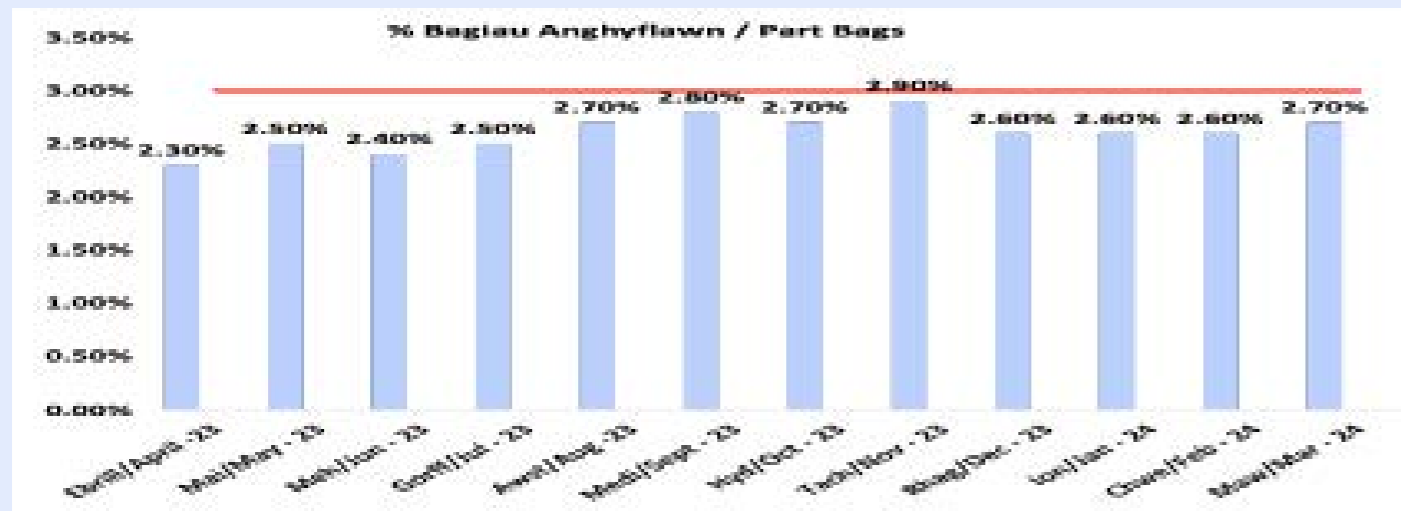
Time expiry of platelets was largely within our target tolerance during the reporting year. However, there were four months where we exceeded the target tolerance threshold. We therefore continue to focus on service delivery and have developed the following actions to ensure that we continue to improve the service and reduce wastage.



- Daily monitoring of the 'age of stock' as part of the 'Resilience' meetings.
- A Welsh Blood Service Platelet Strategy is being developed. This will be managed through the Welsh Blood Service Futures Programme - Lab Services Modernisation Programme.
- We are developing a forecasting tool to inform decisions around pooled platelet manufacture.

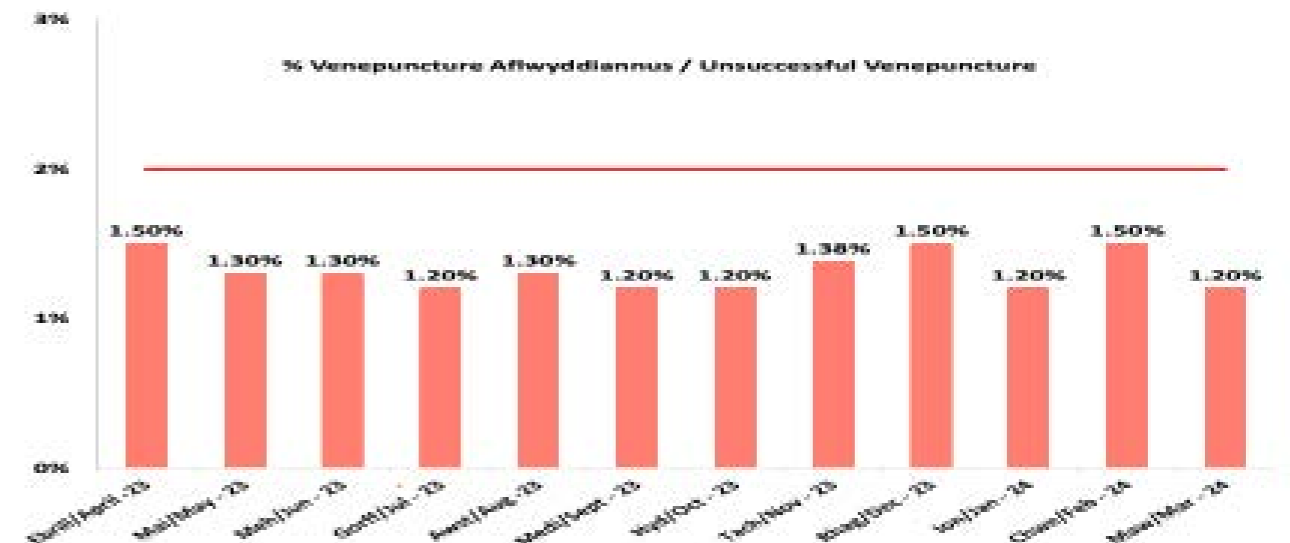
Progress Against: Complete Whole Blood Donations

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 and disregarded. 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 a maximum of 3% part bag blood donations and during 2023/24 we are pleased to report that we achieved this target every month. However, and despite this excellent performance, the Welsh Blood Service will continue to modernise our service and strive to reduce the numbers of part bags wherever possible.



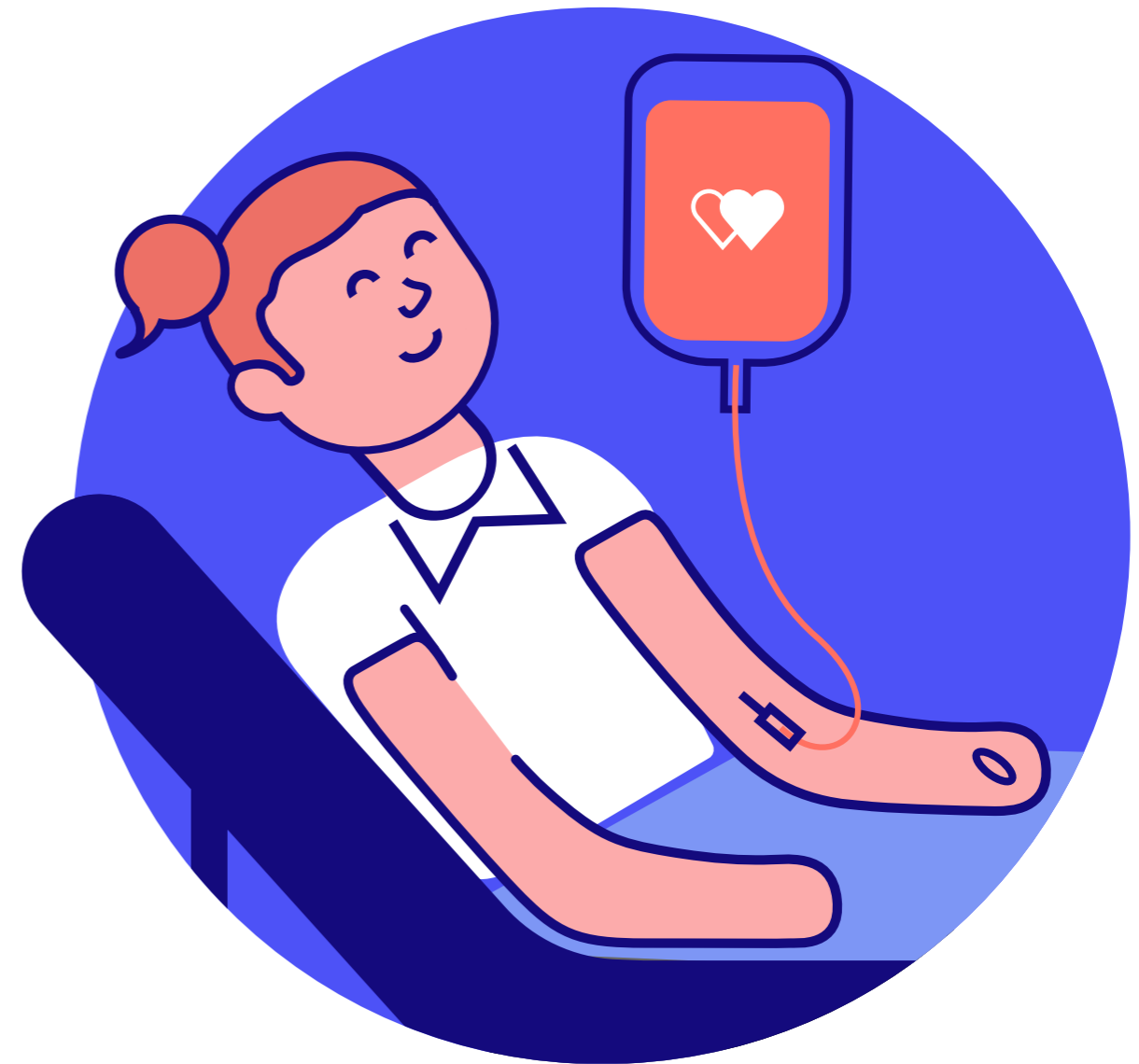
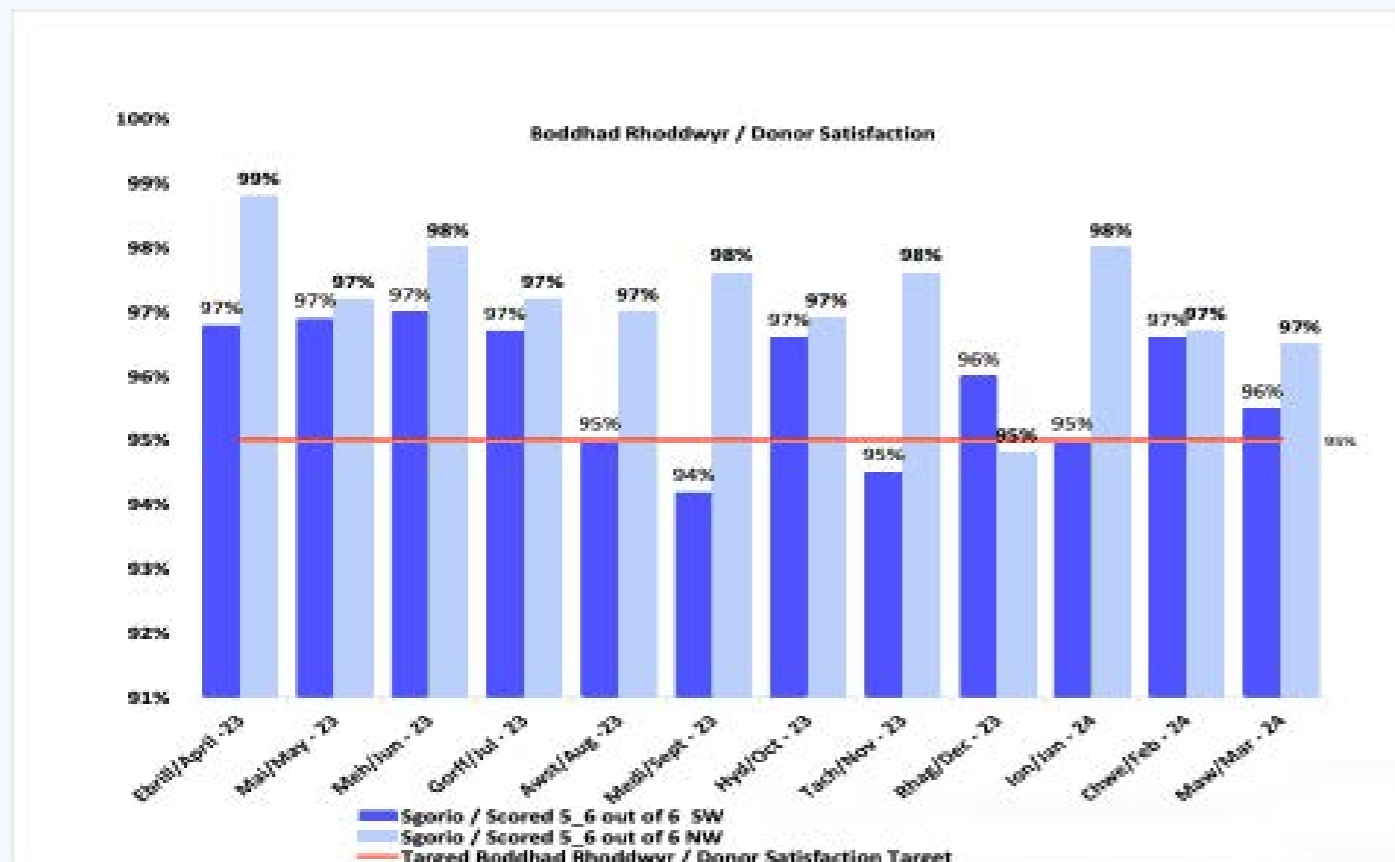
Progress Against: Unsuccessful Venepuncture

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 2023/24 was excellent and 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 2023/24, the Welsh Blood Service has continued to work 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. This has resulted in excellent donor feedback which has consistently met our target.



Risks and challenges

Velindre Cancer Centre

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. However we are forecasting actual that demand for the majority of services that we deliver will increase by the following.

Forecast Growth in Demand for our Services in 2024/25

Service	2024-2025
Radiotherapy	6%
Nuclear Medicine	2%
Radiology Imaging	10%
Preparation and Delivery for Systematic Anti-Cancer Therapy	10%
Ambulatory Care Services	2%
Outpatient Services	10%
Inpatient Admitted Care	2%

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.

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.

Risks and Challenges

Welsh Blood Service

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, increased travel to countries where donors may be susceptible to blood donor disease and people having busy lives.

Meeting Demand and Service Development

Aligning varying hospital demand to the supply of blood components, especially those with limited shelf life, is a challenge.

Increasing use of immunotherapy and improved compliance with national guidelines increase the demand for highly specialised reference blood testing provided by WBS Red Cell Immunohaematology (RCI) laboratory. This service need continues to grow and 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.

In addition there are 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).

Finally the service will receive the outputs and recommendations from the Infected Blood inquiry in 2024 and will be required to respond to these within agreed timelines.

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).

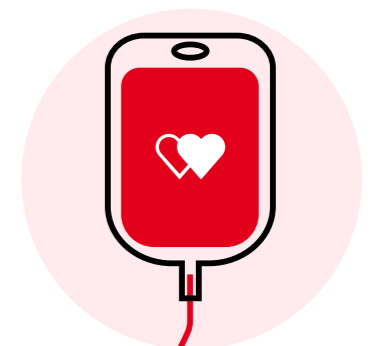
During 2023/24, WBS continued to 'horizon scan' and support the Welsh Government and NHS Wales on developing strategies to facilitate the adoption of these new ATMP therapies. Through Advanced Therapies Wales, WBS worked closely with NHS Wales organisations, private and third sector to make recommendations on prioritised activities required for such a roll out.

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 for



Concerns

The effects of harm, when something goes wrong, can be widespread and have devastating emotional and physical consequences, not only for the service users, but also for family members or representatives acting on their behalf.

The Trust places a high value on ensuring that we keep patients and donors at the heart of everything we do, and are grateful for the continued level of assistance, encouragement, and feedback that we get from our patients, donors, staff, and partners.

Whilst we pride ourselves in delivering high quality and safe services, there are occasions when things go wrong. When this happens, we are committed to resolving these matters with transparency and in accordance with legislative and national requirements in particular the NHS (Concerns, Complaints and Redress Arrangements) (Wales) 2011 commonly known as Putting Things Right (PTR). "concern" which means any complaint, claim, or reported patient safety incident (about NHS treatment or services).

Velindre University NHS Trust 2023-2024 Putting Things Right Annual Report provides an overview of how the Trust has managed concerns during the year. This is available on the Trust website. The report outlines how our systems and processes have developed for the effective investigation and engagement with patients, donors, and their families, providing comprehensive responses. This ensures that changes have been made, lessons have been learned and action outcomes disseminated following the investigations.



2023-2024 at a Glance

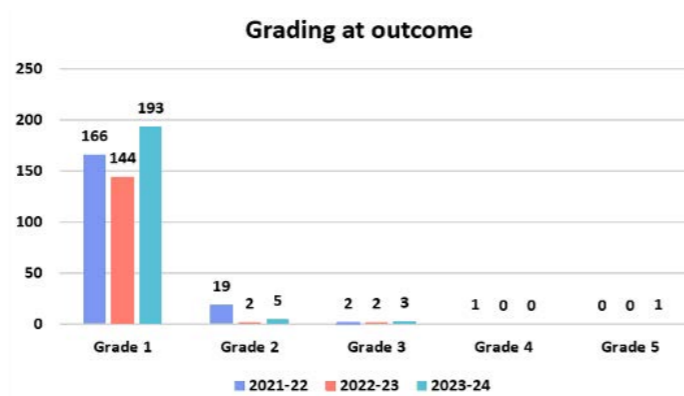
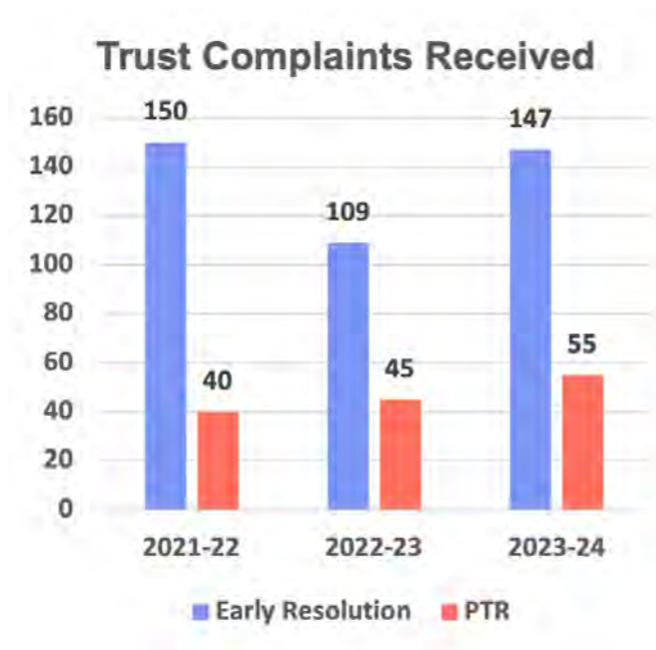


202 complaints were raised, equating to less than 0.06% of patient and donor contacts. The number of complaints has risen in comparison to previous years (see graph on right), however as a percentage of activity this remains unchanged. When a complaint is investigated under Putting Things Right, an acknowledgment is provided to the complainant within 2 working days of being raised. Welsh Government requires Health Bodies in Wales to thoroughly investigate all complaints received and that 75% of these be resolved within 30 working days of receipt.

Complaint Grading

All complaints are graded upon receipt, from 1 (No Harm) to 5 (Catastrophic Harm) in accordance with the All-Wales Grading Framework. This will determine the level of investigation required in dealing with the issue(s) raised. All complaints undergo an assessment of harm to determine the grading and whether there is a possibility that the Trust may have breached its duty of care, to ensure that the appropriate level of investigation is commissioned.

98% of the complaints raised were low level with no or low harm and graded a level 1 or 2, this is an increase of 3% on the previous year.



There were three grade 3 and one grade 5 complaints. These related to issues including:

- Communication throughout treatment
- A delay in chemotherapy
- Pain management
- Staff conduct
- Chemotherapy dosage and discharge planning

Within Velindre Cancer Service, identified concern and learning themes during this period relate to **appointments, patient communication** and **treatment planning**, with several specific trends being evident and are highlighted below:

- The theme around communication and appointments, highlighted in previous reports, continues. Patients report difficulty contacting departments particularly medical secretaries (phones not being answered and voicemails are not returned). In relation to appointments – patients continue to report lack of communication around SACT and outpatient appointment date, location, and time changing without appropriate communication. A meeting was held with the Director of Cancer Services and Head of Medical Records in quarter 4 to discuss the issues and an improvement plan has been put in place.
- A recurrent theme around the length of time patients are waiting resulted in the lowest patient satisfaction score to waiting in outpatients dept and radiotherapy. The scoring for “How did you find the waiting time in your recent visit” has been reviewed and adjusted as it was negatively scoring the

“about right” response. This has now been made a positive score which has therefore shown an increase in the overall percentage.

Within the Welsh Blood Service, top complaint themes during the reporting period were identified and relate to appointment & communication issues which are shared at a divisional level for consideration and to address. Learning and improvement identified from complaints and incidents can be found in the Putting Things Right Annual Report.

Duty of Candour Triggers

From 1st April 2023, the Duty of Candour became a legal requirement for all NHS bodies in Wales. It requires organisations to be open and transparent with their patients where harm is caused whilst receiving health care. The Duty of Candour is outlined in the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and applies if the care we provide has, or may have, contributed to “unexpected or unintended moderate or severe harm, or death”.

The Trust is required to review incidents to determine whether the procedure has been triggered and follow the Duty of Candour notification processes. An investigation then takes place in line with Putting Things Right Regulations 2011.

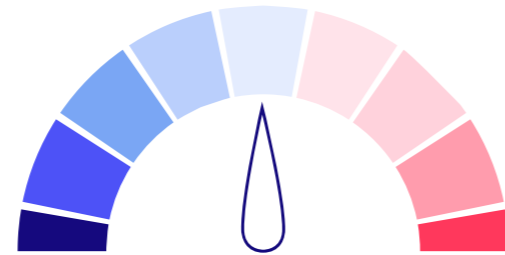
The Duty of Candour has led to a closer, more timely scrutiny of incidents in the Trust. There were 8 incidents that triggered the Duty of Candour. 2 of which remain under investigation

What do we mean by moderate or severe harm?

Moderate Harm:

A service user experiences a moderate increase in treatment and significant but not permanent harm, and the care provided by the NHS did or may have contributed.

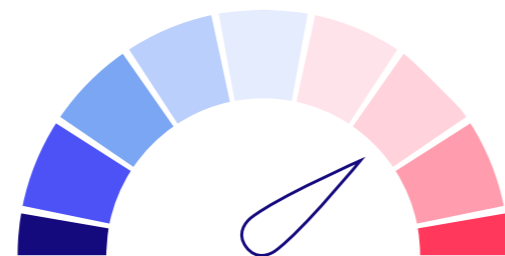
For example, they are given medication despite this being documented in their notes as an allergy, and this leads to a significant reaction requiring four or more days in hospital before.



Severe Harm:

A service user experiences a moderate increase in treatment and significant but not permanent harm, and the care provided by the NHS did or may have contributed.

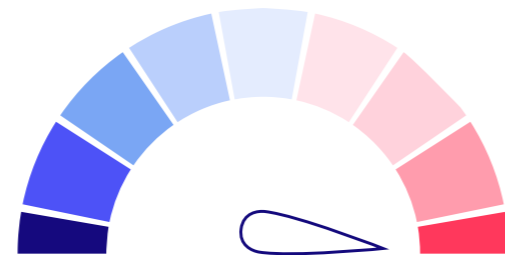
For example, they are given medication despite this being documented in their notes as an allergy, and this leads to a significant reaction requiring four or more days in hospital before.



Death:

A service user dies and the NHS care did or may have contributed to the death.

For example, they are given medication despite this being documented in their notes as an allergy, and this leads to their death.



What can you expect?

Here is a summary of the Duty of Candour Procedure that the NHS will follow:

On first becoming aware that the duty of candour applies, the NHS must notify the service user or a person acting on their behalf. This contact should be 'in person', which means by telephone, video call or face to face.



The purpose of the 'in person' notification is to offer an apology, provide an explanation of what is known at that time, offer support, explain the next steps and provide point of contact details.



The service user or person acting on their behalf will be sent a letter within five working days, confirming what was said in the 'in person' notification.

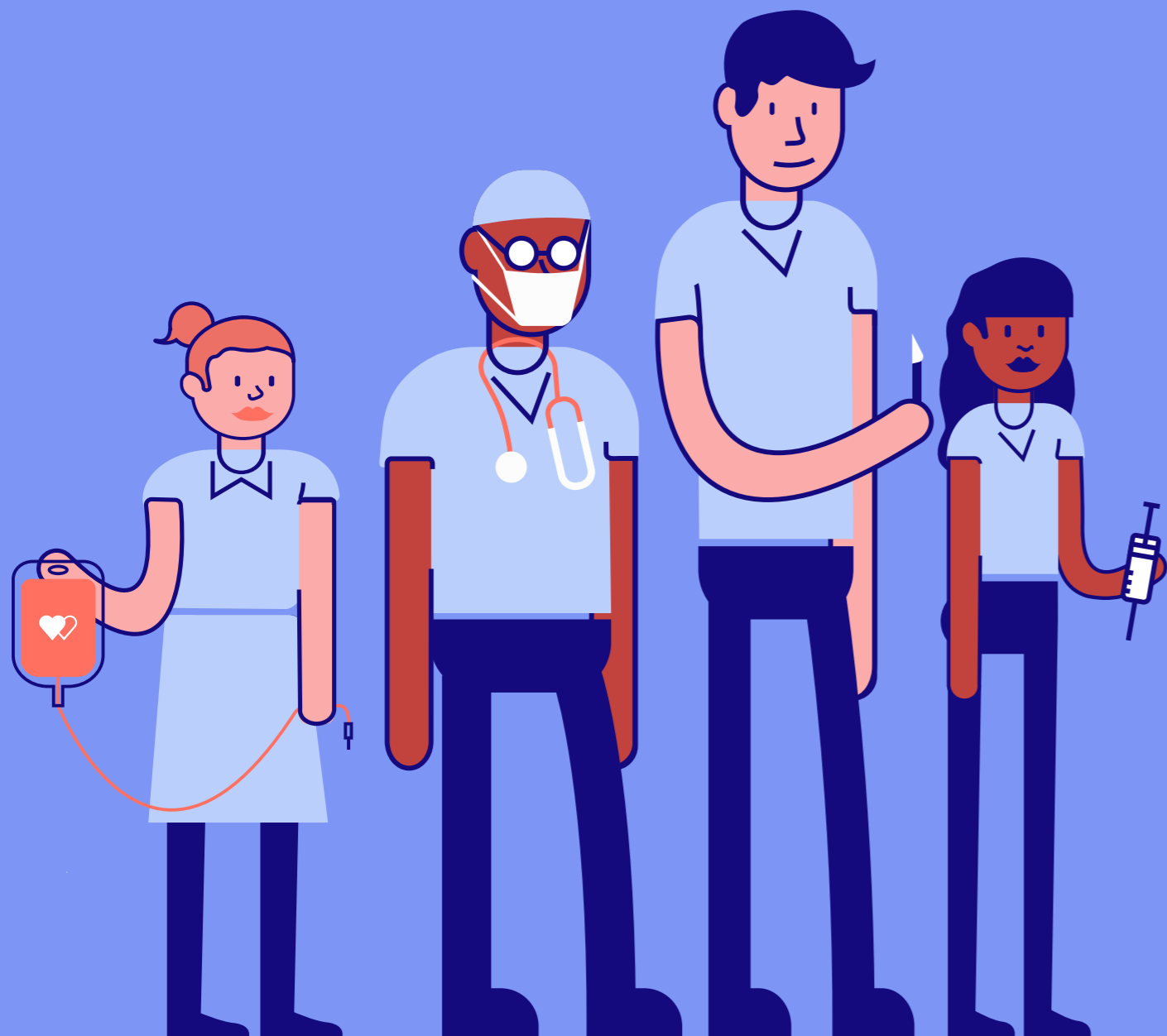


The NHS will undertake an investigation to find out what happened and why, and how we can prevent it from happening again. This will take place according to the NHS Wales 'Putting Things Right' Procedure.



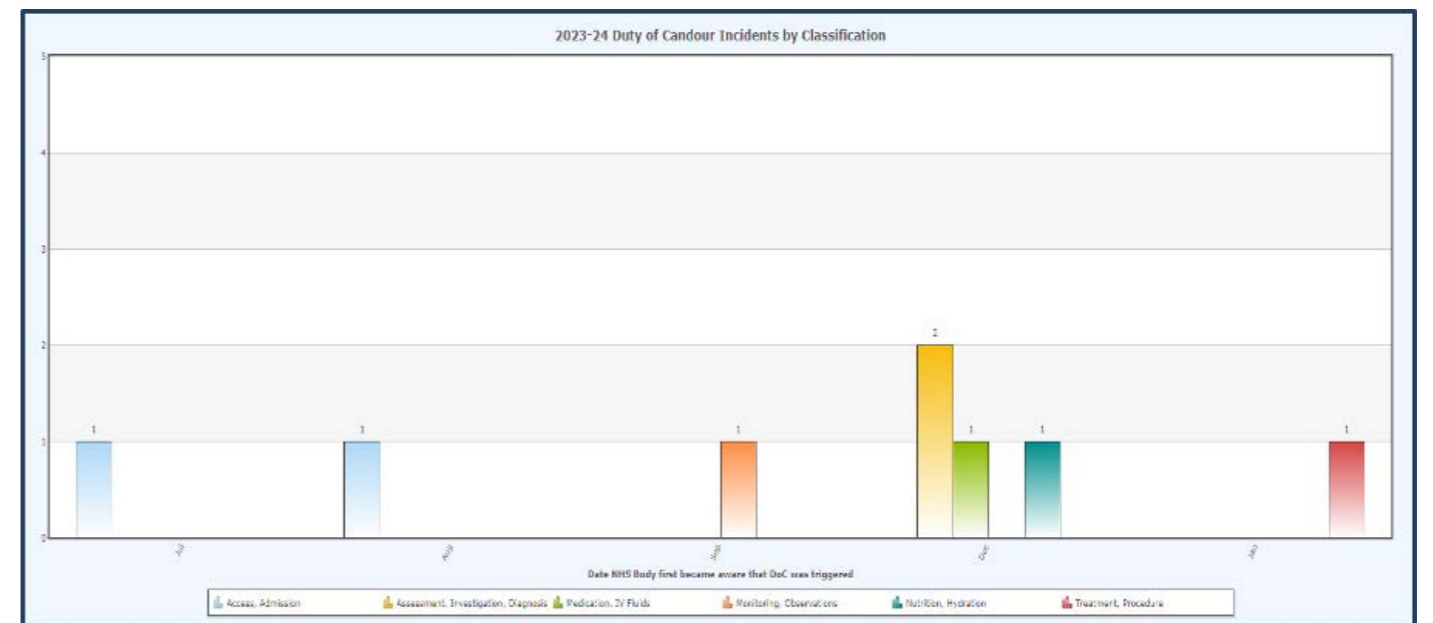
The named point of contact provided as part of the Duty of Candour procedure will give you more information about this process and what happens next.





The table below refers to the incidents that have triggered the act since its inception in April 2023:

Duty of Candour incidents included delays to treatment, and a theme emerged relating to referral processes at Velindre Cancer Service. These include internal referral management processes, as well as referrals made to other organisations for follow up care. Learning and action taken is described in full in the Trust Annual Putting Things Right Report available on the Trust's internet site via the following link.



Delivering in partnership



The Trust works with a wide range of partners including health, local authorities, emergency services and the voluntary/charity sector. Our primary health partners are set out below:

Organisation	Relationship
Aneurin Bevan University Health Board	Commissioner
Betsi Cadwaladr University Health Board	Commissioner
Cardiff and Vale University Health Board	Commissioner
Cwm Taf Morgannwg University Health Board	Commissioner
Hywel Dda University Health Board	Commissioner
Powys University Health Board	Commissioner
Swansea Bay University Health Board	Commissioner
Welsh Ambulance Service NHS Trust	Provider
Public Health Wales NHS Trust	Provider
Health Education and Improvement Wales	Provider
NHS Wales Shared Services Partnership	Provider of services
Digital Healthcare Wales (DHCW)	Provider of services
Welsh Health Specialist Services Committee	Specialist Commissioner

Effective planning and commissioning of services is fundamental to achieving the best outcomes for the people we serve across Wales and the cultural shift required to reduce health inequalities, improve population health and well-being and achieving excellence across Wales.

The Trust has worked in close partnership with our Local Health Board partners to ensure that our key strategies are aligned, that there are a clear set of shared priorities and to ensure that we can provide sufficient capacity and capability to deliver commissioned services of the highest quality.

Engagement with people who use our services to design them in partnership:

Effective and ongoing engagement is vital in the development of our services and we strive to make it as easy as possible for patients and donors to share feedback following their care.

Workforce and wellbeing

Trust Values

During 2023 / 2024 we have engaged extensively in relation to our Trust values. The outcome of this engagement process has been a refresh of our previous Trust values. Our new Trust values are listed below. These will underpin how we plan all service developments across the Trust.



Caring
We are always kind, supportive, approachable and show compassion to all.

Respectful
We seek to understand other people's perspectives. We are always open and transparent.

Accountable
We always take personal responsibility for what we do and how we do it.

We value our staff and recognise that they are a key priority to the successful delivery of high quality services. Our aims, therefore, are to continue to develop our workforce by:

- Supporting career pathways
- Developing the leadership skills of our staff
- Providing our staff with the knowledge and skills that they need now and in the future
- Supporting the well-being of our staff
- Recognising and valuing the diversity of our staff as part of a bi-lingual culture and ensuring all staff are able to be themselves and work in an environment that supports and values difference.

Our strategic ambitions build upon our strong foundation as a good employer and is essential to the delivery of our service plans for VCS and WBS.

Our Workforce Vision: To Become an Employer of Choice:

Skilled and Developed People: an employer of choice for staff already employed by us, starting their career in the NHS or looking for a role that will fulfil their professional ambitions and meet their personal aspirations.

Planned and Sustained People: having the right people with the right values, behaviours, knowledge, skills and confidence to deliver evidence based care and support patient and donor wellbeing.

Healthy and Engaged People: within a culture of true inclusivity, fairness and equity across the workforce. A workforce that is reflective of the Welsh population's diversity, Welsh language and cultural identity.

Over the past 12 months, key deliverables include:

- 86% compliance with statutory and mandatory training
- Continued to work closely with HEIW, including maintaining provision of the Trust Inspire Management Programme.
- Working with colleagues to develop the School of Oncology and the Collaborative Centre for Learning Training and Innovation
- Development of a Health and Wellbeing Framework across the Trust setting out clear and measurable standards to help drive improvement.
- Development of an Implementing our education strategy to support staff to grow professionally and offer internal and external pathways to gain experience and knowledge
- Initiation of a new Trust Strategic Equality Plan that supports the implementation of our Anti-Racist Action Plan and other aligned anti-discriminatory practices
- Continued development of our talent management process that supports career pathways
- Implementation of our welsh culture plan targeting an increase in bi-lingual recruitment to grow our Welsh speaking workforce
- Continued to work closely with our partners, both in academia and nationally, to ensure the best leadership and management offers are provided for staff including coaching, mentoring and provision of masterclasses
- Health and Wellbeing infrastructure embedded and enhanced across the Trust to support staff physical, mental and financial wellbeing
- Further embedded our workforce planning process and toolkit
- Ongoing management and development of Apprenticeships, Graduate trainees

Looking forward to 2024/25:

With the successful implementation of the core themes outlined within our Trust workforce strategy we will be able to facilitate the transition of people across all of our key deliverable areas. This will help us create and sustain a Health and Engaged, Skilled and Developed and a Planned and Sustained Workforce.

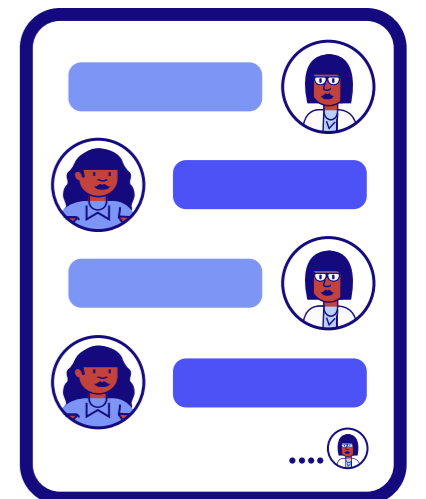


Digital Transformation

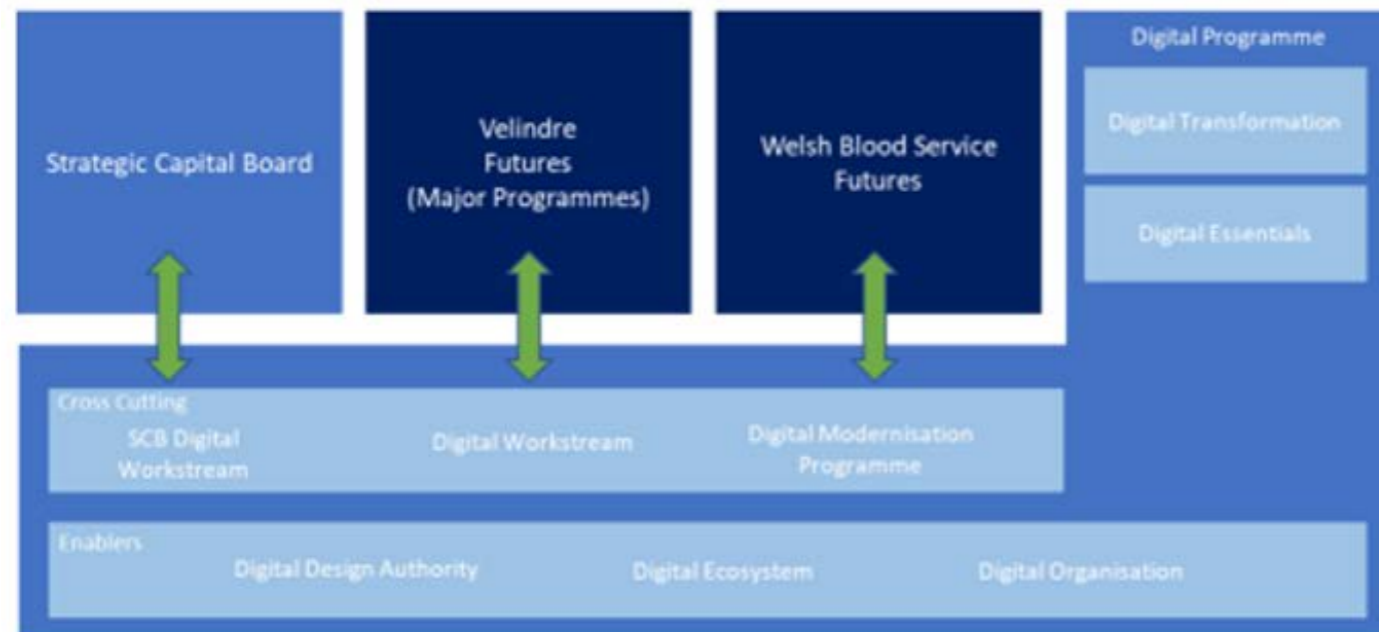
The Trust, in June 2023, published a new Digital Strategy – ‘Digital Excellence | 2023 to 2033’ – to complement the new Trust strategy, ‘Destination 2033’. It describes our vision for how digital services will be used to enhance patient and donor services, enable wider access through work on digital inclusion, secure and protect our data and how we will use data collected from all over NHS Wales to inform decision making and plan our services for the future.

The Trust’s Digital Strategy sets out our strategic themes and in the next sections we have used these to show coverage across the Digital IMTP. This highlights that we have a balanced plan in support of our vision.

Theme 1:	Ensuring our Foundations
Theme 2:	Digital Inclusion
Theme 3:	Insight Driven
Theme 4:	Safe and Secure Systems
Theme 5:	A Digital Organisation
Theme 6:	Working in Partnership

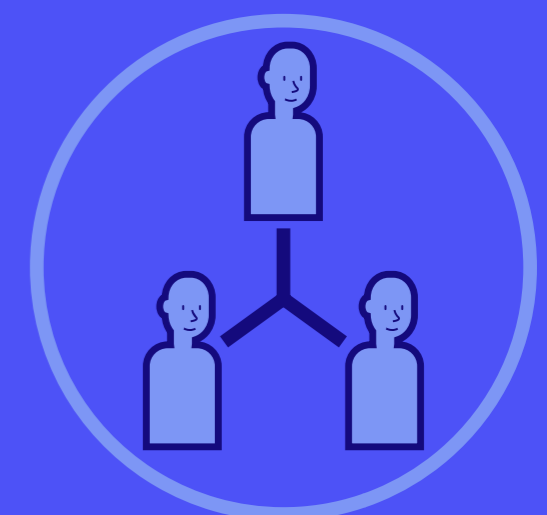


To successfully deliver our digital strategy we have established a Digital Programme, which will co-ordinate the digital transformation. The rationale for bringing this work together into a programme is to recognise the importance that Digital plays in supporting the services of the Trust, the interconnected nature of Digital services and to better focus our Digital resources on patients, donors and staff. This will allow us to be more efficient with our resource, increase staff confidence and capability with Digital, and better manage our Digital risk. The components of the Digital Programme are shown below.



Over the past 12 months, key deliverables include:

- Further upgrades to the national Welsh Patient Administration System (WPAS) and the Welsh Clinical Portal (WCP) to better support the clinical and operational workflows across the VCS and to further improve the mobility and visibility of patient data across organisational boundaries.
- The Digital Service Desk – established in March 2021 – continues to effectively manage calls for IT support with a relatively high percentage of calls immediately resolved by the team.
- Continued upgrades to some of the key operational and clinical applications across the Trust.
- The Digital Services team continue to play a central role in the design of the new Velindre Cancer Centre (nVCS) – due to open in 2027 – and the Radiotherapy Satellite Centre in Nevill Hall, Abergavenny – due to open in 2025. Digital is at the forefront of the design for the nVCS, with the intention to use a variety of new and innovative digital solutions to enhance the patient experience and improve the working conditions of staff who work in the new hospital.
- Delivered the IT infrastructure services and equipment to support the first the implementation of the Trust Integrated Radiotherapy Solution (IRS) programme.
- Continued development our local cyber security systems and procedures, and participation in national approaches to help secure patient and donor data and protect critical Trust IT services.
- Establishment of the Trust Digital Programme, to oversee delivery of the digital transformation agenda across the Trust.
- Enhanced focus on digital inclusion for staff and patients who use and access our services. This will be a key focus for all our digital projects and programmes over the coming years.



Sustainability Strategy 2023/2024

Wellbeing of Future Generations Act / Creating a Sustainable Organisation



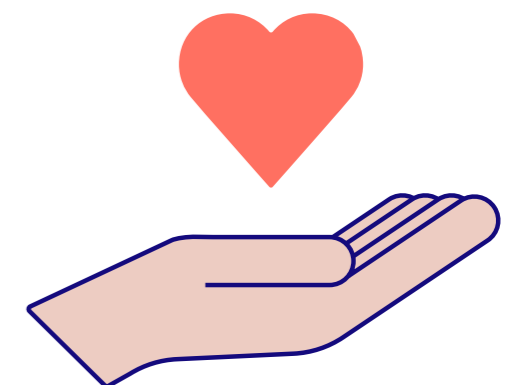
Our Approach to the Well-Being of Future Generations Act:

We have a commitment to transform the Trust and to create a sustainable organisation. The Trust Strategy: Destination 2033, together with associated strategies for specialist Cancer and Blood and Transplantation Services for 2023 – 2034 have been approved. These strategies have a strong focus on sustainability and set out the actions that we will take over the coming years to achieve the excellence we are committed to.

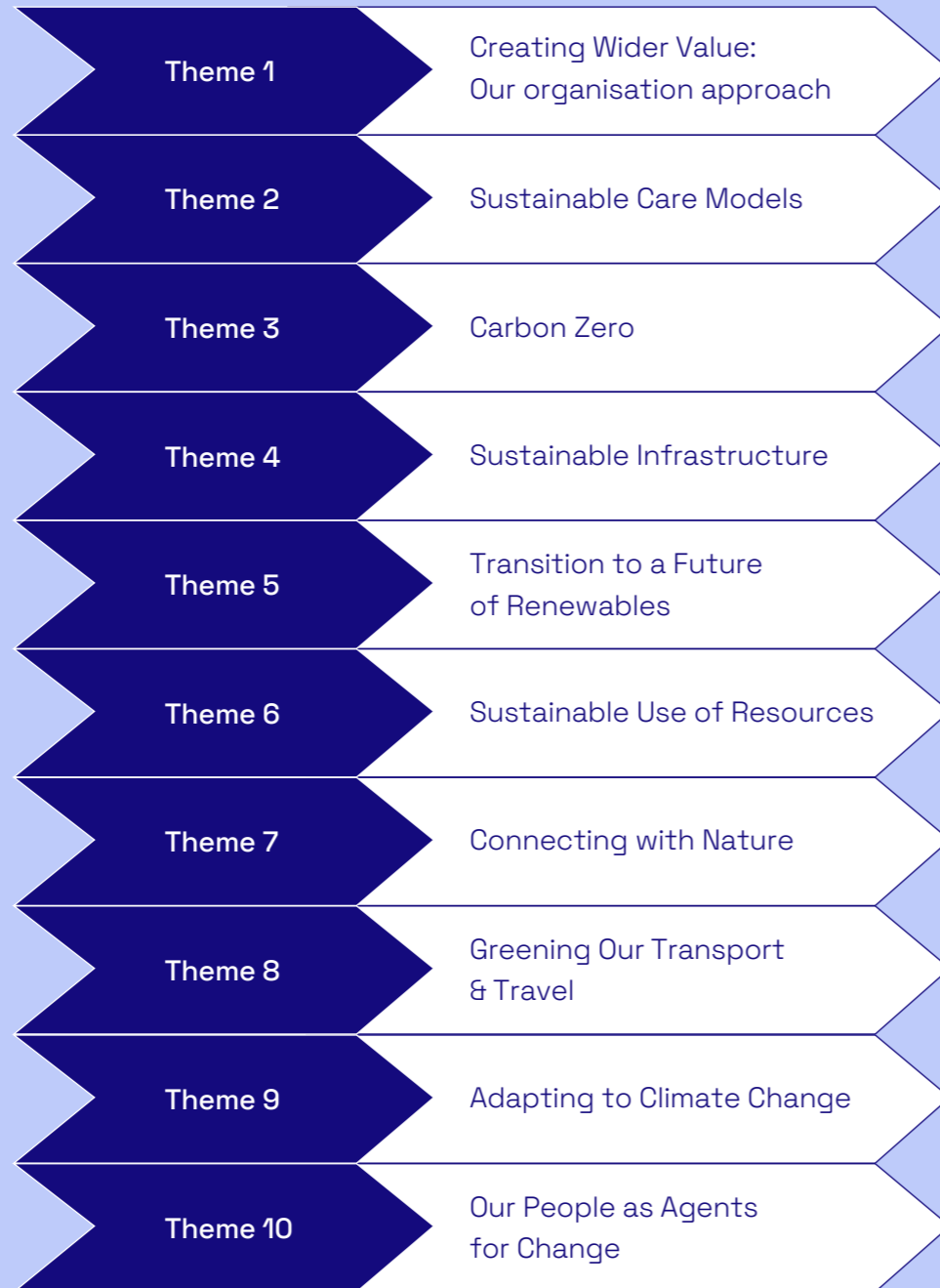
These strategies have been developed within the context of the Well-Being of Future Generations Act ('the Act') as we seek to implement the principles of the Act within the Trust to ensure that they become the central organising principle of each and every action that our staff take on a daily basis. 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. The pioneering Act and the 2016 Environment (Wales) Act 2016 provides Wales with an exciting opportunity to lead the way internationally and outlines our sustainability aims and enables real action to create positive and significant change. Therefore, we are really excited to be able to set out our journey to sustainability and the benefits it will realise over the coming years.

As an anchor organisation in Wales, we are committed to embedding sustainability within our own organisation and become an exemplar for others to come and learn with, and from. We are committed to placing sustainability at the heart of everything we do and to maximise the benefits we can provide for people across Wales.



The Trust's Sustainability Strategy: Sustainability Excellence, has created a roadmap for us to contribute to our communities and mitigate our impact on the planet whilst continuing to deliver world class services for our donors, patients and carers. Our Sustainability Strategy outlines 10 Key Themes which we will focus on to deliver our ambitions:

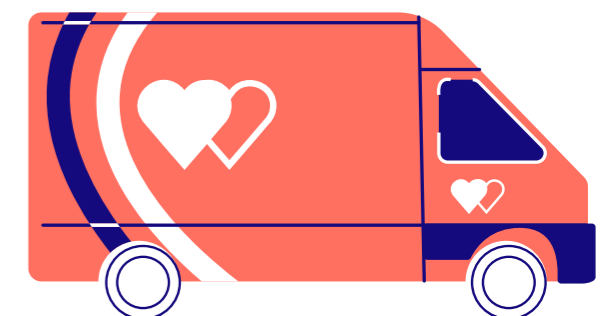


Achieving our ambitions will only be possible if we enhance our existing infrastructure and educate and empower our workforce. Every individual and team should have the ability to act sustainably and have the knowledge and confidence to make environmentally conscious decisions.

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) principles 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 five 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. Within our major capital schemes in the new Velindre Cancer Centre and Talbot Green Infrastructure Upgrade Project, are developing ambitious and inclusive community benefits. 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.



Our Well-Being Objectives:

The Trust, recognised under the Act as a national body, was required to develop and publish a set of its own well-being objectives. These objectives were developed in 2015 and were designed to focus the Trust's contribution to the realisation of the national Well-Being Goals outlined in the Act.

The Trust's Well-Being Objectives have undergone a refresh following extensive engagement both internally and externally, to better align them with the needs of our staff and patients, and our refreshed Trust Strategies. Following engagement and consultation, there is a greater focus on staff well-being and job creation in Wales, in our Well-Being Objectives.

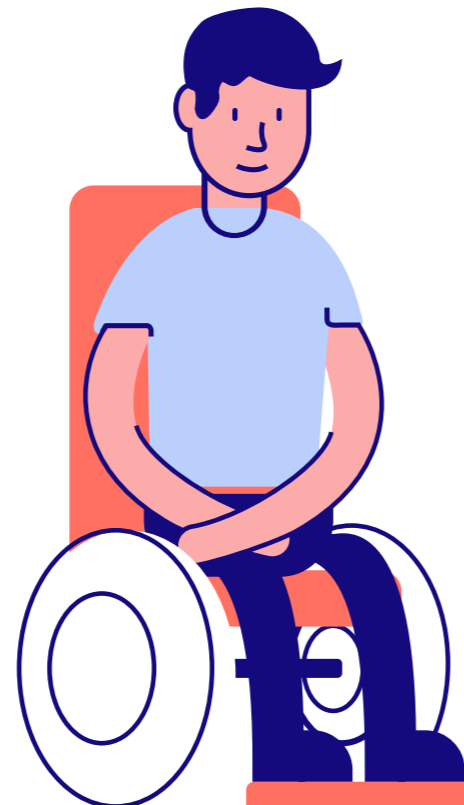
Delivery Arrangements:

Our approach is built upon the personal support and leadership from the Chair and our Board. 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 Manager 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.



Progress against Delivery:

There are a number of actions that we are progressing:

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.

The Welsh Blood Service is currently developing ambitious Business Case to reduce the carbon footprint of the Talbot Green site. A key and ambitious objective of this Programme is to transition to a carbon neutral footprint for the building. This will be achieved through an increased focus on the use of renewable technologies, solar photovoltaic arrays, ground source and air source heat pumps and bio- mass boilers.

We have also focused considerable efforts on ensuring that the TCS Programme has embedded the requirements of the Act. The new Velindre Cancer Centre project is championing sustainable developments, such as integrating sustainable transport into the design of the new VCS, and encouraging the use of sustainable travel. We have identified several proposals for community benefits in the design of the new VCS. 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 Act that also align with our Trust Sustainability Strategy Key Themes. A number of these are shared below.

In terms of the requirements to report Climate-related Financial Disclosures, the Trust has agreed with Audit Wales that this will commence from 2024/25.

Theme 01:

Trust sustainability strategy

The Trust's approved Sustainability Strategy seeks to ensure we contribute to a better world for future generations. In short, acting today for a more sustainable tomorrow. To achieve this vision, we set out what we want to achieve together with ten core themes which we will focus on to deliver our ambitions. These are driven by the United Nations Sustainable Development Goals and the Well-Being of Future Generations Act.

Theme 02:

Arts in health coordinator appointment

The Trust has appointed an Arts in Health Coordinator to provide a vibrant creative programme that embeds the arts across Velindre Cancer Centre and Welsh Blood Service. Arts in health is any art project, intervention or commission where the intention is to improve health and well-being.

A comprehensive plan has been developed for an Arts in Health Programme with a view to launch the programme in June 2024. The Programme has been divided into three priority work areas:

- Patient experience
- Health Inequality
- Staff Well-being

Theme 06:

Walking aids recycling project at VCC

A new scheme has been launched by Velindre Cancer Centre to recycle hundreds of walking aids a year.

There are over 1.5 million people in the Welsh population supported by Velindre Cancer Centre, and it welcomed 9,000 new patient referrals through its doors in 2023.

Many of these patients need walking aids – such as walking sticks, crutches and Zimmer frames – during different times of their cancer journey.

The new scheme aims to recycle as many walking aids as possible. It's calling on patients and their loved ones to return the walking aids they no longer need so they can be refurbished for future patients.

Not only will the scheme help to save costs and protect resources, it will also help to reduce waste by preventing walking aids being disposed of in landfill. Reusing a walking aid is on average 98% lower in carbon emissions than ordering new.

Walters UK, a partner in the enabling works for the new Velindre Cancer Centre, donated the materials used to build the shed to the Men's Sheds community group, a national charity.



Theme 02: ISO14001:2015 external surveillance audit

Welsh Government sets a requirement for all NHS bodies to be accredited by the ISO14001:2015 standard, an environmental management system.

The Trust underwent an external surveillance audit in November 2023. The audit was successful with no non-conformities raised. The Auditor was complimentary of the work that the Trust is doing to promote sustainability and effective environmental management.

The Trust will undergo a full ISO14001:2015 Recertification Audit in November 2024.

Theme 10: Sustainability implementation plus

The Trust has commissioned work to develop site-based Sustainability Implementation Plans (SIP's) which will pull together sustainability targets, specific actions and action owners for each of our sites.

The SIP's are broad and encompass all aspects of sustainability including arts in health, waste, energy and decarbonisation. These plans will enable the Trust to track its progress alongside a set of specific measures towards meeting national targets for decarbonisation and internal KPI's for aspects such as energy usage.

Theme 10: Trust well-being objectives refresh

The Trust, recognised under the Act as a national body, was required to develop and publish a set of its own well-being objectives. These objectives were developed in 2015 and were designed to focus the Trust's contribution to the realisation of the national Well-Being Goals outlined in the Act.

The Trust's Well-Being Objectives have undergone a refresh following extensive engagement both internally and externally, to better align them with the needs of our staff and patients, and our refreshed Trust Strategies. Following engagement and consultation, there is a greater focus on staff well-being and job creation in Wales, in our Well-Being Objectives.

Following this update, the Trust will now work to engage with staff across the Trust to raise awareness of our Well-Being Objectives and why they are important. Furthermore, the Trust will work to embed the Objectives and key principles of the Act more strongly in the work that our staff do daily; particularly in decision making forums.

Theme 07: Sustainable Jamboris

Throughout the year, a series 'Sustainable Jambori's' were held in the Cancer Centre for staff, patients, families and the local community. The Jambori's take the form of mini festivals - engaging with patients, families, staff and communities through arts and crafts to demonstrate the benefits of undertaking creative activities in a green space and to educate on sustainability and biodiversity matters.

The Trust Sustainability Team, together with the new Velindre Cancer Centre project team, have held several events during Winter, Autumn and Spring, for patient and community engagement.

There was a breadth of different activities, linking the broad themes of sustainability, well-being and art. Notable events include an 'Active Travel' week for staff and biodiversity themed days for staff and our local community.

Welsh language regulations and compliance



Introduction:

This will be the Trust's fifth annual report dedicated to the delivery, promotion and monitoring of the Welsh Language Standards. The Trust's focus is strongly embedded in the cultural promotion of the Welsh Language and within this we are committed to comply with the legal requirements of the language as a provider of services for Patients and Donors.

Our delivery of the Welsh Language Standards and the 'More than Just Words' framework continues to be the driver for us to ensure compliance and we now have strong governance processes to monitor our performance.

It is our ambition to ensure our patients and donors are aware of their Welsh Language rights and our response to this awareness becomes even more proactive, providing bilingual services as a matter of course rather than request is our ultimate aim.

Celebrating Welsh Culture:

The Trust continues to actively seek ways in which to engage its staff in the culture of Wales as well as its language. We recognise the need to comply with our legal obligations but we aim to do more than is needed as this celebrates the diversity of our staff and services.

This reporting year we have initiated our Cultural Plan that aims to strengthen our engagement with staff around the language and Culture of Wales and promote a value of inclusion that encompasses all that we believe. The Executive Management Board have have responsibility for certain aspects of the Equality and Diversity agenda and this includes an Ambassador role responsible for the Welsh language.

The Trust's draft Cultural plan aims to be as inclusive as possible and the Welsh language Ambassador will drive the ethos of this plan throughout the work of the Executive Management Board.

Welsh Language Standards Compliance:

Governance Structure

We continue to work with our divisions to ensure a local approach to the achievement of the Standards. The divisional groups report frequently into the Trust-wide Welsh Language Group and information is fed directly to the Executive team and the Trust Board.

It has proved to be an extremely successful way to ensure information is shared and it informs the Trust Board of any regulatory changes that need discussion at Board level.

Our Board Welsh Language Champion continues to support and challenge our Welsh Language compliance.

Trust			
Welsh Language (Listening/Speaking) 31-Mar-24			
Welsh Language (Listening Speaking)	Count	Headcount	%
0 - No Skills / Dim Sgiliau	1149	1746	65.81%
1 - Entry/ Mynediad	243	1746	13.92%
2 - Foundation / Sylfaen	69	1746	3.95%
3 - Intermediate / Canolradd	41	1746	2.35%
4 - Higher / Uwch	52	1746	2.98%
5 - Proficiency / Hyfedredd	61	1746	3.49%
Not started		1746	7.5%
Grand Total	1746	1746	100%

Workforce Planning

We continue to work diligently on ensuring a Trust wide compliance with the Welsh Language standards whilst promoting and supporting the ethos of 'more than just words...'

Our Governance structure is embedded successfully and our document used to monitor compliance, demonstrates a strengthened compliance level. As a Trust we continue to use this as a benchmark for the delivery of our Welsh Language services.

As part of the Supply and Shape activity, we have undertaken an assessment of our workforce. Part of this assessment was to help the Trust better understand the current capability of colleagues to speak, read and write in Welsh and, in response to develop a set of actions which will ensure that our workforce reflects the local population average, as well as enhancing the capability levels of future colleagues (i.e., students currently enrolled on commissioned courses).

Translation

Our increase in investment over the last two years has meant we have been able to increase our translation capacity. In 2023-24 we will have a team of three dedicated translators as well as utilising a Service level agreement with NWSSP.

Job Descriptions and Recruitment

Translation has supported the time the Trust has given to strengthening its assessment of language needs whilst recruiting. Workforce planning is critical in order to ensure the Trust supports its patients and donors and is proactive with its recruitment priorities.

This year we have continued to focuss heavily on ensuring recruitment managers are aware of the Welsh language recruitment process.

Contractual Obligations at Velindre Cancer Centre

Integrating our bilingual obligations into all that we do is essential to 'normalising' the use of the language and an understanding of our commitment to the development and promotion of the Welsh language Standards. As we plan our services we have ensured that our obligations are highlighted in all that we do.

At the Cancer Centre a revision of service level agreements has encouraged us to ensure the Welsh language is considered by our suppliers as well as our internal services. A simple yet effective way to ensure our compliance and encourage discussions with providers. It highlights our expectations of the provider and supports a discussion previously not considered:

Welsh Language Obligations

The Provider warrants and undertakes that it will not discharge its obligations under the Agreement in such a way as to render the Commissioner in breach of its obligations in respect of the Welsh language including, but not limited to, the Welsh Language Act 1993, the Government of Wales Act 1993, the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards (No. 7) Regulations 2018.



Clinical Consultations

We continue to implement and monitor our clinical consultation plan. The plan highlights the struggles of providing bilingual consultations for patients and donors but it also recognises the need to ensure a clear understanding of what skills are needed and where. The divisional groups have been charged with monitoring the action plan and will inform the Trust development group of any concerns.

We will continue to work with the divisional groups to ensure our plan is revised and is informed by the language needs of our services.

Welsh Language Calls are around 4% of the calls

Calls to Velindre Cancer Centre and the Trust headquarters are not measured, however specific actions for staff directly working on the telephone have been communciated. A specific question and answer session was also held to ensure staff understand their duties.

Promotion

We continue to highlight important events in the Welsh language calendar. This means an additional opportunity for staff to engage with the culture of Wales as well as the language.

This year the Trust has participated in a number of awareness raising days. Information on these events run alongside our regular communications, where we promote Welsh language training, on line and face to face.

Our social media accounts have been incredibly busy this year with both divisions taking part in events. We are now offering bilingual approaches to all our promotional videos.

Concerns and Complaints

The Trust welcomes feedback on its services. Concerns or complaints are used to ensure we continue to understand the needs of our patients and donors. Welsh language users are becoming increasingly aware of their rights to use the language and it is our duty to ensure we can provide those services to the best of our ability.

Overall, the number of concerns and complaints around the provision of Welsh language services are small, however, we are aware of the need to continuously monitor our provision and have this year updated our Concerns policy to reflect Welsh language provision.

NHS Wales Shared Services Partnership

The Welsh Language Unit at NHS Wales Shared Services Partnership has continued to support NWSSP divisions and services with advice on compliance and service delivery to our customers through the medium of Welsh and have supported the organisation and other NHS Organisations with translation support during 2023/24.

Compliance with Standard 106A

NHS Wales Shared Services categorises vacant or newly created posts as either Welsh essential or Welsh desirable, and we have introduced a matrix to determine which skill category is most relevant to each vacancy.

We have devised a protocol and a system whereby all advertisements are translated and published on the TRAC recruitment system and NHS Jobs in both Welsh and English since June 2022. We regularly review the system to capture any issues that arise in the creating vacancy advert process.

Easy-Read Patient Information Leaflets

We continue to review our easy-read leaflets and new leaflets, and have ensured that the translation of these leaflets is suitable for the audience for which they are intended.

Duty of Candour Public Video

This animated video, providing information about the duty of candour is available in both Welsh and English.

Counter Fraud Awareness Course and App

The Counter Fraud Awareness Course for all Wales NHS Staff is available in Welsh, as is the application for NHS Staff to report fraud or suspicion of fraud in NHS Wales.

All Wales GDPR Awareness Course

We have been supporting the production of the All Wales GDPR Awareness Course through the medium of Welsh.

All Wales Occupational Health System for NHS Wales Staff

This system includes the ability to interface and any correspondence/messages and mail tips through the medium of Welsh as well as English. Further work on this system has continued in 2023/24.

Assessment of Compliance Across Our Services

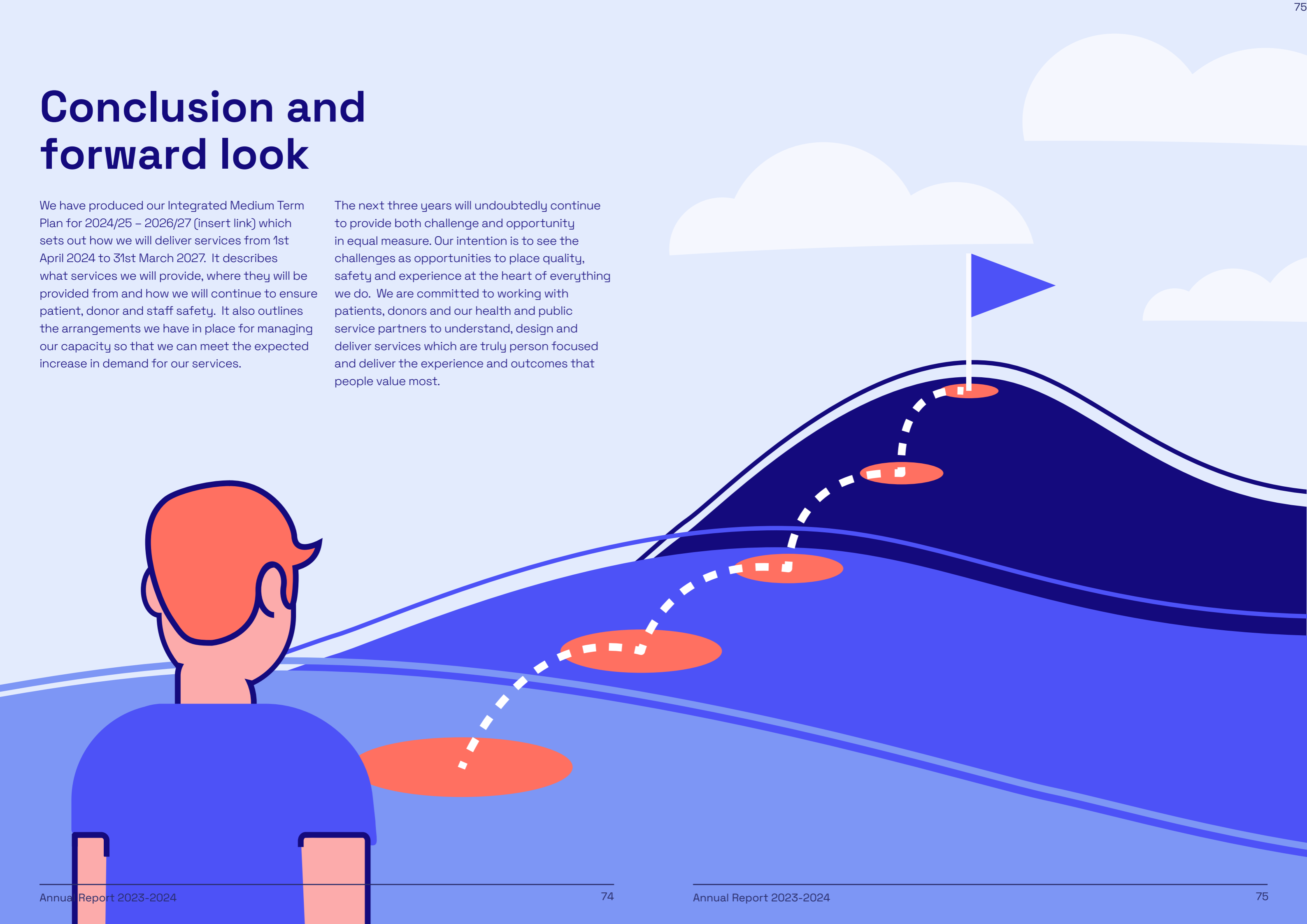
We have continued to undertake local assessments across our services in order to identify areas of best practice, identify areas of risk. Local improvement and action plans are established in order to strengthen our Welsh language services offer across all NWSSP services and programmes.

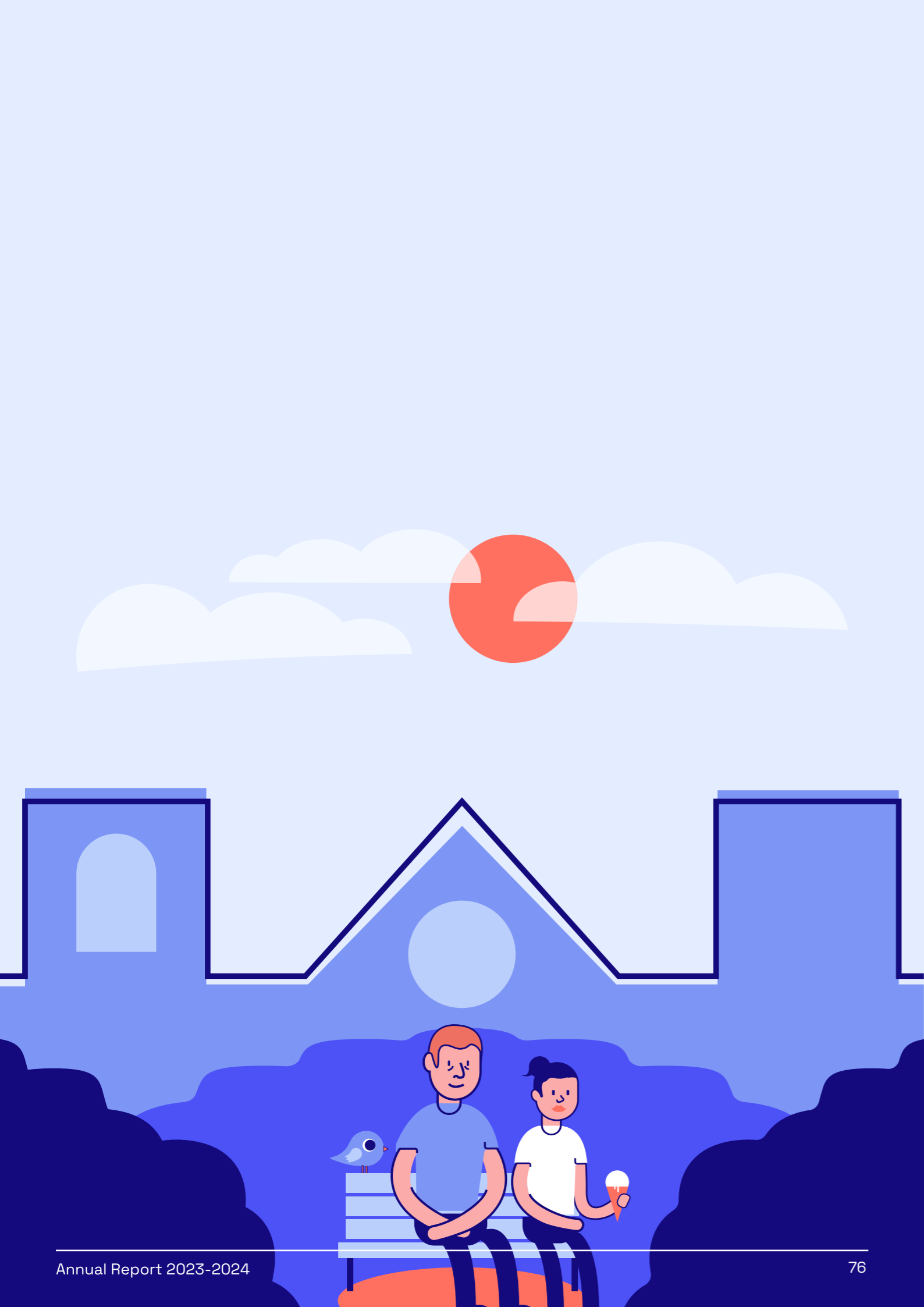


Conclusion and forward look

We have produced our Integrated Medium Term Plan for 2024/25 – 2026/27 (insert link) which sets out how we will deliver services from 1st April 2024 to 31st March 2027. It describes what services we will provide, where they will be provided from and how we will continue to ensure patient, donor and staff safety. It also outlines the arrangements we have in place for managing our capacity so that we can meet the expected increase in demand for our services.

The next three years will undoubtedly continue to provide both challenge and opportunity in equal measure. Our intention is to see the challenges as opportunities to place quality, safety and experience at the heart of everything we do. We are committed to working with patients, donors and our health and public service partners to understand, design and deliver services which are truly person focused and deliver the experience and outcomes that people value most.





ANNEX - GLOSSARY OF TERMS	
IMTP	Integrated Medium Term Plan
IQPD	Integrated Quality and Planning Delivery
IPC	Infection Prevention Control
Linac	Linear Accelerator
RT	Radiotherapy
SACT	Systemic Anti-Cancer Therapy
VCS	Velindre Cancer Centre
WBS	Welsh Blood Service
CCLG	Collaborative Cancer Leadership Group
nVCS	New Velindre Cancer Centre
WCP	Welsh Clinical Portal
WRP	Welsh Risk Pool
LfER	Learning from Events Report
EAP	Employee Assistance Programme
TCS	Transforming Cancer Services
CDPS	Centre for Digital Public Services
DCW	Digital Communities Wales
WPAS	Welsh Patient Administration System
DHCW	Digital Healthcare Record
WTAIL	Welsh Transplantation & Immunogenetics Laboratory
BECS	Blood Establishment Computer System
WNCR	Welsh Nursing Care Record
NWSSP	NHS Wales Shared Services Partnership
HTW	Health Technology Wales
ESR	Electronic Staff Record



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Gwasanaeth Gwaed Cymru
Welsh Blood Service

Accountability Report 2023-2024



CONTENT

Scope of Responsibility	3
Scope of the Accountability Report.....	5
Corporate Governance Report.....	6
i. The Directors' Report.....	7
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. The Governance Statement.....	23
Financial Accountability Report.....	68
Remuneration & Staff Report.....	71
Senedd Cymru / Welsh Parliamentary Accountability and Audit Report	85
Audit Certificate and the Auditor General for Wales Report	86

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 the Velindre Cancer Service and the Welsh Blood Service.

The Velindre Cancer Service delivers specialist cancer services for South East Wales using a hub and spoke model and provides 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 and covers the whole of 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 the quality of life and save the lives of many thousands of people in Wales every year. We provide an antenatal screening service to several hospitals and offer all customer hospitals specialist laboratory services to assist in the investigation of complex serological problems. The Welsh Transplantation and Immunogenetics Laboratory, within the Welsh Blood Service, provides direct support to local providers of Renal and Stem Cell Transplant Services. It also operates a national panel of unrelated potential blood and stem cell donors – the Welsh Bone Marrow Donor Registry.

During the reporting period 2023-2024, Velindre University NHS Trust also hosted two organisations, which are outlined below:

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

On 11 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 1 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 Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Governance Statement.

HEALTH TECHNOLOGY WALES (HTW)

Velindre University NHS Trust received grant funding to continue the operation of Health Technology Wales. 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 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 a Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Governance Statement.

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, Velindre University NHS Trust has produced an Accountability Report for the financial reporting period 2023-2024.

The purpose of the Accountability Report, which sits within the suite of Velindre University NHS Trust Annual Report documents, is to report to the Welsh Government in respect of the key accountability requirements.

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

- The **Corporate Governance Report**: this report explains the composition and organisation of Velindre University NHS Trust and governance structures and how they support the achievement of the Velindre University NHS Trust's objectives. It has three main parts; the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Governance Statement;
- The **Remuneration and Staff Report**: this report contains information about the remuneration of senior managers and independent board members. It details salaries and other payments, Velindre University NHS Trust's policy on senior managers' remuneration, and whether there were any exit payments or other significant awards to current or former senior managers. It also sets out the membership of the Trust's Remuneration Committee, and information with regards to staff numbers, composition and sickness absence, together with expenditure on consultancy and off-payroll expenditure; and
- The **Senedd Cymru/Welsh Parliamentary Accountability and Audit Report**: this report provides information on such matters as regularity of expenditure, fees and charges, and the Audit Report by the Auditor General for Wales's report on the examination of the financial statements.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across Velindre University NHS Trust during 2023-2024. It includes:

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

DIRECTORS' REPORT

This Directors' Report brings together information about the Velindre University NHS 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 Velindre University NHS Trust relating to the day-to-day execution of the Trust's business.

Velindre University NHS Trust Board is made up of **Executive Directors**, who are employees of the Trust, and **Independent Members**, who were appointed to the Trust Board by the Minister for Health and Social Services via an open and competitive public appointment process. The Board's main role is to add value to the organisation through the exercise of strong leadership and control, including: setting the organisation's strategic direction; establishing and upholding the organisation's governance and accountability framework, including its values and standards of behaviour, and ensuring delivery of the organisation's aims and objectives through effective challenge and scrutiny of the Trust's performance across all areas of activity.

CHAIR AND INDEPENDENT MEMBERS OF THE TRUST 2023-2024



Professor Donna Mead, OBE Chair

Appointment:

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

Areas of Expertise:

Higher Education, Research, the NHS and Education, Partnerships and Collaboration

Trust Board Committee, Advisory Group and Fora Membership:

Professor Mead Chairs the:

- Trust Board
- Remuneration Committee
- Advisory Consultant Appointment Committee
- Charitable Funds Committee
- Academic Partnership Board
- Advancing Radiotherapy Fund Programme Board

Professor Mead is also a member of the:

- Quality, Safety and Performance Committee
- Strategic Development Committee
- Research, Development and Innovation Sub-Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Champion Role:

Trust Champion for Armed Forces and Veterans, University Trust

Mr. Stephen Harries Vice Chair and Independent Member

Appointment:

Mr. Harries was appointed as an Independent Member of Velindre University NHS Trust in April 2017

In November 2018, Mr. Harries was appointed as Interim Vice Chair of the Trust and was appointed on a permanent basis in April 2022

Areas of Expertise:

Finance, Information Governance, Information Management and Technology

Trust Board Committee, Advisory Group and Fora Membership:

Mr. Harries Chairs the:

- Strategic Development Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Mr. Harries is also a member of the:

- Remuneration Committee
- Quality, Safety and Performance Committee

Champion Role:

Trust Champion for Digital and Staff Wellbeing



Mr. Gareth Jones Independent Member

Appointment:

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

Area of Expertise:

Legal

Trust Board Committee, Advisory Group and Fora Membership

Mr. Jones became Interim Chair of the Trust Audit Committee in October 2023

Mr. Jones is also a member of the:

- Remuneration Committee
- Strategic Development Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee
- NWSSP Audit Committee

Champion Role:

Trust Champion for Patient / Donor Information and Welsh Language

Mrs. Hilary Jones
Independent Member

Appointment:

Mrs. Jones was appointed as an Independent Member of Velindre University NHS Trust in March 2020

Area of Expertise:

Estates and Planning

Trust Board Committee, Advisory Group and Fora Membership:

Mrs. Jones is a member of the:

- Quality, Safety and Performance Committee
- Charitable Funds Committee
- Charitable Funds Investment Performance Review Sub-Committee
- Advancing Radiotherapy Fund Programme Board
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Champion Role:

Trust Champion for Patient / Donor Engagement & Experience, Sustainable Development and Design



Professor Andrew Westwell
Independent Member

Appointment:

Professor Westwell was appointed as an Independent Member of Velindre University NHS Trust in August 2021

Area of Expertise:

University Representative

Trust Board Committee, Advisory Group and Fora Membership:

Professor Westwell is Chair of the:

- Research, Development and Innovation Sub-Committee

Professor Westwell is also a member of the:

- Strategic Development Committee
- Advancing Radiotherapy Fund Programme Board
- Academic Partnership Board.

Champion Role:

Trust Champion for Research, Development and Innovation



Mrs. Vicky Morris
Independent Member

Appointment:

Mrs. Morris was appointed as an Independent Member of Velindre University NHS Trust in November 2021

Area of Expertise:

Quality and Safety

Trust Board Committee, Advisory Group and Fora Membership:

Mrs. Morris Chairs the:

- Quality, Safety and Performance Committee

Mrs. Morris is also a member of the:

- Trust Audit Committee
- NWSSP Audit Committee
- Research, Development and Innovation Sub-Committee

Champion Role:

Trust Champion for Infection Prevention, Vulnerability and Violence & Aggression



Mr. Martin Veale, JP
Independent Member

Appointment:

Mr. Veale was appointed as an Independent Member of the Velindre University NHS Trust in April 2017 until January 2024

Area of Expertise:

Finance, Audit and Governance.

Trust Board Committee Membership

Mr. Veale was Chair of the:

- Trust Audit Committee
- NWSSP Audit Committee
- Charitable Funds Investment Performance Review Sub-Committee

Mr. Veale was also a member of the:

- Remuneration Committee
- Charitable Funds Committee

Champion Role:

Trust Champion for Hosted Organisations and Performance Framework

EXECUTIVE DIRECTORS (BOARD MEMBERS)



Mr. Steve Ham
Chief Executive
Accountable Officer

Trust Board Committee, Advisory Group and Fora Membership:
 Mr. Ham is a member of the:

- Charitable Funds Committee
- Charitable Funds Investment Performance Review Sub-Committee

Mr. Ham attends the:

- Quality, Safety and Performance Committee
- Strategic Development Committee
- Local Partnership Forum
- Remuneration Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee
- Advisory Consultant Appointments Committee



Dr. Jacinta Abraham
Executive Medical Director

Trust Board Committee, Advisory Group and Fora Membership:
 Dr. Abraham attends the:

- Quality, Safety and Performance Committee
- Strategic Development Committee
- Research, Development and Innovation Sub-Committee
- Charitable Funds Committee
- Advisory Consultant Appointments Committee

Lead Function: Medical Director and Research

Mr. Matthew Bunce
Executive Director of Finance

Trust Board Committee, Advisory Group and Fora Membership:
 Mr. Bunce is a member of the:

- Charitable Funds Committee
- Charitable Funds Investment Performance Review Sub-Committee

Mr. Bunce attends the:

- Strategic Development Committee
- Quality, Safety and Performance Committee
- Research, Development and Innovation Sub-Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee
- Trust Audit Committee
- NWSSP Audit Committee
- Local Partnership Forum

Lead Function: Finance, Charitable Funds and Information Governance



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

Trust Board Committee, Advisory Group and Fora Membership:
 Mr. James attends the:

- Strategic Development Committee
- Quality, Safety and Performance Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Lead Function: Strategic Transformation, Planning, Digital & Estates



Ms. Sarah Morley
Executive Director of Organisational Development and Workforce

Trust Board Committee, Advisory Group and Fora Membership:
 Ms. Morley is Joint Chair of the:

- Local Partnership Forum

Ms. Morley attends the:

- Strategic Development Committee
- Quality, Safety and Performance Committee
- Remuneration Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Lead Function: Organisational Development and Workforce



Mrs. Nicola Williams
Executive Director of Nursing, Allied Health Professionals and Health Science

Trust Board Committee, Advisory Group and Fora Membership:

Mrs. Williams is lead Executive for the:

- Quality, Safety and Performance Committee

Mrs. Williams attends the:

- Strategic Development Committee
- Charitable Funds Committee
- Research, Development and Innovation Sub-Committee
- Transforming Cancer Services Programme Scrutiny Sub-Committee

Lead Functions: Quality and Safety, Safeguarding, Infection Prevention and Control, Professional Lead for Nursing, Allied Health Professionals and Healthcare Scientists



CHANGES TO BOARD MEMBERS AND THE EXECUTIVE TEAM DURING 2023-2024

Independent Members:

- Mr. Gareth Jones, Independent Member (Legal) was reappointed on 1st November 2023;
- Mr. Martin Veale, Independent Member (Finance) left on 31st January 2024.

Executive Team Members

- Mrs. Cath O'Brien, Chief Operating Officer left on 3rd March 2024

As highlighted above, during 2023-2024, whilst only one role on the Trust Board was vacant, responsibilities were covered to ensure continuity of business and effective governance arrangements. Deputising arrangements were put into place to cover priority areas. Such arrangements supported the Trust in maintaining stability and ensure the Board's duties could be discharged during the periods of absence of a substantive post holder.

Due to an extended period of absence for Mr. Martin Veale from 29th September 2023, Mr. Gareth Jones undertook the role of Interim Chair of the Audit Committee with effect from October 2023. Subsequently, Mr. Martin Veale left the Trust on 31st January 2024 and the role of Independent Member (Finance) became vacant with effect from 1st February 2024. This vacancy is being actively recruited into with the Welsh Government's Public Appointments Unit. Mr. Gareth Jones will continue his role as the Chair of the Audit Committee and the Independent Member (Finance) will join the Committee when recruited.

In terms of Board composition, given the role of Chief Operating Officer is not an Executive Director this was not impacted following Mrs. Cath O'Brien's departure. Operationally, interim arrangements to cover the role of Chief Operating Officer portfolio were put in place whilst the role was being recruited into.

There has been no adverse impact on the balance of the Board and decision making during the reporting period. Further details on the Trust Board appointments are provided in the Trust Remuneration Report on page 71.

During 2024-2025 and 2025-2026, there will be a number of Independent Member terms that will be coming to an end. The Trust ensures it complies with the lead time with the Welsh Government's Public Appointments Unit to provide sufficient time to ensure a stable Board is maintained and allow for robust handover arrangement as appropriate.

PUBLIC INTEREST DECLARATION

Each Velindre University NHS 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 2023-2024: a [full register of interests](#) for 2023-2024 is available on the Trust's website.

EXECUTIVE TEAM MEMBERS (NON-BOARD MEMBERS)



Mrs. Lauren Fear
Director of Corporate Governance and Chief of Staff

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

Mrs. Cath O'Brien
Chief Operating Officer
(left the Trust March 2024)

Responsible for oversight and ensuring effective arrangements are in place for Trust wide:

- Operational Service Delivery
- Service Improvement
- Catering
- Managing/Improving Divisional Performance
- Business Intelligence
- Business Continuity
- Emergency Planning
- Medical Devices



DISCLOSURE STATEMENTS

INFORMATION GOVERNANCE:

The Trust operates an Information Governance (IG) Framework that ensures the Trust meets its Mandatory and Statutory obligations and other standards in relation to applicable legislation. Applicable legislation includes but is not exclusive to legislation which supports the principles of the European Convention on Human Rights, Human Rights Act 1998, Protection of Freedoms Act 2012, the Data Protection Act 2018 (includes the retained EU General Data Protection Regulations 679/2016 (UK GDPR)), Freedom of Information Act 2000, Environmental Information Regulations 2004, Common Law Duty of Confidence and the Access to Health Records Act 1990.

This legislation is supported by non-legislative guidance such as; the Surveillance Camera Code of Practice 2021, Caldicott Principles and the Records Management Code of Practice for Health and Social Care 2022 which is in itself based on the Freedom of Information Act's Section 46 Information Management Code of Practice.

The Trust's Executive Director of Finance is the designated Senior Information Risk Owner (SIRO) who holds responsibility for information risk to the Trust Board. The Trust also has in place a Caldicott Guardian, which is the Trust's Executive Medical Director. The two main divisions of the Trust each have a Caldicott Guardian in place. Cyber security as an integral element of Information Security rests within the portfolio of the Trust's Chief Digital Officer

The Trust as a public authority is required under UK GDPR [Article 37\(1\)\(a\)](#) to appoint a Data Protection Officer (DPO). The Head of Information Governance (HoIG) as the Trust's lead for Information Governance is the Trust's appointed DPO. The tasks of the DPO are contained in UKGDPR [Article 39](#) which are to ensure that there are effective controls and mechanisms in place to ensure that the Trust complies with its Mandatory and Statutory obligations as well as supporting staff ability via the delivery of training and awareness to comply with Information Governance fundamental principles and procedures.

The SIRO, Chief Digital Officer, DPO and Caldicott Guardians meet at regular intervals throughout the year so that a rounded approach to Information Governance is undertaken.

Since the last Statement overall risk has continued to reduce. This assessment is supported by the continued completion of DPIA's to assess Information and Cyber risk, investigation of IG incidents with the identification of common themes and the implementation of activity address those themes via the provision of advice, guidance and targeted delivery of training to all new and current employees of the Trust, which includes where necessary conduct of specialist workshops to address and mitigate risk.

In relation to the management of information, the SIRO and DPO identified in FY 2021/22 that the lack of workable Information Asset Registers (IAR) meant that the handling of sensitive information was not as robust as it could be. In Quarter 4 of 2023/24, a proposal to implement IAR's, identify Information Asset Owners (IAO's) and their Administrators as well as the delivery of a training package was approved by the Executive Management Board. This activity will take place in Quarters 1 and 2 of 2024/25.

Information Governance training is provided within an induction package for all staff joining the Trust. The package includes legislation, records management, information security and cyber security. As cyber incidents are in many cases fraud focused, it is delivered in conjunction with the counter-fraud team ensuring that a wraparound approach is undertaken. During

2024/25, the package will be extended to include procurement training, this is to ensure that the link between IG and procurement is clearly understood by employees. Workshops are also provided where an incident has occurred to ensure that individuals and teams understand their obligations in relation to Information Governance. Reports are received monthly which enables the DPO to target groups and individuals where compliance is low.

To measure its level of compliance against national IG standards and legislation, the Trust utilises the All-Wales Information Governance Toolkit (IG Toolkit) The toolkit is completed annually and provides evidence of areas of improvement achieved and identifies actions for the following year. The DPO co-ordinates the annual completion of the toolkit to identify areas for improvement and provide background information. The priority areas for improvement have formed the basis of the IG work plan for 2023/24 and will continue to form its basis for 2024/25.

The Trust continues to process personal data using the "[Data Protection by Design and Default](#)" approach when procuring new systems and maintaining existing ones where personal data is processed. This approach enables the Trust to consider risk by using the Information Commissioners Office mandated Data Protection Impact Assessment (DPIA) process. The process helps analyse, identify and minimise the data protection risks of a system (both electronic and manual records).

[Article 35\(1\) of the UK GDPR](#) states that DPIA's are a legal requirement for processing data that is likely to result in high risk to the rights and freedoms of individuals. The ICO advises that the completion of a DPIA is good practice when processing personal data. A DPIA does not have to eradicate all risk but should help to minimise and determine whether the level of risk is acceptable in the circumstances. Under UK GDPR, failure to carry out a DPIA when required may leave the Trust open to enforcement notice where the ICO will tell the Trust that it MUST carry out an action and if it does not, the ICO may either; publish an enforcement notice on its website and more widely which could negatively affect the Trust's reputation or impose a financial penalty at the higher rate of up to 20 million Euros (£17.5m) or 4% of annual turnover, whichever is the highest.

The Trust undertook one review requested by a member of the public under the Freedom of Information Act 2000. The DPO was involved in the original staffing of the request and response, therefore, it was decided to commission Digital Health and Care Wales (DHCW) to undertake the review independently on behalf of the Trust. The review request related to an original request made on 22nd April 2023.

The Trust in its original assessment believed that the requestor was using an obvious pseudonym and therefore issued a refusal notice under [Section 17\(1\)](#) of the Act. However, in its original response, the Trust gave the requestor the opportunity to supply a non-fictitious name in which it would re-consider the request in line with legislation. In its refusal of the request, the Trust relied on an exemption [Section 8\(1\)\(b\)](#) of the Act.

In considering whether the application of the exemption applied was one which could be relied upon by the Trust, DHCW consulted ICO guidance which sets out an authorities obligations ([ICO Guidance-recognising a request made under the FOI-Section 8](#)):

"If the requester has used a pseudonym then their request is invalid, and

"if the requester fails to provide a name, cannot be identified from the name provided or is using an obvious pseudonym, then their request won't meet the requirements of section 8(1)(b) and will be technically invalid."

On review of the evidence and ICO guidance, DHCW was of the view that the refusal was applied in the correct manner.

The conclusion of the review by DHCW was thus:

- That the refusal can be relied upon by Velindre NHS Trust.
- The offer for the requestor to use a non-fictitious identity might be a route for resolution.
- Velindre NHS Trust may want to take further consideration if a stronger refusal resides within the available exemptions if non-disclosure warrants this consideration.
- Likewise, if the content of the information would not attract an exemption which could be relied upon and was robust if tested against the law, then Velindre NHS Trust may want to consider disclosure in part or in whole Act and how the Commissioner has approached his advice.
- Velindre NHS Trust may want to consider previous ICO decisions on the application of the refusal and the use of Section 8 (1) b - [Decision Notice IC-99475-ZbZ1](#)

The Trust reviewed the ICO's decision notice as well as DHCW's independent review and concluded that its original decision to withhold information in accordance with the exemption could be relied upon. The Trust communicated the results of the review to the requestor, it has not had a further response from the requestor.

On 26th July 2023, the Trust received a notice from the Information Commissioner's Office in relation to a complaint by a member of Staff under the Data Protection Act 2018. The complaint was in relation to requests made to the Trust by a person other than the complaint where their personal data may have been shared outside the Trust. In their communication with the Trust, the Information Commissioner requested:

"We ask that you contact them within 28 days to provide a response addressing their data protection concerns. If you cannot meet this timeframe, please advise them when you will be in a position to do so".

The Trust completed the required activity as requested by the Information Commissioner within the 28-day timeframe, at which point the complaint was closed.

During 2023/24 the Trust self-reported 3 personal data breach incidents to the Information Commissioners Office. A summary of the self-reported breaches is articulated below:

Email misdirection:

On 6th June 2023, an email was sent to incorrect external email address containing personal data in the form demographic, diagnosis and treatment information. Upon receipt, the email was deleted by the recipient. A full investigation was undertaken in conjunction with the email service provider. The incident highlighted the ease with which misdirection can take place.

As a result, the Trust's training provision was updated to include this specific case as a case study in order to raise awareness. The ICO decided to take no further action and instructed the Trust to include the incident in its training and awareness package.

Copies of full Medical Records lost by Royal Mail

On 13th September 2023, it was identified that copies of Medical Records sent to a legal address under the "signed for" process in August 2023 had not arrived at their destination.

The copies of the records were confirmed as lost by Royal Mail after comprehensive and collaborative search. A series of internal recommendations were made to the trust's Medical Records department including advocating the use of electronic methodology for the dispatch of copies of medical records to mitigate future risk. Due to the extensive efforts expended by both the Trust and Royal Mail to find the documents the ICO decided to take no further action.

Theft of laptop and papers from vehicle

On 9th January 2024, a vehicle belonging to an employee was broken into outside their property in the early hours. The employee reported the incident immediately to the Police. The Laptop was encrypted with no risk of access to Trust systems.

Employees were reminded of the need to ensure physical security of information that they process and hold. This includes not leaving items in vehicles overnight. The Trust's IG training package was updated to include the incident as a case study to include type of incident, cause, impact and implications for data subjects and the Trust. A decision relating to this case from the ICO is pending.

During 2023/24, the Trust has engaged informally with the ICO to seek timely appropriate advice and guidance on operational issues, such as:

- The regulators position regarding a review of a response made to a request made under the Freedom of Information Act 2000 where the DPO was involved in the original decision making process.
- Development of an App in collaboration with industry where special category personal data may be processed.

QUALITY OF DATA:

The Trust makes every attempt to ensure the quality and robustness of its data and has regular checks in place to assure the accuracy of information relied upon. However, it is recognised that the multiplicity of systems and data inputters across the organisation means that there is always the potential for variations in quality, and therefore always scope for improvement. We have an on-going data quality improvement approach which routinely assesses the quality of our data across key clinical systems. Good quality clinically coded data plays a fundamental role in the management of our services. Velindre University NHS Trust has the highest completion and quality rating for clinical coding in Wales. Coded data underpins much of the day to day management information used within the NHS and is used to support healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness and can be an invaluable starting point for many clinical audits.

As a Trust, we are committed to an ambitious [Digital Strategy](#) that includes evolving to be a data-driven organisation. We are improving the quality of our data by: Improving our digital technologies, making them easier and quicker to use; Democratizing and increasing our use of the data for everyday decision making, so that our clinical teams and decision-makers gain greater benefit from its completeness and accuracy; and Improving the digital and data knowledge, skills and confidence of our teams in all areas of the Trust. This is a journey and so where there are currently any concerns regarding data quality, data provided to the Board are clearly marked accordingly with caveats for use.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES:

The Trust's Strategy '[Destination 2033](#)' outlines a clear ambition for the organisation over the coming years; the delivery of high quality, sustainable health care services which reduce our impact on the environment and provides wider value to our communities. This is an exciting

challenge for us which will require us to continue to pursue excellence in our clinical services whilst also making a contribution to the wealth, health and prosperity across the country. The Trust's [Sustainability Strategy](#) has created a roadmap for us to contribute to our communities and mitigate our impact on the planet whilst continuing to deliver world class services for our donors, patients and carers. The strategy has 10 themes, which were derived from the United Nations Sustainable Development Goals and the Well-Being of Future Generations Act and are designed to achieve our Trust Well-being Objectives.

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 to address this when possible. 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 Well-being of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation and embracing the Sustainable Development Principle within the public sector in Wales. The Trust will continue its work on carbon footprint monitoring in line with the NHS Wales Decarbonisation Strategy, to realise this ambition, the Trust has created tangible actions in a detailed Decarbonisation Action Plan.

The Trust is taking ambitious action, both strategically through the Trust Sustainability Strategy and operationally to adapt to climate change and respond to climate risk through the development of new Velindre Cancer Centre Radiotherapy Satellite Centre and the Talbot Green Infrastructure upgrade project. Capital schemes are designed using projected climate data to ensure the design caters for global warming assessed within the lifetime of the build. This approach ensures as far as is reasonably practicable that fabric and systems used to control internal comfort remain fit for purpose.

Alongside these major capital schemes, the Trust is actively educating its staff to instigate meaningful behavioural change, through events and raising awareness. The Trust Annual Sustainability Report for 2023/2024 received at the Quality, Safety and Performance Committee on 9 June 2024, further outlines how the Trust is driven by its Sustainability Strategy and has continued to be ambitious with its strategic aims in this context and will continue to work to ensure that it is compliant with the Climate Change Act and the Adaptation reporting requirements. Progress against which will be reported using a risk-based approach via the Quality, Safety and Performance Committee.

CORPORATE GOVERNANCE CODE FOR CENTRAL GOVERNMENT DEPARTMENTS: CODE OF GOOD PRACTICE 2017:

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, 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 June 2024 (outlined on Page 41) and also evidenced by internal and external audits. The Trust Board is committed to the continuous review and pursuit of excellence in ensuring good governance. This includes the programme of work underway to review and strengthen the quality/detail of information provided to the Board for assurance. In addition, each of the Trust Board Committees conducts an Annual Review of its Effectiveness, actively seeking further opportunities for continuous development and improvement ensuring good governance is maintained. To support good governance and strengthen assurance to the Board, the Independent Members' Group meets on a bi-monthly basis.

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 a transparent manner 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 wider Annual Report. There have been no reported/identified departures from the Corporate Governance Code during the year.

NHS PENSION SCHEME:

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

MINISTERIAL DIRECTIONS:

A list of Ministerial Directions issued by the Welsh Government during 1 April 2023 - 31 March 2024 is available [here](#). Whilst Ministerial Directions are received by Health Boards, these are not always applicable to Velindre University NHS Trust. The Trust has disseminated those of relevance to the Trust as appropriate during the reporting period and are detailed in **Appendix 3** on Page 63. In addition, Welsh Health Circulars issued by Welsh Government are logged by the Corporate Governance Function and assigned an Executive Lead(s) to assess the impact to the Trust and take forward any necessary actions as appropriate. A register and action log is maintained by the Corporate Governance Function. A list of Welsh Health Circulars issued by the Welsh Government during 1 April 2023 - 31 March 2024 considered of relevance to the Trust are also listed in **Appendix 3** on Page 63

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 LHB/ NHS Trust/SHA.

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.

The Accountable Officer is responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

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

Signed by:



Mr. Carl James
Interim Chief Executive

Dated: 15 July 2024

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 Velindre University NHS Trust and of the income and expenditure of Velindre University NHS Trust for that period.

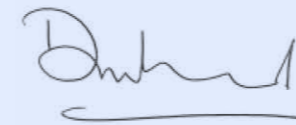
In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements 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 authority and to enable them to ensure that the accounts comply with the requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board Signed:



Professor Donna Mead OBE
Chair

Dated: 15 July 2024



Mr. Carl James
Interim Chief Executive

Dated: 15 July 2024



Mr. Matthew Bunce
Executive Director of Finance

Dated: 15 July 2024

GOVERNANCE STATEMENT

VELINDRE UNIVERSITY NHS TRUST SCOPE OF RESPONSIBILITY, INCLUDING HOSTED ORGANISATIONS

Velindre University NHS 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 the 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. Directors of the Hosted Organisations are bound by a Governance Compliance Statement, (or their own 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.

Velindre University NHS Trust Annual Report outlines the different ways the organisation has continued to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified, mitigated and assurance has been sought and provided. Where necessary additional information is provided in the sections of the Accountability Report, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Velindre University NHS Trust wider Annual Report alongside this Governance Statement.

Throughout 2023-2024, Velindre University NHS Trust has continued to adapt its governance framework to ensure it continues to operate in an open and transparent way in maintaining good governance arrangements during 2023-2024.

GOVERNANCE AND ACCOUNTABILITY 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 2023-2024.

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

The Director of Health Technology Wales (the Trust second hosted body), has also signed and submitted a Governance Compliance Statement, detailing and declaring compliance with Velindre University NHS Trust governance arrangements. This has been submitted to the Velindre University NHS Trust's 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 (detailed on pages 7-13).

The Trust Board is accountable for governance, risk management and internal control and focuses on strategy, performance and behaviour. Board Members have responsibility for the strategic direction and to provide leadership and direction to the organisation, ensuring sound governance arrangements are in place. The Trust Board is also responsible for encouraging an open culture with a view to ensuring high standards.

Board members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation and for making sure it is responsive to the needs of its communities.

Independent Members are supported by an annual development appraisal discussion with the Chair.

The Chair's performance is assessed by the Minister for Health and Social Services whilst the Chief Executive's performance is assessed by the Chair with input from the Director General Health and Social Services/Chief Executive NHS Wales, Welsh Government.

STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

The **Trust Standing Orders and Standing Financial Instructions** have been adapted 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, provide the regulatory framework for business conduct. This is further supported by declarations of interest being sought before the start of all Board and Committee meetings.

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

VARIATION TO VELINDRE UNIVERSITY NHS TRUST'S STANDING ORDERS

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 Velindre University NHS Trust is required to meet in public. Throughout 2023-2024 the Trust Board met in person with meetings live-streamed via the Zoom platform to enable members of the public to observe proceedings remotely which mirrors the arrangements first put into place during 2020 in response to the public health risk of the Covid-19 pandemic and have been continued to enable inclusive access to the meetings by members of the public.

The live-broadcast of the meeting complies with the requirement to conduct such meetings in an open and transparent manner and is supported by the fact that agenda and meeting papers are made available in advance via the Velindre University NHS Trust website.

Simultaneous Welsh translation was introduced for Trust Board meetings in January 2024.

It is acknowledged that the Trust does not currently comply fully with the Public Bodies (Admission to Meetings) Act 1960 as Committees are not currently open for the public to attend in-person and are not live-streamed. It is planned to reinstate invitations to the public to join its Public Board and Committees meetings in person or live-streamed where possible from April 2024-2025 onwards.

When there is a need to vary Standing Orders or duties need to be discharged differently, then such decisions are logged in the respective meeting minutes and action logs as appropriate.

The Trust continues to operate a system of only using **Chair's Urgent Action** for exceptional circumstances with details of the decision being reported to the next Trust Board meeting. The Trust also continues to use a 'Consent Agenda' for all Board and Committee meetings so that any items which are straightforward in nature can be processed without placing these on the main agenda which maximises the use of available meeting time. Any items on the 'Consent Agenda' can be asked to be put onto the main meeting agenda for discussion.

The dates the Trust Board and Committees met during the period 2023-2024 are captured in **Appendix 1** on page 52.

The Standing Orders have been periodically updated to account for alterations in year. 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:

- **May 2023:** Amendments to Trust Standing Orders Schedule 3.0, resulting from the Annual review of the Terms of Reference and Operating Arrangements in respect of the Quality, Safety and Performance Committee, Research, Development and Innovation Sub-Committee and Charitable Funds Committee.
- **July 2023:** Revisions to the Trust Standing Orders:
 - Introduction of the **Duty of Quality and Duty of Candour** reflecting the provisions of the **Health and Social Care (Quality and Engagement) Act 2020**;
 - Update to reflect the change to the **Health and Care Quality Standards 2023**;
 - Changes to the provisions with regard to a **Vice-Chair** of Trusts and changes to numbers of **Board Members**;
 - Changes linked to the establishment of **Llais (Citizen Voice Body)** and the dissolution of the Community Health Councils and the Board of Community Health Councils;
 - Temporary change to allow the Trust to hold its **Annual General Meeting for 2023** by the end of September 2023 arising from the extended timeframe of Audit Wales audit programme of the Annual Accounts across NHS Wales.
- **July 2023:** Revisions to the Standing Orders for the Operation of the Shared Services Partnership Committee.

- **November 2023:** Further revisions to the Trust Standing Orders linked to:
 - a) the establishment of **Llais (Citizen Voice Body)**.
 - b) **Notifying and equipping Board members**, the number of calendar days for Board members to be sent an agenda and a complete set of supporting papers **has reduced to 7 calendar days** before a formal Board meeting.
 - the Welsh Government review of the Model Standing Financial Instructions, which are Schedule 2.1 of the Model Standing Orders, Reservation and Delegation of Powers for NHS Trusts in Wales. The changes were:
 - c) updated hyperlinks for the governance e-manual, which is now on the NHS Wales shared services partnership external website.
 - d) updated contact information for Welsh Health Circular 2016/054 – Statutory Financial Duties of Local Health Boards and NHS Trusts.
 - e) Update to 6.2 in relation to the Chief Executive responsibility for signing the Performance Report, Accountability Report, Statement of Financial Position and the Governance Statement.
 - f) Updated Schedule 1 – Revised General Consent to Enter Individual Contracts.
 - The Charitable Funds Committee and Audit Committee endorsement of the:
 - g) Revisions to the financial limits in relation to the trust's charitable funds, as follows:
 - Increase the delegated approval limit for both the Chief Executive and Executive Director of Finance to £25,000.
 - The entry level at which approval from the Charitable Funds Committee is required increases from £5,000 to £25,001.
- **March 2024:** Amendments to Trust Standing Orders Schedule 3.0, resulting from the Annual review of the Terms of Reference and Operating Arrangements in respect of the Charitable Funds Committee.

VELINDRE UNIVERSITY NHS TRUST BOARD AND COMMITTEE MEETINGS

The Trust Board discharges its responsibilities through its Committees (listed in the table below) and scheme of delegation, which is set out in its Standing Orders.

There are eight Committees/Partnership Forums reporting directly to the Trust Board, which are supported by sub-Committees/groups in the discharge of functions outlined below:

Committee, Advisory Group and Fora	Sub Committee
Academic Partnership Board	N/A
Audit Committee (Trust)	N/A
Audit Committee (For NHS Wales Shared Services Partnership)	N/A
Charitable Funds Committee	Investment Performance Review Sub-Committee
Local Partnership Forum	N/A

Committee, Advisory Group and Fora	Sub Committee
Quality, Safety and Performance Committee	<ul style="list-style-type: none"> Research, Development and Innovation Sub-Committee (for Research & Development activity) Transforming Cancer Services Programme Scrutiny Sub-Committee (for programme delivery) Advisory Consultant Appointment Committee
Remuneration Committee	N/A
Strategic Development Committee	<ul style="list-style-type: none"> Research, Development and Innovation Sub-Committee (for Strategic / Innovation activity) Transforming Cancer Services Programme Scrutiny Sub-Committee (for future direction setting)

The Trust operates an incident Command and Control structure when required. During 2023-2024 it was reinstated in response to the industrial action during quarter 4. The frequency of Gold Command meetings during this period has been continually assessed and flexed in line with the needs of the industrial action, and its interface with the Welsh Blood Service and Velindre Cancer Service Silver Commands.

COMMITTEE ACTIVITY

In line with the Trust's 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 2023-2024, which outline the activity of each of the Committees for the year ending 31 March 2024, are available on the Trust Internet site [here](#). 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:

ALERT / ESCALATE
ADVISE
ASSURE
INFORM

Each Committee Highlight Report is presented to the Trust Board by the Committee Chair. Similarly, each Committee Highlight Report is available within the Trust Board papers on the Trust's Internet site [here](#).

The Terms of Reference for each Committee are reviewed annually in line with the Trust's Standing Orders, or more frequently if deemed necessary by the Committee or Trust Board. The Terms of Reference for all Committees are available on the Trust's Internet site [here](#).

Key highlights and issues considered by the Trust Board and its Committees during 2023-2024 are included in **Appendix 1** of the Governance Statement on page 61.

Minutes and papers of all Public Trust Board and Committee meetings are also published on the Trust Internet site [here](#).

During 2023-2024, key aspects of Trust Board business and issues delegated to the Audit Committee for consideration and advice, including action taken, included but were not limited to the following:

- 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. A review of the existing monitoring and tracking arrangements has been undertaken at the beginning of 2022-2023 to strengthen this process in partnership with Internal Audit.
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities.
- Review of the Declaration of Interests and Gifts, Hospitality, Sponsorship and Honoraria Register.
- Monitoring the development of the Trust's Accountability Report.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.

Further details in respect of the activity of the Audit Committee during 2023-2024 is captured in full on the Trust website [here](#).

ENGAGEMENT WITH THE LOCAL PARTNERSHIP FORUM

In support of the Trust Board, the Trust also has a Local Partnership Forum that met four times during 2023-2024, 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 2023-2024 are:

- Ongoing review of the Performance Management Framework, including sickness absence, Statutory and Mandatory training and PADR compliance and measures in place to manage performance targets, with particular targeted management of absences hotspots, including bespoke management where appropriate.
- Wagestream and Third Party Contractors were regularly discussed items, as was the Nursing Strategy.
- Various recruitment topics were discussed, including international recruitment, partnership working and recruitment. Ongoing discussions continue in respect of requirement for and recruitment of the Lead Trade Union role.

- Key development and strategic work was discussed in partnership, including Trust Volunteer Framework, Trust Retention Plan, Trust Values and Performance Framework and the Clinical and Scientific Strategy.
- There has been significant discussion regarding Industrial Action both in the Local Partnership Forum and the Industrial Action Cell.

TRUST BOARD DEVELOPMENT AND EFFECTIVENESS

During 2023-2024 the Trust Board has received six Board Development sessions covering a number of key areas including the following:

April 2023

- Culture
- Values Workshop
- Annual Integrated Board Effectiveness Assessment
- New Velindre Cancer Centre Governance

June 2023

- Implementation of an Effective Quality Management System
- Radiotherapy Time to Treatment Targets (formerly COSC)
- Immuno-Oncology (current) and Advanced Therapies (future)

October 2023

- Cyber Security Training
- National Data Resource
- Health Technology Wales Update – Ministerial Priorities and Collaboration with the Welsh Blood Service
- Welsh Blood Service Showcase:
 - 5 minute Service Improvement Initiative
 - Development and Progress of the National Blood Health Plan for Wales 2024-2027
 - WBS Transplantation Services - past, present and future
- Betsi Cadwaladr Lessons Learnt Review

December 2023

- Organisational Values
- Strategic Equality Plan
- Building Our Future Together: Development of the Trust Clinical and Scientific Infrastructure and Strategy
- Welsh Language
- Integrated Medium Term Plan Development

February 2024

- Integrated Medium Term Plan
- Research & Innovation at Velindre – how we deliver for our patients and donors
- Maggie's
- Welsh Blood Service Improvement Spotlight Event
- Strategic Risks and Strategic Goals
- Further Development of the Governance, Assurance and Risk Programme
- Associate Independent Member

Executive and Independent Member visits ('15 Step Visit Process') with our staff have continued during 2023-2024 to gain greater insight to the multi-faceted work undertaken by our staff across the Trust, and also better understand the different pressures faced on a daily basis. These visits have also incorporated Executive and Independent Member 'Champion' role aspects, which has been used to inform Board Champion Annual Reports presented at Trust Board meetings.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The Trust Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

As Accountable Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The annual Head of Internal Audit opinion contributes to the assurances available to the Accountable Officer and the Trust Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The review of the systems of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

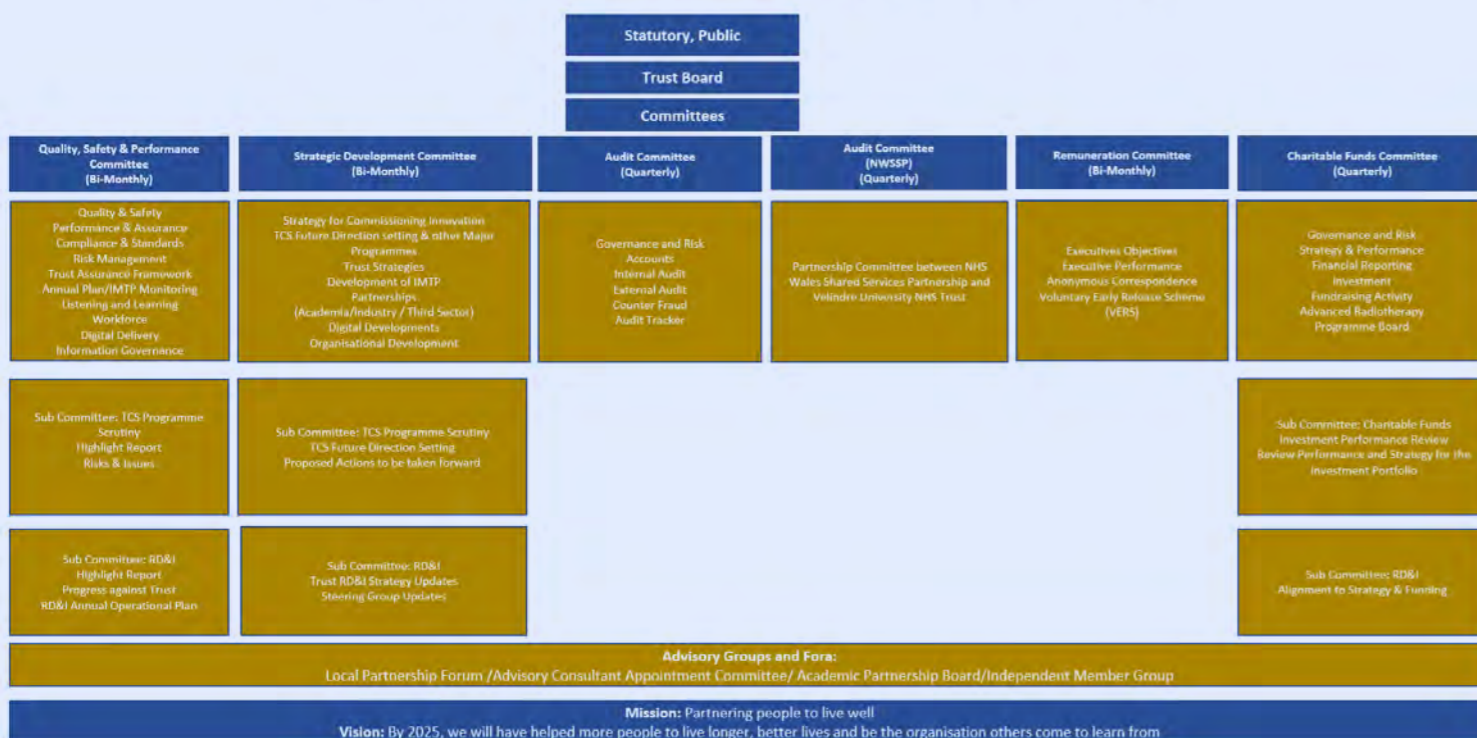
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks, it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The 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 and Accountability Framework is illustrated overleaf:

TRUST'S GOVERNANCE AND ACCOUNTABILITY FRAMEWORK



GOVERNANCE OF THE CHARITABLE FUNDS

The Velindre University NHS Trust 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.

The Trust, 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 to provide advice and recommendations to the Board. The Committee assures itself that the financial governance and safety of all fundraising events run by the Charity are appropriate.

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 Charitable Funds Committee is supported by the Charitable Funds Senior Leadership Group that meets on a monthly basis.

The Charitable Funds Committee 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 found on the Trust website [here](#).

HOSTED ORGANISATIONS SYSTEMS OF INTERNAL CONTROL AND ASSURANCE

Hosted organisations utilise the existing Trust Committee Structure (Accountability and Governance Framework) illustrated on page 31 of this Governance Statement.

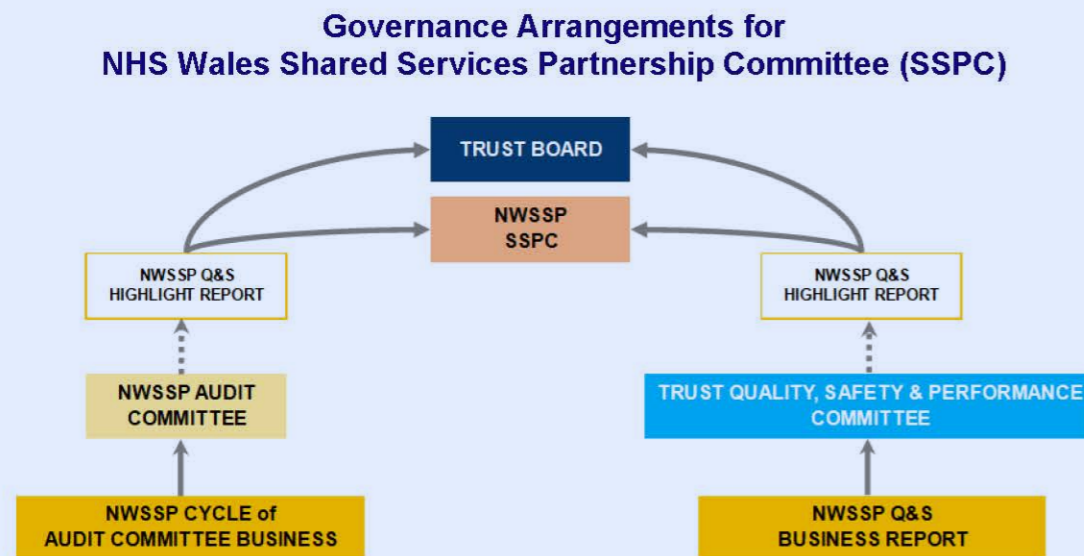
A separate Velindre University NHS Trust Audit Committee is held to consider issues relating specifically to NHS Wales Shared Services Partnership (NWSSP), having the same Chair and Independent Membership as the Velindre University NHS Trust Audit Committee. Information relating to the governance arrangements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

NWSSP has a Shared Services Partnership Committee (SSPC)' which was established in 2012 to comply with the Velindre University NHS Trust Shared Services (Wales) Regulations 2012 (2012/1261 (W.156)). Velindre University NHS Trust (Velindre) must agree Standing Orders (SOs) for the regulation of the Shared Services Partnership Committee's (the SSPC) proceedings and business. These SSPC SOs form an Annex to Velindre's own SOs and have effect as if incorporated within them. They are designed to translate the statutory requirements set out in the Velindre University NHS Trust Shared Services (Wales) Regulations 2012 (2012/1261 (W.156)) and Velindre's Standing Order 3 into day to day operating practice. 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.

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.

Assurance from a statutory and regulatory perspective of NWSSP activity is via the Trust's Quality, Safety and Performance Committee.

In line with the arrangements for the Velindre Audit Committee for Shared Services, a separate highlight report is produced for this section of the Committee and this is shared with the Shared Services Partnership Committee and the Trust Board to provide assurance. A summary overview of these arrangements is provided below:



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.

Information on the risks managed and mitigated during 2023-2024 is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site [here](#).

RISK MANAGEMENT

The Trust has an approved Risk and Assurance Framework and associated policies in place. The policies detail a robust risk assessment process to identify, assess and manage organisational risks, which are reported on a risk register to the Trust Board, in line with risk appetite levels set by the Trust Board. The overarching Trust Risk Management Policy, approved by the Trust Board provides an overarching and strategic level document for the framework of managing risk in Velindre University NHS Trust and is based on the 3 Lines of Defence risk governance model whereby management control is the first line of defence in owning and managing risk, the various specialist functions such as Finance, Workforce, Quality, etc. are the second line of defence, with the third line provided by independent assurance on effectiveness of the risk management framework:

“The primary objective of the Policy is to support staff across the Trust to identify and manage the risks that may prevent the achievement of the Trust’s objectives. This includes assessing risks to patient and donor safety, compliance across our legal and regulatory frameworks and risks attached to our key dependencies, core processes, and stakeholder expectations and in so doing, the achievement of Trust Strategy. It is also important to emphasise that the Trust’s commitment to quality and safety is the ‘golden thread’ throughout the organisation and recognise the key role that a strong risk management culture has in that. As with everything the Trust does, this is achieved by putting our patients and donors at the centre of everything we do, working towards optimum quality, safety and experience and continual learning and improving.”

The Policy aims to deliver a pragmatic and effective multidisciplinary approach to risk management which is underpinned by a clear accountability structure through the organisation. It recognises the need for robust systems and processes to support the continuous and ever-changing nature of risk. The Policy requires individuals throughout the Trust to embed risk management in their day to day activities and support better decision making through a deeper understanding and insight into risks and their potential impact.”

Alongside the Risk Management Policy, there is a Trust Risk Management Procedure, which:

“... supports the application of the Risk Management Policy across the Trust. It provides details on how staff across the Trust should apply the risk management process across the Trust to identify and manage the risks which prevent the achievement of the Trust’s strategic goals and objectives. It is not designed to be a standalone document and must be read in conjunction with the Risk Management Policy, which describes the context of why risk management is important and how the Risk Management Framework operates across the Trust.”

The Trust Board has overall responsibility for risk management and will ensure our risk management approach is appropriate by considering whether the Trust Risk Register and Trust Assurance Framework identify principal areas of risk against objectives and that adequate risk mitigation strategies have been designed and implemented to manage all identified principal risks. The Trust Board is also responsible for reviewing the framework’s effectiveness as assured by the Audit Committee. It sets the ‘tone at the top’ for risk management culture by setting risk appetite and explicitly considering risk when developing or updating the strategy, or when considering performance and/or major programmes of change.

The Quality, Safety and Performance Committee provides assurance to the Trust Board that the risk register appropriately reflects the most significant risks facing the organisation, through a Quality and Safety lens; that the control framework in place is appropriate both in design and operating effectiveness; and that actions to manage risk are appropriately progressing to reach the target risk score.

Other Committees provide assurance to the Trust Board, that the specific sections of the Trust Risk Register: appropriately reflects the most significant risks facing the organisation, in accordance to their scope; that the control framework in place is appropriate both in design and operating effectiveness; and that actions to manage risk are appropriately progressing to reach the target risk score.

Executive Management Board Directors support and promote risk management. They ensure that risk management is integrated into all activities, and demonstrate leadership and commitment by ensuring:

- their portfolios (department/division) implement the Risk Management Policy;
- risk is considered when setting their objectives/drafting their business plan and discussed alongside their performance and in any local management meetings;
- all risks, controls and risk management issues under their control are adequately coordinated, managed, monitored, reviewed and reported/escalated in accordance with the requirements of this framework;
- necessary resources are allocated to managing risk/that they identify individuals who have the accountability and authority to manage risk under their control (i.e. risk owners).

The Director of Corporate Governance and Chief of Staff is the Executive Lead for the risk framework of the Trust. The Executive Lead will own the risk management framework and associated Trust level risk management procedures and is accountable for the strategic development of organisational risk management. Including arrangements for:

- Maintaining and updating appropriate risk management Policies and Procedures;
- Ensuring the Trust has a comprehensive and dynamic Risk Register by working with executive and divisional management teams to ensure that they understand their accountability and responsibilities for managing risks in their areas;
- Ensuring that risk is reported though, and challenged appropriately, through the governance structures of the Trust.

In summary, the Trust's risk management framework:

- promotes consistency and transparency by articulating an overarching framework for managing risk and establishing a common risk language across Trust;
- explains how the three lines of defence operates;
- explains how risk management is aligned to the governance structures across the organisation;
- defines risk management roles and responsibilities for individuals and teams within VUNHST;
- ensures that risk management processes support and align with the overarching strategy for the Trust, in which the golden thread is our commitment to quality and safety, ensuring that we put our patients and donors at the centre of everything we do;

- recognises that timely and accurate monitoring, review, communication and reporting of risk are critical to providing:
- early warning mechanisms for the effective management of risk occurrences
- assurance to our patients and donors
- assurance through governance structures to the Trust Board and to our partners/stakeholders such as Regulators and Inspection bodies
- a sound platform for organisational resilience
- supports decision-making through risk based information; and
- supports the continued development a culture where proactive risk management is integrated into all Trust business.

TRUST RISK REGISTERS

The organisation's risk profile is visible through the Trust Risk Registers. 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.

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 Trust's Executive Management Board for appraisal prior to inclusion on the Trust's risk register and reported to both the Audit Committee and Quality, Safety and Performance Committee prior to Trust Board. 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 system of record and for risk management is Datix.

New risks are accessed through the governance cycle; new risk are reviewed by divisional Senior Leadership/Senior Management Teams, when a risk will be accepted, declined or closed. Management from that point is led by the risk lead, in conjunction with the risk owner, and where the level is such (a risk rating over 15 or over 12 for safety risks) the risk is reported through the governance cycle detailed below.

The Trust has three levels of risk training:

- **Level 1** – This training is carried out by all staff in the Trust by means on e-learning. The training sets out how to identify risk and report risk, via the Datix system via the first input form.
- **Level 2** – Training is aimed at risk leads, providing information on manage risk, initially via second input form, including risk assessments, why and how we manage risk, descriptions of risk and rating of risks. The key objective of level three training is to manage risk and follow the cycle of a risk, mitigations, action plans and regular management. Tools are included in the training package. This training is delivered online via Teams, this is a fully interactive session, including scenarios to test understanding.
- **Level 3** – The focus of this training is on governance and individual roles of Board Members and Directors in respect of risk. Leadership responsibility is key to this level of training. The training is delivered via Executive Management Board meetings and Board Development sessions.

The highest scored risks as at end of March 2024, governed through the March Committee and Trust Board cycle are summarised below, for access to fuller detail, including mitigating actions and controls, please review the March 2024 Trust Board Risk Paper [here](#).

Risk Type	Division	Title	Rating (Current)
Performance, Quality and Safety	Velindre Cancer Service	There is a risk to Performance, Quality and Safety as a result of the Consultant Therapeutic Radiographer for Head & Neck Cancer retiring leading reduced capability to provide an adequate on-treatment review service for patients with head and neck cancer, resulting in a poorer patient experience and increase in workload for on-treatment review radiographers and consultant clinical oncologists for head and neck.	20
Performance, Quality and Safety	Velindre Cancer Service	There is a risk that unable to meet demand for SACT service provision as a result of lack of pharmacy capacity leading to delay inpatient treatment	20
Financial Sustainability	Transforming Cancer Services	There is a risk to financial sustainability as a result of changes during the design development process leading to a design which costs more overall, increasing project costs.	16
Performance, Quality and Safety	Velindre Cancer Service	There is a risk to Quality, Performance and Service as a result of any delay in the new Velindre Cancer Centre (nVCC) leading to capacity at the current site not being sufficient to meet the demand, resulting in increased waiting time for radiotherapy, failure to meet All Wales time to radiotherapy metric and reduced patient experience.	16
Quality and Safety	Velindre Cancer Service	There is a risk that patients are missed as a result of multiple lists being used to manage booking leading to clinical harm	16
Financial Sustainability and Service Sustainability	Welsh Blood Service	There is a risk to Financial Sustainability as a result of a failing to secure sufficient funding for the delivery of a new Blood Establishment Computer System (BECS) contract and software platform, leading to a degradation of critical WBS (NHS Wales) blood supply chain activities.	15
Performance, Quality and Safety	Welsh Blood Service	There is a risk to Quality as a result of failing to secure sufficient funding for the delivery of a new Blood Establishment Computer System (BECS) contract and software platform leading to degradation of critical WBS (NHS Wales) supply chain activities	15
Safety	Corporate	There is a risk to safety as a result of work related stress leading to harm to staff and to service delivery	12
Safety	Velindre Cancer Service	There is a risk to patient safety caused by the duplication of information, excessive use of email and lack of alternative communication methods for the processing of clinical information caused by the variation and multiple access routes for new referrals to the Velindre Cancer Centre. The impact will be an inability and timeliness to ascertain accurate patient referral information which may impact/delay the delivery of patient care	12

Risk Type	Division	Title	Rating (Current)
Safety	Velindre Cancer Service	There is a risk to patient safety due to inadequate staffing within the Radiotherapy Physics Department and the need to balance core duties with development tasks.	12
Safety	Velindre Cancer Service	There is a risk to patient safety caused by the duplication of information, excessive use of email and a lack of alternative communication methods for the processing of clinical information.	12

A link to the Trust Board papers for the period can be found [here](#).

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's Risk Appetite Statement was refreshed and approved at Trust Board in January 2023 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 and approved by the Trust Board, in the following areas. The Risk Appetite categorisation approach is based on the Good Governance Institute (GGI) Risk Appetite for NHS Organisations Matrix:

Domain / Risk Category	Risk Appetite Level	
Safety	1	Minimal
Quality	2	Cautious
Compliance	2	Cautious
Research & Development	2	Cautious
Reputation	2	Cautious
Performance & Service Sustainability	2	Cautious
Financial Sustainability	2	Cautious
Workforce & Organisational Development	3	Open
Partnerships & Innovation	4	Seek
Information Governance	2	Cautious
Environmental	3	Open

TRUST ASSURANCE FRAMEWORK (TAF)

The Trust Assurance Framework (TAF) enables the Board to identify and understand the principal risks to achieving its strategic objectives; receive assurance that suitable controls are in place to manage these risks, and where improvements are needed suitable action plans are in place and being delivered; and to provide an assessment of the risk to achieving the related objective.

The TAF was originally approved and implemented in September 2020 together with the Risk Appetite and Tolerance levels. The Board did not receive the TAF for six-months during 2023-2024 due to the review of the TAF template and refresh of the strategic risks. During this period concerns around the gap in reporting were raised by both Audit Committee and Quality, Safety and Performance Committee on several occasions. The TAF was formally reviewed and approved by the Trust Board in January 2024.

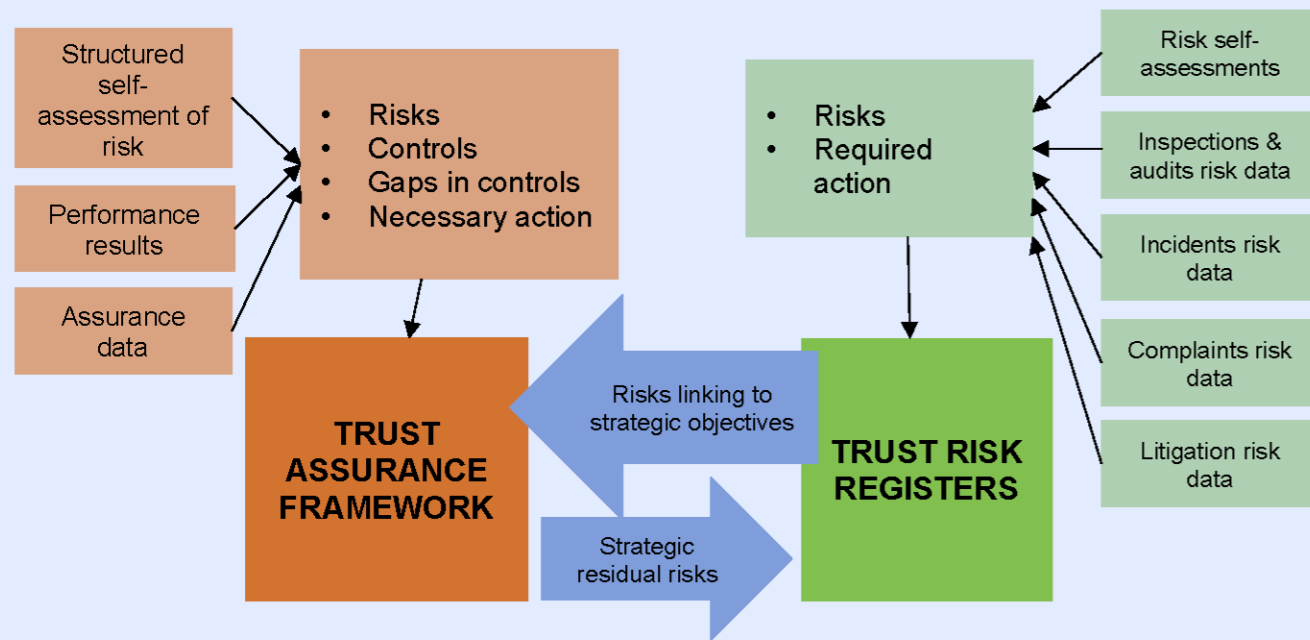
The Audit Committee, Quality, Safety and Performance Committee and Strategic Development Committee, have oversight of the processes through which the Board gains assurance in relation to the management of the TAF.

Managers take a lead on risk management and are responsible for role modelling a risk aware culture within their area. Managers receive Level 2 Risk Training delivered by the Director of Corporate Governance & Chief of Staff and Level 1 risk management training via a mandatory module on ESR. Tools, procedures and guides are available on the staff Trust's intranet site.

Services are challenged on their risk management through the Executive Management Board and Divisional Touchpoint and Service Review Meetings.

The TAF is the key source of information that links the Velindre University NHS Trust's Strategic Objectives to risk and assurance, as demonstrated in Figure 1:

Figure 1: Information flows between the Trust Risk Register and TAF



There is not expected to be significant movement in the articulation of the Trust's principal risks in the short-term, instead these would be reviewed and evolved in line with the organisation's strategic development cycles or in response to significant external changes.

The focus of the management of the TAF is twofold:

- Setting out the key controls, identifying any gaps in controls and taking action to address these;

- Setting out the sources of assurance, from first, second and third line of defence sources, and then tracking the insight that each of these sources of assurance is demonstrating against each of the risks. In addition, identifying any gaps in assurance and taking action to address these:

- First line of defence – are sources of assurance from the functions that own and manage the risk.
- Second line of defence – are sources from the functions that oversee the day-to-day operations – e.g. Quality & Safety, Corporate / Clinical Governance.
- Third line of defence – are sources from functions that provide independent assurance – e.g. Internal /External Audit, Regulators, Audit Wales.

Each of the risks has an Executive owner, who is responsible for coordinating the actions required to improve the effectiveness of the key controls and assurance on an on-going basis. The Head of Corporate Governance works with each of the Executive owners to update the Trust Assurance Framework on a bi-monthly basis for reporting at Audit Committee, Strategic Development Committee, Quality, Safety and Performance Committee and Trust Board.

HEALTH AND CARE QUALITY STANDARDS FOR WALES

On the 1st April 2023, in line with the implementation of the Duty of Quality under the Health and Social Care (Quality and Engagement) (Wales) Act 2020, the health and care quality standards in the Duty replace the 2015 health and care standards issued under WHC (2015) 015. The introduction of the duty of quality provides an opportunity to directly align the standards not only with the duty but with wider quality management practice in health. The revised health and care quality standards will simplify the requirements and be flexible with the wide remit of the duty of quality.



The new standards set out the high-level standards that people in Wales can expect when accessing health services. They comprise six domains of quality (safe, timely, effective, efficient, equitable and person centred) supported by six quality enablers (leadership, workforce, culture, information, learning, improvement & research and whole systems approach).

The Health and Care Quality Standards provide a structure on which to implement the Duty of Quality, allowing the standards to integrate with wider Trust health systems.

GOVERNANCE AND ACCOUNTABILITY ASSESSMENT / TRUST BOARD EFFECTIVENESS

The Trust 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 in June 2024, Board members were taken through the process and following due consideration of the sources of assurance and supporting documentation, the Board were asked to consider an overall level of maturity in respect of governance and board effectiveness, based on the same criteria used in previous years. The Board concluded that its overall maturity rating in respect of Board Effectiveness / Governance, Leadership and Accountability for 2023-2024 to be **Level 4 – We have well developed plans and processes and can demonstrate sustainable improvement throughout the service**. This will continue to be reviewed as part of its ongoing review of Board Committee effectiveness and sources of assurance, in the pursuit of excellence, and as such is not limited to the annual review process.

The above assessment was informed by contributions from the Deputy Head of Internal Audit who was in attendance to present the Head of Internal Audit Opinion for 2023-2024, and support any queries arising from this. The findings of which have also helped to support the Trust's ongoing commitment to continuous improvement.

REVIEW OF EFFECTIVENESS - ADDITIONAL SOURCES OF ASSURANCE

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 2023-2024 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 and also through the independent and impartial views expressed by a range of bodies external to the Trust.

The Trust Board's considerations in making this assessment included: Good progress has been made on the first phase of the Governance, Assurance and Risk programme of work, as also evidenced through the reasonable Internal Audit report on this work; Good progress has also been made on the embedding of Duty of Quality and Candour in Trust Board culture and decision making. In order to achieve a level 5 rating, the Trust Board agreed that it would want to ensure the

phase 2 of the Governance, Assurance and Risk programme of work met the collectively agreed outcomes fully. This would include effective Trust Assurance Framework alongside Integrated Medium Term plan development; In addition, further progress needs to be made regarding new Velindre Cancer Centre Project Level governance and the Trust Board has an important role in the oversight of this development in 2024/5.

INTERNAL AUDIT OPINION AND SCORES FOR 2023 – 2024

Internal audit provides the Chief Executive as Accountable Officer and the Trust 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 areas used to frame the 2023/24 internal audit planning process were:

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

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 is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been completed.

A summary of the audits undertaken in the year and their results is outlined in the table overleaf. Improvement opportunities identified from the findings are actively being addressed by the Executive Management Board, and ongoing continued progress will be monitored via the Audit Committee by scrutiny of the Audit Action Tracker.

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> • Follow-up of Prior Year Recommendations 	<ul style="list-style-type: none"> • Governance Assurance & Risk Programme • Financial & Service Sustainability • Decarbonisation • Business Continuity • Medicines Management (agreed draft report¹) • Digital Strategy & Transformation Programme • Education Strategy • Private Patients • Recruitment & Retention • IRS Procurement • nVCC Digital Project • nVCC MIM Commercial Approval Points • nVCC MIM Planning

¹ Report content, findings and recommendations agreed with Trust management. Formal management action plan to follow.

Limited Assurance	Unsatisfactory Assurance
<ul style="list-style-type: none"> • Estates Assurance – Estate Condition • nVCC Enabling Works (b/f 22/23) 	N/A
Advisory / Non-Opinion	
N/A	

THE HEAD OF INTERNAL AUDIT OPINION FOR (2023 – 2024)

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.

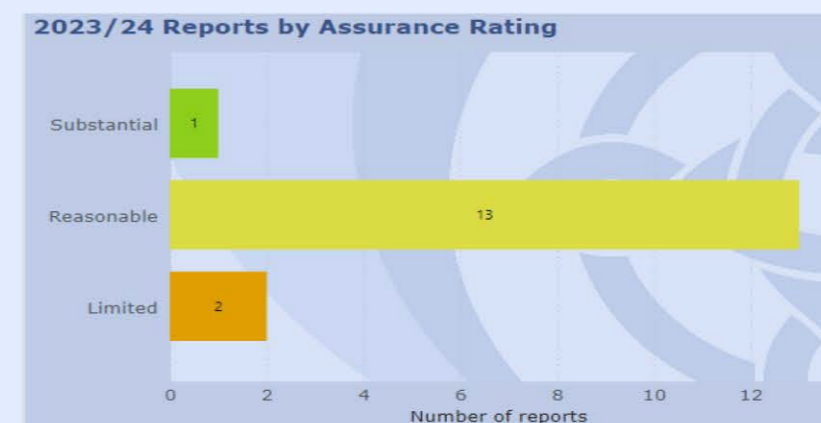
The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

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

In reaching this opinion the Head of Internal Audit identified that all reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, one was allocated Substantial assurance, thirteen were allocated Reasonable Assurance and two were allocated Limited Assurance. There were no 'no assurance' reports issued. The chart below presents the assurance ratings and the number of audits derived for each audit reported to date.

Summary of Audit Ratings



AUDIT WALES STRUCTURED ASSESSMENT 2023

The Trust's External Auditors, Audit Wales, Structured Assessment work is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness of their use of resources under section 61 of the Public Audit (Wales) Act 2004.

Audit Wales 2023 Structured Assessment work took place at a time when NHS bodies continued to not only address the ongoing challenges presented as a result of the pandemic but were also seeking to recover and transform services. This has also been compounded by a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances and workforce shortages.

The key focus of the work has been on the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on :

- Board transparency, cohesion, and effectiveness;
- Corporate systems of assurance;
- Corporate approach to planning; and
- Corporate approach to financial management.

The main conclusions of Audit Wales 2023 Structured Assessment work are summarised below:

Overall, the Trust continues to be generally well led and governed, with a clear strategic vision and priorities, improving systems of assurance, and effective arrangements for managing its finances. However, opportunities remain to further enhance public transparency of Board business, strengthen strategic risk management arrangements, and ensure corporate plans and strategies contain clear objectives and actions for all Trust functions.

Board Transparency, Effectiveness, and Cohesion:

The Board and its committees generally operate well, with an ongoing commitment to public transparency, continuous improvement and to hear from patients and donors. However, opportunities remain to further enhance certain arrangements further.

The Board remains committed to conducting its business transparently. Board meetings are live-streamed, and papers made available in advance of meetings. However, opportunities remain to further enhance transparency of Board business. This includes promoting Board meetings via social media, publishing committee agenda papers in advance of meetings, giving the public a brief summary of decisions made in private sessions, and publishing unconfirmed Board and committee minutes shortly after meetings.

There are effective arrangements to support the conduct of Board business. Board and committee meetings are well managed, with good scrutiny, challenge, and debate. However, some committees are finding it difficult to run meetings to time. Board and Committee papers often contain too much detail and do not provide enough assurance on the impact of initiatives or actions taken.

The Board promotes and demonstrates a commitment to hear from patients and donors and is stepping up activities to enable Board members to hear from service users. The Board is stable and continues to demonstrate a positive commitment to continuous improvement. However, the

Trust will need to ensure that appropriate arrangements are in place to ensure continued stability should there be changes to its Independent Member cohort.

In the Trust management response, it set out the Communication Team processes for promoting the Board meetings via the Trust's external and internal digital channels and the refresh of the Corporate Governance Manual which includes revisions to the meeting secretariat documentation and key processes to address the areas highlighted in the audit review.

Corporate Systems of Assurance:

Positive improvements have been made to key corporate systems of assurance, particularly in relation to managing performance, tracking recommendations, and responding to the new duties of quality and candour. However, progress in refreshing strategic risks has been slow, limiting the Board's ability to maintain effective oversight of them.

The Trust has continued to develop its Board Assurance Framework, but progress to refresh strategic risks has been slow. Consequently, the Board Assurance Framework has not been reviewed by the Board for more than six months. The Trust anticipates that the new template will be populated with the revised risks and associated controls and assurance in time for the November 2023 Board meeting. Improvements to information included in the Corporate Risk Register are providing better clarity about operational risks. This has drawn attention to the long-standing nature of many of the risks, and the Board wants to give more attention to the longest open risks over the coming months.

The Trust is strengthening its corporate approach to reporting, overseeing, and scrutinising organisational performance. It is looking to develop a Business Intelligence solution to help automate the collection and reporting of performance measures. The Trust has taken appropriate steps to review its compliance with the new duties of quality and candour. There are good arrangements to oversee and scrutinise progress to address audit and review recommendations.

In the Trust management response, it set out that the revisions made to the Board / Committee Report Template and the implementation of a 'How to Guide' to help report authors to focus the report content to the target audience. The inclusion of a Governance Route section in the report template provides an opportunity for the report author to include summaries of previous discussions and the resulting outcomes/actions.

Corporate Approach to Planning:

The Trust has effective arrangements for producing, overseeing, and scrutinising the development of strategies and corporate plans. However, the 2023-26 IMTP does not contain clear objectives which are supported by timescales for delivery and intended measurable outcomes in respect of cross-cutting corporate functions.

The Trust has set out a clear vision in its long-term strategy and its supporting enabling strategies. The Trust has effective corporate planning arrangements but needs to ensure that when it develops priorities for future Integrated Medium-Term Plans (IMTP), it considers the collective resources required to deliver them all rather than on an individual basis. There was good Board-level engagement throughout the development of the 2023-26 IMTP.

The 2023-26 IMTP contains clear objectives and actions, supported by timescales for delivery and intended measurable outcomes for blood and cancer services. However, the objectives for cross-cutting corporate functions are not underpinned by specific actions, and nor are they time-bound or

measurable. Progress reporting against the 2023-26 IMTP has been limited to blood and cancer services only, and progress reports have not been received by the full Board. Going forward, the Trust recognises that IMTP progress reports need to provide better narrative to explain the resulting impact of both delivered and non-delivered actions on service quality and performance.

Corporate Approach to Managing Financial Resources:

The Trust continues to have good arrangements for financial planning and managing and monitoring its financial position.

The Trust met its financial duties for 2022-2023 and is forecasting to break-even in 2023-24.

The Trust has a clear process for financial planning, with good involvement from the Board, although the development and the identification of recurrent savings plan has been a challenge. Its arrangements for controlling, overseeing, and scrutinising financial management are robust.

Improvement opportunities identified from the 2023 Structured Assessment work are actively being addressed by the Executive Management Board, and ongoing continued progress will be monitored via the Trust Audit Committee by scrutiny of the Audit Action Plan.

BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

NHS organisations must ensure that they have in place emergency plans and business continuity arrangements that takes full account of their statutory duties under the Civil Contingencies Act 2004 and Emergency Planning Guidance issued by Welsh Government. Velindre University NHS Trust (VUNHST) are required to submit a Health Emergency Planning Annual Report setting out broadly their level of compliance in meeting these requirements, activities that have occurred within both divisions (Welsh Blood Service and Velindre Cancer Service) and to submit a copy of their current major incident/emergency plan for review. The Health Emergency Planning Annual Report for 2023 is currently being postponed, a decision made by Welsh Government due to the changes to NHS Executive from 1st April, ongoing pressures due to Industrial Action and the requirement to review the annual report prior to circulating for completion.

Velindre University NHS Trust Business Continuity Audit 2023:

During 2023, the Trust was subject to a business continuity audit carried out by NHS Wales Shared Services Partnership (NWSSP) Audit & Assurance Services and achieved a reasonable assurance rating. The actions for further attention identified during the audit were for activities already captured within the Trust's Business Continuity & Emergency Preparedness Programme which continues to progress with updates being provided to Audit Committee.

Industrial Action:

The British Medical Association (BMA) industrial action has placed significant pressure on the Trust, mostly within the Velindre Cancer Service. The Trust demonstrated effective planning and response to the industrial action across all levels, including the engagement at national groups, the internal coordination via the Trust's Industrial Action Cell and both the tactical and operational management within the divisions. During the periods of planning and responding to industrial action this demonstrated and exercised the command and control, risk management, business continuity planning, collaboration, and communication arrangements across the Trust, the divisions and NHS Wales.

Exercise Pen Y Darren:

On 17th October 2023, the Trust participated via the Welsh Blood Service in a national Mass Casualty Exercise titled Exercise Pen Y Darren. This exercised the NHS Wales Mass Casualty Arrangements which the Trust has a documented role in. Internally within the Welsh Blood Service, the exercise was treated as a no notice exercise to simulate a more real live response. No blood products were physically issued during this exercise. The activation processes, operational departments response, a live incident room and colleagues participating in national clinical capacity and Strategic calls were all exercised. Debriefs have been completed to progress recommendations for continued improvement. This exercise demonstrated an effective response and provided an opportunity to exercise collaboratively across NHS Wales.

Ongoing Work Programme:

The Trust's Business Continuity and Emergency Preparedness Group continues to meet every two months to oversee and make progress on the Trust's Business Continuity and Emergency Preparedness Programme. All identified activities being assigned to operational leads with certain activities being completed, whilst operational pressures including industrial action have resulted in other activities being reprioritised. Key progress against the programme includes amongst other areas the launch of the revised Red Cell Shortage Plan to NHS Wales in March 2024 in light of lessons identified following the table top national exercise.

Training and Education:

Both the Welsh Blood Service and Velindre Cancer Service Divisions completed Tactical Emergency Management Training for relevant staff and Senior Managers.

INTEGRATED MEDIUM TERM PLAN (IMTP) 2024 / 2025 – 2026 / 2027

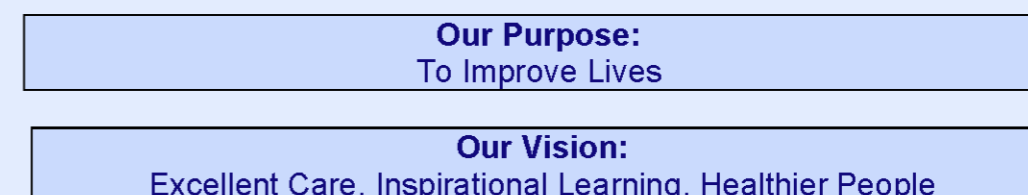
We are an ambitious organisation striving to provide services which are recognised as outstanding by the people who use them, the people who work in them and by our peer organisations.

Velindre University NHS Trust's purpose is to 'improve lives' and we have a vision of 'excellent care, inspirational learning and healthier people'.

Our guiding principles are founded upon the Well-being of Future Generations Act (Wales) 2015.

Our purpose and vision are supported by a clear set of five Strategic Goals to be achieved through a focused set of key deliverables, which provide the framework for our IMTP over the coming three years:

Destination 2033: Our View of the Future:



Our Trust Values:
Caring; Respectful; Accountable

Our Strategic Goals:

1 – Outstanding for quality, safety and experience

2 – An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed, expectations

3 – A beacon for research, development and innovation in our stated areas of priority

4 – An established University Trust which provides highly valued knowledge and training for all

5 – A sustainable organisation that plays its part in creating a better future for people

- Reports to the Equality and Human Rights Commissions' enquiries.
- Report to the Welsh Government Equalities Team.
- Integrated Equality Impact Assessments.

CONCLUSION

There has been an issue identified in the ISA 260 Report which has resulted in a qualification of the Accounts. No other significant internal control or governance issue has been identified during the financial year ended 31 March 2024 and up to the date of approval of the 2023-2024 Annual Report and Accounts.

Signed by:



Mr. Carl James
Interim Chief Executive

Date: 15 July 2024

TRUST VALUES

During 2023 / 2024 we engaged extensively in relation to our Trust values. The outcome of this engagement process has been a refresh of our previous Trust values. Our new Trust values are listed below. These will underpin how we plan all service developments across the Trust.

Caring	Respectful	Accountable
We are always kind, supportive, approachable and show compassion to all.	We seek to understand other people's perspectives. We are always open and transparent.	We always take personal responsibility for what we do and how we do it.

The NHS in Wales is a planned system and each Health Board and Trust is required to have a fully costed three-year rolling Integrated Medium Term Plan. In accordance with the set statutory duty, we have submitted our IMTP, covering the period 2024 /2025 – 2026 /22027, to the Welsh Government. This was approved by the Velindre University NHS Trust Board on 26th March 2024.

EQUALITY AND DIVERSITY

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

The control measures include:

- Trust Strategic Equality Plan and Objectives.
- Trust Gender Pay Gap Report.
- Trust Annual Equality Monitoring Report.
- Equality reports to Quality, Safety & Performance Committee on the Trust's Equality Objectives and Actions.

APPENDIX 1

**GOVERNANCE STATEMENT
TRUST BOARD, COMMITTEE, ADVISORY GROUP AND FORA
ACTIVITY 2023-2024**

The table below outlines the key highlights and activity considered by the Trust Board and its Committees during 2022-2023, 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 here: https://velindre.nhs.wales/about-us/trust-board/public-trust-board-meetings/</p>	<ul style="list-style-type: none"> 25.05.2023 27.07.2023 28.09.2023 30.11.2023 30.01.2024 26.03.2024 <p>All meetings were quorate.</p>	<p>High level summary/headlines of key topics received by the Trust Board during 2023-2024:</p> <ul style="list-style-type: none"> Chair, Vice Chair and CEO Update Reports Chair's Urgent Actions Reports Commitment of Expenditure Exceeding Chief Executive's Limit Policy Update Reports Documents 'Sealed' Reports Board Committee Highlight & Annual Reports Welsh Health Specialist Services Committee & Emergency Ambulance Services Committee Joint Committee Briefings Shared Services Partnership Committee Assurance Report Performance Reports Financial Reporting Annual Report and Accounts 2022/2023 Trust Risk Register and Trust Assurance Framework Integrated Medium Term Plan (IMTP) IMTP and Accountability Conditions Progress Delivery Reports Brachytherapy Review and Action Plan Nursing Strategy Nurse Staffing Levels (Wales) Act 2016 Radiology Informatics systems Programme Full Business Case Health Technology Wales Annual Report Board Champion Reports Memorandum of Understanding for the Operational Delivery Network (ODN) as part of the Spinal Services Operational Delivery Network for South Wales, West Wales and South Powys Annual Patient / Donor Experience Annual Report Putting Things Right Annual Report Equality, Diversity & Inclusion Annual Report Gender Pay Gap Annual Report

Meeting:	Meeting Dates:	Activity:
		<ul style="list-style-type: none"> Strategic Equality Plan Welsh Language Annual Report Professional Regulation / Revalidation Assurance Report Approval to Replace a Third Linac Velindre Oncology Academy Framework Schemes of Delegation for Major Capital Programmes Strategic Outline Case for Bone Marrow Transplant VUNHST Business Continuity and Emergency Planning Policy Health & Safety Management Annual Report Quality Impact Assessment Tool NHS Wales Shared Services Partnership Integrated Medium Term Plan Blood Establishment Computer System NHS Wales Red Cell Shortage Plan Audit Wales Structured Assessment Audit Wales Annual Audit Report Trust Values Various Matters relating to Leases for NWSSP VUNHST Food Mission Revisions to Velindre University NHS Trust Model Standing Orders and Standing Financial Instructions
Advisory Consultant Appointments Committee	<p>Panels were held:</p> <ul style="list-style-type: none"> 09.08.2023 15.02.2024 	<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 here: https://velindre.nhs.wales/about-us/audit-committee/</p>	<ul style="list-style-type: none"> 25.04.2023 26.07.2023 19.10.2023 19.12.2023 12.01.2024 12.03.2024 <p>All meetings were quorate.</p>	<p>The purpose of the Audit Committee is to:</p> <ul style="list-style-type: none"> 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. 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. The Audit Committee Annual Report which outlines the activity of the Committee for the year ending 31 December 2023 was approved by the Audit Committee on 12 March 2024 and is available on the Trust Internet site here.

Meeting:	Meeting Dates:	Activity:
<p>NHS Wales Shared Services Partnership Audit Committee (NWSSP)</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 19.04.2023 • 11.07.2023 • 10.10.2023 • 23.01.2024 <p>All meetings were quorate.</p>	<p>The purpose of the NWSSP Audit Committee is to:</p> <ul style="list-style-type: none"> • Advise and assure the Shared Services Partnership Committee (SSPC) on whether effective governance arrangements are in place through the design and operation of the SSPC assurance framework. This framework supports the SSPC in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP's objectives in accordance with the standards of good governance determined for the NHS in Wales. • The Organisation's system of internal control has been designed to identify the potential risks that could prevent NWSSP achieving its aims and objectives. It evaluates the likelihood of the risks being realised, considers the impact should they occur and seeks to manage them efficiently, effectively and economically. Where appropriate, the Committee will advise the SSPC (and Velindre NHS Trust, where appropriate) and the Accountable Officer(s) on where and how the assurance framework may be strengthened and developed further. • The Committee's Terms of Reference are reviewed annually and are included within the Standing Orders for the SSPC and Velindre University NHS Trust.
<p>Charitable Funds Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 08.06.2023 • 07.09.2023 • 12.12.2023 • 20.02.2024 <p>All meetings were quorate.</p>	<p>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 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 also receives a Highlight Report from the Charitable Funds Investment Performance Review Sub-Committee.</p> <p>The Charitable Funds Committee Annual Report for 2023, which outlines the activity of the Committee for the year ending 31 December 2023 was approved at the Committee on 25 January 2024 and is available on the Trust internet here.</p>

Meeting:	Meeting Dates:	Activity:
<p>Local Partnership Forum (LPF)</p>	<ul style="list-style-type: none"> • 07.09.2023 • 19.12.2023 • 08.03.2024 <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 Trust's workforce. <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • In written advice or, • In any other form specified by the Board. <p>The Local Partnership Forum Annual Report for 2023-2024, which outlines the activity of the Committee for the year ending 31 March 2024 is due to be received at its June 2024 meeting.</p>
<p>Quality, Safety & Performance Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 16.05.2023 • 13.07.2023 • 14.09.2023 • 16.11.2023 • 16.01.2024 • 14.03.2024 <p>All meetings were quorate.</p>	<p>The purpose of the Quality, Safety and Performance 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, safety and performance of healthcare; all aspects of workforce; digital delivery and information governance; and</p> <p>Assurance to the Board in relation to the Trust's arrangements for safeguarding and improving the quality, safety and performance of patient and service user centred healthcare, workforce matters, digital delivery and information governance in accordance with its stated objectives, legislative responsibilities and the requirements and standards determined for the NHS in Wales.</p>

Meeting:	Meeting Dates:	Activity:
		The Quality, Safety & Performance Committee Annual Report for the year ending 31 March 2024 will be approved at the July 2024 Committee.
Strategic Development Committee Meeting Agendas, Minutes and Papers are available on the Trust Internet site here :	<ul style="list-style-type: none"> 04.05.2023 06.07.2023 05.09.2023 07.11.2023 18.01.2024 21.03.2024 <p>All meetings were quorate.</p>	<p>The purpose of the Strategic Development Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and responsibilities with regard to the:</p> <ul style="list-style-type: none"> strategic direction strategic planning and related matters organisational development digital services, estates and other enabler services sustainable development and the implementation of strategy through the spirit and intention of the Well Being of Future Generations Act investment in accordance with Value-Based healthcare <p>Assurance to the Board in relation to strategic decision-making, ensuring it is supported with a robust understanding of risks in relation to the achievement of organisational goals and strategic objectives.</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 Strategic Development Committee Annual Report 2023-2024, which outlines the activity of the Committee for the year ending 31 March 2024 will be approved at its June 2024 Committee.</p>
Remuneration Committee	<ul style="list-style-type: none"> 28.06.2023 16.11.2023 14.03.2024 19.03.2024 <p>All meetings were quorate.</p>	<p>The purpose of the Remuneration Committee is to provide:</p> <ul style="list-style-type: none"> advice to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Assembly Government; and assurance to the Board in relation to the Trust's arrangements for the remuneration and terms of Service, including contractual arrangements, for <i>all staff</i>, in accordance with the requirements and standards determined for the NHS in Wales. <p>And to perform certain, specific functions on behalf of the Board.</p>

Meeting:	Meeting Dates:	Activity:
Research, Development & Innovation (RDI) Sub-Committee Meeting Agendas, Minutes and Papers are available on the Trust Internet site here :	<ul style="list-style-type: none"> 04.07.2023 19.09.2023 07.12.2023 06.02.2024 <p>All meetings were quorate.</p>	<p>The purpose of the RD&I Sub-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 Research, Development & Innovation Annual Report for 2023-2024, which outlines the activity of the Committee for the year ending 31 March 2024 is due to be received at its May 2024 meeting.</p>
Transforming Cancer Services Programme Scrutiny Sub-Committee Meeting Agendas, Minutes and Papers are available on the Trust Internet site here :	<ul style="list-style-type: none"> 20.04.2023 19.06.2023 20.07.2023 12.10.2023 26.10.2023 23.11.2023 25.01.2024 <p>All meetings were quorate.</p>	<p>The purpose of the Transforming Cancer Services (TCS) Programme Scrutiny Sub-Committee is to:</p> <ul style="list-style-type: none"> Provide assurance that the leadership, management and governance arrangements are sufficiently robust to deliver the outcomes and benefits of the programme. Scrutinise the progress of the programme and provide the Trust Board with assurance that implementation is effective, efficient and within the budget available. Undertake any other scrutiny activity relating to the TCS Programme as directed by the Trust Board or Senior Responsible Owner (SRO). Seek advice and guidance from appropriate Technical Advisors as well as the MIM Transactor (if relating to the nVCC Project) to assist the Committee with their scrutiny of the TCS Programme. Provide assurance to the Trust Board on all aspects of the TCS Programme in relation to

Meeting:	Meeting Dates:	Activity:
		<p>approvals sought on all decisions reserved for the full Board.</p> <ul style="list-style-type: none"> • Receive all audit, gateway and assurance reviews pertaining to the programme or its constituent projects and provide assurance (or otherwise) to the Trust that the programme is being delivered in accordance with all professional, financial and Trust standards. • Provide assurance to the Trust Board and support to the Senior Responsible Officer in signalling the TCS closure activities once it has met its objectives. • Where appropriate, the Committee will advise the Trust Board and the Accountable Officer on where, and how, its system of assurance in relation to the TCS Programme may be strengthened and developed further.

APPENDIX 2

BOARD MEMBER ATTENDANCE
TRUST BOARD, COMMITTEE, ADVISORY GROUP AND FORA MEETINGS 2023-2024

NAME	POSITION & AREA OF REPRESENTATION	BOARD, COMMITTEE, ADVISORY GROUP AND FORA MEMBERSHIP & RECORD OF ATTENDANCE	CHAMPION ROLE	AREAS OF EXPERTISE
Professor Donna Mead, OBE	Trust Chair	<ul style="list-style-type: none"> • Trust Board (Chair) 4/6 • Charitable Funds Committee (Chair) 4/4 • Remuneration Committee (Chair) 4/4 • Quality, Safety & Performance Committee 6/6 • Strategic Development Committee 6/6 • Research, Development & Innovation Sub-Committee 1/4 • TCS Programme Scrutiny Sub-Committee 4/7 	Trust Champion for Armed Forces and Veterans, University Trust	Higher Education, Research, the NHS and Education, Partnerships and Collaboration.
Stephen Harries	Vice-Chair	<ul style="list-style-type: none"> • Trust Board 6/6 • Strategic Development Committee (Chair) 6/6 • TCS Programme Scrutiny Sub-Committee (Chair) 6/7 • Quality, Safety & Performance Committee 4/6 • Remuneration Committee 4/4 	Digital and Mental Health	Information Governance, Information Management and Technology.
Gareth Jones	Independent Member	<ul style="list-style-type: none"> • Trust Board 6/6 • Strategic Development Committee 6/6 • Audit Committee (Chair) 6/6 • NWSSP Audit Committee (Chair) 4/4 • TCS Programme Scrutiny Sub-Committee 6/7 • Remuneration Committee 1/4 	Patient Information and Welsh Language.	Legal

NAME	POSITION & AREA OF REPRESENTATION	BOARD, COMMITTEE, ADVISORY GROUP AND FORA MEMBERSHIP & RECORD OF ATTENDANCE	CHAMPION ROLE	AREAS OF EXPERTISE
Hilary Jones	Independent Member	<ul style="list-style-type: none"> Trust Board 5/6 Quality, Safety & Performance Committee 6/6 Charitable Funds Committee 3/4 Charitable Funds Investment Performance Review Sub-Committee 2/2 TCS Programme Scrutiny Sub-Committee 7/7 	Patient Engagement & Experience, Sustainable Development and Design.	Estates and Planning
Vicky Morris	Independent Member	<ul style="list-style-type: none"> Trust Board 5/6 Quality, Safety & Performance Committee (Chair) 6/6 Audit Committee 6/6 NWSSP Audit Committee 4/4 Research, Development & Innovation Sub-Committee 3/4 	Infection Prevention, Vulnerability and Violence & Aggression.	Quality and Safety
Martin Veale (left 31/01/2024)	Independent Member	<ul style="list-style-type: none"> Trust Board 3/4 Charitable Funds Committee 2/3 Charitable Funds Investment Performance Review Sub-Committee (Chair) 1/2 Audit Committee 2/5 Remuneration Committee 3/4 NWSSP Audit Committee (Chair) 2/4 	Hosted Organisations and Performance Framework.	Finance, Audit and Governance
Professor Andrew Westwell	Independent Member	<ul style="list-style-type: none"> Trust Board 6/6 Research, Development & Innovation Sub-Committee (Chair) 4/4 Strategic Development Committee 6/6 	Research, Development & Innovation.	University Representative

NAME	POSITION & AREA OF REPRESENTATION	BOARD & COMMITTEE MEMBERSHIP & RECORD OF ATTENDANCE	LEAD FUNCTION
Steve Ham	Chief Executive	<ul style="list-style-type: none"> Trust Board 6/6 Quality, Safety & Performance Committee 1/6 Strategic Development Committee 4/6 Charitable Funds Committee 3/4 Charitable Funds Investment Performance Review Sub-Committee 0/2 Remuneration Committee 3/4 Research, Development & Innovation Sub-Committee 1/4 TCS Programme Scrutiny Sub-Committee 6/7 Local Partnership Forum 1/5 	Chief Executive Accountable Officer
Carl James	Executive Director of Strategic Transformation, Planning, and Digital	<ul style="list-style-type: none"> Trust Board 6/6 Quality, Safety & Performance Committee 3/6 Strategic Development Committee 5/6 TCS Programme Scrutiny Sub-Committee 5/7 Audit Committee (Acting CEO) 1/1 Remuneration Committee (Acting CEO) 1/1 	Strategic Transformation, Planning, Digital & Estates.
Jacinta Abraham	Executive Medical Director	<ul style="list-style-type: none"> Trust Board 4/6 Research, Development & Innovation Sub-Committee 3/4 Quality, Safety & Performance Committee 6/6 TCS Programme Scrutiny Sub-Committee 3/7 Strategic Development Committee 4/6 Charitable Funds Committee 0/4 Audit Committee 0/6 	Medical Director and Research

MINISTERIAL DIRECTIONS AND WELSH HEALTH CIRCULARS

NAME	POSITION & AREA OF REPRESENTATION	BOARD & COMMITTEE MEMBERSHIP & RECORD OF ATTENDANCE	LEAD FUNCTION
Matthew Bunce	Executive Director of Finance	<ul style="list-style-type: none"> Trust Board 5/6 Audit Committee 5/6 NWSSP Audit Committee 4/4 Quality, Safety & Performance Committee 6/6 Strategic Development Committee 6/6 Charitable Funds Committee 3/4 TCS Programme Scrutiny Sub-Committee 6/7 Charitable Funds Investment Performance Review Sub-Committee 2/2 Research, Development & Innovation Sub-Committee 4/4 Local Partnership Forum 2/5 	Finance and Charitable Funds
Sarah Morley	Executive Director of Organisational Development & Workforce	<ul style="list-style-type: none"> Trust Board 6/6 Quality, Safety & Performance Committee 5/6 Strategic Development Committee 3/6 Remuneration Committee 4/4 TCS Programme Scrutiny Sub-Committee 4/7 Local Partnership Forum (Chair) 5/5 	Organisational Development and Workforce
Nicola Williams	Executive Director of Nursing, Allied Health Professionals and Health Science	<ul style="list-style-type: none"> Trust Board 6/6 Quality, Safety & Performance Committee 6/6 Strategic Development Committee 4/6 TCS Programme Scrutiny Sub-Committee 3/7 Research, Development & Innovation Sub-Committee 3/4 Charitable Funds Committee 2/4 Local Partnership Forum 1/5 	Quality & Safety, Safeguarding, Infection Prevention & Control, professional lead for nursing, Allied Health Professionals and Healthcare Scientists.

Ministerial Directions	Date/Year of Adoption	Executive Lead(s)	Status
WG24-09 The National Health Service (Wales Eye Care Services) (Wales) (No. 2) Directions 2024	28 March 2024	Director of Finance and Deputy Director Primary Care Services Shared Services Partnership	This Ministerial Direction has been enacted.
WG24-08 The Wales Infected Blood Support Scheme (amendment) Directions 2024	27 March 2024	Chief Operating Officer	This Ministerial Direction has been enacted.
2016 No. (W.) The National Health Service (Wales) Act 2006 The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)	05 January 2024	National WGOS Clinical Lead” means a person who is employed by Velindre University NHS Trust with responsibility for providing clinical leadership and support in relation to national optometric services;	This Ministerial Direction has been enacted.
2016 No.10 The National Health Service (Wales) Act 2006 The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)	05 January 2024	National WGOS Clinical Lead” means a person who is employed by Velindre University NHS Trust with responsibility for providing clinical leadership and support in relation to national optometric services;	This Ministerial Direction has been enacted.
2016 No.10 The National Health Service (Wales) Act 2006 The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)	26 October 2023	National WGOS Clinical Lead” means a person who is employed by Velindre University NHS Trust with responsibility for providing clinical leadership and support in relation to national optometric services;	This Ministerial Direction has been enacted.

Ministerial Directions	Date/Year of Adoption	Executive Lead(s)	Status
2016 No. (W.) The National Health Service (Wales) Act 2006 The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)	26 October 2023	National WGOS Clinical Lead” means a person who is employed by Velindre University NHS Trust with responsibility for providing clinical leadership and support in relation to national optometric services;	This Ministerial Direction has been enacted.
WG23-47: The National Health Service (Wales Eye Care Services) (Wales) Directions 2023	26 October 2023	National WGOS Clinical Lead” means a person who is employed by Velindre University NHS Trust with responsibility for providing clinical leadership and support in relation to national optometric services;	This Ministerial Direction has been enacted.
WG23-09: The Duty of Candour statutory guidance 2023	01 April 2023	Executive Director of Nursing, Therapies, Allied Health Professions and Health Science	This Ministerial Direction has been enacted.

Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
WHC/2024/012: Nursing preceptorship and restorative clinical supervision: position statement	21 March 2024	Executive Director of Nursing, Allied Health Professions and Health Science and Executive Director of Organisational Development and Workforce	This Welsh Health Circular has been enacted
WHC/2024/02: Standards for Competency Assurance of Non-Medical Prescribers in Wales	8 March 2024	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2024/004: Sterile preparation of medicine in NHS Wales	12 February 2024	Chief Operating Officer and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted

Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
WHC/2024/009: COVID-19 spring booster 2024	8 February 2024	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2024/001: Changes to getting COVID-19 tests and treatment for people at most risk	11 January 2024	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/048: Health Board Allocations for 2024 to 2025	8 January 2024	Chief Executive and Executive Director of Finance	This Welsh Health Circular has been enacted
WHC/2023/047: Influenza vaccines and eligible cohorts for the 2024 to 2025 season	21 December 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/046: All-Wales control framework for flexible workforce capacity	13 December 2023	Executive Director of Organisational Development and Workforce	This Welsh Health Circular has been enacted
WHC/2023/044: Change to the influenza (flu) vaccination programme 2023 to 2024	11 December 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/043: Vaccination of healthcare staff to protect against measles	14 December 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/039: Independent authorisation of blood component transfusion (IABT) - 2023 to 2026	27 November 2023	Executive Medical Director and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/037: Patient testing framework for autumn/winter 2023	26 September 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/036: NHS Wales speaking up safely framework	15 September 2023	Executive Director of Organisational Development and Workforce	This Welsh Health Circular has been enacted
WHC/2023/035: Health workers with bloodborne viruses (BBV), and TB clearance	3 November 2023	Executive Director of Organisational Development and Workforce	This Welsh Health Circular has been enacted

Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
WHC/2023/33: COVID-19 vaccine products	4 September 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/032: Amendments to Model Standing Orders and Model Standing Financial Instructions – NHS Wales	24 October 2023	Director of Corporate Governance and Chief of Staff	This Welsh Health Circular has been enacted
WHC/2023/008: Advice on tissue and cell donation	25 September 2023	Chief Operating Officer	This Welsh Health Circular has been enacted
WHC/2023/31: Healthcare associated infections and antimicrobial resistance improvement goals 2023 to 2024	22 August 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/30: New 2023 National Safety Standards for Invasive Procedures (NatSSIPS2)	22 August 2023	Executive Medical Director and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/029: Winter respiratory vaccination programme 2023 to 2024	21 August 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/028: Withdrawal of WHC/2019/042 regarding annual quality statements	1 August 2023	Director of Corporate Governance and Chief of Staff and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/026: NHS framework for research and development	31 July 2023	Executive Medical Director	This Welsh Health Circular has been enacted
WHC/2023/023: The National Influenza Immunisation Programme 2023 to 24	22 June 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted

Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
WHC/2023/022: Armed Forces Covenant healthcare priorities	22 June 2023	Executive Medical Director and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/021: Consent for examination or treatment: update	8 August 2023	Executive Medical Director and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC 2023/019: In support of prevention of suicide and self-harm	9 June 2023	Executive Medical Director and Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/018: Introduction of HL7 FHIR as a foundational standard in all NHS Wales Bodies	14 June 2023	Executive Director of Strategic Transformation, Planning and Digital	This Welsh Health Circular has been enacted
WHC/2023/017: Patient safety incident reporting and management	15 May 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/016: HPV immunisation programme update	12 May 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/015: COVID-19 vaccination observation periods/ vaccination following recovery from COVID-19	9 May 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/013: Health and Care Quality Standards 2023	17 May 2023	Executive Director of Nursing, Allied Health Professions and Health Science	This Welsh Health Circular has been enacted
WHC/2023/012: NHS Wales financial monitoring returns, 2023 to 2024	2 May 2023	Executive Director of Finance	This Welsh Health Circular has been enacted

FINANCIAL ACCOUNTABILITY REPORT

The Trust continues to operate in a challenging financial environment, like all organisations in NHS Wales. During 2023/2024, the Trust was mostly able to meet the growing demand for its services whilst still in recovery from the Covid pandemic, despite significant financial challenges due to system wide and Trust specific cost pressures, along with high levels of price inflation. Despite these challenges, the Trust was able to achieve all three financial targets set by Welsh Government in 2023/2024 and implement opportunities to make efficiency savings and reductions in costs whilst maintaining or improving the quality and safety of services.

The Trust submitted a balanced financial plan in its 2023/2024 to 2025/2026 Integrated Medium Term Plan. The plan includes a significant amount of financial risk and challenges due to several major strategic developments as part of the Trust's transformation programme. In addition, there are other significant cost and service pressures including the cost of implementing additional capacity to deal with rising demand. Delivery of the key target of revenue expenditure remaining within income will therefore be difficult to achieve in 2024/2025, and the foreseeable future.

The Trust remains committed to providing high value, quality, and safe care with the best possible outcomes for its patients, while striving to deliver this through efficient and effective services. Therefore, seeking opportunities to make efficiency savings and identify recurring reductions in costs while maintaining or improving will continue to be a priority focus for the organisation.

FINANCIAL TARGETS

The Trust has met all three of its financial targets for the year ended 31st March 2024:

Breakeven Duty: The Trust achieved a revenue surplus of £0.042m in 2023/2024 (2022/2023: surplus of £0.076m; 2020/2021 surplus of £0.041m), resulting in a surplus of £0.159m over a three-year period. The Trust has therefore achieved its statutory financial duty to achieve financial breakeven over a rolling three-year period.

Duty to prepare a three-year Integrated Plan: The Trust submitted a 2023-2026 integrated plan on the 31st March 2023 in accordance with the planning framework which was approved by the Minister for Health & Social Services on the 12th September 2023 and has therefore met its statutory duty to have an approved financial plan.

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 96.8% (2022/2023: 95.6%) 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 temporarily removed this target in 2019/2020, in response to the pandemic, and are expected to reintroduce it in 2024/2025.

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 2023/2024 the Trust has remote contingent liabilities of £84m (2022/2023: £103m) 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

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	£000	£000	£000	£000	£000
Total Revenue	572,885	848,405	1,044,074	961,179	1,075,091
Pay	182,683	242,072	294,020	404,977	437,084
Non Pay	373,016	587,320	738,544	551,840	636,051
Depreciation	17,186	17,554	10,222	11,860	13,494
Total Expenditure	572,885	846,946	1,042,786	968,677	1,086,629
Non-operating revenue and costs	263	(207)	(953)	10,324	13,891
Total consolidated surplus / (deficit)	41	1,222	(203)	76	259

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:

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	£000	£000	£000	£000	£000
Surplus / (deficit) excluding charitable fund and donated assets	24	38	41	76	42

Notes

- During 2019/2020, two new All-Wales services were established within NWSSP - the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.
- During 2020/2021 a new All-Wales service was established within NWSSP – the Collaborative Bank Partnership; and two existing services commenced expansion – the Single Lead Employer Scheme and the General Medical Practice Indemnity Scheme to include the first phased intake to the Existing Liability Scheme.
- 2021/2022 saw the NHS Wales Informatics Service (NWIS), transition out of the Trust on 1st April 2021 to the newly established Special Health Authority, Digital Health & Care Wales (DHCW). NWSSP continued expansion of the Single Lead Employer Scheme and established a new service – the All-Wales Laundry Service.
- During 2022/2023 NWSSP completed a phased rollout of all core and specialty medical trainees in NHS Wales via the Single Lead Employer Scheme.

- The five year increase trend in pay costs that have been reported in the accountability report relate mainly to the SLE staff increases year on year. These are offset by an income received from Health boards. The increase in costs from 2019/2020 to 2023/2024 are £254m with around £234m relating to SLE increase in costs over 5 years.

MODERN SLAVERY ACT 2015 TRANSPARENCY IN SUPPLY CHAINS STATEMENT 2023/2024

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 its supply chains during the year ending 31st March 2024.

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 chains.

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.

The Trust takes the following steps, 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.
- 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 range of workforce policies e.g. Respect and Resolution Policy, Grievance Policy, Dignity at Work Procedure, Violence, Domestic Abuse and Sexual Violence in the Workplace; etc. Our policies enable our employees 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.

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.

Anti-Terrorism

In the last reporting period, the Board undertook anti-terrorism training under the PREVENT scheme. With the addition of new Board members during 2024 onwards the training will be repeated.

REMUNERATION AND STAFF REPORT

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 Chief Operating Officer and the Director of Corporate Governance and Chief of Staff. Full details of senior managers' remuneration are shown later in the table that starts on page 76.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post as at 31st March 2024 whilst the Annual Accounts (note 10.2) shows the average number of operational employees during the year.

The details of the Remuneration Relationship are reported on page 76 of the Accountability Report 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 and Terms of Service Committee are captured on pages 7-13 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. 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 has been one payment to a former senior member of staff during the year.

STAFF COMPOSITION BY SEX

A breakdown of the workforce by sex is set out in the table below. This figure represents the composition as at 31st March 2024. To note it excludes those in Bank, Locum and Honorary positions.

Sex	Headcount	FTE*	% of Headcount
Female	1,291	1,119.94	73.94
Male	455	430.09175	26.06
Grand Total	1,746	1,547.03	100%

*FTE – Full-time Equivalent

A breakdown of the Trust Executive Directors and Senior Managers by sex is set out in the table below. This figure represents the composition as at 31st March 2024. The data confirms that there are more female than male Trust Executive Directors and Senior Managers. Female employees are employed in five out of the eight Trust Executive Directors and Senior Manager posts.

Job Title	Sex	Headcount	FTE*	% of Headcount
Chief Executive Officer	Male	1	1	14.29
Executive Director of Finance	Male	1	1	14.29
Executive Medical Director	Female	1	1	14.29
Executive Director of Nursing, AHP and Healthcare Science	Female	1	1	14.29
Executive Director of Organisational Development & Workforce	Female	1	1	14.29
Executive Director of Strategic Transformation, Planning & Digital	Male	1	1	14.29
Director of Corporate Governance & Chief of Staff	Female	1	1	14.29
Grand Total		7	7	100
	Male	3		42.86
	Female	4		57.14

STAFF COMPOSITION BY STAFF GROUP

During 2023/2024 the average full time equivalent (FTE) number of operational staff permanently employed by the Trust was 3,752. 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 Operational Employees

Staff Group	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee	Other Staff	2023/2024 Total	2022/2023 Total
Administrative, Clerical and Board Members	2,101	9	15	0	41	2,166	2,121
Medical and Dental	85	0	1	34	6	126	121
Nursing and Midwifery Registered	203	1	0	0	2	206	213
Professional, Scientific and Technical Staff	85	0	1	0	2	88	78
Additional Clinical Services	248	0	3	0	3	254	243

Staff Group	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee	Other Staff	2023/2024 Total	2022/2023 Total
Allied Health Professionals	150	2	3	0	0	155	147
Healthcare Scientists	148	0	2	0	7	157	165
Estates and Ancillary	526	2	24	0	45	597	625
Students	3	0	0	0	0	3	5
Total	3,549	14	49	34	106	3,752	3,718

SICKNESS ABSENCE DATA 2023/2024

Report	2023/24	2022/23	Variance
Total Days Lost FTE (Long Term):	18994.79	21443.03	-2,448
Total Days Lost FTE (Short Term):	9084.34	10838.28	-1,754
Total Days Lost:	28079.13	32281.31	-4202.18
Average Staff Employed in the Period – FTE	1474.9	1412.47	62.43
Average Working Days Lost (FTE):	19.04	22.85	-3.816521
Total Staff Employed in Period: (HC)	1746	1615	131
Total Staff Employed in Period with No Sickness Absence (Headcount):	664	562	102
Percentage Staff with No Sick Leave:	38.03	34.8	3.23

The Workforce team work with Divisions to manage the wellbeing of staff and sickness absence. Monthly performance reports are developed for Divisions and Executive colleagues to monitor sickness and COVID sickness absence. Interventions to support managers are aligned to reasons for sickness to ensure effective interventions that support staff. Regular sickness audits are undertaken, and manager drop in session are available to support managers in ensuring staff are encouraged back to work.

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 (EAP), which family members can also access for free.

The top reason for sickness absence across the Trust continues to be psychological ill health. To provide staff with appropriate and additional support in an unprecedented year, the Trust has focused on interventions to support the psychological wellbeing of our staff. This has included drop in session with our wellbeing team as well as on-site support from our EAP service. As part of our Health and Wellbeing plan we are training mental health first aid champions and run a number of staff networks to support staff.

STAFF POLICIES

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.

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 pages 7-13 the senior management team consists of the Chief Executive, the Executive Directors, and the Independent Members (Non-Executive Directors), the Chief Operating Officer, and the Director of Corporate Governance and Chief of Staff.

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

Name and Title	2023/2024					2022/2023				
	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	160-165	0	0	0	160-165	150-155	0	0	12	160-165
Matthew Bunce Executive Director of Finance	115-120	0	0	0	115-120	115-120	0	0	35	150-155
Jacinta Abraham Executive Medical Director ¹	125-130	30-35	0	0	160-165	120-125	30-35	0	8	155-160
Nicola Williams Executive Director of Nursing, AHP and Healthcare Scientists	135-140	0	0	0	135-140	115-120	0	0	9	120-125
Sarah Morley Executive Director of Organisational Development and Workforce	110-115	0	0	0	110-115	100-105	0	0	18	115-120
Carl James Executive Director of Strategic Transformation, Planning, and Digital ²	130-135	0	6	0	130-135	125-130	0	4	0	125-130

Name and Title	2023/2024					2022/2023				
	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)
Catherine O'Brien Chief Operating Officer ^{2,3}	125-130	0	40	0	130-135	125-130	0	4	12	135-140
Lauren Fear Director of Corporate Governance & Chief of Staff	95-100	0	0	25	120-125	90-95	0	0	23	115-120

Notes:

- Other remuneration for J Abraham relates to clinical responsibilities.
- Benefits in kind for C James and C O'Brien relate to the use of a Trust lease car and taxable mileage payments.
- C O'Brien left the Trust on the 03/03/2024 and received a settlement package of £40k, which is included in Note 10.5 to the Annual Accounts.
- Four officers received payments during the year for the sale of 2022/2023 annual leave. These include S Ham £5.4k, C O'Brien £7.9k, N Williams £4.6k and S Morley £2.3k.
- S Ham, M Bunce, J Abraham, N Williams and S Morley are affected by the Public Service Pensions Remedy and their membership between 1st April 2015 – 31st March 2022 was moved back into the 1995/2008 Scheme on the 1st October 2023. Negative values are not disclosed in this table but are substituted with a zero.
- Nicola Williams received salary backdated to September 2021 totalling £9.9k following job evaluation.
- Sarah Morley has been awarded salary backdated to August 2023 totalling £3.6K following job evaluation.

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) –
SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)**

Name and Title	2023/2024					2022/2023				
	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, Chair	40-45	0	0	0	40-45	40-45	0	0	0	40-45
Stephen Harries, Vice Chair	30-35	0	0	0	30-35	30-35	0	0	0	30-35
Martin Veale, Independent Member ¹	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Gareth Jones, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Hilary Jones, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Andrew Westwell, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Vicky Morris, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10

Note:

1. Martin Veale left the Trust on the 31/01/2024

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

Name and Title	Accrued pension at pension age as at 31 March 2024 and related lump sum (bands of £5,000)	Real increase in pension and related lump sum at pension age (bands of £2,500)	Cash Equivalent Transfer Value at 31 March 2024	Cash Equivalent Transfer Value at 31 March 2023	Real increase in Cash Equivalent Transfer Value	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	£000
Steve Ham Chief Executive ¹	5-10	0	117	48	64	0
Matthew Bunce Executive Director of Finance	185-190	20-22.5	1,183	930	160	0
Jacinta Abraham Executive Medical Director	195-200	25-27.5	1,332	1,103	118	0
Nicola Williams Executive Director Nursing, AHP and Healthcare Scientists	215-220	10-12.5	1,382	1,102	168	0
Sarah Morley Executive Director of Organisational Development and Workforce2	0	0	5	694	0	0
Carl James Executive Director of Strategic Transformation, Planning & Digital	60-65	0-2.5	947	747	124	0
Catherine O'Brien Chief Operating Officer	30-35	0-2.5	574	461	61	0
Lauren Fear Director of Corporate Governance & Chief of Staff	5-10	0-2.5	96	52	38	0

Notes:

1. S Ham is over the Normal Pension Age (NPA) in the existing scheme, therefore a CETV calculation is not applicable. The CETV relates to the 2015 Scheme only. S Ham retired and returned to work on the 31st October 2023.
2. S Morley retired and returned to work on the 1st February 2024.

As Independent Members do not receive pensionable remuneration, there are no entries in respect of pensions for Independent Members.

The 2023/24 pay award for those on Executive and Senior terms and conditions of service was not agreed until after the deadline for the submission of 'Greenbury' requests to the NHS Business Services Authority. Therefore, the pension information provided excludes the impact of the 5% award.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2023-24 CETV figures.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2023/2024 exit packages were approved for 7 staff with a value of £266,641 (2022-2023, 4 staff with a value of £83,029). £69,039 exit costs were paid in 2022/2023, the year of departure (2022/2023, £158,903). These packages were paid in accordance with recognised NHS terms and conditions of service/Trust Policy. One of the exit packages reported related to a senior officer. There were 4 special payments agreed in 2023/2024 totalling £61,462 (2022/2023, 3).

REMUNERATION RELATIONSHIP

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Velindre University NHS Trust in the financial year 2023/2024 was £155,000 - £160,000 (2022/2023, £150,000 - £155,000). This was: 4.9 times (2022/2023, 5.2) the median remuneration of the workforce, which was £31,766 (2022/2023, £29,383); 6 times (2022/2023, 6.2) the 25th percentile remuneration of the workforce, which was £25,780 (2022/2023, £24,069); and 3.4 times (2022/2023, 3.5) the 75th percentile remuneration of the workforce, which was £46,200 (2022/2023, £43,365).

The percentage change from the previous financial year in the remuneration of the Chief Executive was 3.3% and 7% in respect of employees taken as a whole.

In 2023/2024, 22 (2022/2023, 11) employees received remuneration in excess of the highest paid Director.

Remuneration for all staff ranged from £22,700 to £245,900 (2022/2023, £21,100 to £236,100).

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.

EXPENDITURE ON CONSULTANCY

During 2023/2024 the Trust spent £4.481m of its revenue funding on external consultancy fees (£2.759m related to the NHS Wales Shared Services Partnership); and £8.753m of its capital funding on external consultancy fees, including £8.497m related to the new hospital project (and £0.137m related 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 23rd 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 31st March 2024 for those earning more than £245 per day for the core Trust and its hosted organisations.

Table 1: Highly paid off-payroll worker engagements as at 31st March 2024, earning £245 per day or greater:

Number of existing engagements as of 31st March 2024	10
Of which, the number that have existed:	
• less than 1 year	4
• for between 1 and 2 years	1
• for between 2 and 3 years	2
• for between 3 & 4 years	1
• for 4 or more years	2

Within the total number of off-payroll engagements disclosed, no 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: All highly paid off-payroll workers engaged at any point during the year ended 31st March 2024, earning £245 per day or greater:

Number of temporary off-payroll workers engaged during the year ended 31st March 2024	37
Of which:	
• Not subject to off-payroll legislation	0
• Subject to off-payroll legislation and determined in-scope of IR35	1
• Subject to off-payroll legislation and determined as out-of-scope of IR35	36
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0

Within the total number of new off-payroll engagements disclosed, no engagements related to staff seconded from other NHS Wales Organisations.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1st April 2023 and 31st March 2024

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number 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

SENEDD CYMRU / WELSH PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of Expenditure is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority and the rules of Government Accounting.

Audit Wales has issued a qualified regularity opinion on the Trust's 2023-24 annual financial statements as the Trust incurred irregular expenditure in making a payment to a former senior staff member. Further details are provided in the Certificate and Report of the Auditor General for Wales to the Senedd and the Report of the Auditor General to the Senedd.

The Trust confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

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 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 2023/2024, the financial statements of the Trust are reporting total remote contingent liabilities of £84m.

AUDIT CERTIFICATE AND AUDITOR GENERAL FOR WALES REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED REGULARITY OPINION

The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Velindre University NHS Trust for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Velindre University NHS Trust as at 31 March 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matters described in the Basis for Qualified Regularity Opinion section of my report 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.

Basis for Qualified Opinion on regularity

The Trust made an ex-gratia payment to its former Chief Operating Officer without appropriate authority when it failed to obtain Welsh Government approval for the payment as required by paragraph 6.3.2 of the Welsh Government's Manual for Accounts for NHS bodies.

Accordingly, the Trust made irregular payments of £39,745 and I have qualified my opinion accordingly.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described

in the auditor's responsibilities for the audit of the financial statements section of my certificate. My staff and I are independent of the Trust 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 opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Velindre University NHS Trust is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. 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. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and 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 environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report 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;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on page X, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records;
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls 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; and
- assessing the Trust'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 the Directors and Chief Executive anticipate that the services provided by the Trust will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

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 a certificate 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the [audited entity's head of internal audit] and those charged with governance, including obtaining and reviewing supporting documentation relating to Velindre University NHS Trust's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals.
- Obtaining an understanding of Velindre University NHS Trust's framework of authority as well as other legal and regulatory frameworks that Velindre University NHS Trust operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Velindre University NHS Trust; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Velindre University NHS Trust's controls, and the nature, timing and extent of the audit procedures performed.

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.

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my following report.

Adrian Crompton
Auditor General for Wales

15 July 2024

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

SUBSTANTIVE REPORT

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Velindre University NHS Trust's (the Trust's) financial statements. I am reporting on these financial statements for the year ended 31 March 2024 to draw attention to one key matter for my audit. This concerns the qualification of my regularity opinion due to the Trust not complying with the Welsh Government's requirements in respect of a non-contractual payment to a former senior member of staff.

I have not qualified my 'true and fair' opinion in respect of this matter.

Qualified regularity opinion as the Trust incurred irregular expenditure in making payments to a former senior member of staff

A settlement payment of £39,745.50 was paid by the Trust during 2023-24 to a former senior member of staff. Whilst this payment has been fully disclosed within the Trust's Remuneration Report and was approved by the Trust's Remuneration Committee, it was identified that as the payment was non-contractual it should have also been approved by the Welsh Government as

required in a letter from the Director of Workforce and Corporate Business at the Welsh Government to all NHS Workforce and OD directors dated 24 May 2022 and included in Chapter 6 of the Welsh Government's Manual for Accounts for NHS bodies. Although the Trust has sought retrospective approval from the Welsh Government this has not been granted, therefore, I consider this payment of £39,745.50 to be irregular.

Adrian Crompton
Auditor General for Wales
15 July 2024

The maintenance and integrity of Velindre University NHS Trust's website is the responsibility of the Trust; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Gwasanaeth Gwaed Cymru
Welsh Blood Service

Final Annual Accounts 2023-2024



Velindre University NHS Trust

Foreword

These accounts for the period ended 31 March 2024 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Velindre University 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.

These are Group accounts showing the accounts of the Trust including those organisations hosted by it (see 'Statutory background' below), and are consolidated with the Trust's Charitable Fund of which the Trust is the Corporate Trustee.

Statutory background

The Trust was established by Statutory Instrument on 1 December 1993 with an operational date of 1 April 1994. At that time the Trust was a single specialty Trust providing only Cancer Services. Over the last 30 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 Service.

In addition to the above services, the Trust is host to two organisations. At period ended 31 March 2024, these were:

- 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.

- Health Technology Wales (HTW) which was established on 1 April 2016 and continued to receive grant funding from Welsh Government under the Efficiency through Technology Programme.

Performance Management and Financial Results

Under the National Health Service (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). These duties were amended for Local Health Boards by the National Health Services Finance (Wales) Act 2014 and a Ministerial direction placed the same statutory duties on NHS Trusts through the Welsh Health Circular WHC/2016/054, which sets out the duty to break even over a three year period.

The NHS Finance (Wales) Act 2014 came into effect from 1 April 2014 and the first assessment of the 3 year rolling financial duty took place at the end of 2016-2017.

The second duty arises as a result of the Welsh Ministers' powers to set financial objectives for the Trust under paragraph 2(2) of Schedule 4 of the National Health Service (Wales) 2006 Act. The planning requirement, which by virtue of being set as a financial objective becomes a statutory financial duty, was previously set by the Welsh Ministers and has been retained by WHC/2016/054.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023-24	2022-23	2023-24	2022-23
		£000	£000	£000	£000
		NHS Trust		Consolidated	
Revenue from patient care activities	3	607,915	540,496	607,915	540,496
Other operating revenue	4	453,301	417,245	457,263	420,683
Operating expenses	5.1	-1,074,599	-967,845	-1,068,556	-968,677
Operating (deficit)/surplus		-13,383	-10,104	-3,378	-7,498
Investment revenue	6	1,676	1,257	1,925	1,401
Other gains and losses	7	-17	3	-17	3
Finance costs	8	11,983	8,920	11,983	8,920
Consolidated Total				10,513	2,826
Retained surplus/(deficit)	2.1.1	259	76		
(including donated assets received or issued)					
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		1,344	4,826	1,344	4,826
Net gain / (loss) on revaluation of right of use assets		0	0	0	0
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
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
Net gain/(loss) on revaluation of financial assets		0	0	226	-488
Impairments and reversals		0	-1,010	0	-1,010
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial asset		0	0	0	0
Sub total		1,344	3,816	1,570	3,328
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		1,344	3,816	1,570	3,328
Total comprehensive income for the year		1,603	3,892	12,083	6,154

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31 March 2024	31 March 2023	31 March 2024	31 March 2023
		NHS Trust		Consolidated	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	210,325	155,615	210,325	155,615
Right of Use Assets	13.3	15,810	14,803	15,810	14,803
Intangible assets	14	10,893	11,194	10,893	11,194
Trade and other receivables	17.1	1,316,876	1,107,047	1,316,876	1,107,047
Other financial assets	18	0	0	5,904	5,572
Total non-current assets		1,553,904	1,288,659	1,559,808	1,294,231
Current assets					
Inventories	16.1	31,227	34,070	31,227	34,070
Trade and other receivables	17.1	530,547	565,742	530,616	565,752
Other financial assets	18	0	0	0	0
Cash and cash equivalents	19	20,956	31,136	27,881	33,735
		582,730	630,948	589,724	633,557
Non-current assets held for sale	13.2	0	0	0	0
Total current assets		582,730	630,948	589,724	633,557
Total assets		2,136,634	1,919,607	2,149,532	1,927,788
Current liabilities					
Trade and other payables	20	-229,886	-226,254	-222,563	-201,826
Borrowings	21	-1,020	-1,123	-1,020	-1,123
Other financial liabilities	22	0	0	0	0
Provisions	23	-338,517	-392,525	-338,517	-392,525
Total current liabilities		-569,423	-619,902	-562,100	-595,474
Net current assets/(liabilities)		13,307	11,046	27,624	38,083
Total assets less current liabilities		1,567,211	1,299,705	1,587,432	1,332,314
Non-current liabilities					
Trade and other payables	20	-3,330	-3,092	-3,330	-3,092
Borrowings	21	-31,785	-2,421	-31,785	-2,421
Other financial liabilities	22	0	0	0	0
Provisions	23	-1,320,849	-1,108,919	-1,320,849	-1,108,919
Total non-current liabilities		-1,355,964	-1,114,432	-1,355,964	-1,114,432
Total assets employed		211,247	185,273	231,468	217,882
Financed by Taxpayers' equity:					
Public dividend capital		155,832	131,461	155,832	131,461
Retained earnings		19,459	19,104	19,459	19,104
Revaluation reserve		35,956	34,708	35,956	34,708
Other reserves		0	0	0	0
Funds Held on Trust Reserves				20,221	9,657
Total taxpayers' equity		211,247	185,273	231,468	194,930

The financial statements were approved by the Board on 11th July 2024 and signed on behalf of the Board by:



Carl James, Interim Chief Executive and Accountable Officer

Date: 15th July 2024

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2023-24	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	FHOT Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2023-24						
Balance as at 31 March 2023	131,461	19,104	34,708	185,273	9,657	194,930
NHS Wales Transfer	0	0	0	0	0	0
RoU Asset Transitioning Adjustment	0	0	0	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0	0	0	0
Balance at 1 April 2023	131,461	19,104	34,708	185,273	9,657	194,930
Retained surplus/(deficit) for the year		259		259		259
Net gain/(loss) on revaluation of property, plant and equipment		0	1,344	1,344		1,344
Net gain/(loss) on revaluation of right of use assets		0	0	0		0
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	226	226
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		96	-96	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution		0	0	0		0
Total in year movement	0	355	1,248	1,603	226	1,829
New Public Dividend Capital received	24,462			24,462		24,462
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
PDC Cash Due but not issued	0			0		0
Other movements in PDC in year	-91			-91		-91
FHOT - Endowment					0	0
FHOT - Restricted					0	0
FHOT - Unrestricted					10,338	10,338
Balance at 31 March 2024	155,832	19,459	35,956	211,247	20,221	231,468

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2022-23	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2022-23						
Balance at 31 March 2022	112,982	15,466	30,935	159,383	7,409	166,792
NHS Wales Transfer	0	0	0	0	0	0
RoU Asset Transitioning Adjustment	0	3,519	0	3,519	0	3,519
Balance at 1 April 2022	112,982	18,985	30,935	162,902	7,409	170,311
Retained surplus/(deficit) for the year		76		76		76
Net gain/(loss) on revaluation of property, plant and equipment		0	4,826	4,826		4,826
Net gain/(loss) on revaluation of right of use assets						
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	-488	-488
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	-1,010	-1,010		-1,010
Other reserve movement		0	0	0		0
Transfers between reserves		43	-43	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	119	3,773	3,892	-488	3,404
New Public Dividend Capital received	18,894			18,894		18,894
Public Dividend Capital repaid in year	-415			-415		-415
Public Dividend Capital extinguished/written off	0			0		0
PDC Cash Due but not issued						
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					2,736	2,736
Balance at 31 March 2023	131,461	19,104	34,708	185,273	9,657	194,930

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

Note	2023-24 £000	2022-23 £000	2023-24 £000	2022-23 £000	
Cash flows from operating activities					
Operating surplus/(deficit)	SOCI	-13,383	-10,104	-3,378	-7,498
Movements in working capital	30	-153,094	-56,728	-158,889	-59,216
Other cash flow adjustments	31	281,473	199,189	281,473	199,189
Provisions utilised		-110,257	-117,852	-110,257	-117,852
Interest paid		-90	-40	-90	-40
Net cash inflow (outflow) from operating activities		4,649	14,465	8,859	14,583
Cash flows from investing activities					
Interest received		1,676	989	1,925	1,133
(Payments) for property, plant and equipment		-37,582	-28,993	-37,582	-28,993
Proceeds from disposal of property, plant and equipment		17	3	17	3
(Payments) for intangible assets		-1,871	-3,103	-1,871	-3,103
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	-5,022	-1,158
Proceeds from disposal of financial assets		0	0	4,889	783
Net cash inflow (outflow) from investing activities		-37,760	-31,104	-37,644	-31,335
Net cash inflow (outflow) before financing		-33,111	-16,639	-28,785	-16,752
Cash flows from financing activities					
Public Dividend Capital received		24,462	18,894	24,462	18,894
Public Dividend Capital repaid		0	-415	0	-415
Loans received from Welsh Government		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans received		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		0	0	0	0
Capital element of payments in respect of on-SoFP PFI		0	0	0	0
Capital Element of payments in respect of Right of Use Assets		-1,531	-1,108	-1,531	-1,108
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
Net cash inflow (outflow) from financing activities		22,931	17,371	22,931	17,371
Net increase (decrease) in cash and cash equivalents		-10,180	732	-5,854	619
Cash [and] cash equivalents at the beginning of the financial year	19	31,136	30,404	33,735	33,116
Cash [and] cash equivalents at the end of the financial year	19	20,956	31,136	27,881	33,735

The notes on pages 6 to 75 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of 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 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the 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.

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 is 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 from 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 their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

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

- 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 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive 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 (EUUV).

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.

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 development costs and technological advances.

1.8 Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the 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.

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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The Trust has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the Trust has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16. Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16. There are further expedients or election that have been employed by the Trust in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.14 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The Trust is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the Trust has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The Trust as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the Trust applies a revised rate to the remaining lease liability.

Where existing leases are modified the Trust must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the Trust.

1.11.2 The Trust as lessor (where relevant)

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where the Trust is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the Trust has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12 Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Where inventories are not subject to high turnover levels, stocks are valued at current purchase price as an approximation to net realisable value and fair value.

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. 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 participating NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2022-23. The WRPS is hosted by the 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.

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.

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 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 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 VAT does not apply and input VAT 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 VAT 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.

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. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the WRPS.

1.25 Provisions for legal or constructive obligations for clinical negligence, personal injury & defence costs

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 lump sum element (total damages less the value of any PPO arrangement for annual payments over the life of the claimant) 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.

Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement:

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision* 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 -0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%-94% respectively are held as a provision on the Trust's 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 estimated 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 4.26% (2022/2023: 3.27%) is applied to the RPI proportion of the lump sum estimate using the retail price index (RPI) inflation rates of 4.75% for Year 1, 2.95% for Year 2 and 3.15% for Year 3.

The RPI rates have been calculated by reference to CPI for general provisions, with a 1.15% margin added to CPI indices to the period to 31st January 2030 and 0.1% thereafter. These are the rates recommended by the Government's Actuary's Department in lieu of published RPI rates which were omitted from the December 2023 HMT Public Expenditure System (PES) paper. The remainder is discounted by applying the Annual Survey of Hours and Earnings (ASHE) nominal discount rate of 2.05% (1.9% 2022) with the underlying RPI rates for Years 1 – 3 as above.

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 2023-2024, the nominal short, medium, long and very long term rates are: 4.26% (0-5 years), 4.03% (+5-10 years), 4.72% (+10-40 years), and 4.40% (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 4.75% has been used for Year 1, 2.95% for Year 2, 3.15% for the period up to and including 31st January 2030 and 2.10% thereafter.

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 -2.7% for Year 1 has been applied, -0.9% for Year 2, -1.05% for the period up to and including 31st January 2030 and -0.05% thereafter. The probabilities of survival for each claimant are based on estimated life expectancy, agreed by medical experts in each case.

1.26 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities will be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined will be included.

1.27 Private Finance Initiative (PFI) transactions (included those funded by MIMs)

The Trust has one MIMs funded arrangement.

1.28 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.

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.

1.29 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.

1.30 Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM:

IFRS14 Regulatory Deferral Accounts - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.31 Accounting standards issued that have been adopted early

During 2023-24 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.32 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.

1.33 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’.

1.34 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.35 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.

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			2021-22 to 2023-24 Financial duty £000
	2021-22 £000	2022-23 £000	2023-24 £000	
Retained surplus / (deficit)	-203	76	259	132
Less Donated asset / grant funded revenue adjustment	244	0	-217	27
Adjusted surplus/ (Deficit)	41	76	42	159

The Trust has met its financial duty to break even over the 3 years 2021-2022 to 2023-2024.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework for the period 2023-2026 issued to Trusts placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust submitted an Integrated Medium Term Plan for the period 2023-2026 in accordance with the NHS Wales Planning Framework.

Status
Date
Approved
12/09/2023

The Trust has therefore met its statutory duty to have an approved financial plan.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

The EFL target has been suspended by Welsh Government for 2023-2024.

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:

	2023-24	2022-23
Total number of non-NHS bills paid	83,927	81,328
Total number of non-NHS bills paid within target	81,278	77,780
Percentage of non-NHS bills paid within target	96.8%	95.6%

The Trust has met the target.

3. Revenue from patient care activities	2023-24	2022-23	2023-24	2022-23
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Local health boards	107,331	95,698	107,331	95,698
Welsh Health Specialised & Emergency Ambulance				
Services Committees (WHSSC & EASC)	59,825	52,959	59,825	52,959
Welsh NHS Trusts	1,548	1,494	1,548	1,494
Welsh Special Health Authorities	2,326	2,159	2,326	2,159
Foundation Trusts	0	0	0	0
Other NHS England bodies	35	107	35	107
Other NHS Bodies	10	9	10	9
Local Authorities	0	0	0	0
Welsh Government	17,780	16,250	17,780	16,250
Welsh Government Welsh Risk Pool Reimbursements			0	
NHS Wales Secondary Health Sector	288,662	199,763	288,662	199,763
NHS Wales Primary Sector Future Liability Scheme Reimbursement	479	144	479	144
NHS Wales Redress	1,699	1,503	1,699	1,503
Other	73	0	73	0
Welsh Government - Hosted Bodies	126,101	168,350	126,101	168,350
Non NHS:				
Private patient income	2,012	2,032	2,012	2,032
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	34	28	34	28
Total	607,915	540,496	607,915	540,496

Injury Cost Recovery (ICR) Scheme income:

	2023-24	2022-23
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	23.76

4. Other operating revenue	2023-24	2022-23	2023-24	2022-23
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Income generation	1,029	549	1,029	549
Patient transport services	0	0	0	0
Education, training and research	3,305	3,877	3,305	3,877
Charitable and other contributions to expenditure	9,955	1,858	7,970	515
Incoming FHoT Revenue				
Unrestricted - donations and legacies			5,617	4,781
Restricted - donations and legacies			330	0
Receipt of Covid Items free of charge from other NHS Wales Organisations	0	0	0	0
Receipt of Covid Items free of charge from other organisations	0	0	0	0
Receipt of donations for capital acquisitions	217	0	217	0
Receipt of government grants for capital acquisitions	0	0	0	0
Right of Use Grant (Peppercorn Lease)	0	0	0	0
Non-patient care services to other bodies	1,005	931	1,005	931
Right of Use Asset Sub-leasing rental income	0	0	0	0
Rental revenue from finance leases	0	10	0	10
Rental revenue from operating leases	113	100	113	100
Other revenue:				
Provision of pathology/microbiology services	0	0	0	0
Accommodation and catering charges	326	211	326	211
Mortuary fees	0	0	0	0
Staff payments for use of cars	250	157	250	157
Business unit	0	0	0	0
Scheme Pays Reimbursement Notional	0	-169	0	-169
Other	437,101	409,721	437,101	409,721
Total	453,301	417,245	457,263	420,683
Total Patient Care and Operating Revenue	1,061,216	957,741	1,065,178	961,179

Other revenue comprises:

NHS Wales Shared Services Partnership	430,812	406,288	430,812	406,288
Other	6,289	3,433	6,289	3,433
Total	437,101	409,721	437,101	409,721

On the 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 £16.474m (2022/2023, £14.659m) is reported within the above notes, with further details provided in note 37.1.

5. Operating expenses	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
5.1 Operating expenses	NHS Trust		Consolidated	
Local Health Boards	15,758	14,484	15,758	14,484
Welsh NHS Trusts	15	18	15	18
Welsh Special Health Authorities	2,345	2,021	2,345	2,021
Goods and services from other non Welsh NHS bodies	0	0	0	0
WHSSC/EASC	0	0	0	0
Local Authorities	2	3	2	3
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Government	0	0	0	0
Other NHS Trusts	436	508	436	508
Directors' costs	1,510	1,420	1,510	1,420
Operational Staff costs	187,599	171,346	187,599	171,346
Non operational trainee staff costs	244,313	229,121	244,313	229,121
Non operational collaborative bank staff costs	537	347	537	347
Single lead employer Staff Trainee Cost	3,125	2,743	3,125	2,743
Collaborative Bank Staff Cost	0	0	0	0
Supplies and services - clinical	152,500	144,992	152,500	144,992
Supplies and services - general	66,162	83,340	66,162	83,340
Consultancy Services	4,481	3,950	4,481	3,950
Establishment	14,598	13,206	14,598	13,206
Transport	3,089	3,483	3,089	3,483
Premises	34,591	29,863	34,591	29,863
FHoT Resources expended				
Costs of generating funds			552	654
Charitable activities			755	178
Governance Costs			-21	-17
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	9,405	8,826	9,405	8,826
Depreciation (RoU Asset)	1,769	1,676	1,769	1,676
Amortisation	2,321	1,358	2,321	1,358
Impairments and reversals of property, plant and equipment	0	1,121	0	1,121
Fixed asset impairments and reversals (RoU Assets)	0	1,894	0	1,894
Impairments and reversals of intangible assets	0	348	0	348
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	259	243	280	260
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	300,581	227,983	300,581	227,983
Research and development	0	0	0	0
NWSSP centrally purchased and donated Covid assets issued free of charge to NHS Wales organisations	0	0	0	0
NWSSP centrally purchased Covid assets issued free of charge to other organisations	0	0	0	0
Expense related to short-term leases	263	369	263	369
Expense related to low-value asset leases (excluding short-term leases)	16	60	16	60
Other operating expenses	28,924	23,122	21,574	23,122
Total	1,074,599	967,845	1,068,556	968,677

On the 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 £16.474m (2022/2023, £14.659m) is reported above under the various staff cost headings. Further detail is provided in note 37.1.

Staff costs are split over a number of different headings. Operational staff costs are those staff employed by the Trust and deemed operational within it. Non-operational trainee staff costs are those trainees employed by NWSSP under the All Wales Single Lead Employer Scheme (SLE) on behalf of other NHS Wales organisations, and who are operational within those organisations rather than the Trust. Where NWSSP employ staff under the SLE scheme on behalf of the Trust, these costs are reported as Single Lead Employer Staff Trainee costs. Staff employed under another NWSSP scheme, which commenced in 2020/2021, the All Wales Collaborative Bank, are also identified separately and split between those operational within the Trust and those operational in other NHS Wales organisations. Further analysis of these costs is shown in notes 10.1 and 10.7, with details of average numbers of employees shown in notes 10.2 and 10.8.

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
Increase/(decrease) in provision for future payments:	NHS Trust		Consolidated	
Clinical negligence:-				
Secondary care	286,581	212,515	286,581	212,515
Primary care	4,483	567	4,483	567
Redress Secondary Care	1,257	2,365	1,257	2,365
Redress Primary Care	0	0	0	0
Personal injury	2,954	2,127	2,954	2,127
All other losses and special payments	-1,308	16,839	-1,308	16,839
Defence legal fees and other administrative costs	1,731	2,744	1,731	2,744
Structured Settlements Welsh Risk Pool	4,883	-9,174	4,883	-9,174
Gross increase/(decrease) in provision for future payments	300,581	227,983	300,581	227,983
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	300,581	227,983	300,581	227,983

The Clinical Negligence figure includes £1,476,917 (2022/2023, £2,149,439) in respect of payments made under Redress during 2023/2024. The Redress creditor increased by £336,000 in 2023/2024 compared to a reduction in the creditor movement of £646,000 in 2022/2023.

All other losses and special payments includes -£1,815,172 relating to the reversal of previous years' stock write-offs.

	2023-24	2022-23
	£	£
Permanent injury included within personal injury:	0	0

6. Investment revenue	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
Rental revenue :				
	NHS Trust		Consolidated	
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	1,676	1,257	1,676	1,257
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	249	144
Total	1,676	1,257	1,925	1,401

Interest received in 2023/2024 relates to the Trust's main bank account and an Escrow account established in relation to the build of the new cancer centre.

7. Other gains and losses	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Gain/(loss) on disposal of property, plant and equipment	-17	3	-17	3
Gain/(loss) on disposal other than by sale of right of use assets assets	0	0	0	0
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	0	0	0	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	-17	3	-17	3

8. Finance costs	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under Right of Use Leases	90	40	90	40
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Impact of IFRS 16 on PPP/PFI contracts	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	90	40	90	40
Provisions unwinding of discount	-9,431	-4,637	-9,431	-4,637
Periodical Payment Order unwinding of discount	-2,642	-4,323	-2,642	-4,323
Other finance costs	0	0	0	0
Total	-11,983	-8,920	-11,983	-8,920

9. Future change to SoC/Operating Leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by the Trust for properties and equipment.

Payments recognised as an expense	Low Value & Short Term	Other	TOTAL	2022-23	Low Value & Short Term	Other	2022-23
	2023-24	2023-24	2023-24	£000	2023-24	2023-24	£000
	£000	£000	£000	£000	£000	£000	£000
	NHS Trust				Consolidated		
Minimum lease payments	279	0	279	429	279	0	429
Contingent rents	0	0	0	0	0	0	0
Sub-lease payments	0	0	0	0	0	0	0
Total	279	0	279	429	279	0	429
Total future minimum lease payments	2023-24	2023-24	2023-24	2022-23	2023-24	2023-24	2022-23
Payable:	£000	£000	£000	£000	£000	£000	£000
	NHS Trust				Consolidated		
Not later than one year	52	0	52	79	52	0	79
Between one and five years	48	0	48	101	48	0	101
After 5 years	0	0	0	0	0	0	0
Total	100	0	100	180	100	0	180
Total future sublease payments expected to be received	0	0	0	0	0	0	0

The current year operating lease figures relate to low value and short term leases only.

9. Future change to SoCI/Operating Leases (continued)

9.2 Trust as lessor

During 2023/2024, NWSSP leased two areas of Matrix House to commercial entities. One of these leases was surrendered in March 2024. NWSSP continues to lease areas of Matrix House to the Welsh Ambulance Services NHS Trust and Public Health Wales NHS Trust for zero consideration and also continues to lease a laboratory area of the IP5 warehouse to Public Health Wales NHS Trust for zero consideration.

During 2023/2024 NWSSP commenced leasing areas of Cwmbran House to Digital Health Care Wales and to Public Health Wales NHS Trust. NWSSP continues to lease an area of Cwmbran House to Gwent Local Medical Committee.

Velindre Cancer Centre receives rental income in respect of the staff residence in Whitchurch, Cardiff.

Rental Revenue

Receipts recognised as income	2023-24 £000	2022-23 £000	2023-24 £000	2022-23 £000
	NHS Trust		Consolidated	
Rent	113	100	113	100
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	113	100	113	100

Total future minimum lease payments Receivable:	2023-24 £000	2022-23 £000	2023-24 £000	2022-23 £000
	NHS Trust		Consolidated	
Not later than one year	66	71	66	71
Between one and five years	199	97	199	97
After 5 years	0	0	0	0
Total	265	168	265	168

10. Employee costs and numbers

10.1 Employee costs Operational Staff	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2023-24	2022-23
						£000	£000
Salaries and wages	142,796	724	2,152	2,470	4,187	152,329	139,528
Social security costs	14,585	0	0	300	198	15,083	13,431
Employer contributions to NHS Pensions Scheme	27,195	0	0	355	379	27,929	24,034
Other pension costs	43	0	0	0	0	43	48
Other post-employment benefits	0	0	0	0	-12	-12	7
Termination benefits	267	0	0	0	0	267	83
Total	184,886	724	2,152	3,125	4,752	195,639	177,131

Of the total above:	2023-24 £000	2022-23 £000
Charged to capital		3,537
Charged to revenue	192,102	174,900
Total	195,639	177,131

Net movement in accrued employee benefits (untaken staff leave) 133 -25

Staff reported as "other" includes individuals working under NWSSP bank arrangements (£2.871m).

10.2 Average number of employees	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2023-24	2022-23
						Total	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,101	9	15	0	41	2,166	2,121
Medical and dental	85	0	1	34	6	126	121
Nursing, midwifery registered	203	1	0	0	2	206	213
Professional, scientific and technical staff	85	0	1	0	2	88	78
Additional Clinical Services	248	0	3	0	3	254	243
Allied Health Professions	150	2	3	0	0	155	147
Healthcare scientists	148	0	2	0	7	157	165
Estates and Ancillary	526	2	24	0	45	597	625
Students	3	0	0	0	0	3	5
Total	3,549	14	49	34	106	3,752	3,718

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health	2023-24	2022-23
Number		
Estimated additional pension costs £		

Please see note 10.9 for information relating to both operational and non-operational staff. The information is supplied by the NHS Pensions Agency and is not split at source.

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. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support; a financial wellbeing scheme to provide staff with access to simple financial education; salary deducted loans, and a range of savings and investment products. In 2022-2023, the Trust launched a health cash plan where staff can claim money back on everyday healthcare costs, this plan continues to be available to staff throughout 2023-2024. The Trust continue to offer a childcare subsidy scheme and a purchase of annual leave scheme.

10.5 Reporting of other compensation schemes - exit packages

	2023-24	2023-24	2023-24	2023-24	2022-23
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	Number of payments have been made where special payments Whole numbers only	Total number of exit packages Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	3	3	2	1
£25,000 to £50,000	0	3	3	2	2
£50,000 to £100,000	0	1	1	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	7	7	4	4

	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	Cost of special element included in exit packages £	Total cost of exit packages £
less than £10,000	0	0	0	0	3,178
£10,000 to £25,000	0	55,506	55,506	40,360	21,567
£25,000 to £50,000	0	121,555	121,555	85,752	58,284
£50,000 to £100,000	0	89,580	89,580	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	266,641	266,641	126,112	83,029

Exit costs paid in year of departure	Total paid in year 2023-24 £	Total paid in year 2022-23 £
Exit costs paid in year	69,039	158,903
Total	69,039	158,903

Redundancy and other departure costs have been paid in accordance with the provisions of the relevant schemes or 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 notes 10.3 & 10.9 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. The values payable to the individuals are shown. Any on-costs are excluded as they do not form part of the payment to the individual.

There were 4 special payments agreed in 2023/2024 (2022/2023, 3).

The maximum payment made during 2023/2024 was £46,007, the lowest payment made during 2023/2024 was £23,032, with the median payment being £34,519.

NWSSP have provided one off funding of £385,905 to Hywel Dda in 2023/24 to meet the cost of the VERs applications received from 10 staff as a consequence of the decision taken within NWSSP to close Glangwili Laundry from 31st March 2024. Hywel Dda have raised an invoice for these costs as was agreed by NWSSP through the Agreement of Balances process.

10.6 Fair Pay disclosures

10.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director / employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2023-24 £000	2023-24 £000	2023-24 Ratio	2022-23 £000	2022-23 £000	2022-23 Ratio
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	157	26	6.0	152.0	24.0	6.3
Median pay	157	32	4.9	152.0	29.0	5.2
75th percentile pay ratio	157	46	3.4	152.0	44.0	3.5
Salary component of total pay and benefits						
25th percentile pay ratio	157	25		152.0	24.0	
Median pay	157	29		152.0	27.0	
75th percentile pay ratio	157	44		152.0	42.0	

In 2023/2024, 22 (2022/2023, 11) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,700 to £245,900 (2023/2024, £21,100 to £236,100).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Financial year summary

The current financial year's pay ratios are not dissimilar to the previous year. The decrease in the median pay ratio is generally attributable to an increase in the banding of the remuneration of the Chief Executive.

10.6.2 Percentage Changes

	2022-23 to 2023-24 %	2021-22 to 2022-23 %
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	3.3	3.4
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances		
Performance pay and bonuses		
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	6.5	9.1
Performance pay and bonuses	0	0

The average % change from the previous financial year in respect of employees taken as a whole has decreased primarily due to a lower % increase in both the basic salary and in the sum of allowances paid.

The employees of the Trust do not receive any performance pay or bonuses.

10.7 Operational and Non Operational Employee costs

	Non operational staff			Total 2023-24	2022-23
	Operational Staff Total	SLE Trainee Staff	Collaborative Bank Staff		
	£000	£000	£000	£000	£000
Salaries and wages	152,329	194,414	475	347,218	323,124
Social security costs	15,083	23,174	25	38,282	35,699
Employer contributions to NHS Pension Scheme	27,929	26,725	37	54,691	48,118
Other pension costs	43	0	0	43	48
Other employment benefits	(12)	0	0	(12)	7
Termination benefits	267	0	0	267	83
Total	195,639	244,313	537	440,489	407,079
Charged to capital	3,537	0	0	3,537	2,231
Charged to revenue	192,102	244,313	537	436,952	404,848
	195,639	244,313	537	440,489	407,079
Net movement in accrued employee benefits (untaken staff leave)	133	0	0	133	(25)

10.8 Average number of operational and non operational employees

	Non operational staff			Total 2023-24	2022-23
	Operational Staff Total Number	SLE Trainee Staff Number	Collaborative Bank Staff Number		
Administrative, clerical and board members	2,166	1	0	2,167	2,121
Medical and dental	126	3,096	0	3,222	3,100
Nursing, midwifery registered	206	0	11	217	219
Professional, Scientific, and technical staff	88	0	0	88	78
Additional Clinical Services	254	112	0	366	356
Allied Health Professions	155	0	0	155	147
Healthcare Scientists	157	0	0	157	165
Estates and Ancillary	597	0	0	597	625
Students	3	0	0	3	5
Total	3,752	3,209	11	6,972	6,816

10.9. Retirements due to ill-health

	2023-24	2022-23
Number	5	3
Estimated additional pension costs £	463,217	189,690

Information received from the NHS Pensions Agency does not provide detail on whether the retirements related to operational or non-operational staff.

10.10 Employee benefits

The Single Lead Employer Trainees are entitled to the same employee benefits as the Velindre operational staff.

10.11 Reporting of other compensation schemes - exit packages

There have been no exit package payments for the Single Lead Employer Trainee staff, therefore the figures reported in Note 10.5 remain unchanged.

11. Pensions

PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (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 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2023-2024 tax year (2022-2023 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

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.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid in year	3,045	86,055	2,622	109,896
Total bills paid within target	2,780	76,114	2,272	104,135
Percentage of bills paid within target	91.3%	88.4%	86.7%	94.8%
Non-NHS				
Total bills paid in year	83,927	416,668	81,328	365,417
Total bills paid within target	81,278	406,978	77,780	343,678
Percentage of bills paid within target	96.8%	97.7%	95.6%	94.1%
Total				
Total bills paid in year	86,972	502,723	83,950	475,313
Total bills paid within target	84,058	483,092	80,052	447,813
Percentage of bills paid within target	96.6%	96.1%	95.4%	94.2%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2023-24	2022-23
	£	£
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

13. Property, plant and equipment :

2023-24	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
Cost at 31 March 23	21,458	66,272	272	47,487	46,775	8,504	21,438	2,159	214,365	0	214,365
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0	0	0
At 1 April 2023	21,458	66,272	272	47,487	46,775	8,504	21,438	2,159	214,365	0	214,365
Indexation	-981	2,812	17	0	0	0	0	0	1,848	0	1,848
Additions - purchased	0	1,260	0	23,740	6,804	584	2,003	203	34,584	0	34,584
Additions - donated	0	0	0	0	217	0	0	0	217	0	217
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Additions - initial recognition of MIMs funded asset	0	0	0	28,004	0	0	0	0	28,004	0	28,004
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	190	0	-1,071	881	0	0	0	0	0	0
Revaluation	0	-689	0	0	0	0	0	0	-689	0	-689
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	995	0	-995	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	0	0	0	-3,539	-86	-572	0	-4,196	0	-4,196
At 31 March 2024	20,477	70,830	289	97,165	51,138	9,003	22,869	2,362	274,133	0	274,133
Depreciation											
Depreciation at 31 March 23	0	7,782	10	0	30,130	4,763	14,852	1,213	58,750	0	58,750
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0	0	0
At 1 April 2023	0	7,782	10	0	30,130	4,763	14,852	1,213	58,750	0	58,750
Indexation	0	-17	1	0	0	0	0	0	-16	0	-16
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	-169	0	0	0	0	0	0	-169	0	-169
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	0	0	0	-3,515	-75	-572	0	-4,162	0	-4,162
Charged during the year	0	2,967	11	0	3,095	954	2,232	146	9,405	0	9,405
At 31 March 2024	0	10,563	22	0	29,710	5,642	16,512	1,359	63,808	0	63,808
Net book value											
At 1 April 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
At 31 March 2024	20,477	60,267	267	97,165	21,428	3,361	6,357	1,003	210,325	0	210,325
Net book value at 31 March 2024 comprises :											
Purchased	20,477	55,150	267	97,165	21,196	3,361	6,357	1,003	204,976	0	204,976
Donated	0	5,117	0	0	232	0	0	0	5,349	0	5,349
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2024	20,477	60,267	267	97,165	21,428	3,361	6,357	1,003	210,325	0	210,325
Asset Financing:											
Owned	20,477	60,267	267	69,161	21,428	3,361	6,357	1,003	182,321	0	182,321
On-SoFP MIMS Funded PPP contracts	0	0	0	28,004	0	0	0	0	28,004	0	28,004
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 2024	20,477	60,267	267	97,165	21,428	3,361	6,357	1,003	210,325	0	210,325
The net book value of land, buildings and dwellings at 31 March 2024 comprises :											
									£000	£000	£000
Freehold									72,030	0	72,030
Long Leasehold									8,981	0	8,981
Short Leasehold									0	0	0
Total									81,011	0	81,011
Valuers 'material uncertainty', in valuation.									0	0	0
The disclosure relates to the materiality in the valuation report not that of the underlying account.											
The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. 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.											

13. Property, plant and equipment :

2022-23	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
Cost at 31 March 23	17,756	84,488	283	29,664	43,408	7,910	21,208	1,866	206,583	0	206,583
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	-12,133	0	0	0	0	0	0	-12,133	0	-12,133
At 1 April 2022	17,756	72,355	283	29,664	43,408	7,910	21,208	1,866	194,450	0	194,450
Indexation	-327	3,696	12	0	0	0	0	0	3,381	0	3,381
Additions - purchased	0	3,056	0	17,823	4,983	686	1,915	293	28,756	0	28,756
Additions - donated	0	0	0	0	0	0	0	0	0	0	0
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	1,400	-1,400	0	0	113	0	0	0	113	0	113
Revaluation	2,629	-10,314	-23	0	0	0	0	0	-7,708	0	-7,708
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	-1,121	0	0	0	0	0	0	-1,121	0	-1,121
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	-1,729	-92	-1,685	0	-3,506	0	-3,506
At 31 March 2023	21,458	66,272	272	47,487	46,775	8,504	21,438	2,159	214,365	0	214,365
Depreciation											
Depreciation at 31 March 23	0	14,970	46	0	28,863	3,960	14,542	1,066	63,447	0	63,447
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	-910	0	0	0	0	0	0	-910	0	-910
At 1 April 2022	0	14,060	46	0	28,863	3,960	14,542	1,066	62,537	0	62,537
Indexation	0	508	0	0	0	0	0	0	508	0	508
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	45	0	0	0	45	0	45
Revaluation	0	-9,615	-46	0	0	0	0	0	-9,661	0	-9,661
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	0	0	0	-1,729	-92	-1,684	0	-3,505	0	-3,505
Charged during the year	0	2,829	10	0	2,951	895	1,994	147	8,826	0	8,826
At 31 March 2023	0	7,782	10	0	30,130	4,763	14,852	1,213	58,750	0	58,750
Net book value											
At 1 April 2022	17,756	58,295	237	29,664	14,545	3,950	6,666	800	131,913	0	131,913
At 31 March 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
Net book value at 31 March 2023 comprises :											
Purchased	21,458	53,473	262	47,487	16,615	3,741	6,583	946	150,565	0	150,565
Donated	0	5,017	0	0	30	0	3	0	5,050	0	5,050
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
Asset Financing:											
Owned	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0	0	0
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 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
The net book value of land, buildings and dwellings at 31 March 2023 comprises :											
									£000	£000	£000
Freehold									67,948	0	67,948
Long Leasehold									12,165	0	12,165
Short Leasehold											

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

The Trust received the following donated assets during the year:

Medical Equipment (P&M) £217,000

ii) Valuations

The Trust's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The 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.

The next District Valuation is due to take place during 2027/2028.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

Impairments and revaluations are shown in the body of note 13.

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

The Trust does not hold any assets for sale at the end of the financial year.

vii) Consultancy Services

The Trust capitalised a total of £8.753m of consultancy services during the financial year (including £8.497m related to the new hospital project and £137k to NWSSP).

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
Vehicle	End of life	4
Laundry Management (NWSSP)	End of life	-24
Vehicle	Write-off	2
Vehicle	End of Life	1
		<u>-17</u>

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2023	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 2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance b/f 1 April 2022	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 2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

13.3 Right of Use Assets

Quantitative disclosures

	2023-24			2022-23	
	LAND	BUILDINGS	OTHER	TOTAL	TOTAL
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	0	859	244	1,103	1,149
2-5 years	0	2,367	312	2,679	1,819
> 5 years	0	1,456	0	1,456	687
Less finance charges allocated to future periods	0	-417	-20	-437	-111
Total	0	4,265	536	4,801	3,544
Lease Liabilities (net of irrecoverable VAT)					
Current				1,020	1,123
Non-Current				3,781	2,421
Total				4,801	3,544
Amounts Recognised in Statement of Comprehensive Net Expenditure					
Depreciation				1,769	1,676
Impairment				0	1,894
Variable lease payments not included in lease liabilities - Interest expense				90	40
Sub-leasing income				0	0
Expense related to short-term leases				263	369
Expense related to low-value asset leases (excluding short-term leases)				16	60
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				-90	-40
Repayments of principal on leases				-1,531	-1,366
Total				-1,621	-1,406

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total	FHoT	Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
Cost or valuation at 31 March bf	9,026	4,902	2,932	0	0	0	16,860	0	16,860
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2023	9,026	4,902	2,932	0	0	0	16,860	0	16,860
Revaluation	0	0	0	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	1,455	0	565	0	0	0	2,020	0	2,020
- 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	-578	-234	-112	0	0	0	-924	0	-924
At 31 March 2024	9,903	4,668	3,385	0	0	0	17,956	0	17,956
Amortisation									
Amortisation at 31 March bf	3,948	592	1,126	0	0	0	5,666	0	5,666
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2023	3,948	592	1,126	0	0	0	5,666	0	5,666
Revaluation	0	0	0	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	1,389	667	265	0	0	0	2,321	0	2,321
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	-578	-234	-112	0	0	0	-924	0	-924
Accumulated amortisation at 31 March 2024	4,759	1,025	1,279	0	0	0	7,063	0	7,063
Net book value At 1 April 2023	5,078	4,310	1,806	0	0	0	11,194	0	11,194
Net book value At 31 March 2024	5,144	3,643	2,106	0	0	0	10,893	0	10,893
Net book value									
Purchased	5,144	3,643	2,106	0	0	0	10,893	0	10,893
Donated	0	0	0	0	0	0	0	0	0
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 2024	5,144	3,643	2,106	0	0	0	10,893	0	10,893

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March bf	7,907	4,321	1,342	0	0	0	13,570	0	13,570
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2022	7,907	4,321	1,342	0	0	0	13,570	0	13,570
Revaluation		0			0	0	0	0	0
Reclassifications	-113	0	0	0	0	0	-113	0	-113
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	-348	0	0	0	0	0	-348	0	-348
Additions									
- purchased	1,934	581	1,786	0	0	0	4,301	0	4,301
- 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	-354	0	-196	0	0	0	-550	0	-550
At 31 March 2023	9,026	4,902	2,932	0	0	0	16,860	0	16,860
Amortisation									
Amortisation at 31 March bf	3,304	343	1,256	0	0	0	4,903	0	4,903
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2022	3,304	343	1,256	0	0	0	4,903	0	4,903
Revaluation		0			0	0	0	0	0
Reclassifications	-45	0	0	0	0	0	-45	0	-45
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	1,043	249	66	0	0	0	1,358	0	1,358
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	-354	0	-196	0	0	0	-550	0	-550
Accumulated amortisation at 31 March 2023	3,948	592	1,126	0	0	0	5,666	0	5,666
Net book value									
At 1 April 2022	4,603	3,978	86	0	0	0	8,667	0	8,667
Net book value									
At 31 March 2023	5,078	4,310	1,806	0	0	0	11,194	0	11,194
Net book value									
Purchased	5,076	4,310	1,806	0	0	0	11,192	0	11,192
Donated	2	0	0	0	0	0	2	0	2
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 2023	5,078	4,310	1,806	0	0	0	11,194	0	11,194

14. Intangible assets

Disclosures:

i) Donated Assets

There were no intangible assets donated or received by Government Grant this financial year.

ii) Recognition

Intangible assets comprise of licences 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 notes to the accounts.

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

iii) Asset Lives

The useful economic life (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of Trust professionals and Finance staff. No intangible assets are assessed as having indefinite useful lives.

iv) Additions During the Period

Intangible additions were acquired from All Wales & Discretionary funding during the year, and have been analysed into the relevant categories.

v) Disposals During the Period

The Trust disposed of some software and licences during the year, all of which had net book values of nil.

15. Impairments

Impairments in the period arose from:	2023-24			2022-23		
	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	996	0	348
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	125	1,894	0
Other	0	0	0	0	1,010	0
Reversal of impairment	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	1,121	2,904	348
FHoT Impairments charged to operating expenses	0	0	0	0	0	0
Consolidated impairment charged to operating expenses	0	0	0	1,121	2,904	348
Analysis of impairments :						
Operating expenses in Statement of Comprehensive Income	0	0	0	1,121	1,894	348
Impairments as a result of revaluation/indexation Charged to Revaluation Reserve	0	0	0	0	1,010	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Total	0	0	0	1,121	2,904	348
FHoT Operating expenses in SoCNI	0	0	0	0	0	0
FHoT reserves	0	0	0	0	0	0
NHS Consolidated Total	0	0	0	1,121	2,904	348

16. Inventories

16.1 Inventories

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Drugs	3,172	3,384	3,172	3,384
Consumables	24,566	24,962	24,566	24,962
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	3,489	5,724	3,489	5,724
Total	31,227	34,070	31,227	34,070
Of which held at net realisable value:	0	13,011	0	13,011

DH Assets within other covered under	31 March 2024		31 March 2023	
	Capital £000	Revenue £000	Capital £000	Revenue £000
Memorandum of Understanding 1	0	0	0	0
Memorandum of Understanding 2	0	0	0	0
Memorandum of Understanding 3	0	0	0	0
	0	0	0	0

Department of Health and Social Care and National Health Commissioning Board Donated Assets

	31 March 2024		31 March 2023	
	Capital £000	Revenue £000	Capital £000	Revenue £000
At 1 April	227	0	227	0
Transferred under Memorandum of Understanding 1	0	0	0	0
Transferred under Memorandum of Understanding 2	0	0	0	0
Transferred under Memorandum of Understanding 3	0	0	0	0
Issued to NHS Wales bodies	0	0	0	0
Other Issues	0	0	0	0
AME Impairment	0	0	0	0
Returned to DH	0	0	0	0
Replacement from DH	0	0	0	0
As at 31 March	227	0	227	0

16.2 Inventories recognised in expenses

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	140,335	128,716	140,335	128,716
Write-down of inventories (including losses)	5,752	19,091	5,752	19,091
Reversal of write-downs that reduced the expense	-3,403	0	-3,403	0
Total	142,684	147,807	142,684	147,807

Of the stock balance at 31st March 2024, £16.344m relates to Covid PPE and Testing stock with the continued Welsh Government request to hold 16 weeks of PPE to provide resilience in the event of any additional Covid waves.

£0.227m of Covid equipment stock is held at 31st March 2024, all of which was donated from DHSC in 2020/2021.

The continued high value of inventories recognised as an expense in the period is reported due to (a) the quantities of PPE that have been issued from NWSSP stores during 2023/2024, however this is a reduction on the 2022/2023 values and (b) NICE and high cost drug purchases made by VCS in 2023/2024.

£5.752m of inventory write-downs/losses relate to new provisions for stock losses in future years where we anticipate we will be unable to issue the current volumes of stock prior to the expiry dates.

£3.403m of reversals are included within 2023/2024 which primarily relate to: (a) stock of Covid tests where a loss was provided for in 2022/2023 due to expiry dates, however, a new agreement has been reached with the supplier to continue to provide in date stock (£0.942m); (b) write back of stock that was previously planned for donation to Africa which Welsh Government have determined is suitable for inclusion in the pandemic stockpile (£1.811m).

17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Current				
Welsh Government	480,262	525,653	480,262	525,653
WHSSC & EASC	785	-1,754	785	-1,754
Welsh Health Boards	22,467	14,735	22,467	14,735
Welsh NHS Trusts	1,566	1,839	1,566	1,839
Welsh Special Health Authorities	2,129	2,626	2,129	2,626
Non - Welsh Trusts	48	118	48	118
Other NHS	5,624	219	5,624	219
2019-20 Scheme Pays - Welsh Government Reimbursement	170	170	170	170
Welsh Risk Pool Claim reimbursement:-				
NHS Wales Secondary Health Sector	0	68	0	68
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	5	26	5	26
Capital receivables- Tangible	0	0	0	0
Capital receivables- Intangible	0	0	0	0
Other receivables	8,539	12,866	8,515	12,811
FHoT receivable			93	65
Provision for impairment of trade receivables	-5,509	-5,448	-5,509	-5,448
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	6,975	9,831	6,975	9,831
Accrued income	7,486	4,793	7,486	4,793
Sub-total	530,547	565,742	530,616	565,752
Non-current				
Welsh Government	1,316,580	1,106,800	1,316,580	1,106,800
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Welsh Special Health Authorities	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	1	0	1
2019-20 Scheme Pays - Welsh Government Reimbursement	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	129	128	129	128
Capital receivables- Tangible	0	0	0	0
Capital receivables- Intangible	0	0	0	0
Other receivables	0	0	0	0
FHoT receivable			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	167	118	167	118
Accrued income	0	0	0	0
Sub-total	1,316,876	1,107,047	1,316,876	1,107,047
Total trade and other receivables	1,847,423	1,672,789	1,847,492	1,672,799

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 £11,603,000 (2022/2023, £9,366,000).

17.2 Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
By up to 3 months	5,743	3,827	5,743	3,827
By 3 to 6 months	608	907	608	907
By more than 6 months	5,252	4,632	5,252	4,632
Balance at end of financial year	11,603	9,366	11,603	9,366

The increase in those debts aged more than 6 months old largely relates to monies due to NWSSP for an unfulfilled PPE contract.

17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Balance at 1 April	-5,448	-5,276	-5,448	-5,276
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	32	40	32	40
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	-183	-291	-183	-291
ECL/Bad debts recovered during year	91	79	91	79
Balance at end of financial year	-5,508	-5,448	-5,508	-5,448

The value of the provision remains high as an NWSSP doubtful debt raised in March 2022 of £3.248m remains unpaid.

17.4 Receivables VAT

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Trade receivables	90	233	90	233
Other	0	0	0	0
Total	90	233	90	233

18. Other financial assets

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
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)				
Right of Use Asset Finance Sublease	0	0	0	0
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
RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure				
	2023-24	2022-23		
RoU Sub-leasing income	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)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	5,904	5,572
Available for sale at FV	0	0	0	0
Total	0	0	5,904	5,572

19. Cash and cash equivalents

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Opening Balance	31,136	30,404	33,735	33,116
Net change in year	-10,180	732	-5,854	619
Closing Balance	20,956	31,136	27,881	33,735
Made up of:				
Cash with Government Banking Service (GBS)	20,938	31,112	20,938	31,112
Cash with Commercial banks	0	0	0	0
Cash in hand	18	24	18	24
Total cash	20,956	31,136	20,956	31,136
Current investments	0	0	6,925	2,599
Cash and cash equivalents as in SoFP	20,956	31,136	27,881	33,735
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	20,956	31,136	27,881	33,735

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are:

Lease Liabilities (ROUA) £nil
 Lease Liabilities (short-term and low value leases) £nil
 PFI liabilities: £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2023-2024.

20. Trade and other payables at the SoFP Date	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	3,379	6,312	3,379	6,312
WHSSC & EASC	217	0	217	0
Welsh Health Boards	168,028	144,437	168,028	144,437
Welsh NHS Trusts	6,116	3,335	6,116	3,335
Welsh Special Health Authorities	61	1,937	61	1,937
Other NHS	890	2,553	890	2,553
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	17	4,920	17	4,920
National Insurance contributions payable to HMRC	111	5,157	111	5,157
Non-NHS trade payables - revenue	26,067	18,271	18,717	18,271
Local Authorities	82	84	82	84
Capital payables-Tangible	7,580	7,860	7,580	7,860
Capital payables- Intangible	793	1,735	793	1,735
Overdraft	0	0	0	0
FHoT payables			27	-1,476
Rentals due under operating leases	0	0	0	0
RoU Lease Liability	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
Impact of IFRS 16 on SoFP PFI contracts	0	0	0	0
Pensions: staff	5,172	4,703	5,172	4,703
Non NHS Accruals	9,423	22,952	9,423	
Deferred Income:				
Deferred income brought forward	1,998	1,167	1,998	1,167
Deferred income additions	1,713	1,458	1,713	1,458
Transfer to/from current/non current deferred income	0	-6	0	-6
Released to the Income Statement	-1,761	-621	-1,761	-621
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	229,886	226,254	222,563	201,826

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

The Non-NHS accruals figure has decreased significantly following a change in the definition of accruals within the Financial Reporting Manual. Accruals made within the financial accounts that are supported by an invoice, purchase order or contract should be treated as Non-NHS payable and those estimated based on prior information should be treated as a Non-NHS accrual.

20. Trade and other payables at the SoFP Date (cont)	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
Non-current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	2,500	2,500	2,500	2,500
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Welsh Special Health Authorities	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
RoU Lease Liability	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
Impact of IFRS 16 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	592	336	592	336
Deferred income additions	238	250	238	250
Transfer to/from current/non current deferred income	0	6	0	6
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	3,330	3,092	3,330	3,092
Total	233,216	229,346	225,893	204,918

21. Borrowings	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
Current	£000	£000	£000	£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
MIMs Funded PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities				
RoU Lease Liability	1,020	1,123	1,020	1,123
Other	0	0	0	0
Total	1,020	1,123	1,020	1,123
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
MIMs Funded PFI liabilities:				
Main liability	28,004	0	28,004	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities				
RoU Lease Liability	3,781	2,421	3,781	2,421
Other	0	0	0	0
Total	31,785	2,421	31,785	2,421

21.2 Loan advance/strategic assistance funding

	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
Amounts falling due:	£000	£000	£000	£000
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.

22. Other financial liabilities

Current	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
	NHS Trust		Consolidated	
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
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

23. Provisions WRP
2023-24

	At 1 April 2023	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 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence-										
Secondary Care	355,147	-62,730	-10,559	45,186	0	124,661	-74,886	-72,680	-9,431	294,708
Primary Care	631	0	0	0	0	4,625	-383	-155	0	4,718
Redress Secondary Care	3,122	0	-440	1	0	2,561	-970	-1,302	0	2,972
Redress Primary Care	0	0	0	0	0	13	-13	0	0	0
Personal injury	3,617	0	-167	94	0	4,009	-1,541	-2,102	0	3,910
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	5,535	0	0	899	0	3,644	-1,568	-4,412	0	4,098
Structured Settlements - WRPS	19,418	1,792	0	0	0	26,161	-20,984	-1,330	-2,642	22,415
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	0	0	0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0	0	0	0	0	0	0
Restructurings	0	0	0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0	0	0	0	0	0	0
Other Capital Provisions	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	387,470	-60,938	-11,166	46,180	0	165,674	-100,345	-81,981	-12,073	332,821
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	387,470	-60,938	-11,166	46,180	0	165,674	-100,345	-81,981	-12,073	332,821

Non Current										
Clinical negligence-										
Secondary Care	481,152	0	-13,346	-45,202	0	258,395	-8,574	-23,813	0	648,612
Primary Care	0	0	0	0	0	13	0	0	0	13
Redress Secondary Care	3	0	0	-1	0	0	0	-2	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	212	0	0	-107	0	1,145	-986	-96	0	168
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,275	0	0	-869	0	3,537	-278	-1,025	0	5,640
Structured Settlements - WRPS	621,158	60,938	0	0	0	4,639	0	-24,587	0	662,148
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	0	0	0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0	0	0	0	0	0	0
Restructurings	0	0	0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0	0	0	0	0	0	0
Other Capital Provisions	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	1,106,800	60,938	-13,346	-46,179	0	267,729	-9,838	-49,523	0	1,316,581
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,106,800	60,938	-13,346	-46,179	0	267,729	-9,838	-49,523	0	1,316,581

TOTAL										
Clinical negligence-										
Secondary Care	836,299	-62,730	-23,905	-16	0	383,056	-83,460	-96,493	-9,431	943,320
Primary Care	631	0	0	0	0	4,638	-383	-155	0	4,731
Redress Secondary Care	3,125	0	-440	0	0	2,561	-970	-1,304	0	2,972
Redress Primary Care	0	0	0	0	0	13	-13	0	0	0
Personal injury	3,829	0	-167	-13	0	5,154	-2,527	-2,198	0	4,078
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	9,810	0	0	30	0	7,181	-1,846	-5,437	0	9,738
Structured Settlements - WRPS	640,576	62,730	0	0	0	30,800	-20,984	-25,917	-2,642	684,563
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	0	0	0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0	0	0	0	0	0	0
Restructurings	0	0	0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0	0	0	0	0	0	0
Other Capital Provisions	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	1,494,270	0	-24,512	1	0	433,403	-110,183	-131,504	-12,073	1,649,402
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,494,270	0	-24,512	1	0	433,403	-110,183	-131,504	-12,073	1,649,402

Expected timing of cash flows:

	In year to 31 March 2025	Between 01-Apr-25 to 31 March 2029	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence-				
Secondary Care	294,708	459,855	188,757	943,320
Primary Care	4,718	13	0	4,731
Redress Secondary Care	2,972	0	0	2,972
Redress Primary Care	0	0	0	0
Personal injury	3,910	168	0	4,078
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	4,098	5,640	0	9,738
Structured Settlements - WRPS	22,415	98,741	563,407	684,563
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	0	0	0	0
Total	332,821	564,417	752,164	1,649,402
FHoT	0	0	0	0
Consolidated Total	332,821	564,417	752,164	1,649,402

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 cashflow

23. Provisions (continued)
2022-23

NHS Trust and Welsh Risk Pool

	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence-										
Secondary Care	308,483	-40,291	-33,716	48,409	0	227,939	-61,159	-88,156	-4,637	356,872
Primary Care	133	0	0	0	0	639	-69	-72	0	631
Redress Secondary Care	2,300	0	-366	8	0	3,638	-1,183	-1,276	0	3,121
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	3,803	0	-8	-197	0	4,196	-1,821	-2,333	0	3,640
All other losses and special payments	0	0	0	0	0	16,839	-16,839	0	0	0
Defence legal fees and other administration	5,404	0	0	363	0	4,315	-1,791	-2,563	0	5,728
Structured Settlements - WRPS	18,070	1,247	0	0	0	24,219	-19,116	-679	-4,323	19,418
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	15	0	-5	20	0	0	-17	0	0	13
2019-20 Scheme Pays - Reimbursement	2	0	0	0	0	1	0	-2	0	1
Restructurings	0	0	0	0	0	0	0	0	0	0
Other	2,913	0	0	569	0	3,244	0	-3,625	0	3,101
Total	341,123	-39,044	-34,095	49,172	0	285,030	-101,995	-98,706	-8,960	392,525
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	341,123	-39,044	-34,095	49,172	0	285,030	-101,995	-98,706	-8,960	392,525

Non Current

Clinical negligence-										
Secondary Care	472,825	0	-400	-48,687	0	100,677	-15,318	-27,945	0	481,152
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	12	0	0	-12	0	3	0	0	0	3
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	195	0	403	-247	-139	0	212
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,656	0	0	-79	0	1,591	-292	-599	0	4,277
Structured Settlements - WRPS	615,107	39,044	0	0	0	13,489	0	-46,483	0	621,157
Pensions relating to: former directors	0	0	0	0	0	0	0	0	0	0
Pensions relating to: other staff	53	0	0	-20	0	9	0	0	0	42
2019-20 Scheme Pays - Reimbursement	337	0	0	0	0	169	0	-337	0	169
Restructurings	0	0	0	0	0	0	0	0	0	0
Other	2,216	0	0	-569	0	780	0	-520	0	1,907
Total	1,094,206	39,044	-400	-49,172	0	117,121	-15,857	-76,023	0	1,108,919
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,094,206	39,044	-400	-49,172	0	117,121	-15,857	-76,023	0	1,108,919

TOTAL

Clinical negligence-		
----------------------	--	--

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence;				
Secondary care	1,135,345	1,172,097	1,135,345	1,172,097
Primary Care	9,539	6,351	9,539	6,351
Secondary care - Redress	2,211	1,539	2,211	1,539
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	0	0	0	0
Total value of disputed claims	1,147,095	1,179,987	1,147,095	1,179,987
Amount recovered under insurance arrangements in the event of these claims being successful	-1,146,918	-1,179,711	-1,146,918	-1,179,711
Net contingent liability	177	276	177	276

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.

24.2. Remote contingent liabilities

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Guarantees	0	0	0	0
Indemnities	83,647	102,503	83,647	102,503
Letters of comfort	0	0	0	0
Total	83,647	102,503	83,647	102,503

24.3 Contingent assets

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total	0	0	0	0

The Trust has no contingent assets.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date:

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Property, plant and equipment	32,454	38,598	32,454	38,598
Right of Use Assets	0	0	0	0
Intangible assets	684	6,068	684	6,068
Total	33,138	44,666	33,138	44,666

The capital commitments include contract obligations of £28m in respect of the Integrated Radiotherapy Solution project and £2m for the enabling works at the new hospital site development.

Note 28 contains more information about the commitments relating to the construction of the New Velindre Cancer Centre under the Welsh Government's Mutual Investment Model.

26. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

26.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2024	
	Number	£
Clinical negligence	383	86,013,359
Personal injury	43	2,728,313
All other losses and special payments	348	1,167,085
Structured Settlements managed by WRP	354	21,455,038
Total	1,128	111,363,795
FHoT losses and special payments	0	0
Consolidated Total	1,128	111,363,795

26.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year claims in excess of £300,000		Cumulative amount
	Case Number	£	
Cases in excess of £300,000:			
Secondary Care			
Aneurin Bevan	12 x CN, 1 X PI	13	18,322,814
BCU	15 x CN	15	10,159,132
Cardiff and Vale	10 X CN	10	11,882,242
Cwm Taf	9 X CN	9	5,344,689
Hywel Dda	6 X CN, 1 X PI	7	4,566,978
Swansea Bay	12 x CN	12	10,284,355
Public Health Wales	1 X CN	1	478,390
	No of cases	£	£
Sub-total	67	61,038,600	64,222,270
All other cases paid in year	1,046	44,894,208	52,094,016
Structured Settlements managed by WRP	15	5,430,987	30,523,696
Total cases paid in year	1,128	111,363,795	146,839,982

26.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number	£
Cumulative amount up to £300k	80	62,935,064
Cumulative amount greater than £300k	1,048	48,428,731
Total	1,128	111,363,795

26.2 Velindre NHS Trust excluding WRP Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

26.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2024	
	Number	£
Clinical negligence	3	20,329
Personal injury	1	263
All other losses and special payments	9	-1,307,799
Structured Settlements managed by WRP	0	0
Total	13	-1,287,207
FHoT losses and special payments	0	0
Consolidated Total	13	-1,287,207

26.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year claims in excess of £300,000		Cumulative amount
	Case Number	£	
Cases in excess of £300,000:			
	No of cases	£	£
Sub-total	0	0	0
All other cases paid in year	13	-1,287,207	-1,287,207
Structured Settlements managed by WRP	0	0	0
Total cases paid in year	13	-1,287,207	-1,287,207

26.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number	£
Cumulative amount up to £300k	13	-1,287,207
Cumulative amount greater than £300k	0	0
Total	13	-1,287,207

All other losses and special payments includes -£1,815,172 relating to the reversal of previous years' stock write-offs.

26.3 WRP Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

26.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2024	
	Number	£
Clinical negligence	380	85,993,030
Personal injury	42	2,728,050
All other losses and special payments	339	2,474,884
Structured Settlements managed by WRP	354	21,455,038
Total	1,115	112,651,002
FHoT losses and special payments	0	0
Consolidated Total	1,115	112,651,002

26.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year claims in excess of £300,000		Cumulative amount £
	Case Number	£	
Cases in excess of £300,000:			
Secondary Care			
Aneurin Bevan	12 x CN, 1 X PI	13	18,322,814
BCU	15 x CN	15	10,159,132
Cardiff and Vale	10 X CN	10	11,882,242
Cwm Taf	9 X CN	9	5,344,688
Hywel Dda	6 X CN, 1 X PI	7	4,566,978
Swansea Bay	12 x CN	12	13,468,026
Public Health Wales	1 X CN	1	478,390
Sub-total	67	61,038,600	64,222,270
All other cases paid in year	1,033	46,181,415	53,381,223
Structured Settlements managed by WRP	15	5,430,987	30,523,696
Total cases paid in year	1,115	112,651,002	148,127,189

26.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number	£
Cumulative amount up to £300k	67	64,222,271
Cumulative amount greater than £300k	1,048	48,428,731

27. Right of Use / Finance leases obligations

27.1 Obligations (as lessee)

Amounts payable under right of use asset / finance leases: 2023-24

	LAND 31 March 2024 £000	BUILDINGS 31 March 2024 £000	OTHER 31 March 2024 £000	TOTAL 31 March 2024 £000	TOTAL 31 March 2024 £000
	NHS Trust			Consolidated	
Minimum lease payments					
Within one year	0	859	244	1103	1103
Between one and five years	0	2367	312	2679	2679
After five years	0	1456	0	1456	1456
Less finance charges allocated to future periods	0	-417	-20	-437	-437
Minimum lease payments	0	4,265	536	4,801	4,801
Included in:					
Current borrowings	0	787	233	1020	1020
Non-current borrowings	0	3478	303	3781	3781
Total	0	4,265	536	4,801	4,801
Present value of minimum lease payments					
Within one year	0	787	233	1020	1020
Between one and five years	0	2142	303	2445	2445
After five years	0	1336	0	1336	1336
Total present value of minimum lease payments	0	4,265	536	4,801	4,801
Included in:					
Current borrowings	0	787	233	1020	1020
Non-current borrowings	0	3478	303	3781	3781
Total	0	4,265	536	4,801	4,801

Amounts payable under right of use asset / finance leases:

2022-23

	LAND 31 March 2023 £000	BUILDINGS 31 March 2023 £000	OTHER 31 March 2023 £000	TOTAL 31 March 2023 £000	TOTAL 31 March 2023 £000
	NHS Trust			Consolidated	
Minimum lease payments					
Within one year	0	963	185	1149	1149
Between one and five years	0	1540	279	1819	1819
After five years	0	687	0	687	687
Less finance charges allocated to future periods	0	-105	-6	-111	-111
Minimum lease payments	0	3,085	458	3,544	3,544
Included in:					
Current borrowings	0	941	182	1124	1124
Non-current borrowings	0	2144	276	2420	2420
Total	0	3,085	458	3,544	3,544
Present value of minimum lease payments					
Within one year	0	941	182	1124	1124
Between one and five years	0	1491	276	1767	1767
After five years	0	653	0	653	653
Total present value of minimum lease payments	0	3,085	458	3,544	3,544
Included in:					
Current borrowings	0	941	182	1124	1124
Non-current borrowings	0	2144	276	2420	2420
Total	0	3,085	458	3,544	3,544

27.2 Right of Use Assets / Finance lease receivables (as lessor)

Amounts receivable under right of use assets / finance leases:

The Trust has no finance lease receivables.

Amounts receivable under right of use assets / finance leases:

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Gross investment in leases				
	NHS Trust		Consolidated	
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 financial assets	0	0	0	0
Non-current financial assets	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 financial assets	0	0	0	0
Non-current financial assets	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 (including those funded by MIMs)**Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)**

On the 28th March 2024, Velindre University NHS Trust entered into a contract with Acorn Velindre Limited ("Project Co") who will be responsible for building (and financing) the new c.£318m hospital and then maintaining it over a 25-year concession period. During the concession period, a 'unitary charge payment' or 'annual service payment' (ASP) will be made on a monthly basis by Velindre University NHS Trust to Project Co to cover the cost of delivering the Project. The contract has been entered into under the Welsh Government's Mutual Investment Model.

This contractual arrangement meets the definition of a service concession arrangement and is to be accounted for on-balance sheet. The project consists of a construction element, split into six phases. Project Co's public service obligation is constructing the infrastructure and maintaining it in a proper state which will be used by the Trust to provide public clinical services.

The agreement expires 25 years after the completion of the final construction phase, due on the 16th March 2027, when Project Co is required to hand back the Facilities. There is no payment to Project Co associated with the hand back of the Facilities.

Under the terms and conditions of the Project Agreement, from inception of the contract, the assets are under the control of the Trust.

From the commencement of the project on the 28th March 2024, the Trust has recognised an asset under construction and associated financial liability under IFRS 9. As at the 31st March 2024, £28.004m has been recognised and is included in Notes 13 and 21. This asset is separate from the PDC funded enabling asset under construction.

From commencement of the concession period on the 16th March 2027, the ASP will be c.£35 million per annum (including payments related to operating maintenance, lifecycle cost and interest charge) and will be proportionate to the work completed, increasing as subsequent phases of construction are completed, until the construction phase is complete, when the full ASP is payable. A portion of the ASP is indexed to the Retail Price Index (all items excluding mortgage interest).

The total ASP commitment exclusive of recoverable VAT is £910m, with £70m due later than one year and not later than five years, and £840m due later than five years.

Accordingly, the asset will be initially measured following the principles contained within IFRS 16 (with the discount rate specified in the PES papers), with the service element and the interest charge recognised as incurred over the term of the concession arrangement.

The subsequent asset measurement will be subject to the guidance of IAS 16 under FReM for similar other non-current assets.

Liabilities will be measured using the appropriate discount rate, taking account of the reduction arising from the infrastructure payments included in the unitary payment stream.

Less than 1 year
Greater than 1 year up to 5 years
Greater than 5 Years

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 their 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 Trusts' 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 significant foreign currency income or expenditure and any such risk for Velindre University NHS Trust is underwritten by Welsh Government.

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 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Movements in working capital				
(Increase) / decrease in inventories	2,843	31,137	2,843	31,137
(Increase) / decrease in trade and other receivables - non-current	-209,829	-15,039	-209,829	-15,039
(Increase) / decrease in trade and other receivables - current	35,195	-67,264	35,136	-68,355
Increase / (decrease) in trade and other payables - non-current	29,602	-4,244	29,602	-4,244
Increase / (decrease) in trade and other payables - current	3,529	-9,598	-2,318	-11,122
Total	-138,660	-65,008	-144,566	-67,623
Adjustment for accrual movements in fixed assets - creditors	-26,782	-961	-26,782	-961
Adjustment for accrual movements in fixed assets - debtors	0	0	0	0
Adjustment for accrual movements in right of use assets - creditors	-1,257	0	-1,257	0
Adjustment for accrual movements in right of use assets - debtors	0	0	0	0
Other adjustments	13,605	9,241	13,716	9,368
Total	-153,094	-56,728	-158,889	-59,216

31. Other cash flow adjustments

	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
	NHS Trust		Consolidated	
Other cash flow adjustments				
Depreciation	11,174	10,504	11,174	10,504
Amortisation	2,321	1,358	2,321	1,358
(Gains)/Loss on Disposal	17	-3	17	-3
Impairments and reversals	0	3,363	0	3,363
Release of PFI deferred credits	0	0	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0	0	0
NWSSP Covid assets received credited to revenue but non-cash	0	0	0	0
Donated assets received credited to revenue but non-cash	-217	0	-217	0
Government Grant assets received credited to revenue but non-cash	0	0	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non ca	0	0	0	0
Non-cash movements in right of use assets	0	0	0	0
Non-cash movements in provisions	268,178	183,967	268,178	183,967
Total	281,473	199,189	281,473	199,189

32. Events after reporting period

The Wales Infected Blood Support Scheme

The Infected Blood Inquiry was an independent public statutory Inquiry established to examine the circumstances in which men, women and children treated by the NHS in the UK were given infected blood and infected blood products, since 1970. The Inquiry has issued interim reports in July 2022 and April 2023, with interim compensation payments made in October 2022. The final report of the Infected Blood Inquiry was published on 20 May 2024. On 21 May the UK Government announced the establishment of an Infected Blood Compensation Authority and published details of an outline compensation scheme.

The UK Government also announced that a further interim compensation payment of £210,000 would be made to the "infected live" beneficiaries of all four UK Infected Blood Support Schemes.

The Wales Infected Blood Support Scheme (WIBSS), through NWSSP were again asked to administer these payments on behalf of the UK Government. On the 24th June 2024, 176 compensation payments of £210,000 each were made, with a total value of £36.960m.

Medical Pay Award

NHS Wales bodies were notified on 28th June 2024 of the revised pay arrangements for employees covered by medical and dental terms and conditions of service in Wales, which will be funded by Welsh Government. The arrangements are confirmed in the following pay letters:

- Pay Letter M&D(W) 04/24 applying to junior doctors. This confirms an overall 12.4% pay award backdated to 1 April 2023 and includes the 5% pay award already implemented and recognised in the accounts for 2023-24.
- Pay Letter M&D(W) 02/24 confirms the reform of the consultant (amended Welsh contract) pay scale from 1 January 2024.
- Pay Letter M&D(W) 03/24 confirms the pay scales applicable from 1 January 2024 for medical and dental consultants employed on national terms and conditions on the 2021 Specialty and Specialist contracts and the closed 2008 Associate Specialist contract in Wales.

The additional 7.4% for junior doctors, and the increases for consultants and specialists have not been recognised in the 2023-24 financial statements because the obligating event was the publication of the pay circular issued on 28 June 2024. These costs will be accounted for in the 2024-25 Annual Accounts.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xx xxxx; post the date the financial statements were certified by the Auditor General for Wales.

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:

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	33,995	228,299	5,879	-6,752
WHSSC	217	59,912	217	785
Aneurin Bevan UHB	11,055	85,357	5,218	3,289
Betsi Cadwaladr UHB	8,455	59,757	4,126	5,115
Cardiff and Vale UHB	5,587	101,969	1,672	4,923
Cwm Taf Morgannwg UHB	11,777	69,376	3,269	2,310
Hywel Dda UHB	6,286	30,955	2,409	2,488
Powys THB	1,067	3,387	494	709
Swansea Bay UHB	7,135	55,600	1,325	3,633
Public Health Wales NHS Trust	352	10,265	78	1,141
Welsh Ambulance Service NHS Trust	1,256	2,063	143	425
Health Education & Improvement Wales	110	60,750	39	1,770
Digital Health & Care Wales	3,833	1,959	22	359
Welsh Risk Pool	0	13	0	0
Welsh Local Authorities (excluding those listed below where declarations of interest have been received):	1,578	22	80	134
Parties where specific interests have been declared				
	Name of individual declaring interest	Nature of the relationship		
St John Cymru (Wales)	Professor Donna Mead	President	8	0
City Hospice	Stephen Harries	Member of the Company Audit Committee (lay membership)	0	25
Merthyr Tydfil County Borough Council	Martin Veale	Audit Committee (lay membership)	0	4
Monmouthshire County Council	Martin Veale	Trustee	1	6
Healthcare People Management Association	Sarah Morley	Director	13	0
Life Sciences Hub Wales	Cath O'Brien	meetings	32	0
Life Sciences Hub Wales	Neil Frow	Professor of Medicinal Chemistry	0	0
Cardiff University	Professor Andrew Westwell	Paid lecturer	0	261
University of South Wales	Susan Thomas	Spouse is Director of Education	335	6
The Vale of Glamorgan Council	Steve Ham		82	0
			93,174	769,986
			25,013	20,371

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; and other transactions include payments to English, Scottish and Irish NHS organisations amounting to £13,014,000,000 (2022/2023, £13,594,000,000); of this total £13,009,000 (2022/2023 £2,208,000) 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 donated £7,350,000 (2022/2023, £2,791,000 received from) to Velindre University NHS Trust Charitable Funds.

Welsh Government expenditure excludes £24,371,000 that relates to Public Dividend Capital (PDC) received during 2023/2024 (2022/2023, £18,479,000 was received).

Transactions with St John Cymru, City Hospice, Healthcare People Management Association and Life Sciences Hub Wales have been disclosed due to senior Trust managers declaring an interest in these parties and as the transactions could be of material value to these companies.

34. Third party assets

The Trust held £nil cash at bank and in hand at 31st March 2024 (31st March 2023, £nil) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31st March 2024 (31st March 2023, £nil).

35. Pooled budgets

Velindre University NHS Trust has no pooled budgets.

Velindre University NHS Trust Annual Accounts 2023-24

36. Operating Segments
IFRS 8 requires organisations to report information about each of its operating segments

36. Operating Segments

Operating Revenue

Segmental Income

Operating Expenses

	2023-24		2022-23		2023-24		2022-23		2023-24		2022-23		2023-24		2022-23		2023-24		2022-23	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue	214,857	183,449	200,046	172,881	206,913	201,411	1,861,216	957,741	3,397	4,781	(1,485)	(1,242)	1,045,178	961,175						
Segmental Income	214,857	183,449	200,046	172,881	206,913	201,411	1,861,216	957,741	3,397	4,781	(1,485)	(1,242)	1,045,178	961,175						
Operating Expenses																				
Local Health Events	261	263	15,487	14,261	0	0	15,752	14,484	0	0	0	0	15,752	14,484						
Worship NHS Trusts	0	0	15	18	0	0	15	18	0	0	0	0	15	18						
Welsh Special Health Authorities	503	451	1,772	1,578	0	0	2,275	2,021	0	0	0	0	2,275	2,021						
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
WHS&C & EAGC	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Local Authorities	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						
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Other NHS Trusts	0	0	436	308	0	0	436	308	0	0	0	0	436	308						
Directors' costs	1,260	1,230	0	0	0	0	1,260	1,230	0	0	0	0	1,260	1,230						
Operational staff costs	86,677	88,121	99,522	91,225	0	0	187,229	171,344	0	0	0	0	187,229	171,344						
Non operational trainee staff costs	0	0	244,313	229,121	0	0	244,313	229,121	0	0	0	0	244,313	229,121						
Non operational collaborative bank staff costs	0	0	537	381	0	0	537	381	0	0	0	0	537	381						
Single lead employer staff trainee costs	0	0	8,125	0	0	0	8,125	0	0	0	0	0	8,125	0						
Collaborative bank staff costs	0	0	0	0	0	0	0	0	0	0	0	0	0							
Supplies and services - clinical	51,894	80,559	66,516	64,689	0	0	152,590	144,992	0	0	0	0	152,590	144,992						
Supplies and services - general	834	657	66,828	62,689	0	0	66,152	63,340	0	0	0	0	66,152	63,340						
Consultancy services	1,722	2,403	2,789	1,841	0	0	4,481	3,950	0	0	0	0	4,481	3,950						
Establishment	2,814	2,777	11,764	10,429	0	0	14,298	13,206	0	0	0	0	14,298	13,206						
Transport	1,132	103	1,954	2,238	0	0	3,086	3,483	0	0	0	0	3,086	3,483						
Premises	4,914	5,506	25,617	23,954	0	0	34,991	29,862	0	0	0	0	34,991	29,862						
PHOT Resourses expended	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Costs of generating funds	0	0	0	0	0	0	0	0	807	963	(295)	(211)	852	854						
Charitable activities	0	0	0	0	0	0	0	0	2,998	1,110	(1,642)	(922)	755	178						
Governance Costs	0	0	0	0	0	0	0	0	68	85	(16)	(161)	0	(11)						
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Depreciation	3,911	5,468	3,434	3,357	0	0	9,405	8,826	0	0	0	0	9,405	8,826						
Depreciation (Rou Asset)	222	148	1,647	1,329	0	0	1,769	1,677	0	0	0	0	1,769	1,677						
Amortisation	1,481	787	640	571	0	0	2,321	1,358	0	0	0	0	2,321	1,358						
Impairments and reversals of property, plant and equipment	0	0	0	1,121	0	0	0	1,121	0	0	0	0	0	1,121						
Fixed asset impairments and reversals (Rou Assets)	0	0	0	1,694	0	0	0	1,694	0	0	0	0	0	1,694						
Impairments and reversals of intangible assets	0	0	0	348	0	0	0	348	0	0	0	0	0	348						
Impairments and reversals of financial assets	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						
Audit fees	259	236	0	71	0	0	259	243	24	11	(27)	(1)	259	260						
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Losses, special payments and irrecoverable debts	1,636	(1,081)	14,041	19,659	302,986	209,406	300,981	227,983	0	0	0	0	300,981	227,983						
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
NWSSP centrally purchased and donated COVID items (beyond free of charge to NHS Wales organisations)	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
NWSSP centrally purchased COVID items (beyond free of charge to other organisations)	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Expense related to short-term leaves	197	197	156	172	0	0	263	369	0	0	0	0	263	369						
Expense related to long-term asset leases (excluding short-term leases)	0	40	16	20	0	0	16	50	0	0	0	0	16	50						
Other operating expenses	8,836	256	20,033	21,908	0	0	28,834	29,122	0	0	0	0	28,834	29,122						
Total	216,278	184,627	665,235	672,827	202,986	210,271	1,074,669	967,945	3,392	2,175	(1,985)	(1,242)	1,075,905	968,677						
Investment Revenue	1,816	1,201	0	0	0	0	1,816	1,201	329	144	0	0	3,225	1,301						
Other Gains and Losses	6	0	(22)	8	0	0	(17)	3	0	0	0	0	(17)	3						
Finance Costs	(141)	(14)	(70)	(36)	17,073	8,920	(11,883)	(8,320)	0	0	0	0	11,583	(8,320)						
SURPLUS / (DEFICIT) <i>(including administrative reserves or si eiddo)</i>	247	65	12	11	0	0	259	76	2,964	2,750	0	0	3,163	2,926						

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 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Trust data for March 2024.

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:

	2023-24	2022-23
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024	£000	£000
Revenue from patient care activities	16,474	14,659
Operating expenses	16,474	14,659
3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	3,875	3,373
Welsh Government - Hosted Bodies	4,338	3,868
4. Other Operating Revenue		
Other	8,261	7,418
5.1 Operating expenses		
Directors' costs	72	59
Operational staff costs	8,141	7,182
Non operational trainee staff costs	8,142	7,328
Non operational collaborative bank staff costs	11	9
Single lead employer staff trainee cost	108	81
Collaborative bank staff cost	0	0

Notional income reported as 'other operating revenue' is from Local Health Boards, Welsh NHS Trusts and Welsh Special Health Authorities in respect of the Single Lead Employer (SLE) trainees employed via NWSSP and operational within the respective organisation.

**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 (FRoM), 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 FRoM 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)



Velindre University NHS Trust
Annual Report 2023-2024