



**GIG**  
CYMRU  
**NHS**  
WALES

Addysg a Gwella Iechyd  
Cymru (AaGIC)  
Health Education and  
Improvement Wales (HEIW)

# Health Education and Improvement Wales

Annual report  
and accounts

2023/24



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# Performance report

2023/24



# Welcome from our Chair and Chief Executive

2023–24 has seen the organisation focus on leadership, wellbeing, quality and safety, improvement through the education and training of our staff in NHS Wales and importantly increasing the numbers in training and retention.

The numbers training in nursing are at a record high. We have developed key workforce plans for a number of areas including primary care, mental health and nursing, all of which can contribute greatly to the future of the NHS in Wales.

The breadth and depth of our agenda is amply demonstrated in this annual report. It is heartening to see how the expertise within HEIW is being harnessed with our partners in local health boards, trusts, higher education and social care. Clearly there is much more to do.

The emerging financial pressures and the urgency to improve delivery and outcome for patients are the challenges now and going forward. We have embraced the digital agenda and have seen the delivery of Y Ty Dysgu. Tregyrfa/Careersville goes from strength to strength and our Gwella website delivers a vast array of evidence based resources which are now widely available for the NHS and its partners. We continue to strive to be the best of partners.

All of these achievements would not be possible without the commitment, expertise and innovation demonstrated by our workforce. We have dedicated trainers, tutors and mentors who everyday work to support the education and training of our students and trainees.

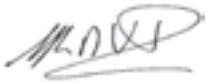
There has been significant change at board level. In particular, Professor Pushinder Mangat, Medical Director, Julie Rogers, Director of Workforce and Organisational Development and Deputy Chief Executive have recently left the organisation. Both had been with HEIW since its establishment in 2018. I would like to thank them for their significant contributions and wish them both well in their new roles.

At the end of January Tina Donnelly and Professor Ruth Hall came to the end of their terms as independent members. I must recognise the role they played in establishing the organisation and the individual contributions, energy and drive brought by them into their roles.

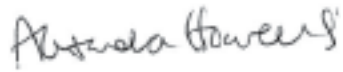


Professor Tom Lawson is now our Interim Medical Director, while over the past year we have welcomed Dawn Jones, Jayne Sadgrove, and Judith Hardisty as new independent members. We are also looking forward to welcoming Helen Watkins as our new Workforce Director in August.

HEIW is a strategic organisation, and we will continue to be focused on how we are supporting the NHS in the immediate short term but most importantly on how to plan and deliver a workforce fit for the future.



Dr. Chris Jones  
Chair  
21 July 2024



Alex Howells  
Chief Executive Officer  
21 July 2024

# Chief Executive's Foreword

The aims and objectives of the IMTP 2023–26 were delivered in conjunction with emerging priorities, adjusting where necessary to support the needs of the service.

Overall, HEIW has made good progress on delivering 11 strategic objectives and 53 deliverables across our three strategic aims, thanks to the professionalism and dedication of our staff and ongoing cooperation of our partners.

Many of these are core to the implementation of the Workforce Strategy for Health and Social Care and include:

- The development and approval of the 2024/25 Education Commissioning and Training Plan, which is the vehicle for agreeing the numbers of staff we train in Wales.
- Launching the all-Wales Retention Programme to support organisations in developing local retention plans.
- Launching workforce plans for several key areas including Nursing, Primary Care, Dental, Pharmacy, Diagnostics and Same Day Emergency Care.
- Deployment of a range of new health professional postgraduate education provisions in Welsh Universities (Phase 2 of the Strategic Review of Health Professional Education).
- Support for the workforce solutions needed for many national programmes, including planned care in diagnostics, cancer, and urgent and emergency care.
- Launching the GP Nursing Foundation Programme, in partnership with the primary care academies, which aims to recruit, train, and retain General Practice Nurses (GPN).
- We have launched the Digital Capability Framework for Healthcare in Wales recognising all jobs in healthcare will require digital skills in the next 5–10 years.
- Launching HEIW's national Simulation Based Education Strategy (SBET).

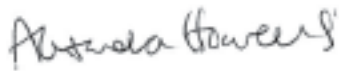
Quality reporting is embedded throughout the performance section and governance section of this Annual Report. This year we have focused on promoting awareness and understanding and scoping the work needed to embed the Duty of Quality which culminated in the development of our Quality Plan for 2024/25. HEIW's Quality Plan will ensure the continuous improvement of quality within the organisation.



Our enabling functions continue to mature including finance where our in-year financial monitoring continues to be of a high standard, and through working closely with Welsh Government finance colleagues, we have managed our financial position transparently and once again achieved all financial targets for the sixth year.

Proportionate and robust governance are key to enabling delivery of priorities and we have once again this year been able to maintain our effective governance arrangements, reflected by the findings of the internal and external audit reports and the organisation's ability to deliver on its key commitments for 2023/24.

HEIW continues to work in a hybrid model which enables staff to maintain work life balance in pursuit of delivering the organisational goals. We have also continued to deliver our internal priorities including embedding the Welsh language in all we do, delivering the decarbonisation agenda and ensuring our Strategic Equality Plan has a positive impact on equality and diversity in our organisation and across all of our functions.



Alex Howells  
Chief Executive  
11 July 2024

# Key facts

HEIW –  
Special  
Health  
Authority

All Wales  
remit

£315.703m annual  
budget 85.6%  
on education  
and training  
(commissioning)

Over 600  
directly  
employed  
staff

3155 medical  
and dental  
trainers and  
supervisors

At any time we are supporting the education, training and CPD of:



c. 4,025

training grade doctors  
and staff and associate  
specialist doctors across:

58

specialist medical  
training programmes

11

district GP  
training schemes

19

dental training schemes



2,760

pharmacists

1,713

pharmacy technicians

250+

pharmacy trainees

c. 130

post-registration  
foundation pharmacists

c. 206

independent  
prescriber trainees



1,000+

trainee community nurses



1,711

dentists

3,870

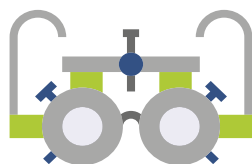
dental care  
professionals

144

dental trainees

16

dental therapist  
trainees



900+

optometrists including  
c.100 studying in Wales

50

contact lens opticians

278

dispensing opticians



c. 700

NHS employee  
advanced practitioners



c. 480+

midwifery students



c. 3,000

allied health  
professional students



5,500+

nursing students



c. 960

healthcare scientist  
students

c. 120

healthcare  
scientist trainees



c. 620

independent  
prescribers trainees

# Who are we?

HEIW is the statutory education body and strategic workforce organisation for NHS Wales.

## Vision and Purpose

Our vision is “To develop a skilled and sustainable workforce that improves care and population health”.

Our purpose is, as part of the NHS, to work with partners to plan, develop, educate and train the current and future workforce.

As a Special Health Authority, our unique contribution or “added value” is to address

strategic and specialist workforce opportunities and risks that affect workforce demand and supply through our statutory functions.

Our role in developing a sustainable workforce makes a fundamental contribution to the implementation of the Wellbeing of Future Generations (Wales) Act 2015 and the five ways of working. We see this as part of our core purpose, creating the conditions for a sustainable workforce for the future and widening access to health careers and opportunities. HEIW engages with partners and stakeholders to shape education and training opportunities making them more accessible regardless of background or geography.

# What we do – our functions

The organisation undertakes a wide range of functions, as outlined below, which together help us to achieve and deliver our vision and purpose.

## Functions

Leadership Development

Workforce development and transformation

Careers and widening access

Workforce – strategy planning Intelligence

Education and Training – planning commissioning delivery

- Leadership Development: we are responsible for setting the strategy, principles and frameworks for leadership development across Wales, based on compassionate and collective leadership, together with the commissioning and delivery of leadership development activity for key groups. We lead on succession planning and talent management for aspiring Directors and Chief Executives.

- Workforce Strategy, Planning and Intelligence: as well as providing strategic leadership for the development of workforce planning capacity across the NHS, we have a lead role in the development of strategic workforce plans and the provision of analytical insight and intelligence to support the development of the current and future shape of the workforce.
- Workforce Development and Transformation: we support workforce transformation and improvement to respond to significant service challenges, including skills development, role design, continuous professional development and career pathway development.
- Education and Training, Planning Commissioning and Delivery: we plan, commission, deliver, and quality manage undergraduate and postgraduate education and training for a wide range of health professions. We are the Welsh Government's development partner for the suite of healthcare apprenticeship frameworks. We spend the largest proportion of our budget on commissioning education and training for NHS Wales to ensure future supply.
- Careers and Widening Access: we promote health careers and the widening access agenda to ensure that opportunities to work in the health and care system are available to all. We work to include people in our communities that have valuable skills and experience that are currently under-represented in our workforce.

# How we do it

## Our Culture, Values and Behaviours

As a workforce focused organisation, our culture and the way we do business are very important to us. Our aspiration continues to be a great place to work, recognising that our workforce is not only distributed across Wales but has successfully embraced a hybrid model of working.

We continue to develop our people, inclusion, and organisational development practices to enable us to reach our aspirations. It is critical that we have a motivated, engaged, and sustainable workforce that is competent, confident and with the appropriate capacity to help us deliver our priorities. We are keen to support the development of our existing staff, as well as being attractive to new staff as our organisation continues to mature.

Access to and support for continued professional development for our staff remains. In 2023 we launched our Management Development Programme with a further three cohorts planned for the next 18 months. Topics covered include how to manage a hybrid team, interpersonal dynamics and receiving and giving feedback.

We continue to promote our vocational based learning offer and have also supported colleagues within the organisation with facilitation and engagement skills.

Other bespoke workshops run throughout the year have included change management, self-compassion based on the 5 ways to wellbeing, overcoming imposter syndrome and thriving together.

In line with our aim to be an exemplar employer, we want our own workforce to be happy, healthy, and engaged, and we promote wellbeing, equality, diversity, inclusion and bilingualism within HEIW, in line with the national Workforce Strategy for Health and Social Care. Together with our staff we have developed our organisational values:

Our values are:



Respect for all:  
in all contact that we have with others



Together  
as a team:  
we will work with  
partners across NHS  
Wales and partner  
organisations



Ideas that  
improve:  
harnessing creativity,  
and continuously  
innovating and  
evaluating

Our Values and Behaviour Framework is on our website at <https://heiw.nhs.wales/about-us>

We continue to embed these values and behaviours into our policies, practices, and processes and take all opportunities to be a role model for the national work we are leading on compassionate and collective leadership.

Effective communication and engagement, including with staff, is critical and has been a top priority since the organisation was established. Our communication and engagement strategy describes how we communicate and engage effectively with staff to create an inclusive and respectful work environment.

We are committed to eliminating discrimination and promoting diversity and inclusion through equality of opportunity and through everything that we do. As such, we are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties Act (2011), the Anti-Racist Wales Action Plan 2022 and the LGBTQ+ Action Plan 2023. It is also essential that these duties are reflected in the roles of the organisation, which affect students, trainees, and staff across the wider NHS.

We have continued to embed a culture of diversity, quality and inclusion, informed by compassionate leadership, co-production, collaboration, and direct engagement with those who are affected by the decisions we make.

HEIW ensures equality of opportunity and access for all by building upon the foundation of Equality and Human Rights Legislation and strives not only to comply with legal requirements but also to use these to ensure that the organisation exemplifies best practices.

Our four-year Strategic Equality Plan (SEP) was launched in April 2023. Our three equality objectives focus on the way we attract, recruit, retain and develop our HEIW workforce.

Our Equality Diversity and Inclusion (EDI) steering group supports executive leads for EDI and race equality in the discharge of their responsibilities. Our staff EDI network provides a variety of internal and external speakers whilst enabling us to share and highlight best practices, and opportunities for learning and development. Two of our Independent Board Members have observer status at the network meetings. Our Inclusion Network continues to champion equity, equality and well-being within the organisation and hosts several virtual and in-person events that raise the profile of and celebrate diversity.

Our HEIW 'Bring Your Whole Self to Work Campaign' has helped create a culture where our workforce is happy, healthy, and engaged and where individual uniqueness and diversity are not only valued but celebrated. This will support us in delivering services that reflect the needs of everyone in our community.

Our Workforce and Organisational Development (WOD) leadership team became HEIW's first cohort of the Diverse Cymru Black, Asian, and Minority Ethnic Cultural Competence Certification Scheme and has been awarded a Silver+ accreditation. This programme supports the implementation of the Anti-racist Wales Action Plan.

We have attended and supported several events and activities with the Grange Pavilion community centre, Diverse Cymru, iLeads Youth Programme, Race Council Cymru, and Black History 365 amongst others. Our ambition is to ensure these existing relationships flourish and to also develop new relationships across Wales.

We continue to engage with the following external partners to provide support and guidance and where appropriate for an impartial review of our policies and practices to ensure alignment with national standards in respect of equality, diversity and inclusion:

- The Employers Network for Equality and Inclusion – helping employers build and maintain diverse teams and inclusive cultures.
- Stonewall Diversity Champion – tackling barriers and inequalities faced by lesbian, gay, bisexual, and transgender staff.
- Disability Confident – supporting HEIW to make the most of the talents that disabled people can bring to your workplace.
- Race Council Cymru. working together to promote race equality, justice and integration in Wales.

### Shape of our Workforce

We currently have a workforce of over 600 by headcount which is made up of staff from a range of professional backgrounds. The workforce is made up for core staff and sessional staff.

Core staff are those staff for whom HEIW is their main employer and they come from a range of professional backgrounds including medical, nursing, dental, pharmacy, Allied Health Professionals and Health Care Science. Core staff also include the corporate professions of finance, human resources, communications, workforce planning, leadership and wellbeing, organisational development and digital and IT.

Sessional staff are individuals who work three or fewer sessions for HEIW and work elsewhere within NHS Wales. These are predominately medical and dental staff who work in Health Boards, Trusts or general or dental practice. They undertake sessions for HEIW in education and training as for example heads of training schools for junior doctors or as GP appraisers.

When HEIW was established in 2018 a number of staff TUPE'd into the organisation from Cardiff University and remained on Cardiff University terms and conditions of service, this number has continued to reduce since 2018 as individuals have moved to new jobs in HEIW or to new challenges outside HEIW.

In addition to the directly employed staff we take a number of staff on secondment each

year from within NHS Wales. They bring their knowledge and skills into HEIW to complete specific pieces of work before returning to the service with the knowledge and skills they have learnt during their time with us.

### Attraction, Recruitment and Selection

We continue to actively recruit into new and replacement posts. In addition to using the standard NHS recruitment methods of NHS Jobs and Trac Jobs, we have sought to promote opportunities wider through careers fairs and with the armed forces community through the Armed Forces Covenant.

For applicants that with a disability or are part of the armed forces community we offer guaranteed interviews for those that meet the minimum requirements for posts. For disabled applicant's reasonable adjustments are offered to support during the interview process.

Recruitment and selection are supported by a values based recruitment and selection policy and procedure which will be backed up by the development of toolkits and recruitment and selection training. Recruiting managers also have access to unconscious bias training. Recruitment and selection processes are regularly reviewed, and we actively participate in the Recruitment Modernisation Programme with Recruitment Services at NWSSP.

Initial work has been completed on drafting a workforce plan for HEIW and this will be updated and refined during 2024/25.

While we continue to recruit significant numbers of staff from within the NHS we continue to attract applicants from the education sector, elsewhere in the public sector and also from the private sector.

### Communicating Effectively with People, Stakeholders, Partners and the Public

We work closely with a wide and diverse range of partners and stakeholders in various sectors to continuously evaluate, reimagine and transform how we need to work to meet the needs of an ever-changing world. Further details can be found in the Annual Governance Statement on [pages 89 to 90](#).

Our Local Partnership Forum meets bi-monthly; further details can be found in our Annual Governance Statement on [page 80](#).

### Data Analytics and Intelligence

The Data and Analytics Team at HEIW works

with workforce data to produce information and insights that can help NHS Wales colleagues make better decisions and plans for the healthcare workforce. The team provides analytical support both within HEIW and outside of it, across NHS Wales and beyond. More information about Digital analytics can be found at: <https://heiw.nhs.wales/about-us/digital-and-data/digital-analytics/>

Within HEIW, the team maintains and reports on the local Electronic Staff Record (ESR) system and collaborates with others to ensure accurate reporting. The team also supports HEIW directorates in producing and reporting on key performance indicators across the organisation. Outside of HEIW, the team produces national workforce reports, undertakes pay modelling, answers national requests for workforce information, influences data quality standards and provides high level workforce modelling. The information and analysis that the team produces helps develop workforce plans and enables data driven decision making on the workforce.

The Data and Analytics Team is also in charge of creating and maintaining the HEIW data warehouse. This gives HEIW access to a rich source of information from multiple data areas, that allows the team to create insight through complex modelling and business information reporting. The team aims to provide reliable evidence and analytics using data science methods to support national-level decisions and policymakers in their projects. The team uses advanced analytics such as data mining, artificial intelligence, neural language processing, predictive analysis and forecasting modelling to provide insight.

### Digital and Information Systems

The Digital Team design, develop, run, and support the digital technology systems and applications that support HEIW, ensuring that these are fit for purpose and provide enabling capability to the organisation. Digital is much more than just the technology. It is about delivering positive change to the way services are delivered, by using the power of information and technology to improve the delivery of the functions of HEIW and the workforce. In addition, the Digital Team leads the improvement of digital skills across NHS Wales to ensure the workforce is ready for a digital future and consider and plan for how technology will change the shape of the workforce and training and education.

## Staff health, Safety and Wellbeing

The well-being of staff is of paramount importance, and we strive to ensure that our working environments and practises, both within our homes and in our headquarters, support us in achieving this aim. We continue to work hard to provide a safe and comfortable working environment in Ty Dysgu and provide advice and guidance to ensure that staff are also able to work safely at home. Regular maintenance and upgrades are carried out to make sure that Ty Dysgu remains a suitable environment to work in.

We have a strong inclusion and wellbeing network across the organisation, and as the system leader in staff wellbeing within NHS Wales, we are able to test and promote a wide range of initiatives and resources within HEIW prior to further rollout.

## Planning

The Board approved the Integrated Medium-Term Plan (IMTP) for 2023/26 for submission to Welsh Government in March 2023.

The IMTP is HEIW's operational plan and sets out HEIW's vision, purpose, and functions in the context of our Workforce Strategy for Health and Social Care, the Ministerial Priorities, and the Wellbeing Goals through the delivery of our 3 strategic aims. The IMTP supports the delivery of the seven themes of the Workforce strategy. The implementation of the IMTP was reviewed on a regular basis by the Board through the quarterly integrated performance reporting and additional area specific reporting of interest.

## Education and Training Plan

The annual Education and Training Plan, developed by HEIW, details the education and training to be commissioned for the NHS Wales health professional workforce together with workforce planning information. Investing in education and training is key to a sustainable workforce pipeline in NHS Wales. It is a core contributor to ensuring our health partners have the capacity and capability to deliver high quality and safe patient, person centred care to people in Wales.

HEIW produced the Annual Education and Training Plan (2024–25) following engagement with stakeholders and submitted this to Welsh Government for Ministerial approval in July 2023. Over subsequent weeks and in view of financial challenges, several additional options were requested by Welsh Government up

until January 2024 and the final decision was announced by the Minister for Health on 14 February 2024.

The Welsh Government announcement committed to maintain the investment in education and training at the 2023–24 level of c£283m. HEIW undertook extensive work to prioritise the original recommendations within the Education and Training Plan (2024–25) to mitigate the impact of this and also to continue to enhance education and training opportunities in many key professional areas.

This has meant that a number of changes to the original recommendations produced in July 2023 have been made.

A number of important factors were considered when prioritising the recommendations for Education and Training Plan (2024–25). These included responding to health service need and employment opportunities, system training capacity and honouring previous education and training plan commitments, ensuring existing students and trainees could continue through their education and training pathways.

Further details on our Planning can be found in our Annual Governance Statement on [page 92](#).

## Student and Trainee Voice

We have a number of methods in place to ensure we are hearing what is being said by our students and trainees and that this contributes to our health care agenda. These are detailed below.

The Medical Deanery enhances trainee engagement through a range of ongoing initiatives, aimed at strengthening communication streams between trainees and HEIW. The Deanery have been focusing on increasing the visibility of the organisation's roles and responsibilities towards trainees in Wales, whilst improving the processes for trainees to feedback their ideas and concerns to HEIW. The trainee think tank has elected two new co-chairs for 2024/2025 who are increasing the diversity of trainee representation within the group. The trainee think tank has secured regular agenda slots in Medical Deanery senior management team meetings to discuss trainee feedback: this allows trainees to directly influence the education and training agenda.

Trainee and trainer feedback is an important component of our processes for quality

management of education and training, collected via sources including the General Medical Council national training survey and the Dental Trainee survey.

The Wales Health Student Forum (WHSF) meets on a quarterly basis and is an innovative group of over 100 healthcare students from across all healthcare courses who are passionate about shaping the learning experience of healthcare students within Wales. Quarterly meetings are established. The February 2024 meeting focused on the Duty of Quality and improving student experience and the May meeting will focus on Speaking up Safely and Raising Concerns.

### Governance

As a statutory body, HEIW has a Board consisting of a Chair, Chief Executive, six independent members and four executive directors. In addition to the executive directors, HEIW has two director positions, the Director of Digital Development and the newly created role of Director of Education Strategy and Transformation. Further information about the Board, their roles and responsibilities can be found in the Annual Governance Statement on [pages 71 to 80](#).

Declarations of interest: details of company directorships and other significant interests held by members of the Board which may conflict with our responsibilities are maintained and updated on a regular basis. A register of interest is available in the Board meetings section of our website at <https://heiw.nhs.wales/about-us/key-documents/>. A hard copy can be obtained from the Board Secretary on request.

### Organisational Risk and Governance

As an organisation, we adhere to the HEIW Risk Management Policy. We maintain a risk management system which enables and empowers staff to identify, assess and manage risks to HEIW. Strategic and corporate risks are monitored by the Board and managed by the Executive Team and operational risks are managed by teams at the most appropriate level.

### Annual Education and Training Commissioning Meetings

Every year we hold meetings with Health Boards and Trusts to review the provision of postgraduate medical education to ensure that this complies with General Medical Council

(GMC) standards and to discuss progress in other areas of health professional education. Commissioning forms the cornerstone of HEIW's Quality Planning activity for high quality education and training in clinical learning environments in line with HEIW's Multi-professional Quality Framework. Meetings are held annually with Health Boards and Trusts to consider whether education and training is meeting provisions of HEIW's Expectations Agreement with Local Education Providers. Ongoing development of the multi-professional approach to activity will underpin processes, systems, and governance around co-ordinated commissioning activity. This provides a mechanism to deliver a whole workforce perspective and develop system-wide responses to concerns and identification, sharing and adoption of best practice.

Such meetings provide valuable insights and opportunities to consult with executive directors and education teams across Wales. This year a key focus area has been the implementation of contracts for Phase One of the Strategic Review of Health Professional Education and the commissioning exercises under Phase Two of the Strategic Framework including the level four Health Care Supporter Worker contract and a phased approach to the tender of a series of contracts for Health Care specific Postgraduate Education.

For pre-and post-registration health professional education HEIW has formal contracts in place which details expected quality and performance standards of achievement. Three formal business meetings take place with each education provider per annum to ensure contractual quality outcomes are being achieved. These meetings are supplemented by a range of quality and performance measures including monthly data returns, annual reports aligned to the Duty of Quality, student and staff engagement sessions and external reports available including the National Student Survey results.

Further details on governance, assurance, and risk management can be found in the corporate governance report.

### Legal and Policy Context for NHS Wales Wellbeing of Future Generations (Wales) Act 2015

HEIW is one of eight public bodies that will come under the Well-being of Future Generations (Wales) Act on 30 June 2024. The

act provides a common and comprehensive framework to support sustainable development.

The application of the act to HEIW is welcomed by the organisation. Our role in education and training places us in an excellent position to contribute to the implementation of the act. The five ways of working are already aligned with our strategic aims, objectives and deliverables within our IMTP 2023–26.

As an organisation we do not have a population health responsibility. However, we collaborate across the system to scenario plan and forecast the workforce demand which informs the commissioning in the annual Education and Training Plan, pivotal to widen access to NHS careers. This significantly contributes to preventing social deprivation, poverty, long-term health, and socio-economic issues in Wales.

We are instrumental in developing the current workforce in NHS Wales, as well as developing an attractive and accessible pipeline for our future workforce through widening access to all types of roles across all ages, backgrounds and interests, contributing to long term improvement across our remit.

The act's five ways of working are also reflected in the inclusive approach to collaboration and co-production with our stakeholders including underrepresented and marginalised groups in our society, and in the way we carry out our business reflecting our culture and core values. Our recognition of the Disability Confident Scheme, Dying to Work Charter and the Anti-Violence Collaborative is evidence of this.

#### Social Partnership Duty

The Social Partnership Duty came into force on 1 April 2024. This Duty places a duty on listed public bodies in Wales, including HEIW, to seek compromise or consensus with their recognised trade unions or other representatives of their staff, when setting well-being objectives (under the Wellbeing of Future Generations Act) and when making decisions of a strategic nature about reasonable steps to deliver those objectives. HEIW's Local Partnership Forum provides the formal mechanism for social partnership within HEIW.

As well as the Wellbeing of Future Generations Act, there are several other legislative and high-level policy drivers which underpin our objectives and work. These include:

The NHS Wales Implementation Plan (NWIP) NWIP was launched by the Minister for Health and Social Care in February 2023. The plan was developed in response to the significant additional demands placed on the workforce due to the refocus and reprioritisation necessary to respond to a whole system approach and ambitious recovery plan. NWIP reinforced the strategic importance of the workforce agenda for NHS Wales recognising its central contribution to the many service delivery challenges facing the health and care system. HEIW welcomed the opportunity to inform NWIP which has had a wide-ranging impact on our work programme.

#### The Social Services and Wellbeing (Wales) Act 2014

This act imposes duties on local authorities and health boards to promote the wellbeing of those who need care and support, or carers who need support and to put in place measures that support a preventative approach and reduce the need to escalate care. Our ongoing work with Social Care Wales in respect of the second phase of the Workforce Strategy for Health and Social Care is considered further on [page 31](#).

#### A Healthier Wales

The long-term plan for Health and Social Care embraces the prudent healthcare principles and sets out an ambitious plan for a whole system revolution and provides essential context for all NHS plans going forward. In addition to the Workforce Strategy referred to above, it challenges HEIW, along with other NHS organisations, to develop sustainable plans and actions to deliver care close to home, through strengthening primary and community services, and refocusing on prevention.

#### Nurse Staffing Act 2016

The Nurse Staffing Act requires organisations to demonstrate that they are providing safe levels of nursing care within adult acute medical and surgical inpatient wards. Although we do not deliver patient care, we took on responsibility for the Nurse Staffing Levels Act Team in 2020.

#### Duty of Quality

The duty of quality came into force on 1 April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and has provided HEIW with the opportunity to define a consistent approach to quality.

During 2023/24 we have focused on promoting awareness and understanding and scoping the

work needed to embed the Duty of Quality. This has led to the development of a Quality Plan for 2024/25 which was approved by the Board in March 2024.

HEIW's Quality Plan will ensure the continuous improvement of quality within the organisation. Quality reporting is embedded throughout the performance section and governance section of this Annual Report.

# Delivery and Performance Analysis

Our 2023–26 IMTP was developed to deliver the organisation’s three Strategic Aims, and some of the highlights of the past year are detailed below.

Our Strategic Aims were tested on partners through our stakeholder engagement and aligned to the functions set out within the legislation. The three HEIW Strategic Aims for 2023–26 were as follows:

- 1 Building our Future Workforce – Developing and implementing plans that align the future demand for workforce with supply.
- 2 Developing our Current Workforce – Transforming today’s workforce to contribute to new models of care which improve quality and safety.
- 3 Shaping Culture and Leadership in NHS Wales – Embedding compassionate leadership principles to develop cultures that support including, wellbeing and quality.

As one of the eight public bodies that will come under the Well-being of Future Generations (Wales) Act on 30 June 2024 HEIW will be undertaking a full review of how well the act is embedded within our planning and development processes as well as identifying our well being statement supported by a set of organisational well-being objectives. This will be aligned to the development of the 2025–28 Integrated Medium-Term Plan.

## Performance outcomes and highlights for 2023–24

Some of the key highlights, in respect of the delivery of our IMTP, are outlined below.

In September, HEIW launched the all-Wales Retention Programme to support organisations in developing local retention plans to improve staff experience at work including wellbeing, engagement, flexible working, CPD, leadership and culture. A Retention Guide and self-assessment resources have been published to support this, along with funding for local retention leads. As part of this programme, the Chief Nursing Officer for Wales also launched the Nurse Retention Plan. This is a key component of the Nursing Workforce Plan and a commitment under the National Workforce Implementation Plan (NWIP). The Plan sets out commitments to supplement and strengthen the work organisations are already progressing to address the challenges of nurse retention in Wales.

HEIW’s national Simulation Based Education Strategy (SBET) was launched in the Spring. The SBET enhances current and future workforce skills using the latest immersive and simulation-based technologies. It provides a strategic vision for simulation-based education, which will standardise delivery, building on current good practice throughout Wales. Patient and service user safety, experience and outcomes lies at the heart of the SBET. The benefits of investing in such learning, reflecting ‘real life’ clinical situations, goes beyond benefits for learners through providing equitable access to training in both rural and urban areas helping our health systems to adapt quicker to fast changes in healthcare.

The GP Nursing Foundation Programme was launched by HEIW in September 2023 in partnership with the primary care academies across all seven health boards. This programme aims to recruit, train, and retain General Practice Nurses (GPN) by providing training in essential skills for nurses new to general practice, and development of practice nursing supervisors. At the end of the first cohort, 21 GPN and 19 supervisors had been trained through GPN modules at Bangor or Swansea Universities and specific education and training organised in each health board. All nurses were permanently recruited by their practices. After significant interest in the programme, cohort 2 is in progress with an increased number of participants. This programme supports a key

step on the general practice nursing career pathway and together with nursing student placements and the SPQ (Specialist Practice Qualification) looks to build a sustainable general practice nursing workforce able to deliver care closer to home.

The national general graduate programme provides a valuable source of new talent into NHS Wales organisations with 90% of Cohort 1 graduates securing positions in NHS Wales. The success of this programme has enabled its transition into an annual cycle since its launch as a pilot scheme in 2021. This is a two-year, work-based programme including a master's level qualification and aimed at graduates from a range of backgrounds. The programme, supported by all of our NHS Wales partner organisations, provides an excellent pathway to develop effective managers and aspiring future leaders for NHS Wales. HEIW has received over 400 applicants for the cohort that will commence the programme in September 2024.

We have launched the Digital Capability Framework for Healthcare in Wales recognising all jobs in healthcare will require digital skills in the next 5–10 years. The framework provides a practical, interactive tool, for all healthcare staff to better understand the skills, behaviours, and attitudes required to thrive in a digital world. It also contains a self-assessment tool for staff to assess their digital skills and a range of resources to support the development of individual digital skills. Technologies are transforming the way healthcare is delivered and it has never been more important to empower staff to feel confident and capable in using technology. The framework can be accessed at [Digital capability framework – HEIW \(nhs.wales\)](#).

In September we launched HEIW's Aspiring Executive Director Talent Pool (2023–2025) and welcomed 45 talent pool members, representing the 13 executive portfolios identified within NHS Wales. The talent pool aims to create a diverse talent pipeline of aspiring executive directors, supporting in future succession planning for our NHS Wales executive directors. All talent pool members have participated in an executive development centre resulting in tailored leadership development report underpinned by our NHS Wales Aspiring Executive Director Success Profile. In addition, our talent pool members will be supported further with access to a

suite of learning resources, including access to executive coaches and/or executive mentors as well as formal network events.

Two further cohorts have recently started our leadership development programme for senior clinicians. We're particularly pleased to be delivering one programme entirely in North Wales for the first time. This will support clinical leadership locally, save participants time and increase the number of senior clinicians in North Wales who can benefit from this programme. A separate cohort of senior clinicians from South/Mid/West Wales is running in parallel, creating opportunities for leadership development as locally as possible.

We have made significant progress in creating evidence based, quality products, tools and resources aimed at creating compassionate leaders and cultures across NHS Wales. These are accessible to all and available through our HEIW [Gwella Leadership Portal](#). This has included the launch of the [Compassionate Leadership Hub](#) hosting a range of learning solutions and the [Compassionate Leadership Pledge](#) which encourages individuals, teams and organisations to sign up and create leadership and cultures of inclusive and psychologically safe working environments, effective team working with shared leadership across teams and engaged, motivated staff empowered to continually improve services.

In 2023 we commenced a programme of work to transform traditional HR approaches in order to embed person-centered practices. This reflected a growing recognition among the people profession that employee relations processes have the potential to cause significant harm to individuals, teams and the organisation. The programme started with a focus on employee investigations, working in partnership with Aneurin Bevan UHB (ABUHB), to spread and scale the learning from their 'Avoidable Employee Harm' concept across NHS Wales. ABUHB, identified a clear problem, overuse of the All-Wales disciplinary policy. Training and documentation interventions were implemented to improve staff experience of the process and to reduce the number and duration of investigations.

This has led to a major reduction, 67%, in the number of investigations commissioned by ABUHB and related savings in sickness absence and direct financial costs (July 2022 to June 2023). Recognising that this was an example of

compassionate leadership in practice with the potential to bring benefits to the wider system, HEIW began partnering with ABUHB in March 2023 to spread and scale the learning. Over the last 12 months, the approach has been spread and scaled to other NHS Organisations. Targeted programmes commenced in WAST, SBUHB, NWSSP and BCUHB. Over 800 staff from across all NHS Organisations have now attended training events.

The success of the programme has been recognised with four awards in the past 12 months, including 'Outstanding contribution to transforming health and care' at the NHS Wales Awards 2023.

Further detail relating to our performance in implementing our 2023–26 IMTP through the three strategic aims can be found in the performance analysis section of our end of year performance report (Q4 Performance) 2023–24, which can be found in the May Board papers on our website here: [Board and committee meetings - HEIW \(nhs.wales\)](#).

## Performance Against the NHS Wales Delivery Framework 2023/24

Given HEIW's unique role as a national organisation in NHS Wales, many of the measures, within the NHS Wales Delivery Framework, do not directly apply. Those that do apply are reported below.

| STAFF, TRAINING AND DEVELOPMENT   |  |
|---|--|
| <p>Delivery measure 36</p> <p>Percentage of sickness absence rate of staff (12 month rolling).</p> <p>Outcome:<br/>**HEIW: 2.60.<br/>NHS Wales: 7.06% (Feb–Jan 23)</p>  | <p>Delivery measure 38</p> <p>Agency spend as a percentage of the total pay bill.</p> <p>Outcome:<br/>HEIW: 0.85%</p>  |
| <p>Delivery measure 39</p> <p>Percentage of headcount by organisation who have had a PADR/ medical appraisal in the previous 12 months (including doctors and dentists in training).</p> <p>Target – 85% ESR and medical appraisal and revalidation system (MARS).</p> <p>Outcome:<br/>**HEIW – all Staff: 65.3%<br/>*HEIW – core Staff: 78.8%<br/>NHS Wales: 73.7% (Jan 2024)</p>  | <p>Delivery measure k</p> <p>(k = Foundational economy; The services and products within the foundational economy provide those basic goods and services on which every citizen relies and which keep us safe, sound and civilised).</p> <p>Qualitative report detailing evidence of NHS Wales advancing its understanding and role within the foundational economy via the delivery of the Foundational Economy in Health and Social Services 2021/22 Programme.</p> <p>Outcome:<br/>Reporting provided covering the annual progress.</p>   |
| <p>Delivery measure l</p> <p>(l = value-based healthcare. Value-based care is underpinned by Prudent Healthcare, first launched as a philosophy and a policy in January 2014. Its key principles of coproduction, equity, intervening gently effectively and – only as much as we need to, and reducing unwarranted variation, including under and over-treatment, are all key to achieving value for our patients and citizens across a whole system of health and social care.)</p> <p>Report detailing evidence of NHS Wales embedding Value Based Health and Care within organisational strategic plans and decision-making processes.</p> <p>Outcome:<br/>Reporting provided bi-annually on progress</p> | <p>Delivery measure n</p> <p>Qualitative report detailing the progress of NHS Wales' contribution to decarbonisation as outlined in the organisation's plan.</p> <p>Target: 16% reduction by 2030</p> <p>Outcome:<br/>Red. There was a big increase in our emissions due to more data being included in the calculation this year</p> <p>HEIW's limited estate position also means we have fewer opportunities to contribute to the reduction of emissions.</p> <p>The red outcome reflects that we are unlikely to achieve the 16% but we are working across the system with our procurement colleague to address more systematic approaches to emissions related to commissioning which is our biggest area.</p> |

|   |  |
|---|--|
| <p>Delivery measure o</p> <p>Qualitative report detailing progress against the priority areas to improve the lives of people with learning disabilities.</p> <p>Outcome:<br/>Reporting provided bi-annually on progress</p> |  |
|---|--|

\* HEIW core staff = staff who work more than 0.3 FTE

\*\* HEIW all staff = core staff + staff who work 0.3 FTE or less

All data in relation to HEIW (except where it relates to the Staff Survey) is based on the detail held at March 24 or where it is based on a rolling 12 month period, it relates to April 23–March 24.



# Performance analysis

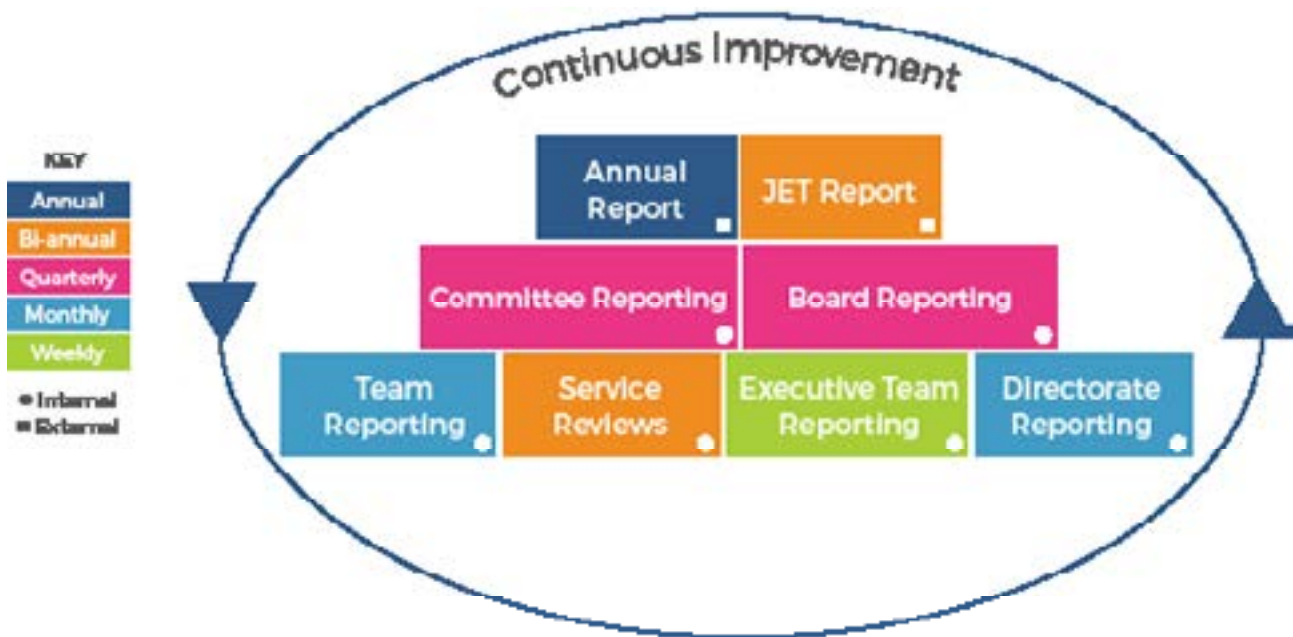


## Performance Framework

The Performance Framework describes the organisation's system for making continuous improvements to achieve our Strategic Aims and Objectives and to deliver our 'Business as Usual' activities. We are committed to developing a compassionate and collective culture that is underpinned by effective performance management and a focus on improvement. Given the specific nature of our role as a strategic organisation and the demands placed on us by the UK regulators, we are taking a proportionate approach, and we largely measure and monitor a different set of performance indicators to the rest of NHS Wales. Our reporting cycle is also different, with a greater focus on academic cycles, annual and quarterly timescales rather than the daily, weekly, and monthly beat of other NHS organisations. In 2023 the

performance framework was refreshed and extensive engagement across the organisation including all the Directorates, Executive Team and the Board was undertaken to identify a set of Key Business Questions that represent what the organisation measures to manage performance. The integrated performance report and dashboard reflects these Key Business Questions and those measures outlined in the WG Performance Delivery Framework.

Our performance cycle provides the opportunity to review the progress of key projects or programmes of work through bi-annual Joint Executive Team (JET) Meetings with Welsh Government. Internally this is achieved through bi-annual service reviews and ongoing quarterly updates via the new performance app launched in June 2023.



## Developing our IMTP 2024–27



As part of the IMTP approval process the Board reviewed and approved the Strategic Framework refreshed last year. The framework sets out the aims, objectives, deliverables, and milestones for the next three years through the lens of our vision, purpose, and the strategic context. Within the framework are the foundations for success which are key to ensuring we deliver our plans with quality at the heart of everything we do.



During the planning cycle we engaged widely with our NHS Wales partners. This year we met with all but two organisations. However, we also expanded our engagement for this year and met with the Emergency

Ambulance Services Committee and Welsh Health Specialised Services Committee who were in the process of planning for the new Joint Committee arrangements. We have also engaged with over 40 different organisations on developing the draft IMTP through the Stakeholder Reference Group.

As part of the planning cycle, we have also discussed the development of our plans regularly with Welsh Government finance and planning colleagues to update on progress, build relationships and share information about key risks and incorporated the feedback into our plan as part of this process. We have consulted with our staff on the development of the plan through ongoing engagement at our Deputies and Deans group, our Local Partnership Forum and dedicated IMTP development sessions. We have also discussed our plan with all our staff through our wider engagement mechanisms.

As a strategic body it is essential that we focus on longer term planning as well as short term solutions to support current pressures. We aim to balance the short and medium term, sustainable actions. These will support the implementation of the Workforce Strategy which forms the base of our strategic context, as well as providing flexibility to respond to emerging priorities in year.

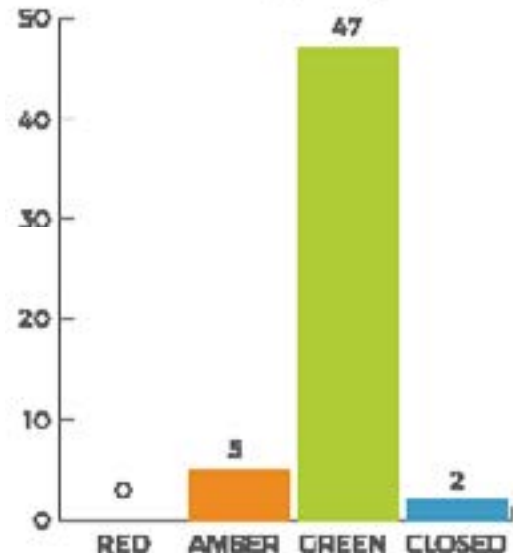
Our plan reflects the multi-dimensional nature of our work, including profession-specific, multi-professional and national programme agenda. We value our strategic agility and have responded as required to emerging issues in-year. Our planning process and our performance management arrangements focus on ensuring that these are clearly connected and that stakeholders can see our work through these different lenses.

A large component of our plan is already agreed in the form of the Education and Training Commissioning Plan. This is produced on an annual basis, linked to academic cycles. This is a critical foundation for the IMTP and requires us to understand our financial profiles on at least a 5-year timescale given the duration of the programmes we commission.

## Delivery against our IMTP 2023–26

The below graphs summarise our 2023/24 performance for the 2023–26 IMTP with 3 strategic aims, 11 strategic objectives and 53 deliverables agreed by the Board at the beginning of the year. Within the year two deliverables were closed. Firstly, the All-Wales Reservist Workforce Programme was due to a change in Welsh Government priorities. Secondly, the Multi-disciplinary Education Strategy which has been moved into the IMTP 2024-27 and will be led by the newly appointed Director of Education, Strategy and Transformation. 92% of our deliverables successfully completed their key plans for the year which is an improvement on last year of 12%.

Annual performance for all strategic objectives



## 2023/24 PERFORMANCE OVERVIEW BY STRATEGIC AIM

Strategic Aim 1: Building our future workforce – Developing and implementing plans that align the future demand for workforce with supply.

- The Education and Training Plan for 2024–25 was initially supported at the July 2023 Board and submitted to Welsh Government for approval. Subsequently, significant prioritisation work was undertaken to achieve a maintained funding position of c£283m requested by Welsh Government. This prioritised plan was approved by the Welsh Government in February 2024. Delivering the plan is pivotal to ensuring a sustainable current and future workforce of the right shape and size.
- Throughout the year the improvement programme for clinical placements has focused on expanding the range of placement availability including those in the community to provide a greater depth of different experiences during training through the annual placement plan.
- As part of the development of the multi-professional pharmacy team the application for accreditation for the Pharmacy Foundation Training Programme was submitted to the regulator in March 2024 and will ensure a continued quality training pipeline. Additionally, the first cohort of the new Level 4 pre-registration pharmacy technician programme was completed successfully.
- A range of new courses have been procured via the Strategic Review of Education Programme including, Clinical Psychology, a part time Practitioner Training Programmes for health care scientists and a distance learning part time pre-registration nurse education. All support providing more flexible routes to registration and training contributing to widening access and addressing inequalities.
- New flexible e-learning has been designed in collaboration with Genomics Partnership Wales to increase staff understanding of genomics and improve patient care across Wales. There is a funded MSc level modules in Genomics designed to equip individuals with more enhanced skills and expertise required to navigate the rapidly evolving landscape of genomics in healthcare, no matter their area of clinical practice or expertise.
- Work based learning options have expanded within year including a Level 7 clinical photography, Agored Cymru Certificate in Assessing Vocational Achievement (CAVA) and Internal Quality Assurance (IQA) qualifications and the all-new clinical induction programme.
- There has been continued development of the support for the Medical Associates Professions. This includes the scoping work on the Surgical Care Practitioner Role, Continuous Professional Development events for Physicians Associates (PA) and a new pilot revalidation system for PAs in Wales in readiness for regulation.
- The new Endoscopy Academy of Wales was launched and provides a multi-disciplinary faculty development programme that incorporates all staff in endoscopy and is Wales wide at the new temporary site. A longer-term strategy is in development.
- To support the roll out of the multi-professional education and training programmes in Primary and Community a range of activities have been delivered including:
  - Launch of GatewayC (online cancer training programme for primary care clinicians in collaboration with Wales Cancer Network and the Christie NHS Foundation).
  - Development of the Advance Clinical Practitioners (ACP) Primary Care Digitisation project (the collaborative development of online competency framework with digital and wider stakeholders).
  - Development of the Primary and community care compendium of roles and models. This is a repository of case studies from across Wales showcasing a range of skills being optimised in Primary and Community Care to meet local population needs.
  - Development of the multi-Professional non-medical prescriber support.
  - Development of Practice Manager support.
  - Development of the Allied Health Professional Musculoskeletal Capability Framework and;
  - The development of the GP integrated care fellowship scheme.

- The simulation strategy launched in April 2023 continues to be embedded with ongoing delivery of the 'Essential' Simulation Faculty Development course, the face-to-face course has received excellent feedback from participants. Work also continues with Association for Simulated Practice in Healthcare (ASPiH) and the four nations group to develop a benefit realisation document in relation to the ASPiH standards.
- There has been significant progress with the launch and development of the Y Ty Dysgu learning platform. Over 20 teams/areas of work are now live and using the platform to deliver a range of continuous professional development learning. The platform will be core to ensuring quality through effective evaluation.
- A core part of the work in 2023/24 was developing strategic workforce plans in collaboration with the system, this includes:
 
  - The Strategic Workforce Plan for Primary Care was approved in early 2024 and ready for implementation planning.
  - The Perinatal, Genomics and Nursing strategic workforce plan programmes have co-ordinated the creation of a set of draft actions in readiness for review and scrutiny in 2024/25 with stakeholders.
  - The Dental Workforce plan was approved by the HEIW Board, and the implementation planning stage has begun, the plan has been aligned to the Primary Care Strategic Workforce Plan and will be published in 2024/25.
  - The Pharmacy workforce plan was approved by the HEIW Board and published in June 2023 at the national launch event.
  - The Mental Health workforce plan delivered across all 33 actions throughout the year. This included a range of support including 1000 staff supported via postgraduate training, resources to support workforce planning, UK wide recruitment and attraction campaigns, online modules via Y Ty Dysgu and quality workforce data development. This work was recognised with a 'workforce planning development' award from the Healthcare People Management Association
- The Welsh Enhanced Recruitment Offer was reviewed and re-launched this year as part of the active offer for dental trainees aimed at encouraging future dental trainees to take up opportunities across rural Wales with an 83% success rate.
- The second phase of the Workforce Strategy for Health and Social Care has been delivered through the lens of the National Workforce Implementation Plan (NWIP) during 2023/24. 14 of the 19 actions are completed with the remaining 5 making good progress. This included the development of the Nursing Workforce Retention Plan published in 2023 and the nursing retention tool deployed for use across the system to support the plan.
- The bilingual Workforce Observatory is now live on the HEIW website with a range of communications and engagement planned in the coming months to drive engagement and seek feedback from the system.
- HEIW has made significant progress this year in its data maturity with the approval of the digital and data strategy, new infrastructure to support a range of new dashboards, a suite of analytics packs to support workforce planning. A new range of supply and demand modelling is nearing completion which will provide greater insight for forecasting in workforce planning.
- Throughout the year a range of careers and outreach activity were delivered including the new 3D Careersville platform to enhance the 14-18 attraction offer. 'Your NHS, Your Career, Your Future' an expansion of the TrainWorkLive approach for attraction to university programmes was also delivered. In March 2024 the Board approved the Strategic Framework for NHS Wales Careers which will provide the blueprint for the health careers attraction agenda.

- ✚ TrainWorkLive delivered a range of attraction activities across multiple professions attending key conferences in the UK. This year there was also an international trip to Kerala, India to undertake both attraction and recruitment resulting in 20 offers of employment for psychiatrist roles in Wales.
- ✚ During 2023/24 six programmes of work were supported via the grant scheme for widening access, including continued support for the Royal College of Nursing Prince of Wales Nursing Cadet Scheme with former cadets now in pre-reg nursing programmes and a healthcare careers scheme for displaced people in Wales.

## Strategic Aim 2: Developing our current workforce – Transforming today's workforce to contribute to new models of care which improve quality and safety.

- ✚ The Strategic Programme for Primary and Community Care has been developing a range of resources via the Gwella platform to support the role of the first cohort of the Accelerated Cluster Development Leadership Programme. This was launched in year to support primary care leaders in delivering place-based care. A new 360-degree leadership feedback tool for cluster and collaborative leads is now live to identify strengths and areas for development.
- ✚ Throughout the year support has been provided to national programmes including planned care including diagnostics, cancer, and urgent and emergency care with some key milestones:
  - The Diagnostics workforce plan was published in January 2024.
  - HEIW has been working with the Cancer network to implement a range of actions including the introduction of the Cancer Nurse Specialist workforce leads and support for the Suspected Cancer Pathway programme.
  - Publication of the Urgent Care Practitioner Framework, the Mental Health Practitioner Framework and Trusted Assessor Competency Framework.
  - Same Day Emergency Care Workforce Plan.
- ✚ The Advanced and consultant practice framework was published with data baselining underway to establish the number of enhanced practitioners across Wales.
- ✚ The National Allied Health Professional (AHP) Framework has been refreshed in collaboration with Welsh Government. This year saw the launch of the Early Years Prevention Toolkit to support AHP's in tackling health inequalities for our future generations. Also, agreement of new All-Wales Community Rehabilitation Best Practice Standards including digital resources in support of the growing demand on rehabilitation services.
- ✚ The Healthcare Science Programmes has made significant progress this year. This included the new Healthcare Science Research and Innovation Strategy presented at the Wales Science Conference. The Service Transformation Fellowship was launched which provides funding to enable professions within the Healthcare Science programme to visit departments outside of Wales to learn new, or exemplary, practices that can be implemented in Wales upon their return.
- ✚ The Healthcare Support Worker career progression framework has continued to develop this year with a Quality Management System (QMS) implemented across all developmental areas. This has included both accredited learning and learning materials uploaded to Y Ty Dysgu. The NHS Wales Skills and Career framework for Healthcare Support Workers and a range of assessment approaches and resources were updated and expanded improving efficiency in completion rates across all health organisations.

- SAS Doctors make up 30% of the NHS Wales medical workforce. There has been a programme of work this year to develop a number of generic learning modules including human factors, education for SAS doctors, differential attainment, unconscious bias and life as a new SAS doctor (covering areas such as job planning, appraisal etc). There was a national conference to enhance and embed quality CPD and a specialty portfolio pathway in anaesthetics has been developed in partnership with Cardiff and Vale UHB and Swansea Bay UHB.
- As part of delivering the Wales Eye Care Plan, HEIW now delivers the mandatory training elements on Y Ty Dysgu for all optometrists, contact lens opticians and dispensing opticians who want to provide NHS eye care services. 3000 optometrists and dispensing opticians have completed Quality Improvement Skills Training in support of embedding skills to drive service improvement.
- The NHS Wales Continuous Professional Development Strategy is the first strategy of its kind to be produced for NHS Wales. The consultation will be undertaken on the final strategy in April 2024 prior to its launch in the spring 2024/25.
- As part of HEIW's role delivering the NHS Wales Decarbonisation Delivery Action Plan 159 NHS Wales staff were trained as Climate Smart Champions across the year. This included 30 in senior procurement roles, the area with the highest emissions and 300 have expressed an interest in future training opportunities. The new Climate smart community was launched on Gwella welcoming 70 members in the first two weeks. Detailed plans for climate smart education and training for the health workforce over the next three years are being prepared for implementation in 2024/25.
- This year the National Digital Capability Framework was launched in June 2023. With 1,248 self-evaluations completed to date to inform the continued development of digital and data literacy skills of the healthcare workforce identified as a key enabler within the ministerial priorities.

### Strategic Aim 3: Shaping Culture and Leadership – Embedding compassionate leadership principles to develop cultures that support including, wellbeing and quality.

- There has been an increase in the profile of Gwella and the leadership and succession resources through multi-media promotion. The production of new pages and support for national conferences and events has resulted in an increased number of applications for HEIW national leadership development programmes. The new Gwella video promoting the behaviours of compassion and empathy will be widely circulated across NHS Wales to support the embedding of compassionate leadership.
- The Advanced Clinical Leadership Programme continues to thrive with work being undertaken to secure academic accreditation for this programme. 17 Welsh Clinical Leadership Fellows have been appointed to the 2024 intake including a midwifery fellow for the first time.
- As part of embedding Compassionate Leadership across NHS Wales a series of modules have been designed which will enable organisations to deliver either a standalone compassionate leadership course or embed the modules into – existing programmes. This included Induction and local management and leadership programmes with the aim of creating a consistent, evidence based and authentic approach to deliver compassionate leadership across health and social care in Wales.
- The aspiring executive talent pool welcomed 45 members in year across 13 identified Executive Level Portfolios with 24 of the 45 participating in Executive Development Centres during the year.

- The NHS Wales Aspiring Chief Executive Programme was launched in 2023 with 12 senior leaders from across the system currently enrolled.
- The third cohort of the NHS Wales General Management Graduate Programme has commenced recruitment with Cohort 2 successfully achieving 100% masters qualification completion.
- Talent and assessment functionality has been successfully deployed into Gwella and is being used by several NHS organisations. HEIW are utilising the functionality to measure knowledge acquisition post participation of the national leadership programme and utilising the Compassionate Leadership 360 functionality to assess cultural changes.
- The National programme to develop the Workforce and OD profession has continued with Success Profile design, underpinned by the CIPD professional map. A series of interactive Career Pathway booklets have been developed for testing and a Coaching and Mentoring hub has been established for the profession.
- Scoping work for the development of national resources to support the induction and onboarding of new Directors and Chief Executives into NHS Wales has been undertaken. A proposal for developing these resources during 2024/25 produced and endorsed by the National Culture, Leadership and Succession Board.
- The NHS People Pledge (formerly the NHS Core Principles) was developed, setting out expectations for both employers and employees to drive positive employee experience and improved quality. The NHS Wales Staff Survey questions were mapped against the seven People Pledges and reporting against each of these pledges at both national and organisational level has been completed and shared with NHS organisations.
- A new national programme of work has been established to transform traditional approaches to reflect compassionate people practices. Over 700 staff have received training and 7 out of 13 organisations are now engaged in the programme. The approach and wide-ranging impact of the programme was recognised by the CIPD Wales Awards for Best Change Management Initiative. This work will continue to develop and embed avoidable employee harm approaches that can improve staff experience, patient safety, and healthcare quality.
- The new Strategic Equality Plan continues to be embedded and delivered utilising a multi-professional approach which has been positively received by the Welsh Government.
- Advancing in equality in education and training has been incorporated into professional areas designed to support student trainees undertaking training commissioned and provided by HEIW. Advancing equality in our education and training programmes will ensure we remove barriers to our current and future workforce accessing learning and development opportunities.
- Of the 22 actions in the More Than Just Words Action Plan that HEIW is named as lead or co-lead, 11 are green and 11 are amber. This year there has been significant progress with the new Welsh language awareness module created for undergraduates delivered through the Higher Education Institutions, there is a new guidance document 'Strategic Workforce Planning for the Welsh Language' and the new 'Raising Confidence Course' has been approved and will be run in 2024/25 via ESR to the whole NHS Wales workforce.
- The Staff Health and Wellbeing – A Best Practice Guide for NHS Wales is now live on Gwella and is aimed at the NHS Wales workforce, specifically developed as a resource to help drive improvement through creating positive cultures at work. It has been designed to support staff to thrive at work, to enable and encourage them to meet their full potential and have an optimal experience at work.

## Internal Organisational Achievements

- HEIW achieved the Ministry of Defence 'Employer Recognition Scheme' Silver Award. The Scheme encompasses bronze, silver and gold awards for employer organisations that pledge and advocate support to the armed forces community and align their values with the Armed Forces Covenant.
- Cedron Sion, a HEIW Welsh Language Translator won the Elaine McCallion Award – GCS Training Student of the Year award for his work completing the Agored Cymru: Tystysgrif Lefel 4 mewn Ymarfer Cyfieithu/Level 4 Certificate in Translation Practice at the Gower College Swansea Annual Student Awards 2023.
- Chrissy Love, Head of Post Graduate Education Commissioning at Health Education and Improvement Wales (HEIW) received an Education Honorary Fellowship from the Academy of Healthcare Science. The Fellowship was awarded in recognition of Chrissy's excellent contributions to the Education and Training of Healthcare Scientists across the UK through national scientific training schemes.
- Care Home Education Facilitator at Health Education and Improvement Wales (HEIW) and nurse at Hywel Dda University Health Board, Sarah Kingdom-Mills, has received the prestigious title of Queen's Nurse. The accolade, awarded by The Queen's Nursing Institute (QNI), acknowledges Sarah's exceptional individual contribution to patient care and the nursing profession.
- Dr Esther Lomas and Dr Elin Griffiths won certificates for their submissions to the 'Spotlight on Poster Presentations' in the educational management and leadership theme at the annual Developing Excellence in Medical Education Conference. The submissions, which could be in the form of an oral short presentation or poster, covered 5 themes following the Academy of Medical Education (AoME) Professional Standards. Both Dr Griffiths' and Dr Lomas' both submitted posters that came under the. Their abstract titles were:
  - Dr Elin Griffiths: 'In search of a win-win situation! Improving sustainability of Primary Care by providing a supportive and rewarding career: The integrated Care GP Fellowship Scheme'
  - Dr Esther Lomas: 'Shaping the Primary Care landscape in Wales: Building a co-ordinated Primary and Community Care Academy Network to deliver across five pillars of education and training.'

## Areas of Challenge

There are number of areas of challenge facing HEIW as we realise our strategic aims.

This includes the impact of the financial recovery across NHS Wales on HEIW's as well as the health system capacity to train and educate staff. Our usual planning process for the Education and Training Plan (ETP) was affected by the current financial position resulting in additional work and prioritisation. This included providing further information to Welsh Government on a range of funding options across different priority areas for 24/25 ETP but within the same funding envelope as for the ETP in 23/24. Given this, there is a tension between putting forward plans based on evidence and need, versus the financial constraints that the whole of NHS Wales is subject to.

Due to financial constraints health boards and trusts ability to release staff for education, training and development and to engage in new initiatives is being restricted.

Higher Education Institutions (HEIs) are finding it more difficult to fill their commissioned places, requiring HEIW to make direct interventions to improve the fill rate which is considered on [page 37](#). HEIW exists to support HEIs, but the level of management intervention is significant. Couple this with the high proliferation of temporary programmes and projects, many HEIW staff have been in posts linked to non-recurrent funding, with fixed-term and secondment staff only given annual contracts. This does mean HEIW experiences higher turnover of staff in these areas

HEIW's key areas of challenge over the year are also considered under the HEIW's Risks section in the Annual Governance Statement on [pages 82-88](#).

## Delivering in Partnership

As an All-Wales organisation, with several strategic functions, the importance of communicating and engaging with our partners and stakeholders cannot be over emphasised.

## HEIW and our partners



As the national workforce body for NHS Wales, we recognise how critical engagement with stakeholders and partnership working is to our work. It is through effective engagement and partnership working that we are able to clearly understand the challenges facing health care in Wales, build workforce solutions and support the delivery of excellent patient care.

HEIW's approach to engaging partners and stakeholders is more fully outlined in our Annual Governance Statement on [pages 89–90](#).

## Highlights from Education and Training Commissioning

The majority of our annual budget, 85.6% is invested in education and training. In 2023/24, we continued to commission an increasing number of training and student places across a range of health professions, in line with continued investment and commitment from Welsh Government and our Education, Training and Commissioning Plans.

### Nursing Commissioning

The graph below shows that, since the establishment of HEIW in 2018, nurse commissioning numbers have grown significantly from below 2,000 per annum to 2,701 in the 23/24 academic year. In order that these increases can be accommodated HEIW has also invested in developing the placement infra-structure across Wales to ensure that the students have access to safe and quality learning environments. This has involved in investing in more Practice Educator roles and developing additional capacity in Primary, Community and Social Care.



The trends in commissioning and training numbers for Wales are shown in Appendix 1.1 and 1.2 at the end of this Performance Report. A number of professions are highlighted below.

The investment in training infrastructure has enabled the increase in commissions but the number of applications for nursing places has dropped significantly reducing the fill rates on courses. Across the UK applications to nursing courses have dropped by in excess of 22% over the last two years. In response HEIW has led on a series of initiatives to supplement the traditional University recruitment processes. A total of 2,307 student nurses across all four fields of nursing have been recruited in the 23/24 academic year. This is 509 above 22/23 levels and the highest number of student nurses ever recruited in Wales. The HEIW led initiatives accounted for 768 filled places which represents 33% of all filled places. Such initiatives have included:

- Enhanced bridging modules between Further and Higher Education
- The introduction of the International Student Nurse Scheme
- New opportunities for Healthcare Support Workers to progress
- Introduction of a new part-time distance learning course

However, whilst recruitment to adult and child field places were high, both Mental Health and Learning Disability commissioned places remained difficult to fill. HEIW are leading on several innovative solutions to ensure that recruitment to these fields of nursing continue to increase.

### Midwifery, Healthcare Science and Allied Health Programmes Commissioning

All commissioned places for midwifery were filled and all Allied Health Professional and Healthcare Science courses achieved fill rates in excess of 95% with the exception of Diagnostic Radiography, Occupational Therapy, Dietetics, Podiatry and. Courses with less than 90% fill rates have been escalated with the relevant University and quality improvement plans have been developed, approved and are subject to monthly monitoring.

The infographic below is the final 2023/24 recruitment position for these professions following the Spring 2024 intakes.



### Quality of Education and Training

HEIW is responsible for ensuring there are high quality learning environments for all healthcare learners in Wales, providing high quality education and training for our future and current NHS Wales workforce, in line with regulatory standards and requirements. This remains one of HEIW's core functions and top priorities. HEIW has adopted a Quality Framework integrating Quality Planning, Quality Management, Quality Assurance and Quality Improvement as a system for underpinning high quality multi-professional education and training across professional groups. The organisation also has a statutory duty to secure continuous improvements in the quality of education and training. Excellent communication with all our partners, stakeholders, students and trainees continues to be essential in this work.

### HEIs and the Performance Quality Framework

Universities are a key partner of the NHS as they provide routes into education and training for all health professionals at undergraduate and postgraduate level. The quality aspects of the contract management process with universities assures HEIW, Welsh Government and NHS organisations that the health professional education commissioned and delivered in Wales adheres to the appropriate academic and vocational standards. This process also supports initiatives to widen access, promote the use of the Welsh Language and to provide a local route to education, amongst other themes.

As part of this contract assurance process, HEIW undertakes an individual quality review

with each of its education partners. This review is only possible due to the open, collaborative approach undertaken by all parties. The aim of each individual review is to guide the continuous improvement of education programmes and, as such, improvement plans set out in the individual quality report for each University are incorporated into their own improvement processes. This is all encapsulated within our Quality Performance Framework.

The Performance Quality Framework also sets out the principles and practices deployed to manage concerns via a staged escalation process facilitating a risk-based approach to managing concerns. Within the escalation process is the mechanism to performance manage concerns relating to the key performance indicators and associated requirements of the contracts with HEIs. The aim of the escalation process is to seek assurance that sustainable quality improvements are implemented in a timely, effective and efficient way.

HEIW draws on several data and mechanisms for assurance that Education Providers meet their responsibilities for provision of placement quality. These measures link with all elements of a quality cycle (planning, management, improvement, and assurance).

### Concerns and Challenges

Application rates to Learning Disability and Mental Health Nursing remain areas of concern. Other areas of concern include (in isolated courses) higher than average academic failures and student dissatisfaction (highlighted within the National Student Survey and via HEIW student engagement sessions) surrounding organisation and management of certain programmes and the quality and timeliness of student feedback. These issues have been escalated under the Performance Framework and the relevant Universities have submitted Quality Improvement Plans which have been approved and are subject to monthly monitoring.

### Medical training

**Foundation Training**  
389 of the 450 trainees recruited (86.4%) started the F1 training year in July 2023 and by April 2024, there were less than 5 resignations from the programme. There are 17 F1 trainees requiring an extension to their training which commenced in July 2023.

### Secondary care medical training

Following recruitment Rounds 1 and 2 for posts commencing in August 2023, we achieved a final recruitment rate of 90% (434 of 480 posts advertised). Of the 434 doctors accepting posts, 421 commenced on the programme start date with 12 trainees requesting deferrals for statutory reasons.

This is an increase of 26 trainees across the programmes compared to last year, when the recruitment rate was also 90% (408 of 449 posts advertised).

Some specialties (Acute Internal Medicine, Higher Psychiatry Specialties and GU Medicine) remain challenging to fill and this is reflected across the UK. In this recruitment round we saw fill rates improve for Palliative Medicine following its recent dip. Fill rates were much lower this time for Neurology, Geriatric Medicine and Obstetrics and Gynaecology(OandG). These recruitment challenges are likely due to curricular change, and UK wide trends in lower recruitment for some specialties including OandG. The curricular issue will be self-limiting over time. We will explore issues in OandG in the Welsh and UK context.

The 2023 Education and Training Plan recommended an increase in training posts for Clinical Pharmacology, Clinical Oncology, Geriatric Medicine, Neurology and Palliative Medicine and whilst there are clear workforce requirements for these expansions, these posts were not filled through these recruitment rounds. We will attempt to recruit to these vacancies at the next recruitment opportunity.

### GP Training

Over the two recruitment rounds for General Practitioner (GP) training programmes starting August 2023 and February 2024 there were a total of 199 trainees recruited.

Two programmes to support trainees who may encounter difficulties during their training were in place for the 2023/24 training year. The 'Welcome to Wales' programme is a cultural induction open to all new recruits who graduated overseas. The 'Programme of Additional and Specialised Support' provides an additional two educational sessions per month on an individual and small group basis to those trainees at most risk of experiencing a complicated training journey. Currently 190

trainees who are most at risk, and those already experiencing complicated training journeys are benefiting from these additional sessions, intended to improve trainee outcomes and increase trainee throughput.

### Postgraduate Medical Training

HEIW ensures high-quality postgraduate medical education and training in Wales whilst meeting regulatory standards through the application of our Quality Framework. This comprehensive framework includes routine and responsive practices which enable us to work in collaboration with Local Education Providers (LEPs) (i.e. Health Boards and Trusts) across Wales to ensure the delivery of quality education and training in a manner which appropriately prioritises patient safety.

HEIW secured General Medical Council (GMC) approval to adapt its standards for medical education and training (as published in 'Promoting Excellence', 2015) for use across healthcare programmes supported by HEIW to provide a common starting point for Quality Management (and local Quality Control) activity.

Quality management utilises a Targeted Process to achieve the aim of ensuring a proportionate response to concerns through adopting a staged approach to the management of training issues. There are four stages within the process- initial enquiry, local management, direct Quality Unit intervention and Enhanced Monitoring.

'Enhanced Monitoring' status is applied by the GMC to those sites which they consider require an additional level of support.

### Enhanced Monitoring

As at 31st March 2024, departments in 3 Local Education Providers (LEPs) are under enhanced monitoring. These are detailed in the table below. Emergency Medicine at Prince Charles Hospital is a recent addition. Improvement action plans remain on track for the other two. In the last year Medicine at Wrexham Maelor Hospital as well as Emergency Medicine and Trauma and Orthopaedics in Swansea Bay UHB were all de-escalated from enhanced monitoring,

| Local Education Provider (Health Board)   | Site(s)   | Specialty          |
|---|---|--------------------|
| Betsi Cadwaladr University Health Board   | Wrexham Maelor Hospital   | Emergency Medicine |
| Aneurin Bevan University Health Board     | The Grange University Hospital, Ysbyty Ystrad Fawr, Royal Gwent and Nevill Hall Hospitals | Medicine           |
| Cwm Taf Morgannwg University Health Board | Prince Charles Hospital   | Emergency Medicine |

### Annual Training Survey

HEIW's response rates to the GMC National Training Surveys were high at 88% against a UK average of 74% for the trainee survey and a 63% response rate for the trainer survey against a UK average of 38%. The increased response rate in Wales trainees was unique, with rates falling in the other Nations of the UK compared with 2022. These results have been published on the GMC's online reporting tool with a key themes report for Wales being produced within HEIW. Details of some of the key messages within this report are provided below:

Overall, the survey results were broadly in line with the rest of the UK. Trainees in Wales continue to report high levels of satisfaction with good levels of clinical supervision.

Of particular note Wales had good results for induction and an increase in score for adequate experience, probably helped by a return to improved training opportunities as the pandemic effects alter. It was also encouraging to see an increase in score for Reporting Systems, reflecting a previous downward trend from 2016.

Several programmes had many positive outlying scores and include: Chemical Pathology, Histopathology, Palliative Medicine and Urology. Emergency Medicine, which has been an area under pressure and a focus for Quality Unit activity, had significant improvement with all indicators falling within the interquartile range. General Medicine (and associated subspecialties) also showed small improvement but remains an area that requires further improvement.

A new area in the survey was Civility and while the majority of responses reflect good experience, there are some instances of poor behaviour cited. This evidence was brought sharply into focus by the reports into misogyny and sexual harassment, leading to an increased emphasis on improving the ability for trainees to safely speak up. This work will continue to develop through 2024, incorporating Welsh Government's Speaking Up Safely campaign and the GMC surveys will further explore this important area.

Trainer responses rates are better in Wales than elsewhere, but there is further work needed to improve reporting from this group. Most respondents can access appropriate learning and have sufficient time for training. Encouragingly, the inclusion of training in appraisal continues to rise, with 49% rating this as effective or better. This trend is consistent with the approach taken by HEIW to ensure this area of appraisal is undertaken.

For trainees and trainers, burnout continues to be a concern, Rates in most groups increased with very few areas showing reduced levels of burnout indicators. HEIW continues to address this with workshops and efforts to support the workforce through collaborative engagement with Health Boards.

The GMC continue to express confidence in the ability of HEIW to meet its training standards outlined in Promoting Excellence.

### Medical Appraisal Process

HEIW supports and improves professional standards through revalidation and appraisal in line with the requirements of the regulators. The Revalidation Support Unit (RSU) continues to provide and manage the GP appraisal process for approximately 2,700 GPs in Wales. In the year 23/24 the RSU completed 2,533 GP appraisals (in comparison, total number of GP appraisals completed in 22/23 was 2,444).

RSU is responsible for facilitating high-quality appraisal in Wales, and one of the key quality improvement events is the annual GP National Appraiser Conference. The day-long event enabled the Appraisers to network amongst the wider group and share learning facilitated by professional speakers. In 2023 the RSU celebrated 20 years of GP appraisal in Wales, topics included Motivational Interviewing, Tricky Situations, Significant events, complaints, and duty of candour.

The RSU is integral in supporting primary and secondary care healthcare workers meet their appraisal and revalidation requirements, thus assisting HEIW to meet its strategic aim of developing our current workforce. Over the course of the year, the RSU has worked closely with the Chief Medical Officer (CMO),

Medical Directors, General Medical Council (GMC) and appraisal leads across the four nations to ensure that the future model of medical appraisal is robust and remains wellbeing focussed. The CMO as Chair of the Wales Revalidation Oversight Group (WROG) tasked the RSU with developing and maintaining a Revalidation Action Plan for Wales and undertaking a programme of Revalidation Quality Assurance Review Visits to all Designated Bodies (DBs) in Wales. The Review Visits explore the quality and robustness of appraisal and revalidation systems within each organisation and provide assurances to the CMO as Higher-Level Responsible Officer in Wales. The second cycle of these visits commenced in May 2022 and 16 visits were undertaken over a period of 18 months. The cycle has concluded and an evaluation report, highlighting good practice, deferral rate findings and areas for improvement was sent to the CMO for information, which includes an improvement action plan, noted above, to ensure good practice is shared and areas for improvement are addressed.

The RSU is collaborating with Swansea Bay Health Board on a Physician Associate pilot to determine what support is required from a procedural, systems and appraisal perspective in readiness of the introduction of GMC regulation at the end of 2024.

### Trainee Support

Our Professional Support Unit (PSU) for medical, dental and pharmacy trainees, continues to provide a range of support interventions for trainees that are having challenges progressing through training. The PSU has seen an increase in referrals over recent years but a levelling off between 2022/23 and 2023/24. In the year 2023/24 we received a total of 398 referrals with an average caseload through the year of 465 trainees (in comparison, total referrals for 2022/23 were 412, with an average caseload of 460). In addition to this, in 2023/24 we have referred 273 trainees for enhanced psychological support, an increase of 44 from the previous year indicating an increase proportion of complex cases. The drivers for the increased referrals remain complex and multi-factorial and include increasing recognition of differential attainment and the impact on complicated training journeys, higher proportion of international medical graduates (there is a link between location of primary medical qualification and level of differential attainment), continuing impact of the pandemic on psychological wellbeing, and increasing recognition of neurodiversity and the challenges that can pose to trainee progression and wellbeing. The PSU offer a range of interventions including one to one interventions, and wellbeing development seminars and webinars for trainees and the wider training faculty. Well over 50% of trainees

now self-refer to PSU indicating a reducing perception of stigma of a referral for professional support.

In addition to providing professional support to trainees, the PSU offers a significant learning and development programme to trainees and the trainer faculty. In 2023/24 3334 attendees joined a virtual or face to face seminars on the following topics:

- Maintaining Your Strength and Wellbeing
- Minimising Imposter Syndrome
- Peer to Peer Mentoring
- Supporting Trainees Through Training
- Getting the Most Out of Mentoring
- Independent hearing Chair training
- Future Medics
- Active Bystander Training
- Crucial Conversations: Giving and Receiving Feedback
- Exam Support

### Dentistry

Dental Foundation Training:

In the 2023/24 cohort, 58 posts were filled via National Recruitment, and 10 posts were filled through the incentivised local recruitment scheme.

Dental Core Training (DCT)

68 posts available, 54 DCTs recruited via national recruitment in 2023:

- 25 DCT1
- 20 DCT2
- 9 DCT3

The remaining posts (14) were recruited as Local Appointments for Service (LAS) and Local Appointments for Training (LATs)

Dental Specialty Training

26 of the available 36 Posts were filled giving a fill rate of 72%. In respect of the 10 posts vacant 5 recruited into with start dates during spring/summer 2024; and less than 53 currently being recruited into for an autumn 2024 start; less than 5 on hold until next year.

Dental Therapy Foundation Training

Posts were increased in 2023 and 16 were filled and started in September 2023. This is a 60% increase in places on the previous year.

All of the training programmes for dental continue to fill via either national or local recruitment and where vacancies exist, we work with local providers to fill these as quickly

as we can.

### Dental Quality Management

#### Dental Trainee Forum

The forum was established two years ago to help improve engagement with trainees across all dental training programmes. Trainee representatives from every dental training programme and every scheme attend and contribute.

#### Dental Trainee Survey

As part of the work to improve quality standards and reporting one comprehensive survey asking the same relevant questions to all trainees, across all training programmes and at the same time was introduced. This has provided a feedback mechanism to ensure the quality assurance of all the training programmes is consistent and any emerging issues can be addressed. This first survey provides baseline information to monitor improvements and outcomes in future years.

The revised survey is part of Dental Deanery work to improve the quality mechanisms for the dental training programmes. The trainee 'voice' is critical to ensuring we are delivering a quality training programme and experience. The small number of trainees in dental specialties presents challenges in presentation of granular level detail to allow anonymisation and protect the identity of trainees.

The survey suggests that the quality of training is generally very good and trainees are satisfied with the support from HEIW and the wider training faculty. There were no surprises in the results and the survey has enabled structured discussions with stakeholders and LEPs where concerns have been raised.

#### Dental Nurse Training

HEIW has established a National Examining Board for Dental Nursing (NEBDN) Diploma Course in response to the current shortage of this dental workforce in Wales. 15 places were filled commencing in September 2023.

### Pharmacy Quality Management

The Pharmacy Deanery is in the process of designing and implementing a consistent approach to Quality Management across all our programmes.

These new processes, and updates to existing Quality Management activities, are being developed not only to align monitoring and reporting across our programmes but also to

ensure continued compliance against 3 key strategic drivers:

- Duty Of Quality
- HEIW Quality Management Framework
- GPhC Standards for IETP for Pharmacists, Pharmacy Technicians and Pharmacy Professionals

### Pre-Registration Pharmacy Technicians

HEIW currently have 4 cohorts of pre-registration pharmacy technicians completing the new level 4 training programme with intakes for 23/24 as below.

Work is ongoing with employer stakeholders across Wales to develop a vision for the development of a career pathway for the Pharmacy Support Staff who are fundamental to effectively embedding the enhanced roles of Pharmacy Technicians.

In addition, our "Access To" programmes provide the opportunity for existing employees to achieve the qualifications to meet the entry criteria to apply for the HEIW Pre-registration Pharmacy Technician training programme. 44/47 learners who started currently on programme.

### Trainee Pharmacists – Foundation

101/110 Trainee pharmacists on the 22/23 programme have now successfully completed their training year equating to a pass rate of 91% in Wales. This was the highest pass rate across all home nations for the November registration assessment 2023 as national average was 66%.

103/116 trainee pharmacists commenced their foundation training year in August 2023.

### MPharm Funded Clinical Placements

The regulatory changes to the initial education and training of pharmacists requires the four-year MPharm degree to include a significant increase to undergraduate clinical placements. HEIW was successful in securing Welsh Government funding for pharmacy undergraduate clinical placements in July 2023.

### Post registration Foundation (PRF) Programme

This programme is a bespoke bridging programme for new/early career pharmacist registrants across all sectors of practice and facilitates the effective implementation of the initial education and training standards for pharmacists by July 2026.

HEIW currently has 3 cohorts working through this the PRF programme. Learners have the potential to achieve both independent prescriber status and the Royal

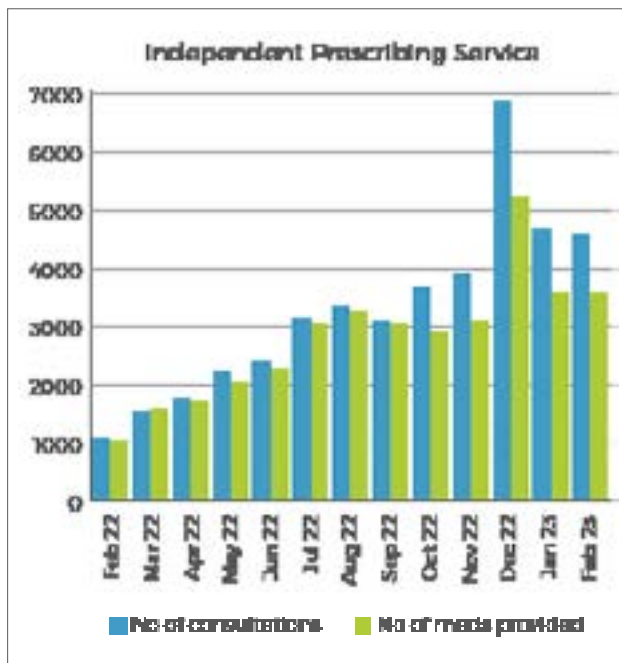
Pharmaceutical Society (RPS) Post-registration Foundation within the 2-year programme. The goal is to boost the number of pharmacist independent prescribers in the workforce, to deliver better access to medicines for the public.

### Existing Pharmacy Workforce

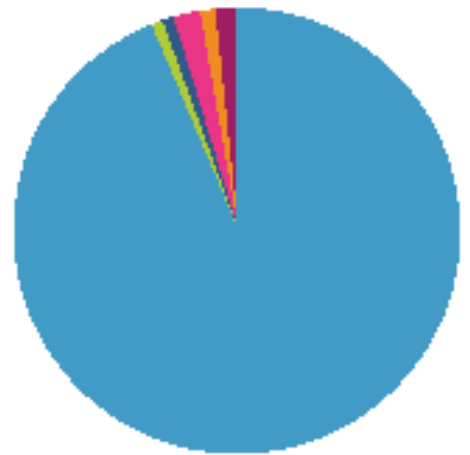
HEIW continues to invest in developing the skills and competence of the existing pharmacy workforce to meet the changing landscape of pharmacy service delivery.

A particular focus is upskilling the existing workforce with the enhanced skills of Independent Prescribing and the skills of the community pharmacy workforce to deliver the requirements of Presgripsiwn Newydd-New Prescription. The impact of HEIW investment can be seen in the data below:

Since the launch on 26th June 2020, over 158,272 consultations have been recorded, with 12,951 consultations recorded during March 2024. 97.7% of patients said they would have visited another healthcare provider had the service not been available in the pharmacy.



### Patient action if not received IPS consultation February 2023



- Made an appointment with a GP (4268)
- Bought medication from the pharmacy (417)
- Done nothing (397)
- Made an appointment to attend the out-of hours service (381)
- Made an appointment with another healthcare professional (e.g. dentist or optometrist) (469)
- Made an appointment with a nurse or health visitor (101)
- Called NHS Direct or NHS 111 for advice (357)
- Attended the accident and emergency department at hospital (91)

### Optometry – commissioning

HEIW supports the professional development for qualified non-medical eye professionals, including optometrists and dispensing opticians. This includes commissioning higher qualifications so optometrists can deliver services in optometry practice such as independent prescribing, medical retina and glaucoma.

This year there has been an increase of 30% commissioning for all postgraduate qualifications) to accommodate the expected increase in demand as a result of the new Wales General Ophthalmic Services (WGOS) NHS contract.

From HEIW commissioning, all health boards now have 2 practices per cluster with optometrists who have been allocated places on qualifications in professional certificate in medical retina, professional certificate in glaucoma and independent prescribing courses. This should provide future equity for patient services.

### Optometry education, training and support

HEIW provide continuing professional development both as part of the WGOS contract and for further development. HEIW have delivered contract mandatory training through our online platform, 'Y Ty Dysgu' to 3,074 users – 865 Optometrists, 176 dispensing opticians, 56 CLOs, 1,977 practice staff- see below.

Chart shows breakdown of numbers completing mandatory WGOS training.



In 2023 HEIW published the Independent Prescriber Optometrist Tool Kit alongside a Peer Review Support Forum. The Forum involves 6 two-hour sessions where an experience IP Optometrist facilitates a peer review session with up to 6–10 newly qualified IP Optometrists. HEIW will measure the impact of this support intervention to evaluate the impact of this intervention.

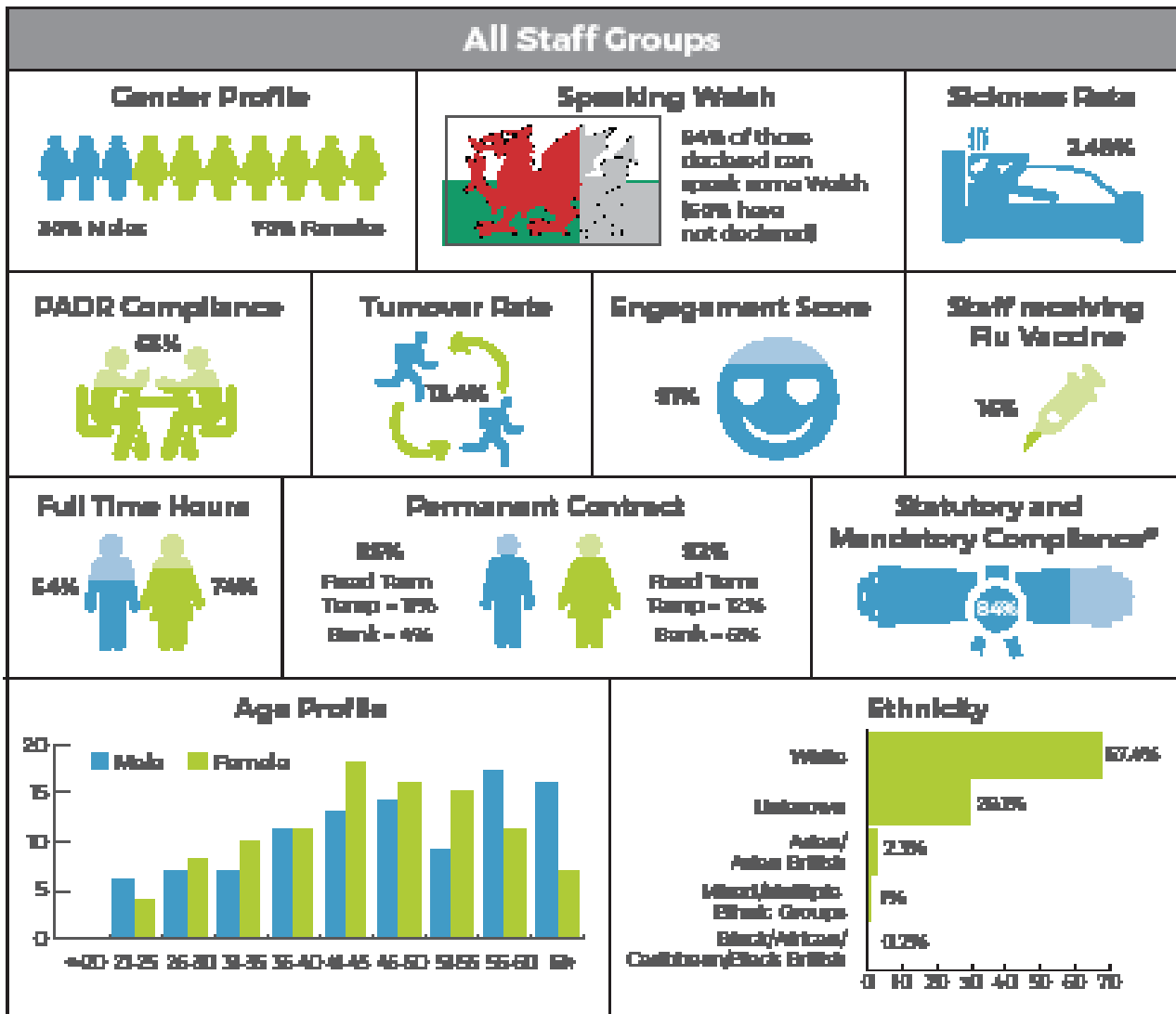
## Our Workforce

Our workforce has continued to change as we have matured as an organisation, and we employ staff from a range of NHS staff groups. As we have grown since 2018 the number of sessional staff has remained stable with the expansion being among the core staff. Growth has been across all of the directorates with

the biggest expansion being in the Digital and Nursing Directorates. The Medical Directorate is the largest directorate however it should be noted this reflects the inclusion of the majority of sessional staff within the Medical Directorate.

With the expansion the number of sessional staff is a smaller proportion of the total workforce.

Workforce Infographic as at March 2023



\*Excludes employees who work 0.5 FTE or less

## Workforce Movement

The headcount as detailed on the Dashboard has increased from 600 in April 2023 to 637 in March 2024. There are monthly fluctuations in the headcount depending on the number of vacancies. Work will continue during 2024/25 to ensure the accuracy of reporting on the headcount and the inclusion of staff seconded into HEIW. ESR is showing 149 new starters for 2023/24 with 45% being recruited from within the NHS.

Following the end of the pandemic a hybrid operating model was agreed based on 3 days in the office and 2 days at home, this was temporarily amended to 2 days in the office and 3 days at home in response to rising fuel costs and increasing in the cost of living. The operating model is reviewed regularly in partnership with the Local Partnership Forum to ensure it continues to meet the needs of the organisation.

## Turnover

The 12-month rolling turnover rate for HEIW for the period to March 2024 was 17.3%, this is an increase on the previous year's figure of 13.4% which is higher than the sector average. However, our turnover rates included interns and graduate trainees who are with us for a fixed period without those the turnover rate reduces to a more healthy level. There is some volatility in the workforce as a result of the use of fixed term appointments. All leavers are sent a leavers questionnaire and offer and exit interview.

## Sickness

HEIW's rolling 12-month sickness rate was 2.60% and although marginally up from the previous rate it remains below the NHS Wales target of 4.1%. The long term trend shows an increase in sickness, which may be the result of the increased size and complexity of HEIW and increased demands on staff. The single largest reason for staff sickness absence is anxiety and stress which based on FTE days lost amounts to over half of all absence.

## Mandatory and Statutory Training

The Welsh Government KPI requires 85% compliance at a minimum level in the 10 UK Core Skills Framework for NHS Staff, hosted on the Electronic Staff Record system. The majority of these learning modules require a 3-year refresher period, although specific modules may differ in this. New starters are excluded from this report for the first 3 months

in post HEIW adds an additional 3 to the 10 core skills required by Welsh Government.

The HEIW compliance rate for core staff at the end of March 2024 was 88.3% which is above the Welsh Government target figure. It remains the responsibility of individual staff and managers to ensure that they achieve compliance in statutory/mandatory training requirements whilst the People and Facilities Management Team and the wider Workforce and OD teams continue to support and encourage staff in this process.

The sessional staff who work for 3 sessions or less are not included in the above figures as their primary employment is with other employers. They are however still required to undertake a lighter version of appraisal with HEIW to both monitor performance and objectives and to identify relevant training needs. Similarly with Statutory and Mandatory training, where their prime employment is elsewhere, they can provide confirmation of having undertaken the relevant training with their prime employer and have their competency confirmed within ESR.

## Staff Engagement and Wellbeing

In June 2023, following consultation we launched our People and Organisational Development Strategy for HEIW that sets out our 3-year people plan to deliver excellent services and continuous improvement through our commitment to the wellbeing, inclusion, capability and engagement of all those who work for us.

In 2023 participated in the National Staff Survey. Within HEIW we received 351 completions that represents 75.2% of our core workforce. The consistent measure within the survey is staff engagement score. This is based upon 7 questions that looks at three areas autonomy, motivation and staff advocacy. HEIW's engagement score was 79% compared to the NHS Wales average of 73%. We know that the enablers for staff engagement include compassionate and supportive line management, high levels of involvement of staff in decision making and an inclusive environment where staff feel respected and empowered to contribute equally.

## Equality, Diversity and Inclusion

We remain broadly representative of the overall NHS workforce in terms of the gender profile of the organisation, with 71% of the workforce

being female, and this includes our senior leaders as represented by the HEIW Board.

Based on the 2021 census, across Wales, 5% of the population identify themselves as from a minority ethnic background, within our local areas of Cardiff and Rhondda Cynon Taff this is 16% and 4% respectively. From those who have declared their ethnicity, those from a minority ethnic background make up 5% of our NHS workforce which is an increase of 2%. Although this remains less than the overall NHS Wales profile of 8%, the increase is due to both an increase in minority ethnic staff employed and increase in the existing workforce now declaring their ethnicity

Our age profile is more in keeping with NHS Wales workforce overall, with the majority of the workforce being between 36 and 60. Those in the 21 to 25 age brackets make up 6% of our workforce which is comparable to the average of 6% in the same age bracket across NHS Wales.

### Complaints handling

HEIW's bespoke Complaints Handling Policy reflects our unique role within NHS Wales as a training and education provider. Our Complaints Handling Policy outlines the process for dealing with concerns and complaints, emphasises a swift resolution of issues where possible and outlines how the implementation of the policy will be monitored. The Policy also supports organisation learning and seeks to identify and share lessons learned from complaints. HEIW received 7 complaints under the Complaints Handling Policy during the reporting period.

## Financial Performance

The HEIW Board approved its draft Annual Plan at its meeting on 30th March 2023. The plan set a revenue funding requirement for the year of £327.906m. This has subsequently been revised to an in-year funding requirement of £315.703 at year-end. HEIW reported an underspend of £1.267m for the year, meeting its financial duty to break-even against the Revenue Resource Limit (RRL).

The underspend during the year came from a number of sources including from within pay budgets where there have been vacant posts within the establishment. In addition, from non-pay where there have been underspends on Travel, Training and Conference Travel as well as reduced recharges from Health Boards and Trusts.

The most significant part of the underspend was from the education and training

commissioning budgets due to under recruitment to the numbers of students on some Nursing and other Health Professional Courses as well as increased attrition during the year.

These underspends have been offset in part by a small number of overspends within the commissioning budget.

The draft annual accounts were submitted to Welsh Government by the deadline of 3rd May 2024.

Expenditure on the two main commissioning areas is shown in the table below. Operating costs of £43.4m relate to non-commissioning expenditure (including staff and director costs £30.3m), premises and related items (£2.9m), establishment costs (£4.7m), supplies and services (£4.1m) and other expenditure (£1.4m).

| Non-Medical Training and Education                               |  | £'m          |
|--|--|--------------|
| Student Training Fees (Universities)                             |  | 66.0         |
| Funding for Healthcare Education Fees (Health Boards and Trusts) |  | 6.0          |
| Student Bursaries Reimbursement (Universities)                   |  | 18.9         |
| Student Salaries Reimbursement (Health Boards and Trusts)        |  | 24.1         |
| Advanced Practice Training fees                                  |  | 2.0          |
| Healthcare Support Working Training                              |  | 3.0          |
| Non-Medical Prescribing  |  | 0.3          |
| Training related Travel and Subsistence                          |  | 5.2          |
| Disability Support Allowance                                     |  | 0.9          |
| Mental Health Workforce Plan Commissioning                       |  | 1.5          |
| <b>TOTAL</b>   |  | <b>127.9</b> |

| Postgraduate Medical, Dental and Pharmacy Education |  | £'m   |
|---|--|-------|
| Training Grade Salaries                             |  | 66.2  |
| Postgraduate Centre and Study Leave                 |  | 4.9   |
| GP Registrars                                       |  | 40.0  |
| Dental Foundation Trainees                          |  | 9.8   |
| Pharmacy Training                                   |  | 13.4  |
| Induction and Refresher                             |  | 0.1   |
| Welsh Clinical Academic Training                    |  | 1.6   |
| GP CPD and Appraisal Costs                          |  | 1.1   |
| Trainee Relocation Expenses                         |  | 2.4   |
| Primary Care  |  | 1.5   |
| Optometry   |  | 0.3   |
| Other   |  | 1.0   |
| TOTAL   |  | 142.3 |

Capital expenditure during the year totalled £1.34m against the Capital Resource Limit (CRL) of £1.35m.

## Welsh Language

HEIW comes under the original (1993) Welsh Language Act and we therefore have a published Welsh Language Scheme approved by the Welsh Language Commissioner.

We have continued to focus on the implementation of the Welsh Language Scheme, and on increasing the services provided by HEIW through the medium of Welsh and improving the language skills of our staff.

Our work on MTJW has been a significant success for HEIW over the course of the past year, a claim which is endorsed predominantly by the MTJW Annual Report published by Welsh Government in late December 2023. In the report, particular attention is drawn to the good work we have done in the following areas;

- Our Awareness Course created for the undergraduates on our HEI courses.
- Our work in producing the “Strategic Workforce Planning for the Welsh Language” strategy, and an acknowledgement that this work needs to be further developed.
- Our above average performance in completing the new mandatory internal Welsh language awareness course.
- The excellent work that we have done through Tregyrfa, our Welsh language careers portal, in engaging with the future NHS workforce.
- The significant improvement we’ve made in increasing our ESR Skills Welsh Language Skills Completion rate. The percentage of staff who have recorded their Welsh language skills on ESR has increased substantially over the past six months, rising from 56% to 82% of all core staff during this period. In respect of those that have recorded their skills, 11% have confirmed that they are proficient in the Welsh language.

In order to further support our work, we have undertaken a number of events over the course of the year. These have included the delivery of a revamped “Raising Confidence” course now available and known as “Opening the Door” these sessions are delivered in partnership with Aberystwyth University and The National Centre for Learning Welsh.

The continued successful implementation of our Welsh Language Scheme over the past year is demonstrated in part by the number of staff learning Welsh which continues to increase, final number for the year is around 80 learners undertaking weekly Welsh lessons.

Translation is fundamental to ensure compliance within HEIW as well as ensuring that we can offer our learners and ultimately their patients a service in the language of their choice. The team translated well over 5 million words last year (2023) – growth of over 700k words on previous year.

## Sustainability

### Annual Report Biodiversity and Decarbonisation

In 2023/24, we have continued to expand our proactive approach to the biodiversity and decarbonisation agenda, raising awareness of sustainable healthcare internally and externally and delivered funded training opportunities across the system to promote action to implement sustainable healthcare in practice. We have also progressed work to baseline how sustainable healthcare is embedded throughout education and training and developed an action plan to ensure consistency in implementation across professional pathways. The Sustainability Steering Group and Green Group have continued to deliver the priorities in the HEIW Biodiversity and Decarbonisation Strategy, and we have refreshed our action plan in line with recommendations from an internal carbon footprint exercise, focusing on mitigation for HEIW's carbon hotspots, while continuing to deliver key actions from the NHS Wales Decarbonisation Strategic Delivery Plan.

At our office Ty Dysgu in Nantgarw, we have continued to maintain the outdoor space to protect existing biodiversity, to add new plant species and to encourage additional bird and insect species. We have continued to lead monthly litter picks and collected a total of 10 full bags of rubbish from our grounds and the surrounding area in the course of the year. We have installed a new interface for our existing Building Management System to help us to improve environmental sustainability in building use and upgraded the electric vehicle charging points with faster charging models and increased the number of points from two to six. We have continued to promote cycling as a sustainable mode of transport for staff commuting, providing up to £2,500 for cycling equipment via salary sacrifice and on-site showers, and made a commitment to working towards achieving level 1 of the Wales Healthy Travel Charter over the next two years.

In line with initiative 39 of the NHS Wales Decarbonisation Plan, we have trained 159 NHS Wales staff as Climate Smart Champions and a further 306 have expressed an interest in future training. In recognition that the significant proportion of NHS Wales' emissions are as a result of procurement activity, specialised training was delivered to c.30 senior

Procurement staff to support them to develop more sustainable procurement practices across Wales. We launched the online 'Climate Smart Community' to provide support to Champions and others across the system interested in Sustainability and within two weeks of the launch had welcomed 72 members.

Three Sustainability Fellows (0.2 FTE fixed term for two years) have delivered a range of initiatives to raise awareness and improve educational opportunities for trainees, including presentations and training at key events including general curriculum days and conferences, improved support documentation, and launched a podcast series focused on sustainable healthcare in Wales.

### Emissions and Waste

We monitor emissions and waste creation on an ongoing basis, taking account of the impact of our hybrid ways of working and our commitment under the Environment (Wales) Act 2016. As a Special Health Authority of NHS Wales, our emissions differ considerably to other NHS Wales organisations.

The latest public sector net zero emissions available are for 2022/23, where HEIW's total emissions are estimated to be 8.30 ktCO<sub>2</sub>e. This is an increase compared to estimations for 2020/21 and 2021/22, but now more accurately reflects the full range of supply chain data. This will be used as the baseline going forward.

Table 1 shows costs and units for utilities for the whole of 2023/24, with Table 2 providing a comparison between 2022/23 and 2023/24. There was a decrease of 7% in electricity use, which is likely to be as a result of changing the Building Management System (BMS) parameters to reduce the operating hours from December to March and a slight decrease in electric car charging due to the chargers being out of action for a period when new chargers were installed. This has resulted in a financial saving of nearly £14.5k. There was also a decrease of 14.2% in gas use in 2023/24 compared to 2022/23. This is also due to the changes made to BMS parameters/operating hours, the milder winter and an operational issue with three of the fan coil units for a period, further reducing use. This has resulted in a financial saving of nearly £49k. Water usage increased by 27% due to a combination of factors, including some system leaks, more

in-house events than the previous year (due to increasing costs elsewhere leading to an increase in the use of in-house facilities), the HEIW Facilities team's flushing regime for meeting requirements related to water-borne diseases and the water requirements to support maintaining biodiversity in the estate. Waste has increased by 29% due to a significant level of sorting and removal of unwanted items and disposal of records that

had reached the full retention period, as well as the move to full waste separation in January 2024, ahead of implementation of the new waste regulations in April. 100% of the organisation's waste is diverted from landfill, with 42% incinerated (CO2 recaptured/recycled during the process) and 58% recycled. This equates to 2218 kg of CO2 saved, equivalent to eight trees planted each year, one car off the road and one house powered for a year.

Table 1: Utilities (Units and Costs) 2023/24

| 23/24                  | Electricity (KWh) | Gas (KWh) | Water and Sewerage (m3) | Waste (Tonnes) |
|------------------------|-------------------|-----------|-------------------------|----------------|
| Q1                     | 86,256            | 81,897    | 1,211                   | 2.9            |
| Q2                     | 89,528            | 59,751    | 1,223                   | 2.1            |
| Q3                     | 73,348            | 109,256   | 1,550                   | 1.7            |
| Q4                     | 72,909            | 117,203   | 1,402                   | 2.2            |
| Total units            | 322,042           | 368,109   | 5,386                   | 8.9            |
| Total Cost Inc VAT (£) | £97,488           | £26,760   | £10,160                 | £3,040         |

Table 2 Utilities and Waste Comparison 2022/23 and 2023/24

|                     | Electricity (KWh) 22/23 | Electricity (KWh) 23/24 | Gas (KWh) 22/23 | Gas (KWh) 23/24 | Water and Sewerage (m3) 22/23 | Water and Sewerage (m3) 23/24 | Waste (Tonnes) 22/23 | Waste (Tonnes) 23/24 |
|---------------------|-------------------------|-------------------------|-----------------|-----------------|-------------------------------|-------------------------------|----------------------|----------------------|
| Total Units         | 346,342                 | 322,042                 | 429,070         | 368,109         | 4,230                         | 5,386                         | 6.9                  | 8.9                  |
| Cost (£)            | £111,918                | £97,488                 | £48,761         | £26,760         | £7,288                        | £10,160                       | £2,890               | £3,040               |
| Difference in units | -24,300                 |                         | -60,961         |                 | 1,156                         |                               | 2.0                  |                      |
| Difference (%)      | -7.0%                   |                         | -45.1%          |                 | 27.3%                         |                               | 29.0%                |                      |
| Difference (£)      | -£14,430.00             |                         | -£48,761.00     |                 | £2,872.33                     |                               | £150.00              |                      |
| Difference £ (%)    | -7%                     |                         | -14.2%          |                 | 27%                           |                               | 29%                  |                      |

## Appendix 1.1 Trends in Education and Training Commissioning

| Specialty                                       | August 2023 post numbers | Changes August 2023 | Changes August 2022 | Changes August 2021 | Changes August 2020 | Changes August 2019 | Changes August 2018 | Changes August 2017 |
|---|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Anaesthetics/ICM                                |                          |                     |                     |                     |                     |                     |                     |                     |
| Core Anaesthetics Training/ ACCS Anaesthetics   | 131                      |                     | +10                 |                     |                     |                     |                     |                     |
| Higher Anaesthetics                             | 149                      | +6                  | +3                  | +3                  | +3                  |                     |                     |                     |
| ACCS Intensive Care                             | 14                       |                     |                     |                     |                     |                     |                     |                     |
| Higher Intensive Care Medicine                  | 38                       | +3                  | +4                  | +4                  | +4                  | +2                  |                     | +4                  |
| Emergency Medicine                              |                          |                     |                     |                     |                     |                     |                     |                     |
| Acute Care Common Stem – Emergency Medicine     | 31                       | +4                  | +4                  | +2                  |                     |                     |                     | +4                  |
| Emergency Medicine (includes PEM and PHEM)      | 58                       | +4                  |                     | +5                  | +7                  | +4                  |                     | +2                  |
| Medicine  |                          |                     |                     |                     |                     |                     |                     |                     |
| Internal Medicine Training/ ACCS Acute Medicine | 283                      | +12                 | +12                 | +15                 | +13                 |                     |                     |                     |
| Acute Internal Medicine                         | 14                       |                     |                     | +2                  |                     |                     |                     |                     |
| Audio vestibular medicine                       | 1                        |                     |                     |                     |                     |                     |                     |                     |
| Cardiology                                      | 38                       |                     |                     |                     |                     |                     |                     |                     |
| Clinical Genetics                               | 7                        |                     | +2                  |                     |                     |                     |                     |                     |
| Clinical Neurophysiology                        | 2                        | +1                  |                     |                     |                     |                     |                     |                     |
| Clinical Oncology                               | 28                       | +4                  | +4                  | +4                  |                     |                     |                     |                     |
| Clinical Pharmacology and Therapeutics          | 3                        | +1                  |                     |                     |                     |                     |                     |                     |
| Dermatology                                     | 19                       | +3                  |                     |                     | +3                  |                     |                     |                     |
| Endocrinology and Diabetes                      | 24                       | +1                  |                     |                     |                     |                     |                     |                     |
| Gastroenterology                                | 27                       |                     | +1                  | +2                  |                     |                     |                     |                     |
| Genito-urinary Medicine                         | 4                        |                     |                     |                     |                     |                     |                     |                     |
| Geriatric medicine                              | 57                       | +5                  |                     |                     |                     |                     |                     | +3                  |
| Haematology                                     | 18                       |                     |                     |                     |                     |                     |                     |                     |
| Immunology                                      | 1                        |                     |                     |                     |                     |                     |                     |                     |
| Medical Oncology                                | 15                       | +3                  | +3                  | +3                  |                     |                     |                     |                     |
| Neurology                                       | 20                       | +3                  |                     |                     |                     |                     |                     |                     |
| Palliative Medicine                             | 17                       | +2                  | +2                  |                     |                     |                     |                     |                     |

| Specialty                                       | August 2023<br>post numbers | Changes<br>August 2023 | Changes<br>August 2022 | Changes<br>August 2021 | Changes<br>August 2020 | Changes<br>August 2019 | Changes<br>August 2018 | Changes<br>August 2017 |
|---|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Rehabilitation Medicine                         | 2                           |                        |                        |                        | +1                     |                        |                        |                        |
| Renal medicine                                  | 17                          |                        |                        |                        |                        |                        |                        |                        |
| Respiratory Medicine                            | 31                          |                        |                        | +2                     |                        |                        |                        |                        |
| Rheumatology                                    | 14                          | +2                     | +2                     |                        |                        |                        |                        |                        |
| Surgery   |                             |                        |                        |                        |                        |                        |                        |                        |
| Core Surgical Training                          | 100                         |                        |                        |                        |                        |                        |                        |                        |
| Cardio-thoracic surgery                         | 7                           |                        |                        |                        |                        |                        |                        |                        |
| General surgery                                 | 65                          | +7                     |                        | +4                     |                        |                        |                        |                        |
| Neurosurgery                                    | 7                           |                        |                        | -1                     |                        |                        |                        |                        |
| Ophthalmology                                   | 40                          |                        |                        |                        |                        |                        | +4                     |                        |
| Oral and Maxillo-facial<br>Surgery              | 11                          |                        | +2                     |                        |                        |                        |                        |                        |
| Otolaryngology                                  | 18                          |                        |                        |                        |                        |                        |                        |                        |
| Paediatric Surgery                              | 2                           |                        |                        |                        |                        |                        |                        |                        |
| Plastic surgery                                 | 15                          |                        |                        | +2                     |                        |                        |                        |                        |
| Trauma and<br>Orthopaedic surgery               | 50                          | +5                     |                        |                        |                        | +4                     |                        |                        |
| Urology   | 20                          |                        |                        | +4                     |                        |                        |                        |                        |
| Vascular surgery                                | 10                          |                        |                        | +1                     |                        |                        |                        |                        |
| Pathology                                       |                             |                        |                        |                        |                        |                        |                        |                        |
| Chemical pathology                              | 4                           |                        |                        |                        |                        |                        |                        |                        |
| Histopathology                                  | 21                          |                        | +1                     |                        |                        |                        |                        | +2                     |
| Infectious diseases                             | 2                           |                        |                        |                        |                        |                        |                        |                        |
| Medical Microbiology and<br>Infectious Diseases | 22                          | +3                     | +3                     | +3                     | +3                     |                        |                        |                        |
| Paediatric and<br>Perinatal pathology           | 1                           |                        | -1                     |                        |                        |                        |                        | +1                     |
| Psychiatry                                      |                             |                        |                        |                        |                        |                        |                        |                        |
| Core Psychiatry Training                        | 101                         | +8                     | +8                     |                        |                        |                        |                        |                        |
| Child and<br>Adolescent Psychiatry              | 18                          | +2                     | +4                     |                        |                        |                        |                        |                        |
| Forensic Psychiatry                             | 7                           | +1                     |                        |                        |                        |                        |                        |                        |
| Old Age Psychiatry                              | 15                          | +2                     | +2                     |                        | +2                     | +2                     |                        |                        |
| General Psychiatry                              | 31                          | +2                     |                        |                        |                        |                        |                        |                        |

| Specialty                                | August 2023<br>post numbers | Changes<br>August 2023 | Changes<br>August 2022 | Changes<br>August 2021 | Changes<br>August 2020 | Changes<br>August 2019 | Changes<br>August 2018 | Changes<br>August 2017 |
|--|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Psychiatry of Learning Disability        | 5                           |                        |                        |                        |                        |                        |                        |                        |
| Imaging and Radiology                    |                             |                        |                        |                        |                        |                        |                        |                        |
| Clinical Radiology                       | 112                         | +5                     | +15                    | +10                    | +10                    | +4                     | +7                     | +11                    |
| Interventional Neuro Radiology           | 1                           |                        | +1                     |                        |                        |                        |                        |                        |
| Nuclear medicine                         | 1                           |                        |                        |                        |                        |                        |                        |                        |
| Women's Health                           |                             |                        |                        |                        |                        |                        |                        |                        |
| Obstetrics and gynaecology               | 95                          |                        |                        | +2                     |                        |                        |                        |                        |
| Community Sexual and Reproductive Health | 4                           |                        | +2                     |                        |                        |                        |                        |                        |
| Paediatrics                              | 153                         |                        | +4                     | +6                     | +4                     |                        |                        |                        |
| Public Health Medicine                   | 23                          | +3                     | +2                     |                        |                        |                        |                        |                        |
|  | 1935                        |                        | +90                    | +73                    | +50                    | +14                    |                        |                        |
| Foundation Training                      |                             |                        |                        |                        |                        |                        |                        |                        |
| Foundation Year 1                        | 450                         | +39                    | +30                    | +30                    | +12                    |                        |                        |                        |
| Foundation Year 2                        | 411                         | +30                    | +30                    | +12                    |                        |                        |                        |                        |

## Appendix 1.2 Health Professional Commissioning Trends

The trends in commissioning and training numbers for health professional in Wales from 1998 to 2023 are detailed below.

| Staff Group                 | 2022 | 2021 | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012 | 2011  | 2010  | 2009  | 2008  | 2007  | 2006  | 2005  | 2004  | 2003  | 2002  | 2001 | 2000  | 1999 | 1998 |
|-----------------------------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|------|
| Pre Registration Nursing    | 2396 | 2202 | 1,987 | 1,911 | 1,911 | 1,750 | 1,418 | 1,283 | 1,053 | 1,011 | 919  | 1,035 | 1,070 | 1,179 | 1,095 | 1,079 | 1,271 | 1,265 | 1,247 | 1,387 | 1,291 | 990  | 1,113 | 976  | 905  |
| Midwifery                   | 185  | 185  | 161   | 134   | 134   | 134   | 94    | 94    | 94    | 109   | 107  | 102   | 123   | 110   | 95    | 90    | 100   | 97    | 97    | 100   | 120   | 96   | 86    | 70   | 72   |
| District Nurses             | 80   | 80   | 80    | 80    | 80    | 80    | 41    | 41    | 24    | 31    | 20   | 26    | 30    | 26    | 28    | 45    | 71    | 68    | 71    | 65    | 57    | 62   | 69    | 50   | 52   |
| DN (Modules)                | 123  | 123  | 123   | 123   | 123   | 123   | 123   | 123   | 163   | 172   | 100  | 50    | 40    | 40    | 98    |       |       |       |       |       |       |      |       |      |      |
| Health Visitors             | 92   | 92   | 92    | 92    | 90    | 82    | 71    | 66    | 49    | 39    | 31   | 31    | 36    | 46    | 36    | 36    | 37    | 47    | 53    | 62    | 55    | 48   | 36    | 44   | 44   |
| Health Visitors (Modules)   | 30   | 30   | 30    | 30    | 30    | 40    |       |       |       |       |      |       |       |       |       |       |       |       |       |       |       |      |       |      |      |
| CPNs                        | 30   | 30   | 30    | 30    | 30    | 39    | 21    | 27    | 23    | 13    | 26   | 20    | 21    | 21    | 21    | 13    | 23    | 15    | 17    | 34    | 34    | 30   | 40    | 16   | 35   |
| CPN (Modules)               | 60   | 60   | 60    | 60    | 60    | 40    | 48    | 48    | 40    | 40    | 30   | 20    | 20    | 20    | 20    |       |       |       |       |       |       |      |       |      |      |
| CLDNs                       | 0    | 0    | 0     | 0     | 0     | 0     | 12    | 12    | 7     | 8     | 5    | 4     | 2     | 3     | 2     | 3     | 6     | 5     | 10    | 10    | 14    | 10   | 13    | 7    | 15   |
| CLDNs (Modules)             | 10   | 10   | 0     | 10    | 10    | 10    | 12    | 12    | 0     | 8     | 0    | 0     | 10    | 6     | 4     |       |       |       |       |       |       |      |       |      |      |
| School nurse                | 30   | 30   | 19    | 19    | 19    | 19    | 18    | 18    | 18    | 18    | 27   | 22    | 24    | 24    | 24    | 22    | 21    | 21    | 24    | 20    | 17    | 13   | 6     | 0    | 0    |
| School nurse (modules)      | 0    | 0    | 3     | 3     | 3     | 3     | 2     | 2     | 6     | 10    | 0    | 25    |       |       |       |       |       |       |       |       |       |      |       |      |      |
| Practice nurses             | 30   | 30   | 20    | 20    | 20    | 20    | 1     | 1     | 14    | 12    | 39   | 16    | 16    | 18    | 16    | 20    | 23    | 17    | 11    | 15    | 15    | 23   | 0     | 0    | 0    |
| PN (Modules)                | 50   | 50   | 29    | 29    | 29    | 29    | 29    | 34    | 18    | 8     | 10   | 12    | 16    | 16    | 16    |       |       |       |       |       |       |      |       |      |      |
| CCN (p/t)                   | 0    | 4    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0     | 0    | 0    |
| Paediatric nurses           | 0    | 0    | 7     | 0     | 0     | 16    | 12    | 12    | 11    | 13    | 10   | 8     | 6     | 9     | 7     | 2     | 15    | 10    | 7     | 13    | 15    | 0    | 0     | 0    | 0    |
| Paed. nurses (Modules)      | 24   | 24   | 10    | 24    | 24    | 24    | 3     | 3     | 13    | 8     | 3    | 8     | 8     | 8     | 8     |       |       |       |       |       |       |      |       |      |      |
| Occupational Therapists     | 179  | 179  | 163   | 133   | 133   | 121   | 116   | 111   | 88    | 79    | 71   | 69    | 102   | 100   | 93    | 81    | 98    | 91    | 106   | 112   | 79    | 65   | 45    | 40   | 37   |
| Physiotherapists            | 174  | 174  | 164   | 147   | 147   | 134   | 134   | 121   | 96    | 89    | 103  | 90    | 90    | 95    | 85    | 82    | 86    | 101   | 126   | 140   | 115   | 91   | 77    | 73   | 67   |
| Speech and Language Therapy | 49   | 49   | 49    | 44    | 44    | 0     | 44    | 44    | 37    | 30    | 25   | 36    | 43    | 35    | 35    | 54    | 44    | 40    | 39    | 40    | 38    | 33   | 33    | 33   | 27   |
| Dietetics                   | 40   | 40   | 40    | 30    | 30    | 30    | 42    | 38    | 30    | 33    | 28   | 30    | 36    | 40    | 34    | 22    | 24    | 24    | 30    | 31    | 28    | 28   | 28    | 28   | 27   |
| Post grad. Dietetics        | 20   | 20   | 20    | 12    | 12    | 12    |       |       |       |       |      |       |       |       |       | 15    | 15    | 15    | 15    |       |       |      |       |      |      |
| Podiatry                    | 27   | 27   | 24    | 24    | 24    | 24    | 20    | 20    | 26    | 15    | 24   | 24    | 31    | 30    | 26    | 26    | 26    | 26    | 26    | 27    | 28    | 28   | 28    | 28   | 21   |
| Orthoptics                  | 0    | 0    | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 3     | 2    | 0     | 0     | 0     | 0     | 0     |       |       |       |       |       |      |       |      |      |

| Staff Group               | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Medical Photography       | 0    | 7    | 5    | 5    | 5    | 5    | 4    | 4    | 4    | 3    | 3    | 2    | 2    | 2    | 2    | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| ODPs                      | 49   | 49   | 49   | 49   | 49   | 49   | 39   | 39   | 46   | 44   | 28   | 32   | 29   | 30   | 25   | 23   | 32   | 32   | 39   | 41   | 36   | 33   | 32   | 14   | 14   |
| Surgical Care Pracs       | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 8    | 8    |      |      |      |      |      |      |      |      |      |      |
| Physicians Associate      | 54   | 61   | 60   | 42   | 32   | 32   | 27   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Clinical Psychologists    | 36   | 32   | 29   | 27   | 27   | 27   | 27   | 27   | 26   | 25   | 21   | 16   | 18   | 19   | 18   | 18   | 21   | 21   | 21   | 20   | 19   | 18   | 15   | 15   | 15   |
| Pharmacists – Pre Reg.    |      | 160  | 40   | 50   | 41   | 41   | 38   | 38   | 40   | 40   | 39   | 43   | 45   | 43   | 38   | 36   | 40   | 40   | 40   | 40   | 36   | 34   | 4    | 30   | 30   |
| Pharmacists Dip and Techs |      | 77   | 99   | 85   | 75   | 75   | 60   | 60   | 62   | 63   | 63   | 41   | 54   | 66   | 54   | 51   | 66   | 64   | 50   | 53   | 21   | 20   | 19   | 14   | 12   |
| Dental Hygienists         | 33   | 18   | 18   | 18   | 18   | 18   | 18   | 18   | 10   | 12   | 10   | 7    | 9    | 11   | 9    | 9    | 9    | 9    | 9    | 9    | 8    | 8    | 7    | 7    | 6    |
| Dental Therapists         | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 12   | 11   | 6    | 8    | 8    | 11   | 8    | 8    | 8    | 8    | 8    | 8    | 7    | 7    | 6    | 6    | 0    |
| Ambulance Paramedics      | 116  | 105  | 115  | 85   | 76   | 86   | 69   | 94   | 36   | 25   | 24   | 40   | 57   | 75   | 101  | 70   | 90   | 85   | 85   | 70   | 57   | 48   | 48   | 40   | 48   |





# Accountability report and accounts

2023/24

An abstract graphic consisting of several overlapping, curved, ribbon-like shapes in various shades of pink and magenta. The shapes are layered, creating a sense of depth and movement. They are positioned on the right side of the page, partially overlapping the text area.

# Corporate governance report

## Governance statement for the period ended 31 March 2024

### 1. Scope of Responsibility

The Board of Health Education and Improvement Wales (HEIW) is accountable for governance, risk management, and internal control. The Chief Executive Officer (CEO) 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 CEO is personally responsible. These are carried out in accordance with the responsibilities assigned to the CEO as Accountable Officer by the Chief Executive of NHS Wales.

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

The background to HEIW, its functions and the Integrated Medium-Term Plan (IMTP) 2023/26 is set out in the Performance Report.

This Governance Statement explains the composition and organisation of HEIW's governance structures and how they support the achievement of our objectives.

During 2023/24 we have continued to further develop our system of governance and assurance. During the year we have reviewed HEIW's Strategic and Corporate Risks. Our Board Assurance Framework is outlined on [page 80](#) and it will continue to evolve in 2024/25.

The Board sits at the top of our governance and assurance system. It sets strategic aims, monitors progress, agrees actions to achieve these objectives and ensures appropriate controls are in place and working properly. The Board also takes assurance from its committees, assessments, against professional standards and regulatory frameworks.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. Since September 2022, all Board and Committee meetings have been held face-to-face at Ty Dysgu. Since live streaming of Board and Committee meetings were introduced a significantly higher number of members of the public have viewed these meetings.

#### Reporting period

The reporting period for this Governance Statement is primarily focussed on the financial year from 1 April 2023 to 31 March 2024. However, it also includes reporting on material issues that have taken place between 31 March 2024 and the date that the Governance Statement was approved by the HEIW Board on 11 July 2024.

### 2. Our Governance Framework

Our vision is "To develop a skilled and sustainable workforce that improves care and population health" which was developed through extensive engagement with our staff, stakeholders and partners.

Our purpose is as part of the NHS, to work with partners to plan, develop, educate and train the current and future workforce.

As a Special Health Authority our unique contribution or "added value" is to address strategic and specialist workforce opportunities and risks that affect workforce demand and supply through our statutory functions.

HEIW's statutory functions are detailed below:

Leadership Development

Workforce development and transformation

## Careers and widening access

## Workforce – strategy planning Intelligence

## Education and Training – planning commissioning delivery

With our staff we also developed and agreed our values which are:

- Respect for all: in all contact we have with others;
- Together as a team: we will work with partners across NHS Wales and partner organisations;
- Ideas that improve: harnessing creativity and continuously innovating and evaluating.

These values are supported by a Values and Behaviours Framework and together these set out clearly the expectations on all staff and the way we work. Our Values and Behaviour Framework is on our website at <https://heiw.nhs.wales/about-us>.

HEIW, in line with all Health Boards and Trusts in Wales, has agreed standing orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the HEIW (Establishment and Constitution) Order 2017 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved to the Board; a scheme of delegation to officers and others; and standing financial instructions, they provide the regulatory framework for the business conduct of HEIW and define its 'ways of working'. These documents, together with the range of corporate policies set by the Board, make up the Governance and Assurance Framework.

Our Standards of Behaviour Policy was reviewed during 2023/24 and approved by the Board on 28 March 2024. Work has continued during 2023/24 in respect of communication and to ensure that declarations are up to date to proactively manage any conflicts of interest that might arise for our Board members and staff.

### 2.1 The Role of the Board

The Board has been constituted to comply with

the Health Education and Improvement Wales Regulations 2017. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Independent Members also fulfil a number of Champion roles where they act as ambassadors (see Table 1 on pages 76 to 79).

The Board is made up of independent members and executive directors. Glyn Jones commenced employment as Director of Finance Planning and Performance on 2 May 2023.

In March 2023, HEIW concluded a successful public recruitment process for two new Independent Members. On 24 April 2023, Donna MacArthur took up her position as an Independent Member for a term of four years. Jayne Sadgrove took up her position as an Independent Member on 1 September 2023 also for a term of four years.

In November 2023, HEIW concluded a further successful public recruitment process for two new Independent Members. On 1 February 2024, Dawn Jones commenced her term as an Independent Member for a term of four years. Judith Hardisty took up her position as an Independent Member on 1 July 2024 also for a term of four years.

On 31 January 2024, Tina Donnelly and Ruth Hall terms of office as Independent Members came to an end.

Julie Rogers the Deputy Chief Executive and Director of Workforce and Organisational Development left HEIW on 30 June 2024. Glyn Jones was appointed as Deputy Chief Executive for a period of one year from 1 July 2024 and Helen Watkins will commence as Director of Workforce and Organisational and Development on 1 August.

Pushpinder Mangat, Medical Director left HEIW on 31 May 2024. Tom Lawson was appointed to this role for a period of one year on 1 June 2024.

In addition to the executive directors, HEIW has two director position, the Director of Digital Development and the newly created role of Director of Education Strategy and Transformation. Dr Ian Mathieson commenced his role as Director of Education Strategy and Transformation on 1 July 2024. Both of these director roles, together with the executive directors and the Board Secretary, are members of the Executive Team. In addition, the Director of Digital Development

and Director of Education Strategy and Transformation have a standing invitation to Board meetings where they can contribute to discussions, but without voting rights as they are executive directors.

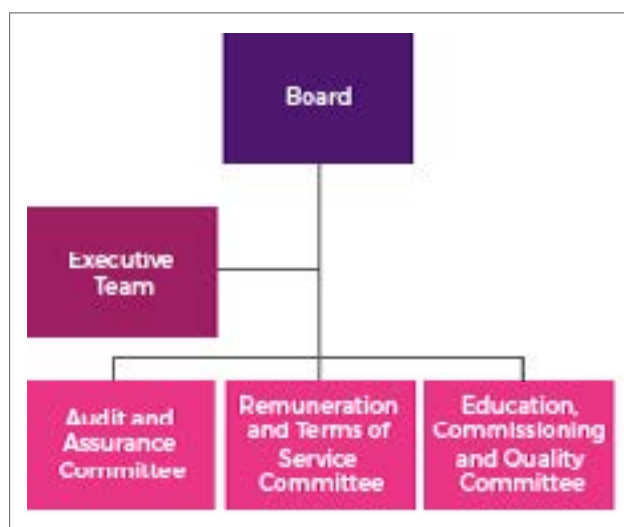
During 2023/24 several Board Development Sessions were undertaken which included a focus on the following elements of governance:

- Duty of Quality and Duty of Candour
- Social Partnership and Procurement Act and Well-being of Future Generations (Wales) Act 2015
- Risk Appetite
- Board's self-assessment of its own effectiveness
- Strategic Risks

In addition, during 2023/24 five briefing meetings were convened for the Board to consider the following areas:

- The development of a Strategic Workforce Plan for Primary Care
- The development of the Strategic Nursing Workforce Plan
- The development of the Strategic Perinatal Workforce Plan
- The Enhanced, Advanced and Consultant Framework
- The Draft Education and Training Plan 2024/25
- Update on the Single Platform Business Case

The full membership of the Board, their lead roles and committee responsibilities are outlined in Table 1. Below is a summary of the Board and committee structure:



The Board provides leadership and direction to the organisation and has a key role in ensuring

the organisation has sound governance arrangements in place. The Board also seeks to ensure the organisation has an open culture and high standards when conducting its work. Together, Board members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation. All the meetings of the Board during 2023/24 were deemed when held to be appropriately constituted with a quorum. The key business and risk matters considered by the Board during 2023/24 are outlined in this statement and further information can be obtained from meeting papers available on our website: <https://heiw.nhs.wales/about-us/board-meetings-agendas-and-standing-orders/>

## 2.2 Committees of the Board

The Board has established three committees, the Audit and Assurance Committee, the Remuneration and Terms of Service Committee, and the Education Commissioning and Quality Committee. These committees are chaired by the Chair of the Board or independent members and have key roles in relation to the system of governance and assurance, supporting decision making, scrutiny and in assessing current risks. The committees provide assurance and key issue reports to the Board to contribute to the Board's assessment of assurance and to provide scrutiny on the delivery of objectives.

The Board is responsible for keeping the committee structure under review and reviews its standing orders on an annual basis. The Board will consider whether any changes are needed during 2024/25 in line with the Board's governance framework and priorities of the IMTP 2024/2027.

HEIW is committed to openness and transparency with regard to the way in which it conducts its committee business. The HEIW Board and its committees aim to undertake the minimum of its business in closed sessions and ensure business wherever possible is considered in public with open session papers published on HEIW's website. <https://heiw.nhs.wales/about-us/board-meetings-agendas-and-standing-orders/>

The closed session elements of Board and committee meetings are undertaken because of the confidential nature of the business. Such confidential issues may include commercially sensitive issues, personal issues or discussing plans in their formative stages.

An important committee of the Board in relation to this Governance Statement is the Audit and Assurance Committee. The Committee keeps under review the design and adequacy of HEIW's governance and assurance arrangements and its system of internal control. During 2023/24, key issues considered by the Audit and Assurance Committee relating to the overall governance of the organisation included:

- Reviewing the draft Annual Accounts for 2022/23.
- Reviewing procurement compliance, reviewing procurement activity undertaken to support operation activity, reviewing the procurement compliance annual report and monitoring progress against the Procurement Compliance Action Plan.
- Revisiting its terms of reference, which will be kept under regular review.
- Approving the Internal Audit Plan for 2024/25 and keeping under review the resulting Internal Audit Reports. Noting key areas of risk and tracking the management responses made to improve systems and organisational policies.
- Approving the Counter Fraud Plan 2023/24, reviewing the Counter Fraud Annual Plan 2022/23 and keeping under review the resultant counter fraud work.
- Ensuring effective financial systems and controls procedures are in place.
- Further developing the Board's risk management systems and processes and monitoring the same.
- Considering, the 2023 Structured Assessment and Audit Wales' 2023 Audit Plan.
- Providing assurance to the Board in respect of Information Management and Information Governance, reviewing the Senior Information Risk Owner Annual Report 2022/23 and Information Governance Toolkit.
- Self-assessment.

The committee provides an Annual Report of its work to the Board and undertook a self-assessment for 2023/24 at its meetings in February and April 2024. A questionnaire based on the National Audit Office Audit and Risk Committee Checklist was developed and circulated to committee members and attendees. The self-assessment identified four areas of focus including the extension of invites to individuals across the

organisation with the aim of raising awareness of the Committees work and to report on significant issues, continuing refinement of the Fraud Risk Assessment, strengthening of relationships and communications with those the Committee seeks briefings from and ensuring the timing of the Committee meetings is discussed with all parties involved. An action plan in response to the self-assessment has been developed in response to the findings of the self-assessment process.

The Remuneration and Terms of Service Committee considers and recommends to the Board salaries, pay awards and terms and conditions of employment for the Executive Team and other staff. During 2023/24 key issues considered by the Remuneration and Terms of Service Committee included:

- Review of its own terms of reference
- Performance of executive directors against individual objectives
- National pay awards for members of staff, GP and Dental Educators and Medical and Dental staff
- Recruitment and appointment of senior staff
- Consideration of casework updates and actions in line with employment policies
- Strengthening senior team capacity
- CEO Annual Appraisal 2022–23
- Executive and Senior Posts Pay Implementation
- Review and rationalisation of Cardiff University Policies

The Education, Commissioning and Quality Committee enables the Board to undertake greater scrutiny in respect of commissioning, monitoring and quality assessing of education and training. The committee considered the following key matters in 2023/24:

- Reviewed its own terms of reference.
- Reviewed the draft NHS Wales Education, Commissioning and Training Plan for 2024/25 and recommended the Board approve the Plan.
- Received updates on the Education and Training Task and Finish Group.
- Received assurance reports on the tender processes for Phase 2 of Health Professional Education Contracts.
- Considered and made recommendations of approval to the Board in respect of Phase 2 Health Professional Contracts.

- Reviewed Phase 1 and 2 of the strategic review of education activity and progress.
- Received quality assurance updates in respect of medicine, dental, pharmacy, optometry and nursing and health professionals.
- Received updates regarding attrition and fill rates for commissioned pre-registration nursing and midwifery programmes and progress against placement milestones.
- Received information relating to recruitment processes for Foundation and Speciality Recruitment.
- Considered the procurement exercise to approve a suite of e-learning modules included in the mental health workforce plan.
- Ensured the effective management and improvement of the quality of HEIW's education and related research activities.
- Ensured the effective performance, monitoring, management and value of education and training programmes and contracts.
- Monitored compliance of education and training activities with education providers including a focus on fill rates and commissioned numbers.
- Received updates on escalations and areas of concern highlighted through performance monitoring arrangements.
- Received a targeted visit in Medical Training Case Study.
- Received the Care Home Education Facilitators Report.
- Received a report detailing the formation of the Quality of Education and Training Project.
- Received the planning approach for the Education and Training Plan 2025/26.
- Received updates in respect of the work undertaken by the Stakeholder Reference Group.
- Self-assessment.

The committee provides an Annual Report of its work to the Board and undertook a self-assessment for 2023/24 at its meetings in December 2023 and March 2024. The self-assessment identified four areas of focus including ensuring that meetings are scheduled before Board to allow the timely presentation of contacts and plans to Board, continuous improvement of the Multi-Professional Education and Training Quality Assurance updated to meet the requirements of the Committee, the use of horizon scanning to inform the work of the Committee and the revision of the self-assessment questionnaire.

Our Stakeholder Reference Group continued to support the Board with advice and discussion across the range of its functions.

### 2.3 Membership of the Board and its Committees

In Table 1, the membership of the Board and its committees is outlined for the year ended 31 March 2024, along with attendance at Board and committee meetings for this year. Members are involved in a range of other activities on behalf of the Board, such as regular development and briefing meetings, and a range of other internal and external meetings.

Any proposed changes to the structure and membership of Board committees requires Board approval. Both the Audit and Assurance Committee, and the Education Commissioning and Quality Committee, have considered their own terms of reference. The Board will ensure that terms of reference for each committee are reviewed annually to ensure the work of committees clearly reflects any governance requirements, changes to delegation arrangements or areas of responsibility. The Audit and Assurance Committee and the Education Commissioning and Quality Committee are also required to develop annual reports of their business and activities.

Table 1 – Board and committee membership and attendance since 1 April 2023 to 31 March 2024

| Name           | Position           | Area of Expertise/ Representation Role   | Board/ Committee Membership  | Meeting Attendance 2023/24           | Independent Member Champion Roles  |
|----------------|--------------------|--|--|--------------------------------------|--|
| Chris Jones    | Chair              | <ul style="list-style-type: none"> <li>➤ Primary Care</li> <li>➤ Widening Access</li> <li>➤ Prevention</li> </ul>                      | <ul style="list-style-type: none"> <li>➤ Board (Chair)</li> <li>➤ RATS Committee (Chair)</li> </ul>  | 7/7<br>6/6                           | <ul style="list-style-type: none"> <li>➤ Welsh Language</li> </ul>                                     |
| Tina Donnelly* | Independent Member | <ul style="list-style-type: none"> <li>➤ Leadership</li> <li>➤ Students</li> <li>➤ Workforce</li> <li>➤ Education/ Training</li> </ul> | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Education, Commissioning and Quality Committee</li> <li>➤ Audit and Assurance Committee</li> <li>➤ RATS Committee</li> </ul> | 5/6<br>4/4<br><br>4/4<br><br>5/5     | <ul style="list-style-type: none"> <li>➤ Student/ Trainee</li> <li>➤ Equality and Diversity</li> </ul> |
| Ruth Hall**    | Independent Member | <ul style="list-style-type: none"> <li>➤ Rural Education</li> <li>➤ Quality and Improvement</li> </ul>                                 | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Education, Commissioning and Quality Committee</li> <li>➤ RATS Committee</li> </ul>  | 6/6<br>4/4<br><br>5/5                | <ul style="list-style-type: none"> <li>➤ Rural</li> <li>➤ Research</li> <li>➤ North Wales</li> </ul>   |
| Gill Lewis     | Independent Member | <ul style="list-style-type: none"> <li>➤ Health and Social Care Workforce</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Audit and Assurance Committee</li> <li>➤ Education, Commissioning and Quality Committee</li> <li>➤ RATS Committee</li> </ul> | 7/7<br>5/6<br><br>4/5<br><br>6/6     | <ul style="list-style-type: none"> <li>➤ Health and Social Care Integration</li> </ul>                 |
| John Gammon    | Independent Member | <ul style="list-style-type: none"> <li>➤ Education/ Training</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Education, Commissioning and Quality Committee</li> <li>➤ Audit and Assurance Committee</li> <li>➤ RATS Committee</li> </ul> | 6/7<br>2/5<br><br>2/2 ***<br><br>6/6 | <ul style="list-style-type: none"> <li>➤ Digital</li> <li>➤ Research</li> </ul>                        |

| Name                  | Position  | Area of Expertise/ Representation Role   | Board/ Committee Membership  | Meeting Attendance 2023/24 | Independent Member Champion Roles                                      |
|-----------------------|---|--|--|----------------------------|--|
| Jonathan Morgan***    | Independent Member                                  | <ul style="list-style-type: none"> <li>➤ Health and Social Services</li> <li>➤ Audit</li> <li>➤ Public accounts</li> <li>➤ Future generations</li> </ul> | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Audit and Assurance Committee</li> <li>➤ RATS Committee</li> </ul>   | 7/7<br>6/6<br>5/5          |  |
| Donna Macarthur****   | Independent Member                                  |  | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Education, Commissioning and Quality Committee</li> <li>➤ Audit and Assurance Committee</li> <li>➤ RATS Committee</li> </ul> | 7/7<br>3/3<br>5/5<br>6/6   | <ul style="list-style-type: none"> <li>➤ North Wales</li> </ul>        |
| Jayne Sadgrove*****   | Independent Member                                  |  | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ Audit and Assurance Committee</li> <li>➤ RATS Committee</li> </ul>   | 3/4<br>2/2<br>4/4          | <ul style="list-style-type: none"> <li>➤ Speaking up safely</li> </ul> |
| Dawn Jones*****       | Independent Member                                  |  | <ul style="list-style-type: none"> <li>➤ Board</li> <li>➤ RATS Committee</li> <li>➤ Education, Commissioning and Quality Committee</li> </ul>  | 1/1<br>1/1<br>0/0          |  |
| Alex Howells          | Chief Executive                                     | n/a  | <ul style="list-style-type: none"> <li>➤ Board</li> </ul>  | 7/7                        | n/a  |
| Julie Rogers          | Director of Workforce and OD/ Deputy CEO            | n/a  | <ul style="list-style-type: none"> <li>➤ Board</li> </ul>  | 6/7                        | n/a  |
| Lisa Llewelyn         | Director of Nurse and Health Professional Education | n/a  | <ul style="list-style-type: none"> <li>➤ Board</li> </ul>  | 7/7                        | n/a  |
| Pushpinder Mangat     | Medical Director                                    | n/a  | <ul style="list-style-type: none"> <li>➤ Board</li> </ul>  | 1/1                        | n/a  |
| Rhiannon Beckett***** | Interim Director of Finance                         | n/a  | <ul style="list-style-type: none"> <li>➤ Board</li> </ul>  | 7/7                        | n/a  |

| Name                | Position                                      | Area of Expertise/ Representation Role | Board/ Committee Membership | Meeting Attendance 2023/24 | Independent Member Champion Roles |
|---------------------|---|--|-----------------------------|----------------------------|-----------------------------------|
| Glyn Jones<br>***** | Director of Finance, Planning and Performance |  | Board                       | 6/6                        | n/a                               |

Please note: The Director of Finance, Planning and Performance is the lead officer for the Audit and Assurance Committee. The Director of Workforce and Organisational Development is the lead officer for the Remuneration and Terms of Service Committee. The Medical Director and the Director of Nurse and Health Professional Education are the lead officers for the Education Commissioning and Quality Committee.

\*Tina Donnelly's term of office as Independent Member ended on 31 January 2024. Attendance for Board and Committee meetings therefore reflect number of meetings to end of office.

\*\*Ruth Hall's term of office as Independent Member ended on 31 January 2024. Attendance for Board and Committee meetings therefore reflect number of meetings to end of office.

\*\*\*John Gammon was appointed as a member of the Audit and Assurance Committee on 31 August 2023. Attendance therefore reflects the number of meetings since appointment.

\*\*\*\*Donna Macarthur was appointed as a member of the Audit and Assurance Committee on 18 May 2023 and a member of the Education, Commissioning and Quality Committee on 31 August 2023. Attendance therefore reflects the number of meetings since appointment.

\*\*\*\*\*Jayne Sadgrove was appointed as a member of the Board on 1 September 2023 and as a member of the Audit and Assurance Committee on 28 September 2023. Attendance therefore reflects the number of meetings since appointment.

\*\*\*\*\*Dawn Jones was appointed as a member of the Board on 1 February 2024 and a member of the Education, Commissioning and Quality Committee on 28 March 2024. Attendance therefore reflects the number of meetings since appointment.

\*\*\*\*\*Rhiannon Beckett stood down as Interim Director of Finance on 30 April 2023. Attendance therefore reflects the number of meetings to end of time as Board member.

\*\*\*\*\*Glyn Jones was appointed as Director of Finance, Planning and Performance on 2 May 2023. Attendance therefore reflects the number of meetings since appointment.

The Board and its committees are fully established and operated in line with the Board's standing orders. Table 2 outlines the dates of Board, Board development and committee meetings held during the period 1 April 2023 to 31 March 2024, with all meetings being deemed quorate when held.

Table 2 – Dates of board and committee meetings held during the period 1 April 2023 to 31 March 2024.

| Board/Committee                               | Apr 2023 | May 2023 | Jun 2022 | Jul 2023             | Aug 2023 | Sept 2023 |
|---|----------|----------|----------|----------------------|----------|-----------|
| Board   | 27/04/23 | 18/05/23 |          | 27/07/23             |          | 28/09/23  |
| Board Development                             | 27/04/23 |          |          |                      | 31/08/23 |           |
| Audit and Assurance Committee                 | 06/04/23 | 03/05/23 |          | 13/07/23<br>20/07/23 |          |           |
| Education Commissioning and Quality Committee | 21/04/23 |          |          | 17/07/23             |          | 14/09/23  |
| Remuneration and Terms of Service Committee   |          | 18/05/23 |          | 11/07/23             |          | 14/09/23  |

| Board/Committee                               | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 |
|---|----------|----------|----------|----------|----------|----------|
| Board   |          | 30/11/23 |          | 25/01/24 |          | 28/03/24 |
| Board Development                             | 26/10/23 |          | 14/12/23 |          | 29/02/24 |          |
| Audit and Assurance Committee                 | 12/10/23 |          |          |          | 08/02/24 |          |
| Education Commissioning and Quality Committee |          |          | 07/12/23 |          |          | 14/03/24 |
| Remuneration and Terms of Services Committee  |          | 30/11/23 | 14/12/23 |          |          | 28/03/24 |

## 2.4 Local Partnership Forum

The HEIW Local Partnership Forum (LPF) provides the formal mechanism for social partnership within HEIW. It is the formal method for engagement, consultation, negotiation and communication between the trade unions and HEIW management and ensures continued partnership working. The LPF is scheduled to meet bi-monthly to deal with a range of operational and strategic issues. The LPF has a number of standing items on the agenda that includes, agile working, organisational development, wellness and inclusion and the People and OD strategy. In addition, the LPF has had presentations on Digital Capabilities and the Public Procurement (Wales) Act. The LPF continues to be part of the policy approval process for HEIW and supports the work of the Policy Review Group. During 2023/24 the LPF reviewed 12 policies.

## 3. The Purpose of the System of Internal Control

HEIW's Board 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 assurance of effectiveness.

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

The system of internal control has been in place for the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts. We use the Board Assurance Framework system and process to monitor, seek assurance and ensure that shortfalls are addressed through the scrutiny of the Board and its committees. Oversight of our Corporate Risk Register system is provided through scrutiny and monitoring by the Board and its committees.

The effectiveness of the system of internal control is assessed by our internal and external auditors. A diagram of the Board Control Framework is set out overleaf.

## Levels of Assurance

### First line: operational

- ✦ Organisational structures – evidence of delegation of responsibility through line Management arrangements.
- ✦ Compliance with appraisal process
- ✦ Compliance with Policies and Procedures
- ✦ Incident reporting and thematic reviews
- ✦ Compliance with Risk Management processes and systems
- ✦ Performance Reports, Complaints and Trainee Experience Reports, Finance Reports



### Second line: risk and compliance

- ✦ Reports to Assurance and Oversight Committees
- ✦ Audit and Assurance Committee
- ✦ Education Commissioning and Quality Committee
- ✦ Remuneration and Terms of Service Committee
- ✦ Health and Safety Groups etc

Findings and/or reports from inspections, Annual Reporting, Performance report through to committees



### Third line: independent

- ✦ Internal Audit
- ✦ Audit Wales
- ✦ Counter Fraud
- ✦ Regulators
- ✦ Reviews and Reports by Royal Colleges
- ✦ External visits and accreditations
- ✦ Independent Reviews

#### 4. Capacity to Handle Risk

We have continued to develop and embed our approaches to risk management and emergency preparedness throughout 2023/24. Our Risk Management Policy is reviewed on an annual basis and was reviewed and approved by the Board in July 2023.

HEIW's risk appetite statement set out below describes the risks it is prepared to accept or tolerate in the pursuit of its strategic aims:

'HEIW recognises that, as an improvement based organisation, it is impossible for it to deliver its services and achieve positive outcomes for its stakeholders without a high appetite for risk. Indeed, only by taking risks can HEIW realise its aims.

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

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

Consideration of Strategic Risks and Corporate Risk both form part of the Board Assurance Framework. While they are complimentary, they do not cover the same areas. Strategic Risks are fundamental risks to an organisation's Strategic Aims. These risks are embedded and do not change much in the course of a year. Corporate Risks identify more precise day-to-day activities and are more likely to change over the course of the year.

HEIW's risk tolerance in respect of each of its statutory functions is incorporated within the Corporate Risk Register. This will ensure a consistent, integrated approach whereby all risks are clearly linked to organisational objectives with a line of sight to the Board Assurance Framework.

HEIW's strategic risks are reviewed by the Board on an annual basis to ensure they continue to align with our IMTP. Table 3 outlines the key strategic risks for HEIW.

Table 3 HEIW current Strategic Risks 2023/24

|   |   |
|---|---|
| 1 | <p>Sufficient workforce supply and skills for HEIW. Given the specialist nature of our organisation, and the changing underlying financial environment, there is a risk that HEIW may find difficulties in retaining and recruiting the expert skills and capacity needed to deliver on the organisation's ambitions. This could be caused by market forces in for example specialist education, data and digital disciplines. Within a more challenging financial position, there will be a need for greater emphasis on utilising staff resource flexibly and increased focus on matrix working.</p>  |
| 2 | <p>Effective stakeholder engagement in the development and implementation of our strategic objectives. The successful achievement of our ambitions requires extensive engagement and partnership with a complex and significant number of stakeholders. If we do not invest time and energy in maintaining our relationships, then there is a real risk that we will not achieve buy-in from our partners and our work won't be informed by service need.</p>   |
| 3 | <p>Achievement of statutory financial duty: operating effectively within available revenue resources. The challenging underlying financial environment across the NHS in Wales may impact upon HEIW's position in several areas. Securing Welsh Government funding to deliver the recommended Education and Training Plan may become more challenging. Should Welsh Government not adopt the recommendation then a more flexible approach will be required to commission education and training priorities within agreed funding allocation. This in turn will impact on the capacity of education providers to deliver commissioned levels.</p> <p>Additionally, the impact of the cost of living and student choice may reduce the bursary uptake. Within HEIW, the challenging funding environment may impact on the prioritisation of organisation running costs and programme costs within our funding allocation.</p> |
| 4 | <p>Organisational memory. As we approach our 5th anniversary, there is a real risk that we begin to see an increase in turnover of some of our original senior leaders and Board members. The impact of this would be a loss of organisational memory representing a risk to the organisation and to the Board's level of understanding of the organisation.</p>  |
| 5 | <p>Interface with Welsh Government. If the interface with Welsh Government, the NHS Executive and in respect of the delivery of the National Workforce Implementation Plan is not effective, this could impact on access to resources, delivery, and upon HEIW's good working relationship with Welsh Government and other partners.</p>  |
| 6 | <p>Change in the shape of the working population demographic will lead to a smaller percentage of the overall population of a working age and will require different solutions from HEIW.</p>   |
| 7 | <p>Quality and experience of training. If we do not ensure that our learners receive the correct and appropriate quality and experience of education and training, then we will not provide a workforce that meets the current and future workforce needs of the NHS. A failure to assess, understand and capture the appropriate level of experience and training required and to obtain appropriate assurance in respect of provision of the same will result in a workforce without an appropriate level of skills and experience.</p>   |

|   |  |
|---|--|
| 8 | <p>Digital transformation. Not digitally transforming poses significant, multifaceted risks for HEIW. Failure to modernise will hinder innovative digital and data solutions for staff and users across Wales, impacting our commitment to HEIW's digital strategy, achieving industry best practice standards, and national policy. This will lead to operational inefficiencies, data security issues, and challenges in staff retention. Rising digital expectations won't be met and it will hinder our goal of becoming a data-driven organisation. Externally, lacking digital skills among NHS staff affects workforce transformation opportunities and slows improvement in relation to safety, quality, and efficiency.</p> |
|---|--|

The organisation has a Strategic Risks Control Framework, which identifies and maps the controls and key sources of assurance against HEIW's Strategic Risks.

#### 4.1 Risk Management

The Board sees active and integrated risk management as key elements of all aspects of our functions and responsibilities, especially to support the successful delivery of our business.

The Chief Executive/Accountable Officer has overall responsibility for the management of risk for HEIW. The Board and its committees identify and monitor risks within the organisation. Specifically, Executive Team meetings present an opportunity for the executive function to consider and address risk, and actively engage with and report to the Board and its committees on the organisation's risk profile. The Corporate Risk Register is reviewed monthly by the Executive Team, and quarterly by the Audit and Assurance Committee. The Board receives a copy of the Corporate Risk Register for noting at every meeting and undertakes a review of the Corporate Risk Register twice a year. Risks are escalated to the Board as appropriate.

At an operational level executive directors are responsible for regularly reviewing their Directorate Risk Registers and for ensuring that effective controls and action plans are in place for monitoring progress.

#### 4.2 HEIW's Risks

The Corporate Risk Register is continuously updated to capture HEIW's risks as they are identified. key risks that have been managed during 2023/24 are outlined below:

- ▶ Cybersecurity remained a high priority risk and work focused on reducing HEIW's cyber security risk profile while improving cyber security and resilience. To mitigate this risk, HEIW completed recruitment to

fully resource the cyber security team and continued to roll out the Cyber Security Implementation Plan which included the roll out of the cyber security hub. A cyber security internal audit was also completed which received substantial assurance.

- ▶ The Education and Training Plan (ETP) 2024/25 being approved following the commencement of national recruitment processes impacting on future workforce supply. To mitigate this risk, commissioning priorities and critical deadlines were identified and HEIW continued dialogue with Welsh Government on approval mechanisms, timescales, risks and consequences of not receiving timely approval. To mitigate this risk in 2025/26 HEIW will continue to have open dialogue with Welsh Government on the ETP prior to and following submission.
- ▶ Where Higher Education Institutions do not achieve all of the commissioned levels under the education and training contracts entered into with HEIW, then HEIW shall not meet its commitments within the ETP for workforce supply to the NHS. To mitigate this risk, fill rates are monitored, risks highlighted, and both the Medical Directorate and the Nursing and Health Professional Directorate are implementing measures to increase applications and to support students and trainees.
- ▶ Should the current Bursary package become less attractive due to the cost of living crisis, students would be discouraged from applying to health professional courses or existing students could be caused to leave before completion which would impact on future workforce supply. To mitigate the risk, HEIW is a member of the Welsh Government's Bursary Oversight Board and providing expertise and input to shape the future policy direction.

- The Nursing retention plan not being delivered in line with National Workforce Implementation Plan (NWIP) timescales could impact on HEIW's relationship with stakeholders. To mitigate the risk, Executive Directors and the NWIP Board are kept informed of progress and timescales.
- Education providers not being able to recruit to the Mental Health Nursing spring cohorts could risk the implementation of the Mental Health Workforce Plan. To mitigate the risk, contract performance is monitored, escalation processes followed, dispersed commissions to other providers are in place and student international recruitment scoped.

Further information can be found in the Board papers on our website: [Board meetings, agendas and standing orders - HEIW \(nhs.wales\)](#)

The Board is also committed to ensuring staff throughout the organisation are trained and equipped to appropriately assess, manage, escalate and report risk. HEIW managers have continued to receive internal training on risk during 2023–24.

### 4.3 Crisis Management and Business Continuity

HEIW has a Crisis Management and Business Continuity Policy and plan in accordance with the Civil Contingencies Act and the Emergency Planning Guidance as issued by Welsh Government.

The HEIW Crisis Management and Business Continuity Policy and plan has been in operation throughout 2023/24 and was refreshed in September 2023 to ensure it remains fit for purpose in the face of a range of possible scenarios.

In line with the Crisis Management and Business Continuity Policy and plan, the Crisis Management Team (CMT) in HEIW, has the role of monitoring the impact and co-ordinating the management of the risks arising. The CMT has also ensured the Executive Team and Board are regularly briefed and have assessed if any risks should be escalated and included within the corporate risk register.

The CMT has met as required throughout 2023–24 to manage the impact of planned industrial action for which the CMT met in November 2023.

The focus of the refresh for 2023 was to review the overall arrangements including the new section on dealing with our IT systems should they become unavailable for any reason particularly a cyber-attack.

An external company was procured to undertake business impact analysis alongside area leads to assess their local arrangements to inform testing that will then take place on an annual basis and reported to the Executive Team.

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

HEIW has continued to contribute to the national response through the Director of Workforce and Organisational Development's role as joint chair of the Workforce Deployment and Wellbeing Planning and Response Group (Workforce Cell).

HEIW continue to operate a 2:3 working model based on full time office-based staff working from Ty Dysgu two days a week and from home three days week this has been in place since 2022 as response to the impact of the cost of living crisis and in particular the substantial increase in fuel costs and has remained in place for the duration of 2023–24.

### 5. The Control Framework

NHS Wales organisations are not required to comply with all elements of the corporate governance code for central government departments. However, an assessment was undertaken against the main principles as they relate to NHS public sector organisations in Wales and of the Governance, Leadership and Accountability Standard. In response to last year's self-assessment the Board has focussed on the following areas:

- Further development of the induction processes for Independent Members
- Engagement with stakeholders
- Clarification on the information required by the Board as a collective to discharge its duties.

The information provided in this governance statement also provides an assessment of how we comply with the main principles of the

Code as they relate to HEIW as an NHS public sector organisation. The Board recognises that not all reporting elements of the Code are outlined in this governance statement but are reported more fully in the organisation's wider Annual Report. The Board is satisfied that it is complying with the main principles of the Code and is conducting its business in an open and transparent manner in line with, the code. There have been no reported departures from the Corporate Governance Code.

The corporate governance code for central government departments can be found at: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

HEIW's risk management framework complies materially with the Orange Book, the public sector guide outlining the major principles on the Management of Risk, taking into account the organisation's size, structure and needs.

There have been no reported departures from the Orange Book.

The Orange Book can be accessed at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/815635/Orange\\_Book\\_Management\\_of\\_Risk.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/815635/Orange_Book_Management_of_Risk.pdf)

The Health and Care Standards set out the requirement for the delivery of health care in Wales. As an education and training body with no direct contact to patients our focus in respect of the Health and Care Standards relate to staff and resources. Improvements to these areas are captured in our Performance Report.

## 6. Other Control Framework Elements (Disclosure Statements)

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

HEIW's aspiration is to be an excellent employer and a great place to work. As such we are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties Act (2011) and the Anti-Racist Wales Action plan 2022 and the LGBTQ+ Action Plan 2023. It is also essential that these duties are reflected in the functions of the organisation, which affect students, trainees and staff across the wider NHS.

At HEIW we are committed to eliminating discrimination and promoting diversity and inclusion through equality of opportunity and through everything that we do. We have continued to embed our diversity, quality and inclusion agenda which is informed by strong leadership co production, collaboration and direct engagement with those who are affected by the decisions we make.

HEIW ensures equality of opportunity and access for all by building upon the foundation of Equality and Human Rights Legislation and strive not only to comply with legal requirements, but also to use these to ensure that the organisation exemplifies best practice. HEIW acknowledges that our ability to recruit and retain the best people depends upon creating a positive, compassionate and inclusive culture.

Our revised Strategic Plan (SEP) which, set out our direction of travel over the next four years was launched in April 2023. Our three equality objectives focus on the way we attract, recruit, retain and develop our HEIW Workforce, Inclusive practices in the attraction, education and training of the future health workforce and leaders in NHS Wales and our engagement with our workforce, stakeholders, communities, and service users.

We have an established Equality Diversity and Inclusion (EDI) steering group to support the executive leads for EDI and Race Equality in the discharge of their responsibilities, as well as a staff EDI network to share and highlight best practice, learning and delivery. Two of our independent board members have observer status at the network meetings.

Our Inclusion Network continues to champion equity, equality and wellbeing within the organisation and hosts a number of both virtual and in person events that raise the profile of and celebrate diversity.

In this last year, we have published our Equality and Gender Pay Gap Report.

### 6.1 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. On an annual basis HEIW submits a 'Contributions Assurance Statement' to the NHS Business Services Authority to confirm it has complied with the relevant regulations.

## 6.2 Welsh Risk Pool

The Welsh Risk Pool Services (WRPS) is a risk sharing mechanism, akin to an insurance arrangement which provides indemnity to NHS Wales's organisations against negligence claims and losses. Individual NHS organisations must meet the first £25,000 of a claim or loss which is similar to an insurance policy excess charge.

## 6.3 Quality and Quality Improvement

In accordance with the Duty of Quality HEIW's quality and quality improvements are considered separately in our Annual Quality Statement.

## 6.4 Welsh Language

As HEIW was established in 2018 it has not been named as an organisation that comes under the Welsh Language Measure 2011. Given this HEIW has a Welsh Language Scheme, based on the Welsh Language Standards, which has been approved by the Welsh Language Commissioner's Office under the original (1993) Welsh Language Act.

We continue to focus on embedding our Welsh language Standards and deem translation demand within HEIW to be a key indicator for measuring the successful adoption of these Standards. Our internal translation service is the central point for all HEIW staff who need translation. This year HEIW has translated over 5 million words into Welsh.

Welsh Government's Strategic Framework More Than Just Words (MTJW) to strengthen the provision of Welsh language services for health and social care, included several actions requiring HEIW to take the lead at a national level. We submitted an annual report on MTJW to the Welsh Government in September. Our work supporting the implantation of MTJW has included:

- Our Welsh language Awareness Course created for undergraduates on HEIW commissioned courses.
- Developing the "Strategic Workforce Planning for the Welsh Language" document, while acknowledging that focus

now needs to shift to the implementation of the strategy.

- The continued development of Tregyrfa, our Welsh language careers portal, in engaging with the future NHS workforce.
- The percentage of core staff who have recorded their Welsh language skills on our Electronic Staff Record (ESR) increasing from 56% to 82%.

## 6.5 Stakeholders and Partners

As the national workforce body for NHS Wales, we recognise how critical engagement with stakeholders and partnership working is to our work. It is through effective engagement and partnership working that we are able to clearly understand the challenges facing health care in Wales, build workforce solutions and support the delivery of excellent patient care.

In 2023–24 we have developed our stakeholder list to widen our reach with key individuals and organisations. We have also procured stakeholder management software 'Tractivity' that will give improved tracking and analytics when we send out communications.

Our approach in 2023–24 included:

- High profile virtual and in-person engagement events across Wales on key pieces of national work such as the Education and Training Plan 2024–25, Strategic Nursing Workforce Plan, apprenticeship frameworks, Nursing Retention Plan for NHS Wales, Strategic Primary Care Plan and the HEIW IMTP.
- Launch events for critical national programmes of work such as the Nursing Retention Plan and the Early Years Toolkit for Allied Health Professionals.
- In-person and virtual events such as Physician Associate Stakeholder event, STEME, Healthcare Science Cymru Conference, Simulation Conference.
- Exhibiting, promoting and engaging at third party events such as the National and Welsh NHS Confederation Conference's.
- HEIW Stakeholder Reference Group to facilitate engagement, dialogue and advice from stakeholders to inform our strategic planning and decision making.
- Bilingual public Board and committee meetings as well as our AGM and showcase event spotlighting achievements and developments of interest to our audience.

- Regular joint Board and Executive Team meetings with NHS partners and Social Care Wales.
- Regional Partnership Board for the development of regional work and solutions.
- Strategic meetings with HEIs to build opportunities for joint working and linking the education and workforce agendas.
- Membership of national groups and networks contributing to key national programmes of work.
- Virtual bilingual briefing sessions with MSs and MPs enabling discussion with political representatives from across Wales.
- Twice yearly joint meeting with 26 Welsh royal colleges and professional bodies which is a part of bringing the clinical voice to the conversation.
- Promoting how HEIW is making a difference in NHS Wales and opportunities for partnership working through regular bilingual news and social media posts plus newsletters including our Primary Care Newsletter, Stakeholder Bulletin and various sector Newsletters.
- Highlighting achievement and recognition through news articles and social media promotion of award wins.
- Supporting and awareness raising through sponsorship including Betsi Cadwaladr Health Board staff awards, UK HPMA awards and Womenspire awards.
- Introducing all generations to the many careers and employment opportunities in HEIW and NHS Wales through Careersville, TrainWorkLive, videos, events, blogs and social media campaigns including a 'Get into Nursing' campaign.

As we look forward to 2024–25, we will continue to build and maintain our partnerships through effective communications and engagement. Based on our engagement reach research and feedback from partners and stakeholders, we are revising our communications and engagement strategy which will focus on building and maintaining excellent partnerships through high quality:

- Communications
- Engagement
- Marketing
- Events

## 6.6 Sustainability

HEIW has a Board approved Biodiversity and Decarbonisation Strategy 2021–24 intended to help reduce the impact of climate change and improve biodiversity. The strategy sets out the organisation's high-level aspirations and intentions to meet requirements, to call its staff, stakeholders, partners and suppliers to action, and to make positive changes now to achieve longer-term goals for Wales. It focuses on five key areas for action. These are:

1. Engaging and supporting our staff
2. Sustainable procurement
3. Developing our office, Ty Dysgu, and supporting our local communities
4. Environmental sustainability
5. Sustainable healthcare in education and training

HEIW has developed a Sustainability Action Plan to deliver the strategy and reports progress to Welsh Government on an annual basis, in line with National Climate Emergency Programme requirements.

In 2023/24, we have:

- Undertaken work to implement recommendations from a detailed carbon footprinting exercise in 2022/23, including developing targets and initiatives to reduce emissions from recognised carbon hotspots
- Undertaken further improvements to the Ty Dysgu building, by increasing and upgrading existing electric vehicle (EV) charging points, and installing a new interface for our existing Building Management System (BMS) to enable more flexibility with temperature adjustments and to collect detailed data to aid decision making about future tweaks to improve energy efficiency
- Continued to maintain the green spaces in the grounds of Ty Dysgu and to take an active role in improving surrounding areas, with additional planting and monthly staff litter picks, with staff ensuring they meet the minimum target set for bags collected on each pick
- Demonstrated our ongoing commitment to support staff make more sustainable and active travel choices by joining other NHS Wales and public sector organisations in signing up to the Healthy Travel Charter and seeking to understand staff travel choices via a travel survey for the second year running

➤ Increased staff knowledge and understanding of sustainability issues through a Spring event to promote biodiversity, 'Let's Go Green for Halloween' to highlight the volume of waste, a carbon footprint exercise at staff inductions and a range of articles on the staff intranet, including focus on food waste, plastic-free July and in depth on the UN Climate Change Conference (COP28).

HEIW is responsible for a key action in the NHS Wales Decarbonisation Strategic Delivery Plan (March 2021) which relates to the education of the workforce. As well as our efforts to reduce our impact on climate change, we have an external

role to play in promoting sustainable healthcare through education, training and leadership.

This is considered further within the sustainability section within the Performance Report part of the Annual Report (pages 90–91).

### 6.7 Ministerial Directions

Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to HEIW. Ministerial Directions issued throughout the year are listed on the Welsh Government website [Health and social care | Topic | GOV.WALES](#).

The following ministerial direction received as at year end 31 March 2024 was applicable to HEIW.

| Ministerial Direction/Date of Compliance | Date/Year of Adoption | Action to demonstrate implementation/response |
|--|-----------------------|---|
| n/a                                      |                       |   |

## 6.8 Data Breaches

Incidents resulting in a data breach are reported in accordance with HEIW's statutory requirements and documented confidentiality breach protocol. Under the Data Protection Act 2018 (DPA) personal data breaches (as defined by the act) are considered a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data.

Personal data breaches (as defined in the DPA) are required to be risk assessed to determine the risk to living individuals and the risks to the rights and freedoms of living individuals. Personal data breaches resulting in likely risk to living individuals and a high risk to individuals rights and freedoms must be reported to the Information Commissioners Office (ICO), and to data subjects where the breach is likely to result in a high risk to the rights and freedoms of individuals.

All data breaches are appropriately investigated and are reported to the Audit and Assurance Committee. Where appropriate or mandated, data breaches are reported to Welsh Government.

During 2023/24, HEIW reported no data breaches which were notifiable to Welsh Government or the Information Commissioner. Lower-level data breaches were recorded appropriately with the Data Protection Officer informed. Initial mitigations were implemented, and the incidents were discussed at meetings of the Information Governance and Information Management Group so lessons learned can be shared.

## 7. Planning Arrangements

During 2023–24 HEIW has implemented its IMTP for 2023–26. On 28 March 2024 we submitted a Board-approved IMTP (2024–27) to Welsh Government in accordance with the NHS Planning Framework and our statutory duty to produce a financially balanced three-year integrated plan. The Board is responsible for setting the organisation's strategy and as such has played a central role in developing the IMTP (2024–27). HEIW's strategic aims, objectives and deliverables which can be found on [pages 20 to 36](#) of the Performance Report are central to the planning and performance practices in place to give the Board assurance on our ability to deliver as an organisation.

As the strategic workforce body for NHS Wales our IMTP is shaped heavily by the Workforce Strategy for Health and Care <https://heiw.nhs.wales/files/workforce-strategy/>, alongside a focus on supporting and addressing the significant workforce challenges linked with service drivers and Ministerial Priorities. The plan was developed through engagement with our Board, NHS Wales and Welsh Government colleagues, our wider stakeholders and our staff. Again, this year we are pleased that we have been able to have conversations with all NHS organisations on our emerging IMTP 2024–27. Through our established Stakeholder Reference Group, we have also engaged with over 40 different organisations and sought feedback on the draft IMTP.

In March 2023, the Board approved the refreshed Performance Framework which describes the organisation's system for making continuous improvements to achieve our Strategic Aims and Objectives and to deliver our 'Core Business' activities. During 2023/24 the Board has regularly assured and scrutinised our progress with the delivery of the IMTP 2023–26. The new approach is based on key business questions enabling a clear focus on data driven insights that will measure what is important and clearly show the impact and added value of the work undertaken by HEIW.

The Board will continue to receive quarterly Integrated Performance Reports which outline the progress against delivery of the IMTP highlighting the achievements, areas we have experienced challenges and the mitigating actions in place.

Throughout this year we have continued to embed our service review process in which the Executive Team holds bi-annual service review meetings with senior leaders and their teams to review the progress of key projects or programmes of work. Following each round of service reviews the planning and performance team ensure the learning is shared within HEIW and the themes and learning is presented to the Board to provide further assurance on the performance of the organisation.

## 8. Review of Effectiveness

As Accountable Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, and the

executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board and its committees rely on several sources of internal and external assurances which demonstrate the effectiveness of HEIW's system of internal control and advise where there are areas of improvement. These elements are detailed above in the diagram on [page 81](#) of this Governance Statement.

The processes in place to maintain and review the effectiveness of the system of internal control include:

- Board and committee oversight of internal and external sources of assurance and holding to account executive directors and senior managers.
- Executive directors and senior managers who have responsibility for development, implementation and maintenance of the internal control framework and the continuing improvement in effectiveness within the organisation.
- The review and oversight of the principal risks on the Corporate Risk Register and the Board Assurance Framework by the Board and committees.
- The oversight of operational risk through the Board and its committees.
- Oversight of fraud risk through the Counter Fraud team.
- The monitoring of the implementation of recommendations through the audit tracker overseen by the Audit and Assurance Committee and
- Audit and Assurance Committee oversight of audit, risk management and assurance arrangements.

### Committee Chair's Reflection

HEIW's Board received the Audit and Assurance Committee's 2023/24 Annual Report at its meeting in April. The Committee Chair's reflections within the Committee's Annual Report were as follows:

'The Chair's report this year is my last report as I hand over the reins to our new Chair, Jayne Sadgrove, who joined HEIW in September 2023 on standing down as Vice Chair of Cwm Taf Morgannwg UHB. It is hard to believe that we are 5 years on from

the start of HEIW and I hope that the AAC has grown and matured over that period of time. Jayne has a wealth of experience of Audit and Assurance gained in the NHS and Higher Education and I am sure the Committee will go from strength to strength under her stewardship.

We have continued in 23/24 to meet in person whenever possible, whilst recognising location and time constraints for busy attendees. This has helped to build relationships and cohesion despite a number of changes to the Committee – both in terms of Independent Members and attendees alike. Regular meetings have taken place, with as much business as possible taken in open session, with a high standard of papers and discussions.

There has been good engagement and attendance at Committee meetings of all parties, and thanks must go to everyone for playing their part. The support for the meetings has been excellent and ensures that the business runs smoothly. Many thanks to Dafydd and the team for this.

We continue to receive high-quality reports from all participants, and the challenge and scrutiny of the subject matter is good. The Committee has received reports detailing internal issues relating to HEIW and external issues of interest to HEIW. These reports have contained sufficient detail to allow for reflection and learning and for HEIW to strive for best practice. Some of the risks relating to the organisation have been signed off and closed down during the year, while others have emerged and will be monitored closely going forward.

The Audit and Assurance Committee has received regular reports from the Audit Wales, Internal Audit and Counter Fraud, indicating areas which could merit more detailed examination, and we continue to focus on those recommendations where attention is needed. I am grateful for the professional and helpful manner in which all this work has been undertaken which has enabled the Committee to operate efficiently and effectively.

I would also like to thank my fellow Independent Members for their fantastic support and engagement during the

year. Tina Donnelly, who was appointed as a member of the Committee in May 2022, continued to provide valuable insight and experience to the Committee and stood down on 31st August 2023. Donna Macarthur was appointed a member of the Committee in May 2023, along with John Gammon who was made Vice Chair in August 2023. Thanks to both my colleagues for their valuable input and support.

Jayne Sadgrove was appointed as Chair of the Committee on 1 February 2024.

It is a credit to all involved in supporting the work of the Audit and Assurance Committee that, although there has been some change in the membership of the Committee, the Committee has remained focussed and had continued to provide the Board with assurance.

It has been pleasing to see many of the executive team at the Audit and Assurance Committee, both as presenters and observers, and we hope that this will continue next year.'

### 8.1 Internal Audit

Internal Audit provides the CEO, as Accountable Officer and the Board through the Audit and Assurance Committee, with a flow of assurance on the system of internal control. The CEO commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit (HoIA) 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 fully completed.

### 8.2 The Head of Internal Audit Conclusion

The scope of the opinion of the HoIA is confined to those areas examined in the risk based audit plan, which has been agreed with senior management and approved, by the Audit and Assurance Committee. The HoIA assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and should be seen as an internal driver for continuous improvement. The HoIA opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

Assurance rating



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.

The audit work undertaken during 2023/24, has been reported to the Audit and Assurance Committee.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions arising from the work undertaken in respect of the individual risk-based audit reports contained within the Internal Audit plan which have been reported to the Audit and Assurance Committee throughout 2023/24. This assessment has taken account of the relative materiality of these areas.
- Other assurance reviews, which impact on the Head of Internal Audit Opinion including audit work performed at other organisations. While undertaken formally as part of a particular health organisation's

audit programme, the work covers activities relating to other health bodies. For example, NHS Wales Shared Services Partnership. Other knowledge and information that the Head of Internal Audit has obtained during the year including: cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of ad hoc work and support provided; liaison with other assurance providers and regulators; and research. Cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

### 8.3 Internal audit report assurance ratings

A summary of the reviews and associated assurance ratings in each of the domains is set out below. It is confirmed that during the reporting period HEIW did not receive a 'no assurance' reports.

Corporate governance, risk management and regulatory compliance

- Board Assurance Framework – Overall Internal Audit issued a reasonable assurance report for this review.

Strategic planning, performance management and reporting

- Education and Training Commissioning Plan – Overall Internal Audit issued a substantial assurance report for this review.

Financial governance and management

- Procurement – Overall Internal Audit issued reasonable assurance for the review of management of procurement arrangements for which HEIW are responsible and the monitoring of elements that NWSSP have responsibility.
- Core Financial Systems – Overall Internal Audit issued a reasonable assurance report for this review.

Information governance and security

- Software Development Follow Up – Overall Internal Audit issued substantial assurance for the review into the progress that had been made to implement the agreed actions from the 2022/23 Software Development audit review.
- Cyber Security – Overall Internal Audit issued substantial assurance for the review of the

progress of the cyber security action plan and the success in building cyber resilience.

Operational service and functional management

- Education Contract Pricing Schedules – Overall Internal Audit issued substantial assurance for the review of the management of variations to pre-registration recruitment numbers and subsequent payments.
- Professional Support Unit – Overall Internal Audit issued reasonable assurance for this review.

Workforce management

- IR35 – Employment Status Checks – Overall Internal Audit issued limited assurance for this review.
- Learning Management System – Overall Internal Audit issued a substantial assurance report for this review.

### 8.4 Audit Wales Structured Assessment

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. AW undertakes the external auditor role for HEIW on behalf of the Auditor General.

AW's structured assessment for 2023 was designed in the context of responding to the legacy of the COVID-19 pandemic where HEIW was also supporting the recovery and transformation of services to respond to the additional demand that was built during the pandemic. The structured assessment took place at a time when Health Bodies were dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency and inflationary pressures on public finances.

The assessment found that: 'HEIW's arrangements for governance, assurance, planning, and financial management are generally good, with opportunities to strengthen them further in a small number of areas. The key action for HEIW's Board over the next year is to gain greater assurance on the impact the organisation is having on, and the value it is providing to, its wider NHS Wales partners.'

Audit Wales made the following recommendations based on the 2023 Structured Assessment work.

- Policy Review. HEIW should introduce a review process to routinely identify policies reaching expiry, review and approve updates

to policies requiring review and provide six monthly policy update reports to the Audit and Assurance Committee.

- Board member turnover. HEIW should prepare a plan to manage the transition of responsibilities in key independent member roles.
- Review of strategic objectives: HEIW should review the organisation's strategic objectives as part of the setting of wellbeing objectives.
- Reporting of progress against corporate and strategic plans. HEIW should revise reporting of progress on key plans to ensure they are evaluative in the way they assess the impact of delivery.
- Review of strategic risks. Following completion of the recommendation regarding Board member turnover, HEIW should undertake a review of the strategic risks and use the opportunity to achieve a better balance between internally focussed and externally focused risk. HEIW should then review the strategic risk control framework which should include the identification of the specific assurances required, the frequency they are required and adopt 'Red, Amber, Green (RAG) rating of the risk.
- Corporate and strategic risk oversight. HEIW should formally report the risks that sit within the Education Commissioning and Quality Committee terms of reference to that Committee.
- Quality assurance reporting. HEIW should strengthen quality assurance reporting for dental, pharmacy and optometry presented to the Education Commissioning and Quality Committee to ensure they are as clear and well-structured as the equivalent Medical and Nursing and Health Professionals versions.
- Implementing the requirements of the Health and Social Care (Quality and Engagement) (Wales) Act 2020. HEIW should review, revise and approve the quality management framework to ensure that the organisation complies with the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and prepare a process document to ensure that if the Duty of Candour were triggered, the organisation has a clear and agreed process to follow.
- Counter Fraud Policy. HEIW should review the Counter Fraud Policy to ensure that it focuses specifically on HEIW and local risks.

## 8.5 Data Quality

The quality and effectiveness of the information and data provided to the Board is continually reviewed at each meeting of the Board. The Performance Report and Dashboard has been subject to development and revision throughout the year to provide further clarity for the Board.

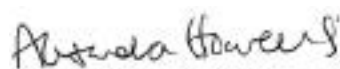
## 8.6 Regulators

HEIW works with all professional regulators in the development of our education and training programmes. Over the past year, we have continued to work closely with regulators when adjusting our courses to respond to the workforce demands created by the pandemic. We have a specific role supporting the GMC in relation to quality of postgraduate medical education.

## 9. Conclusion – Corporate Governance Report

During the period 1 April 2023 –31 March 2024 there have been no significant internal control or governance issues identified. This is due to the establishment of sound systems of internal control in place to ensure HEIW met its objectives. It is recognised that further work will be necessary in 2024/25 to further develop these arrangements. It will be important to communicate widely with staff to further embed these arrangements.

Signed by:



Alex Howells  
Chief Executive  
11 July 2024

## Statement of the Chief Executive's Responsibilities as Accountable Officer

The Welsh ministers have directed that the Chief Executive should be the Accountable Officer to the Special Health Authority.

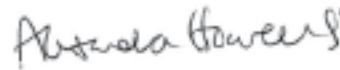
The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by Welsh Government.

The Accountable Officer is required to confirm that, as far as 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 judgements required for determining that it is fair, balanced and understandable.

The Accountable Officer is responsible for authorising the issue of the financial statements on the date they 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.



Alex Howells  
Chief Executive  
11 July 2024

## Directors' Report

The information required for this report can be found in the tables and pages of the Annual Report detailed below.

Composition of Board: Table 1 [pages 76 to 80](#) of the Governance Statement – detailed information in relation to the composition of the Board including executive directors and independent members, who have authority or responsibility for directing or controlling the major activities of HEIW during the financial year 2023–2024. This includes the names of the Chair and Chief Executive. Table 1 also includes the names of the directors forming the Audit and Assurance Committee.

Board and board level committee meeting dates for the period ending 31 March 2024: Table 2 [page 79 to 80](#) of the Governance Statement.

Declaration of interest: Details of company directorships and other significant interests held by members of the Board which may conflict with the responsibilities as Board members [page 17](#) of the Performance Report.

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

Information Governance: During 2023/24, no data breaches met the assessment criteria for reporting to the Information Commissioners Office ([page 92](#) of the Governance Statement).

Environmental, social and community issues: HEIW is cognisant of the impact it has on the environment and takes steps to minimise this, where possible. Details of the Board approved HEIW Decarbonisation Strategy and approach to sustainability are outlined in [pages 57 to 58](#) of the Governance Statement.

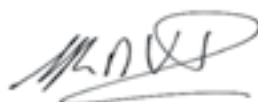
## Statement of directors' responsibilities in respect of the accounts

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 special health authority and of the income and expenditure of the special health authority for that period.

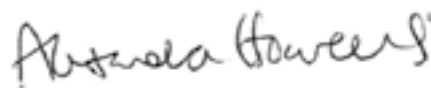
In preparing those accounts, the directors are required to:

- 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 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 Welsh ministers.



Chair  
11 July 2024



Chief Executive  
11 July 2024



Interim Director of Finance, Planning  
and Performance  
11 July 20

# Remuneration and Staff Report

## 2023/24

The information contained in this report relates to the remuneration of the senior managers employed by Health Education and Improvement Wales (HEIW) and also provides details of the wider profile and policies relevant to all staff in the organisation.

The Pay Policy Statement set out in Annex 3 relates to HEIW's strategic stance on senior manager remuneration and to provide a clear statement of the principles underpinning decisions on the use of public funds.

The definition of "Senior Manager" is: 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.' For HEIW, the senior managers are considered to be the regular attendees of Board meetings, i.e. Members of the Executive Team and the independent members.

### Remuneration and Terms of Service Committee

The terms of reference and operating arrangements for the Remuneration and Terms of Service Committee are set out in HEIW's standing orders. The purpose of the Committee is to provide advice to the Board on the remuneration and terms of service and performance for the Chief Executive, Executive Directors and other senior staff. It also provides assurance to the Board in relation to HEIW's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff. Further details of the membership and role of the Remuneration and Terms of Service Committee is provided in the Annual Governance Statement.

### Salary and Pension Disclosures

Details of salaries and pension benefits for senior managers captured within this report are given in Annexes 1 and 2. The single figure of remuneration (Annex 1) is intended to be a comprehensive figure that includes all types of reward received by senior managers in the period being reported on, including fixed and variable elements as well as pension provision.

The single figure of remuneration includes the following:

- Salary and fees both pensionable and non-pensionable elements;
- benefits in kind (taxable, total to the nearest £100);
- pension related benefits – those benefits accruing to senior managers from membership of a participating defined benefit pension scheme.

HEIW has paid no annual or long-term performance related bonuses. Annual salary figures are shown prior to any reduction as a result of any salary sacrifice scheme.

### Pay Awards

During 2023/24 NHS Wales staff received pay awards of 5%, which were agreed at various points during the year but backdated to 1st April 2023. Staff on Agenda for Change terms and conditions also received a one off non-consolidated 'recovery payment' in June 2023 at various rates depending on their pay grade. Although this payment related to the 2022/23 financial year it was not agreed until after the balance sheet date, and therefore was not reflected in the financial position for that year. This additional payment is included within the reported remuneration figures for 2023/24.

The 2023/24 pay award for those on Executive and Senior Pay 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 in Annex 1a and Annex 2 has been prepared excluding the 5% award.

### Pensions Benefits

The value of pension related benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

The pension benefit figure is calculated on the basis of an increase in the value over the financial year. Where an individual has become

or ceased to be a 'Senior Manager' during the year any increase or decrease in benefits are pro-rated over the period they were in that post.

Annex 2 gives the total pension benefits for all senior managers. The inflationary rate applied to the values of pensions, lump sums and Cash Equivalent Transfer Values (CETV) at 31st March 2023 is 10.1% as set out in the 'Disclosure of Senior Managers' Remuneration (Greenbury) 2024' guidance document.

On 27 April 2023 HM Treasury published revised guidance for setting the discount rates used to calculate transfer values in public sector pension schemes. These new rates have been applied to the CETVs as at 31 March 2024 while the figures at 31 March 2023 are based on the old rates. This will have an impact on the real increase in CETVs set out in Annex 1a and Annex 2.

#### McCloud Remedy

On 1 April 2015, the government made changes to public service pension schemes which treated members differently based on their age. The public service pensions remedy puts this right and removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022. The government is removing this age discrimination from public service pension schemes in two parts.

Part 1 of the remedy closed the 1995/2008 Scheme on 31 March 2022, with active members becoming members of the 2015 Scheme on 1 April 2022. For Part 2 of the remedy, eligible members had their membership during the remedy period in the 2015 Scheme moved back into the 1995/2008 Scheme on 1 October 2023. This is called 'rollback'. This will have an impact in the remuneration report tables.

Where a member is affected by rollback the benefits in respect of their rolled back pensionable service during the remedy period are valued as being in the 1995/2008 Scheme. Where this results in negative real increase in pension, lump sum or CETV to be disclosed in the remuneration report tables, the negative figures must not be shown and a zero must be substituted. This is consistent the guidance for calculating components of both table 1 and 2 in NHS BSA's Greenbury Guidance. Where this applies to an individual this is reported as a footnote in Annexes 1 and 2.

#### Remuneration Relationship

NHS Bodies in Wales bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and 25th percentile, median and 75th percentile remuneration of the organisation's workforce. This information is provided within note 9.6 (Fair Pay Disclosures) in the annual accounts.

## 2023/24 Staff Report

### Number of senior staff

As of 31 March 2024, there were 7 senior staff that made up the Executive Team; they were also members of the Board or regular attendees. The Chief Executive, the Director of Workforce and OD/Deputy Chief Executive the Medical Director, the Director of Nursing and Health Profession Education, the Director of Finance, Planning and Performance, the Director of Digital Development and Board Secretary make up the Executive Team. All senior staff are directly employed by HEIW.

Their pay bands are broken down as follows:

Numbers of Senior Staff at 31 March 2024

|                                |   |
|--------------------------------|---|
| Executive and Senior Pay scale | 6 |
| Agenda for Change Pay scale    | 1 |

### Staff Numbers

The following table shows the average number of staff employed (FTE) by Health Education and Improvement Wales, by group from 1 April 2023 to 31 March 2024:

| Staff Group                                   | Permanently Employed (Inc. Fixed Term) (Ave FTE) | Agency Staff (Ave FTE) | Staff on Inward Secondment (Ave FTE) | 2023/24 Total (Ave FTE) |
|---|--|------------------------|--------------------------------------|-------------------------|
| Administrative and Clerical and Board Members | 331.1  | 4.6                    | 7.7                                  | 343.4                   |
| Medical and Dental                            | 49.3   | 0.0                    | 1.4                                  | 50.7                    |
| Professional Scientific and Technical Staff   | 35.4   | 0.0                    | 0.0                                  | 35.4                    |
| Additional Clinical Services                  | 1.0  | 0.0                    | 0.0                                  | 1.0                     |
| Nursing and Midwifery                         | 9.7  | 0.0                    | 3.3                                  | 13.0                    |
| Allied Health Professionals                   | 4.5  | 0.0                    | 0.8                                  | 5.3                     |
| Healthcare Scientists                         | 1.7  | 0.0                    | 0.0                                  | 1.7                     |
| Totals  | 432.7  | 4.6                    | 13.2                                 | 450.5                   |

The table above does not include the Chair or Independent Members.

### Staff Composition

The gender breakdown of the Executive Team and other employees as of 31 March 2024 was as follows:

| Staff Composition at 31 Mar 2024 (headcount) | Male  | Female |
|--|-------|--------|
| Senior Staff (Executive Team)                | 3     | 4      |
| Other Employees                              | 179   | 431    |
| All Staff                                    | 182   | 435    |
| % All Staff                                  | 29.5% | 70.5%  |

The data in the table above is taken from ESR Business Intelligence and includes staff with permanent, fixed term and honorary assignments.

Due to the nature of its work, HEIW employs a number of individuals on a sessional basis. This results in the headcount of staff for the organisation being significantly higher than the full time equivalent.

## Sickness Absence data

The following table provides information on the number of days lost due to sickness:

|  | From 1 April<br>2022 to 31<br>March 2023 | From 1 April<br>2023 to 31<br>March 2024 |
|--|--|--|
|  | Number                                   | Number                                   |
| Days lost (long term)                                      | 2,332.57                                 | 3,084.23                                 |
| Days lost (short term)                                     | 887.77                                   | 1,059.37                                 |
| Total FTE days lost  | 3,220.34                                 | 4,143.60                                 |
| Average working days lost                                  | 8.69                                     | 9.58                                     |
| Total staff employed in period (headcount)                 | 595                                      | *618                                     |
| Total staff employed in period with no absence (headcount) | 449                                      | 444                                      |
| Percentage staff with no sick leave                        | 75.5%                                    | 71.84%                                   |

The staff numbers in the tables above are calculated on different bases depending on the requirements of the individual disclosures (e.g. full time equivalents, headcount, average for the year, total at a specific point).

\*This is from the ESR NHS Absence Analysis Dashboard

HEIW's rolling 12-month sickness rate was 2.60%. This is an increase on the 2022/23 figure of 2.48%, but it still remains below the NHS Wales target of 4.1%. The ratio between short- and long-term sickness remains relatively constant at around 25.5% and 74.5% respectively. This means that most days lost due to sickness are related to long-term episodes for a small number of staff. The largest number of days lost continue to be for reasons of anxiety, stress and depression, this can be work related, home related or a combination of both. All such cases are fully supported by the line managers and members of the People and Facilities Management Team.

### Staff Policies Applied During the Financial Year

HEIW is now in its fifth year following its establishment in October 2018. The establishment of HEIW as a new organisation involved the Transfer of Undertaking Protection of Employment (TUPE) transfer of staff including staff from Cardiff University into the new organisation and the NHS. In addition, there have been a number of much smaller TUPE transfers in the intervening

years both from within the NHS and from Cardiff University. Those that transferred from Cardiff University retained their university contract terms and conditions and at the time of transfer in 2018 these amounted to the majority of the total staff.

The number of staff on Cardiff University terms and conditions continues to fall particularly among Administrative and Clerical Staff (including managers) however there remains a significant proportion of medical and dental staff on Cardiff University terms and conditions. We would anticipate that this number will continue to fall.

The HEIW Local Partnership Forum (LPF) provides the formal mechanism for social partnership within HEIW. It is the formal method for engagement, consultation, negotiation and communication between the trade unions and HEIW management and ensures continued partnership working. During 2023/24 the LPF met bi-monthly and dealt with a range of operational and strategic issues. The LPF forms a key part of the approval process for workforce policies and supports the work of the Policy Review Group. During 2023/24 the following policies were considered by the LPF before going to the Executives for approval:

| Policy name   | New/Review | Applicable to                     |
|---|------------|-----------------------------------|
| HEIW Employment References Policy and Procedure                               | Review     | All Staff                         |
| HEIW Flexible Working Policy  | Review     | All Staff                         |
| HEIW Salary on Appointment for New Entrants Policy                            | Review     | All Staff                         |
| HEIW Tavel and Subsistence Policy   | Review     | All Staff                         |
| HEIW Alcohol and Substance Misuse and Addictions Policy                       | Review     | Staff on NHS terms and conditions |
| Interim Retire and Return Policy  | Review     | All Staff                         |
| HEIW Provision of Hospitality Policy  | Review     | All Staff                         |
| HEIW Domestic Abuse Policy  | Review     | All Staff                         |
| HEIW Agile Working Policy and Playbook  | Review     | All Staff                         |
| HEIW Annual Leave Policy  | Review     | All Staff                         |
| HEIW Maternity, Adoption, New Parent Support and Shared Parental Leave Policy | Review     | Staff on NHS terms and conditions |
| All Wales Flexible Working Policy   | Review     | All Staff                         |
| Modern Slavery Statement  | Review     | All Staff                         |

All newly appointed staff are employed on NHS terms and conditions of service either, Agenda for Change or Medical and Dental. Former Cardiff University staff have the option to transfer to NHS terms and conditions of service. Where former Cardiff University staff covered by TUPE regulations accept a new post within HEIW either permanently or temporarily that results in a contractual change they will transfer to NHS terms and conditions of service. Once transferred they are unable to return to Cardiff University terms and conditions.

We have continued to recruit to new and vacant posts during 2023/24 and the People Team Dashboard showed a headcount of 600 on 1st April 2023 rising to 637 on 31st March 2024. ESR recorded 149 new starters and 106 leavers during 2023/24, this doesn't include internal movements within HEIW. The recruitment performance report showed 197 posts advertised through TRAC.

During 2023/24 we continued to work to hybrid operating model of 2 days in the office and 3 days working from home. This was a temporary change from the agreed hybrid operating model of 3 days in the office and 2 days at home. The change was made in response to rising fuel costs and is regularly reviewed in partnership with the Local Partnership Forum. The return to office based working

has enabled staff to reconnect with their colleagues in person and also to benefit from the incidental connections that have been lost with homeworking.

### Expenditure on Consultancy and Temporary Staff

For the purpose of the statutory accounts, consultancy is defined as time limited/ad-hoc assignments that are not related to the day-to-day activities of HEIW.

During 2023/24 HEIW's expenditure on consultancy was £308k.

Total costs on agency staff totalled £252k.

### Tax Assurance for Off-Payroll Engagements

HEIW is required to disclose any arrangements it has whereby individuals are paid through their own companies or off payroll.

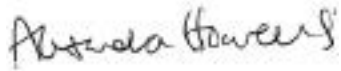
There were none during this period.

### Exit Packages

Details of all exit packages are included within note 9.5 of the Annual Accounts.

### Statement of Assurance

I confirm that there is no relevant audit information in the Annual Report of which the Audit Wales is unaware. As Chief Executive, I have taken all the steps in order to make myself aware of any relevant information and ensure the Audit Wales is aware of that information.



Alex Howells

Chief Executive and Accountable Officer,  
Health Education and Improvement Wales

11 July 2024

## Annex 1a: Single Figure of Remuneration 2023/24

| Single Figure of Remuneration    |  |                             |  |   |                            |
|----------------------------------|--|-----------------------------|--|---|----------------------------|
| Name                             | Title  | Salary<br>(Bands<br>of £5k) | Taxable<br>Benefits<br>to<br>nearest<br>£100 | Pension<br>Benefit<br>to<br>nearest<br>£1,000 | Total<br>(Bands<br>of £5k) |
| Alex Howells <sup>1</sup>        | Chief Executive  | 170–175                     | –  | 0*  | 170–175                    |
| Julie Rogers                     | Director of WOD/Deputy CEO                               | 125–130                     | –  | 30  | 155–160                    |
| Dafydd Bebb                      | Board Secretary  | 100–105                     | –  | 26  | 125–130                    |
| Push Mangat <sup>2</sup>         | Medical Director   | 145–150                     | –  | –   | 145–150                    |
| Sian Richards <sup>3</sup>       | Director of Digital Development                          | 100–105                     | –  | 0*  | 100–105                    |
| Lisa Llewelyn                    | Director of Nursing and Health<br>Professional Education | 115–120                     | –  | 0*  | 115–120                    |
| Rhiannon<br>Beckett <sup>4</sup> | Interim Director of Finance                              | 5–10                        | –  | 0*  | 5–10                       |
| Glyn Jones <sup>5</sup>          | Director of Finance, Planning and<br>Performance         | 110–115                     | –  | 0*  | 110–115                    |
|                                  |  |                             |  |   |                            |
| Chris Jones                      | Chair  | 40–45                       | –  | –   | 40–45                      |
| Tina Donnelly <sup>6</sup>       | Non-Executive Director                                   | 5–10                        | 300  | –   | 5–10                       |
| Ruth Hall <sup>7</sup>           | Non-Executive Director                                   | 5–10                        | 1,100  | –   | 10–15                      |
| Gill Lewis <sup>8</sup>          | Non-Executive Director                                   | 5–10                        | –  | –   | 5–10                       |
| John Gammon                      | Non-Executive Director                                   | 5–10                        | 700  | –   | 10–15                      |
| Donna<br>MacArthur <sup>9</sup>  | Non-Executive Director                                   | 5–10                        | 1,400  | –   | 10–15                      |
| Jayne Sadgrove <sup>10</sup>     | Non-Executive Director                                   | 5–10                        | 100  | –   | 5–10                       |
| Dawn Jones <sup>11</sup>         | Non-Executive Director                                   | 0–5                         | 0  | –   | 0–5                        |

The value of 'Pension Benefit' in the table above is calculated as follows:

(real increase in pension† X 20) + (real increase in any lump sum†) – (contributions made by the employee)

†excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This is not an amount that has been paid to an individual during the year. These figures can be influenced by many factors e.g. changes in a persons salary, any additional contributions made by the employee and other valuation factors affecting the pension scheme as a whole.

\*Where the calculation of pension benefits results in a negative figure the Greenbury

Disclosure of Senior Managers states that a zero value should be disclosed.

The 2023/24 pay award for those on Executive and Senior Pay (ESP) 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 benefit values in the table above have been prepared excluding the 5% award.

1. Alex Howells is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

2. Pushpinder Mangat chose not to be covered by the NHS pension scheme for the period

employed by HEIW and therefore no pension benefits accrued.

3. Sian Richards salary figure for 2023/24 includes a one-off non-consolidated 'recovery payment' relating to the 2022/23 financial year. This payment was made to staff on Agenda for Change terms and conditions but was not agreed until May 2023, and therefore was not included in the values included in the 2022/23 remuneration report. Sian is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

4. Rhiannon Beckett was Interim Director of Finance until 1st May 2023. The full year equivalent salary is in the range £115–£120k. Rhiannon is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

5. Glyn Jones became Director of Finance, Planning and Performance on 2nd May 2023. The full year equivalent salary is in the range £120k–£125k. Glyn is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

6. Tina Donnelly's term as Independent Member ended on 31st January 2024. The full year equivalent salary (excluding taxable allowances) is in the range £5k–£10k.

7. Ruth Hall's term as Independent Member ended on 31st January 2024. The full year equivalent salary (excluding taxable allowances) is in the range £10k–£15k.

8. Gill Lewis became Vice-Chair of the HEIW Board on 1st February 2024. The full year equivalent salary of the Vice-Chair role (excluding taxable allowances) is in the range £10k–£15k.

9. Donna MacArthur was appointed as an Independent Member on 24th April 2023. The full year equivalent salary (excluding taxable allowances) is in the range £5k–£10k.

10. Jayne Sadgrove was appointed as an Independent Member on 1st September 2023. The full year equivalent salary (excluding taxable allowances) is in the range £5k–£10k.

11. Dawn Jones was appointed as an Independent Member on 1st February 2024. The full year equivalent salary (excluding taxable allowances) is in the range £5k–£10k.

## Annex 1b: Single Figure of Remuneration 2022/23 – Revised

As a result of an error in the calculation of the pension benefit in the 2022/23 annual report the figures in annex 1b shows the restated values. This adjustment affects the 'Pension Benefit' and 'Total' columns.

| Single Figure of Remuneration |   |                             |  |   |                            |
|-------------------------------|---|-----------------------------|--|---|----------------------------|
| Name                          | Title   | Salary<br>(Bands<br>of £5k) | Taxable<br>Benefits<br>to<br>nearest<br>£100 | Pension<br>Benefit<br>to<br>nearest<br>£1,000 | Total<br>(Bands<br>of £5k) |
| Alex Howells                  | Chief Executive                                       | 165–170                     | –  | 19  | 180–185                    |
| Julie Rogers                  | Director of WOD/Deputy CEO                            | 125–130                     | –  | 32  | 155–160                    |
| Dafydd Bebb <sup>1</sup>      | Board Secretary                                       | 101–105                     | –  | 25  | 125–130                    |
| Push Mangat <sup>2</sup>      | Medical Director                                      | 150–155                     | –  | –   | 150–155                    |
| Sian Richards <sup>3</sup>    | Director of Digital Development                       | 95–100                      | –  | 40  | 135–140                    |
| Lisa Llewelyn                 | Director of Nursing and Health Professional Education | 110–115                     | –  | 0*  | 110–115                    |
| Rhiannon Beckett              | Interim Director of Finance                           | 110–115                     | –  | 82  | 190–195                    |
| Non-Executive Directors       |   |                             |  |   |                            |
| Chris Jones                   | Chair   | 40–45                       | –  | –   | 40–45                      |
| Tina Donnelly                 | Non-Executive Director                                | 5–10                        | –  | –   | 5–10                       |
| Ruth Hall                     | Non-Executive Director                                | 10–15                       | –  | –   | 10–15                      |
| Gill Lewis                    | Non-Executive Director                                | 5–10                        | –  | –   | 5–10                       |
| Heidi Phillips <sup>4</sup>   | Non-Executive Director                                | 0–5                         | –  | –   | 0–5                        |
| Jonathan Morgan <sup>5</sup>  | Non-Executive Director                                | 5–10                        | –  | –   | 5–10                       |
| John Gammon <sup>6</sup>      | Non-Executive Director                                | 5–10                        | –  | –   | 5–10                       |

The value of 'Pension Benefit' in the table above is calculated as follows:

(real increase in pension† X 20) + (real increase in any lump sum†) – (contributions made by the employee)

†excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This is not an amount that has been paid to an individual during the year. These figures can be influenced by many factors e.g. changes in a persons salary, any additional contributions made by the employee, and other valuation factors affecting the pension scheme as a whole.

\*Where the calculation of pension benefits results in a negative figure the Greenbury Disclosure of Senior Managers states that a zero value should be disclosed.

1. The salary value for Dafydd Bebb includes a payment for the sale of annual leave in the range £0–£5k.

2. Pushpinder Mangat joined HEIW substantively from 2nd July 2022 having previously been seconded from Swansea Bay UHB. His full year equivalent salary in HEIW is in the range £140k–£145k. Pushpinder chose not to be covered by the NHS pension scheme for the period employed by HEIW and therefore no pension benefits accrued.

3. Sian Richards joined HEIW substantively from 1st July 2022 having previously been seconded from Swansea Bay UHB. The salary figure reported in the table above does not include the one-off non-consolidated 'recovery payment' relating to 2022/23 the pay offer was not agreed until after the balance sheet date. This payment will be included within the 2023/24 salary.

4. Heidi Phillips stood down as an Independent Member on 9th May 2022

5. Jonathan Morgan resigned as an Independent Member on 31st March 2023.

6. John Gammon was appointed as an Independent Member on 1st August 2022.

## Annex 2: Pension Benefits – 2023/24

| Name                          | Title   | Real increase in pension at pension age (bands of £2,500) £'000 | Real increase in pension lump sum at pension age (bands of £2,500) £'000 | Total accrued pension at pension age at 31 March 2024 (bands of £5,000) £'000 | Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000) £'000 | Cash Equivalent Transfer Value at 31 March 2024 £'000 | Cash Equivalent Transfer Value at 31 March 2023 £'000 | Real increase in Cash Equivalent Transfer Value £'000 | Employer's contribution to stakeholder pension £'000 |
|-------------------------------|---|---|--|---|---|---|---|---|--|
| Alex Howells <sup>1</sup>     | Chief Executive                                       | 0*  | 32.5–35.0  | 70–75   | 195–200   | 1,694   | 1,433   | 94  | –  |
| Julie Rogers                  | Director of WOD/ Deputy CEO                           | 0–2.5   | –  | 5–10  | –   | 81  | 35  | 26  | –  |
| Dafydd Bebb                   | Board Secretary                                       | 0–2.5   | –  | 10–15   | –   | 178   | 115   | 38  | –  |
| Push Mangat <sup>2</sup>      | Medical Director                                      | –   | –  | –   | –   | –   | –   | –   | –  |
| Sian Richards <sup>3</sup>    | Director of Digital Development                       | 0*  | 25.0–27.5  | 25–30   | 70–75   | 562   | 390   | 119   | –  |
| Lisa Llewelyn <sup>4</sup>    | Director of Nursing and Health Professional Education | 0*  | 0*   | 60–65   | 165–170   | 83  | 36  | 27  | –  |
| Rhiannon Beckett <sup>5</sup> | Interim Director of Finance                           | 0*  | 0–2.5  | 20–25   | 55–60   | 509   | 414   | 3   | –  |
| Glyn Jones <sup>6</sup>       | Director of Finance, Planning and Performance         | 0*  | –  | 25–30   | –   | 493   | 569   | 0*  | –  |

\*Where the calculation of pension benefits results in a negative figure the Greenbury Disclosure of Senior Managers states that a zero value should be disclosed.

The 2023/24 pay award for those on Executive and Senior Pay (ESP) 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 in the table above has been prepared excluding the 5% award.

1. Alex Howells is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

2. Push Mangat chose not to be covered by the NHS pension scheme for the period employed by HEIW and therefore no pension benefits were accrued.

3. Sian Richards is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

4. The CETV value for Lisa Llewelyn relates to the 2015 NHS Pension scheme only.

5. Rhiannon Beckett is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

6. Glyn Jones is affected by the Public Service Pension Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

### Annex 3: Pay Policy Statement

Salary and pension entitlements of senior managers 2023–24

The pay and Terms and Conditions of Employment for the executive team and senior managers have been, and will be determined by the HEIW Board, based on the recommendations of the Remuneration and Terms of Service Committee, within the framework set by Welsh Government. The Remuneration and Terms of Service Committee also considers applications relating to the Voluntary Release Scheme. The Remuneration and Terms of Service Committee members are all Independent Members of the Board and the committee is chaired by HEIW's chairperson. The Terms of Reference for the Committee are regularly being reviewed.

### Auditors

The auditors have reviewed this report for consistency with other information in the financial statements and will provide an opinion on the following disclosures:

- Single total figure of remuneration for each director;
- CETV disclosures for each director;
- Payments to past directors, if relevant;
- Payments for loss of office, if relevant;
- Fair pay disclosures (included in annual accounts);
- Exit packages (included in annual accounts) if relevant, and;
- Analysis of staff numbers

# Senedd Cymru/Welsh Parliamentary Accountability and Audit Report

For the Year ended 31 March 2024

## Regularity of Expenditure

Regularity 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.

The Health Education and Improvement Wales (HEIW) Board ensures the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

The Chief Executive is the Accountable Officer and ensures that the financial statements are prepared in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, the Chief Executive is required to:

- observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
- prepare them on a going concern basis on the presumption that the services of the Special Health Authority will continue in operation.

## Fees and Charges

Where HEIW undertakes an activity which is not funded directly by the Welsh Government, HEIW receives income to cover its costs. Further detail of income received is published in the annual accounts.

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

## Remote Contingent Liabilities

Remote contingent liabilities are those liabilities that due to the unlikelihood of a resultant charge against HEIW are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31st March 2024.

|             | 2023-24 |
|-------------|---------|
| Guarantees  | nil     |
| Indemnities | nil     |

# 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 Health Education and Improvement Wales for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and 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 Health Education and Improvement Wales as at 31 March 2024 and of its net operating costs 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, 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 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 Board 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 Health Education and Improvement Wales 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 is in accordance with Welsh Ministers' guidance.

### Matters on which I report by exception

In the light of the knowledge and understanding of Health Education and Improvement Wales 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, 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 Health Education and Improvement Wales' 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 Authority 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 Health Education and Improvement Wales 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 posting of unusual journals.
- Obtaining an understanding of Health Education and Improvement Wales' framework of authority as well as other legal and regulatory frameworks that Health Education and Improvement Wales 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 Health Education and Improvement Wales.

- 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 and Assurance Committee and legal advisors about actual and potential litigation and claims.
- Reading minutes of meetings of those charged with governance and the Board.
- 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 Health Education and Improvement Wales' 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](http://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

I have no observations to make on these financial statements.



Adrian Crompton  
Auditor General for Wales

12 July 2024

1 Capital Quarter, Tyndall Street,  
Cardiff, CF10 4BZ.

# Annual Accounts 2023/24

## Foreword

These accounts have been prepared by Health Education and Improvement Wales, a Welsh Special Health Authority under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

These accounts cover the period 1st April 2023 to 31st March 2024.

## Statutory background

HEIW was established as a Special Health Authority by establishment order 2017 No. 913 (W. 224), which was made 11th September 2017 and came into force on the 5th October 2017.

HEIW operated in a shadow form until 1st October 2018 with all establishment and set up costs being borne by the Welsh Government, and with the predecessor bodies of NHS Wales Shared Services Partnership (NWSSP) hosted by Velindre University NHS Trust and Cardiff University delivering operational activity to 30th September 2018.

On 1st October 2018 staff were transferred into HEIW and the organisation became fully operational.

HEIW has a leading role in the education, training, development and shaping of the healthcare workforce, supporting high-quality care for the people of Wales.

## Performance Management and Financial Results

HEIW must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by HEIW which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

HEIW has an annual requirement to achieve a balanced year end position against the Resource and Capital limits set for the year.

Performance against these limits is reported in Note 2 to the financial statements.

## Statement of Comprehensive Net Expenditure for the period ended 31 March 2024

|  | Note | 2023–24<br>£000 | 2022–23<br>£000 |
|--|------|-----------------|-----------------|
| Non Medical Education And Training                             | 3.1  | 127,905         | 122,444         |
| Postgraduate Medical, Dental and Pharmacy Education            | 3.2  | 142,388         | 129,569         |
| Other Operating Expenditure                                    | 3.3  | 45,084          | 36,882          |
|  |      | <hr/>           | <hr/>           |
|  |      | 315,377         | 288,895         |
| Less: Miscellaneous Income                                     | 4    | (955)           | (692)           |
| Net operating costs before interest and other gains and losses |      | <hr/>           | <hr/>           |
|  |      | 314,422         | 288,203         |
| Investment Revenue   | 5    | 0               | 0               |
| Other (Gains) / Losses   | 6    | 0               | 0               |
| Finance costs  | 7    | 14              | 17              |
| Net operating costs for the financial period                   |      | <hr/>           | <hr/>           |
|  |      | 314,436         | 288,220         |

See note 2 on [page 22](#) for details of performance against Revenue and Capital allocations.

The notes on [pages 8 to 62](#) form part of these accounts.

### Other Comprehensive Net Expenditure

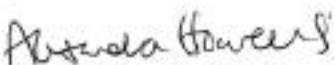
|   | 2023–24<br>£000 | 2022–23<br>£000 |
|---|-----------------|-----------------|
| Net (gain)/loss on revaluation of property, plant and equipment       | 0               | 0               |
| Net (gain)/loss on revaluation of right of use assets                 | 0               | 0               |
| Net (gain)/loss on revaluation of intangibles                         | 0               | 0               |
| (Gain)/loss on other reserves   | 0               | 0               |
| Net (gain)/loss on revaluation of available for sale financial assets | 0               | 0               |
| Impairment and reversals  | 0               | 0               |
| Other comprehensive net expenditure for the period                    | <hr/>           | <hr/>           |
|   | 0               | 0               |
| Total comprehensive net expenditure for the period                    | <hr/>           | <hr/>           |
|   | 314,436         | 288,220         |

The notes on [pages 8 to 62](#) form part of these accounts.

## Statement of Financial Position as at 31 March 2024

|  | Notes | 31 March 2024<br>£000 | 31 March 2023<br>£000 |
|--|-------|-----------------------|-----------------------|
| Non-current assets                               |       |                       |                       |
| Property, plant and equipment                    | 11    | 1,965                 | 1,578                 |
| Right of Use Assets                              | 11.3  | 1,196                 | 1,483                 |
| Intangible assets                                | 12    | 465                   | 0                     |
| Trade and other receivables                      | 15    | 342                   | 0                     |
| Other financial assets                           | 16    | 0                     | 0                     |
| Total non-current assets                         |       | 3,968                 | 3,061                 |
| Current assets                                   |       |                       |                       |
| Inventories                                      | 14    | 0                     | 0                     |
| Trade and other receivables                      | 15    | 7,664                 | 9,733                 |
| Other financial assets                           | 16    | 0                     | 0                     |
| Cash and cash equivalents                        | 17    | 6,787                 | 4,103                 |
|  |       | 14,451                | 13,836                |
| Non-current assets classified as "Held for Sale" | 11    | 0                     | 0                     |
| Total current assets                             |       | 14,451                | 13,836                |
| Total assets                                     |       | 18,419                | 16,897                |
| Current liabilities                              |       |                       |                       |
| Trade and other payables                         | 18    | (14,782)              | (12,734)              |
| Other financial liabilities                      | 19    | 0                     | 0                     |
| Provisions                                       | 20    | (34)                  | 0                     |
| Total current liabilities                        |       | (14,816)              | (12,734)              |
| Net current assets/ (liabilities)                |       | (365)                 | 1,102                 |
| Non-current liabilities                          |       |                       |                       |
| Trade and other payables                         | 18    | (993)                 | (1,304)               |
| Other financial liabilities                      | 19    | 0                     | 0                     |
| Provisions                                       | 20    | 0                     | 0                     |
| Total non-current liabilities                    |       | (993)                 | (1,304)               |
| Total assets employed                            |       | 2,610                 | 2,859                 |
| Financed by:                                     |       |                       |                       |
| Taxpayers' equity                                |       |                       |                       |
| General Fund                                     |       | 2,610                 | 2,859                 |
| Revaluation reserve                              |       | 0                     | 0                     |
| Total taxpayers' equity                          |       | 2,610                 | 2,859                 |

The financial statements on [pages 2 to 7](#) were approved by the Board on 11.07.2024

Chief Executive and Accountable Officer  Date: 11.07.2024

The notes on [pages 8 to 62](#) form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the period ended 31 March 2024

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| Changes in taxpayers' equity                                    |                         |                                |                           |
| Balance b/f as at 31 March                                      | 2,859                   | 0                              | 2,859                     |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 0                       | 0                              | 0                         |
| Impact of IFRS 16 on PPP/PFI Liability                          | 0                       | 0                              | 0                         |
| Balance at 1 April 2023   | 2,859                   | 0                              | 2,859                     |
| Net operating cost for the period                               | (314,436)               |                                | (314,436)                 |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of right of use assets           | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of intangible assets             | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of financial assets              | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of assets held for sale          | 0                       | 0                              | 0                         |
| Impairments and reversals                                       | 0                       | 0                              | 0                         |
| Other reserve movement  | 0                       | 0                              | 0                         |
| Transfers between reserves                                      | 0                       | 0                              | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from (please specify)                              | 0                       | 0                              | 0                         |
| Total recognised income and expense for period                  | (314,436)               | 0                              | (314,436)                 |
| Net Welsh Government funding                                    | 311,518                 |                                | 311,518                   |
| Welsh Government notional funding                               | 2,669                   |                                | 2,669                     |
| Balance at 31 March 2024  | 2,610                   | 0                              | 2,610                     |

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;

Notional 6.3% staff employer pension

➤ HEIW Staff (note 3.3) = £1.224m

➤ Single Lead Employer (SLE) Staff (note 3.2) = £1.445m

The notes on [pages 8 to 62](#) form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| Changes in taxpayers' equity                                    |                         |                                |                           |
| Balance b/f as at 31 March                                      | 8,484                   | 0                              | 8,484                     |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 0                       | 0                              | 0                         |
| Balance at 1 April 2022   | 8,484                   | 0                              | 8,484                     |
| Net operating cost for the year                                 | (288,220)               |                                | (288,220)                 |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of right of use assets           | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of intangible assets             | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of financial assets              | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of assets held for sale          | 0                       | 0                              | 0                         |
| Impairments and reversals                                       | 0                       | 0                              | 0                         |
| Other reserve movement  | 0                       | 0                              | 0                         |
| Transfers between reserves                                      | 0                       | 0                              | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from LHBS  | 0                       | 0                              | 0                         |
| Total recognised income and expense for period                  | (288,220)               | 0                              | (288,220)                 |
| Net Welsh Government funding                                    | 280,304                 |                                | 280,304                   |
| Welsh Government notional funding                               | 2,291                   |                                | 2,291                     |
| Balance at 31 March 2023  | 2,859                   | 0                              | 2,859                     |

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;

Notional 6.3% staff employer pension

➤ HEIW Staff (note 3.3) = £0.956m

➤ Single Lead Employer (SLE) Staff (note 3.2) = £1.335m

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £0

The notes on [pages 8 to 62](#) form part of these accounts.

## Statement of Cash Flows for period ended 31 March 2024

|  | Notes | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-------|-----------------|-----------------|
| Cash Flows from operating activities                                 |       |                 |                 |
| Net operating cost for the financial period                          |       | (314,436)       | (288,220)       |
| Movements in Working Capital   | 27    | 3,608           | 4,894           |
| Other cash flow adjustments  | 28    | 3,481           | 1,396           |
| Provisions utilised  | 20    | 0               | 0               |
| Net cash outflow from operating activities                           |       | (307,347)       | (281,930)       |
| Cash Flows from investing activities                                 |       |                 |                 |
| Purchase of property, plant and equipment                            |       | (880)           | (226)           |
| Proceeds from disposal of property, plant and equipment              |       | 0               | 0               |
| Purchase of intangible assets  |       | (299)           | 0               |
| Proceeds from disposal of intangible assets                          |       | 0               | 0               |
| Payment for other financial assets                                   |       | 0               | 0               |
| Proceeds from disposal of other financial assets                     |       | 0               | 0               |
| Payment for other assets   |       | 0               | 0               |
| Proceeds from disposal of other assets                               |       | 0               | 0               |
| Net cash inflow/(outflow) from investing activities                  |       | (1,179)         | (226)           |
| Net cash inflow/(outflow) before financing                           |       | (308,526)       | (282,156)       |
| Cash Flows from financing activities                                 |       |                 |                 |
| Welsh Government funding (including capital)                         |       | 311,518         | 280,304         |
| Capital receipts surrendered   |       | 0               | 0               |
| Capital grants received  |       | 0               | 0               |
| Capital element of payments in respect of finance leases and on-SoFP |       | 0               | 0               |
| Capital element of payments in respect of on-SoFP PFI                |       | 0               | 0               |
| Capital element of payments in respect of Right of Use Assets        |       | (308)           | 0               |
| Cash transferred (to)/ from other NHS bodies                         |       | 0               | 0               |
| Net financing  |       | 311,210         | 280,304         |
| Net increase/(decrease) in cash and cash equivalents                 |       | 2,684           | (1,852)         |
| Cash and cash equivalents (and bank overdrafts) at 1 April 2023      |       | 4,103           | 5,955           |
| Cash and cash equivalents (and bank overdrafts) at 31 March 2024     |       | 6,787           | 4,103           |

The notes on [pages 8 to 62](#) 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 Special Health Authorities (SHAs) 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 (FRM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the 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 SHA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the SHA are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### 1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

#### 1.3 Income and funding

The main source of funding for the SHA are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the SHA. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred. Non-discretionary expenditure is disclosed in the accounts

and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the SHA and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the SHA for the Welsh Government. Income received from LHBs transacting with the SHA is always treated as miscellaneous income.

From 2018–19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

#### 1.4 Employee benefits

##### 1.4.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

##### 1.4.2 Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined

contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The 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 2019–20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being 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 Note 34.1 within these accounts.

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

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

#### 1.4.3 NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme

has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

### 1.5 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

### 1.6 Property, plant and equipment

#### 1.6.1 Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

#### 1.6.2 Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

At the Statement of Financial Position date the building asset held by the SHA relates solely

to expenditure on leasehold improvements, which is carried at depreciated cost.

Future asset purchases that are not leasehold improvements will be carried on the following basis:

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.

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

References in IAS 36 to the recognition of an impairment loss of a revalued asset being

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

From 2015–16, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUJ).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the

asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

### 1.6.3 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being “replaced” can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated. For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

## 1.7 Intangible assets

### 1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

### 1.8 Depreciation, amortisation and impairments

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

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the

physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

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

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

### 1.9 Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### 1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount

and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

### 1.11 Leases

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

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

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity 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 HEIW 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 HEIW 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

HEIW will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.7 instead.

HEIW 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. There are currently no such arrangements in place.

HEIW 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. There are currently no such arrangements in place.

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 entity 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 entity] applies a revised rate to the remaining lease liability.

Where existing leases are modified [the entity] 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 entity].

#### 1.11.2 The entity as lessor

HEIW does not lease out any of its assets and is therefore not a lessor.

## 1.12 Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or “first-in first-out” cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

HEIW does not currently hold any inventory.

## 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) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023–24 and 2022–23, although no costs were apportioned to the SHA during the year. The WRP is hosted by Velindre NHS Trust.

## 1.15 Discount Rates

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

## 1.16 Financial Instruments

From 2018–19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales’ organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount

and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

### 1.17 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 FRoM 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.

#### 1.17.1 Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### 1.17.2 Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

#### 1.17.3 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.

#### 1.17.4 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

#### 1.17.5 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 the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 1.18 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.

#### 1.18.1 Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

#### 1.18.2 Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

#### 1.18.3 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.

### 1.19 Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the

capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.20 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

### 1.21 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. HEIW does not hold any third party assets.

### 1.22 Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the 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 WRP).

The NHS Wales organisation accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over

50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5– 50%, the liability is disclosed as a contingent liability.

### 1.23 Pooled budget

In accordance with section 33 of the NHS (Wales) Act 2006, NHS Wales organisations are able to operate pooled budgets with Local Authorities for specific activities defined in the Pooled budget Note.

HEIW has not entered into any pooled budget arrangements,

### 1.24 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.

### 1.25 Key sources of estimation uncertainty

There are no estimation uncertainties 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.

### 1.26 Private Finance Initiative (PFI) transactions

HEIW has no PFI arrangements.

### 1.27 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation, or

a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

### 1.28 Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where there is a transfer of function the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

### 1.29 Accounting standards that have been issued but not yet been adopted

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

IFRS14 Regulatory Deferral Accounts.

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

### 1.30 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.

### 1.31 Charities

The NHS Organisation has no NHS Charitable Fund.

## 2. Financial Duties Performance

The statutory financial duties of Special Health Authorities are set out in section 172 of the National Health Service (Wales) Act 2006.

Section 172(1) sets out what is referred to as the 'First Financial Duty' - a duty to secure that SHA expenditure does not exceed the aggregate of the funding allotted to it for a financial year. Under the powers of direction in the National Health Service (Wales) Act section 172(6) WHC/2019/004 clarified that the annual statutory financial duty is set separately for revenue and capital resource allocations.

## 2.1 Revenue Resource Performance

|   | Financial<br>performance<br>2023–24<br>£000 |
|---|---|
| Net operating costs for the period  | 314,436                                     |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | 0   |
| Less revenue consequences of bringing PFI schemes onto SoFP                         | 0   |
| Less any non funded revenue consequences of IFRS                                    | 0   |
| Total operating expenses  | <u>314,436</u>                              |
| Revenue Resource Allocation   | <u>315,703</u>                              |
| Under /(over) spend against Allocation  | <u>1,267</u>                                |

HEIW has met its financial duty to break-even against its Revenue Resource Limit over the period.

## 2.2 Capital Resource Performance

|   | 2023–24<br>£000 |
|---|-----------------|
| Gross capital expenditure   | 1,379           |
| Add: Losses on disposal of donated assets                                     | 0               |
| Less NBV of property, plant and equipment, right of use and intangible assets | 0               |
| Less: capital grants received   | 0               |
| Less: donations received  | (35)            |
| Less IFRS16 Peppercorn income   | 0               |
| Less initial recognition of RoU Asset Dilapidations                           | 0               |
| Add: recognition of RoU Assets Dilapidations on crystallisation               | 0               |
| Charge against Capital Resource Allocation                                    | <u>1,344</u>    |
| Capital Resource Allocation   | <u>1,351</u>    |
| (Over) / Underspend against Capital Resource Allocation                       | <u>7</u>        |

HEIW has met its financial duty to break-even against its Capital Resource Limit over the period.

### 2.3 Integrated Medium Term Plan

HEIW has submitted an Integrated Medium Term Plan for the period 2023-26 in accordance with NHS Wales Planning Framework 2023-26. However, as this was not a statutory requirement for SHAs under the NHS Finance (Wales) Act 2014 the plan did not require Ministerial approval.

### 2.4 Creditor payment

The SHA 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 SHA has achieved the following results:

|  | 2023-24 | 2022-23 |
|--|---------|---------|
| Total number of non-NHS bills paid               | 7,913   | 6,576   |
| Total number of non-NHS bills paid within target | 7,572   | 6,176   |
| Percentage of non-NHS bills paid within target   | 95.7%   | 93.9%   |

HIEW SHA has met the target.

### 3. Analysis of gross operating costs

#### 3.1 Non Medical Education and Training

|  | 2023–24<br>£000 | 2022–23<br>£000 |
|--|-----------------|-----------------|
| Student Training Fees (Universities)                           | 66,139          | 65,543          |
| Additional Training Costs (Universities)                       | 0               | 0               |
| Funding for Healthcare Education Fees (Health Boards & Trusts) | 5,951           | 3,897           |
| Student Bursaries Reimbursement (Universities)                 | 18,921          | 22,182          |
| Student Salaries Reimbursement (Health Boards & Trusts)        | 24,055          | 20,829          |
| Advanced Practice Training fees                                | 2,002           | 1,702           |
| Healthcare Support Working Training                            | 2,959           | 2,685           |
| Non-Medical Prescribing  | 316             | 288             |
| Training related Travel and Subsistence                        | 5,174           | 4,634           |
| Disability Support Allowance                                   | 882             | 682             |
| Mental Health Workforce Plan                                   | 1,506           | 0               |
| Other  | 0               | 2               |
| <b>Total</b>   | <b>127,905</b>  | <b>122,444</b>  |

#### 3.2 Postgraduate Medical, Dental and Pharmacy Education

|                                     | 2023–24<br>£000 | 2022–23<br>£000 |
|-------------------------------------|-----------------|-----------------|
| Training Grade Salaries             | 66,222          | 60,149          |
| Postgraduate Centre and Study Leave | 4,916           | 4,857           |
| GP Registrars                       | 39,984          | 37,755          |
| Dental Foundation Trainees          | 9,768           | 9,073           |
| Pharmacy Training                   | 13,438          | 11,420          |
| Induction & Refresher               | 102             | 20              |
| Welsh Clinical Academic Training    | 1,639           | 1,500           |
| GP CPD and Appraisal Costs          | 1,141           | 1,088           |
| Trainee Relocation Expenses         | 2,381           | 2,016           |
| Primary Care                        | 1,528           | 785             |
| Optometry                           | 278             | 0               |
| Other                               | 991             | 906             |
| <b>Total</b>                        | <b>142,388</b>  | <b>129,569</b>  |

### 3.3 Other Operating Expenditure

|   | 2023-24<br>£000 | 2022-23<br>£000 |
|---|-----------------|-----------------|
| Local Health Boards   | 114             | 0               |
| Welsh NHS Trusts  | 35              | 0               |
| Welsh Special Health Authorities  | 0               | 0               |
| Goods and services from other NHS bodies                                | 0               | 0               |
| WHSSC/EASC  | 0               | 0               |
| Local Authorities   | 0               | 0               |
| Purchase of healthcare from non-NHS bodies                              | 0               | 0               |
| Welsh Government  | 0               | 0               |
| Other NHS Trusts  | 0               | 0               |
| Directors' costs  | 1,267           | 1,228           |
| Operational Staff costs   | 29,022          | 24,335          |
| Supplies and services - clinical  | 121             | 104             |
| Supplies and services - general   | 3,967           | 3,560           |
| Consultancy Services  | 308             | 35              |
| Establishment   | 4,668           | 3,082           |
| Transport   | 0               | 0               |
| Premises  | 2,899           | 2,877           |
| External Contractors  | 526             | 415             |
| Depreciation  | 528             | 581             |
| Depreciation RoU Asset)   | 287             | 287             |
| Amortisation  | 0               | 0               |
| Fixed asset impairments and reversals (Property, plant & equipment)     | 0               | 7               |
| Fixed asset impairments and reversals (RoU Assets)                      | 0               | 0               |
| Fixed asset impairments and reversals (Intangible assets)               | 0               | 0               |
| Impairments & reversals of financial assets                             | 0               | 0               |
| Impairments & reversals of non-current assets held for sale             | 0               | 0               |
| Audit fees  | 205             | 184             |
| Other auditors' remuneration  | 0               | 0               |
| Losses, special payments and irrecoverable debts                        | 223             | 50              |
| Research and Development  | 0               | 0               |
| Expense related to short-term leases                                    | 0               | 0               |
| Expense related to low-value asset leases (excluding short-term leases) | 0               | 0               |
| Other operating costs   | 914             | 137             |
| <b>Total</b>  | <b>45,084</b>   | <b>36,882</b>   |

### 3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Increase/(decrease) in provision for future payments:      |                 |                 |
| Clinical negligence;                                       |                 |                 |
| – Secondary care   | 0               | 0               |
| – Primary care   | 0               | 0               |
| – Redress Secondary care                                   | 0               | 0               |
| – Redress Primary care                                     | 0               | 0               |
| Personal injury  | 0               | 0               |
| All other losses and special payments                      | 0               | 0               |
| Defence legal fees and other administrative costs          | 0               | 0               |
| Gross increase/(decrease) in provision for future payments | 0               | 0               |
| Contribution to Welsh Risk Pool                            | 0               | 0               |
| Premium for other insurance arrangements                   | 0               | 0               |
| Irrecoverable debts  | 223             | 50              |
| Less: income received/due from Welsh Risk Pool             | 0               | 0               |
| Total  | 223             | 50              |

|   | 2023-24<br>£ | 2022-23<br>£ |
|---|--------------|--------------|
| Permanent injury included within personal injury £: | 0            | 0            |

#### 4. Miscellaneous Income

|   | 2023–24<br>£000 | 2022–23<br>£000 |
|---|-----------------|-----------------|
| Local Health Boards   | 0               | 2               |
| Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC) | 0               | 0               |
| NHS trusts  | 90              | 85              |
| Welsh Special Health Authorities  | 34              | 0               |
| Foundation Trusts   | 0               | 0               |
| Other NHS England bodies  | 0               | 0               |
| Other NHS Bodies  | 0               | 0               |
| Local authorities   | 0               | 0               |
| Welsh Government  | 244             | 239             |
| Welsh Government Hosted Bodies  | 0               | 0               |
| Non NHS:  |                 |                 |
| – Private patient income  | 0               | 0               |
| – Overseas patients (non-reciprocal)  | 0               | 0               |
| – Injury Costs Recovery (ICR) Scheme  | 0               | 0               |
| – Other income from activities  | 0               | 0               |
| Patient transport services  | 0               | 0               |
| Education, training and research  | 540             | 366             |
| Charitable and other contributions to expenditure   | 0               | 0               |
| Receipt of NWSSP Covid centrally purchased assets   | 0               | 0               |
| Receipt of Covid centrally purchased assets from other organisations                                | 0               | 0               |
| Receipt of donated assets   | 35              | 0               |
| Receipt of Government granted assets  | 0               | 0               |
| Right of Use Grant (Peppercorn Lease)   | 0               | 0               |
| Non-patient care income generation schemes  | 0               | 0               |
| NWSSP   | 0               | 0               |
| Deferred income released to revenue   | 0               | 0               |
| Right of Use Asset Sub-leasing rental income  | 0               | 0               |
| Contingent rental income from finance leases  | 0               | 0               |
| Rental income from operating leases   | 0               | 0               |
| Other income  |                 |                 |
| – Provision of laundry, pathology, payroll services   | 0               | 0               |
| – Accommodation and catering charges  | 0               | 0               |
| – Mortuary fees   | 0               | 0               |
| – Staff payments for use of cars  | 0               | 0               |
| – Business units  | 0               | 0               |
| – Scheme Pays Reimbursement Notional  | 0               | 0               |
| – Other   | 12              | 0               |
| <b>Total</b>  | <b>955</b>      | <b>692</b>      |

Injury Cost Recovery (ICR) Scheme income is subject to a provision for impairment re personal injury claims.

|   | 2023-24<br>% | 2022-23<br>% |
|---|--------------|--------------|
| To reflect expected rates of collection ICR income is subject to a provision for impairment of: | 23.07        | 23.76        |

## 5. Investment Revenue

|                             | 2023-24<br>£000 | 2022-23<br>£000 |
|-----------------------------|-----------------|-----------------|
| Rental revenue:             |                 |                 |
| PFI Finance lease income    |                 |                 |
| – planned                   | 0               | 0               |
| – contingent                | 0               | 0               |
| Other finance lease revenue | 0               | 0               |
| Interest revenue:           |                 |                 |
| Bank accounts               | 0               | 0               |
| Other loans and receivables | 0               | 0               |
| Impaired financial assets   | 0               | 0               |
| Other financial assets      | 0               | 0               |
| Total                       | <u>0</u>        | <u>0</u>        |

## 6. Other gains and losses

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Gain/(loss) on disposal of property, plant and equipment                           | 0               | 0               |
| Gain/(loss) on disposal other than by sale of right of use assets                  | 0               | 0               |
| Gain/(loss) on disposal of intangible assets                                       | 0               | 0               |
| Gain/(loss) on disposal of assets held for sale                                    | 0               | 0               |
| Gain/(loss) on disposal of financial assets  | 0               | 0               |
| Change on foreign exchange   | 0               | 0               |
| Change in fair value of financial assets at fair value through SoCNE               | 0               | 0               |
| Change in fair value of financial liabilities at fair value through SoCNE          | 0               | 0               |
| Recycling of gain/(loss) from equity on disposal of financial assets held for sale | 0               | 0               |
| Total  | <u>0</u>        | <u>0</u>        |

## 7. Finance costs

|   | 2023-24<br>£000 | 2022-23<br>£000 |
|---|-----------------|-----------------|
| Interest on loans and overdrafts                  | 0               | 0               |
| Interest on obligations under finance leases      | 0               | 0               |
| Interest on obligations under Right of Use Leases | 14              | 17              |
| Interest on obligations under PFI contracts       |                 |                 |
| – main finance cost                               | 0               | 0               |
| – contingent finance cost                         | 0               | 0               |
| Impact of IFRS 16 on PPP/PFI contracts            | 0               | 0               |
| Interest on late payment of commercial debt       | 0               | 0               |
| Other interest expense                            | 0               | 0               |
| Total interest expense                            | 14              | 17              |
| Provisions unwinding of discount                  | 0               | 0               |
| Other finance costs                               | 0               | 0               |
| Total   | 14              | 17              |

## 8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

### SHA as lessee

As at 31st March 2024 the SHA had 1 lease agreement that has not been accounted for under IFRS16 as it is considered to be a low value asset. The lease is for equipment.

|                                   | Low Value<br>and Short<br>Term | Other    | Total    |          |
|-----------------------------------|--------------------------------|----------|----------|----------|
|                                   | 2023–24                        | 2023–24  | 2023–24  | 2022–23  |
|                                   | £000                           | £000     | £000     | £000     |
| Payments recognised as an expense |                                |          |          |          |
| Minimum lease payments            | 5                              | 0        | 5        | 6        |
| Contingent rents                  | 0                              | 0        | 0        | 0        |
| Sub-lease payments                | 0                              | 0        | 0        | 0        |
| <b>Total</b>                      | <b>5</b>                       | <b>0</b> | <b>5</b> | <b>6</b> |

### Total future minimum lease payments

|                            | £000     | £000     | £000     | £000      |
|----------------------------|----------|----------|----------|-----------|
| Payable                    |          |          |          |           |
| Not later than one year    | 5        | 0        | 5        | 5         |
| Between one and five years | 0        | 0        | 0        | 5         |
| After 5 years              | 0        | 0        | 0        | 0         |
| <b>Total</b>               | <b>5</b> | <b>0</b> | <b>5</b> | <b>10</b> |

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only.

### SHA as lessor

|                             | 2023–24  | 2022–23  |
|-----------------------------|----------|----------|
|                             | £000     | £000     |
| Rental revenue              |          |          |
| Rent                        | 0        | 0        |
| Contingent rents            | 0        | 0        |
| <b>Total revenue rental</b> | <b>0</b> | <b>0</b> |

### Total future minimum lease payments

|                            | £000     | £000     |
|----------------------------|----------|----------|
| Receivable                 |          |          |
| Not later than one year    | 0        | 0        |
| Between one and five years | 0        | 0        |
| After 5 years              | 0        | 0        |
| <b>Total</b>               | <b>0</b> | <b>0</b> |

## 9. Employee benefits and staff numbers

### 9.1 Employee costs

|   | Permanent<br>Staff | Staff on<br>Inward<br>Secondment | Agency<br>Staff | Specialist<br>Trainee<br>(SLE) | Other<br>Staff | Total<br>2023–24 | Total<br>2022–23 |
|---|--------------------|----------------------------------|-----------------|--------------------------------|----------------|------------------|------------------|
|   | £000               | £000                             | £000            | £000                           | £000           | £000             | £000             |
| Salaries and wages  | 21,875             | 1,670                            | 252             | 0                              | 0              | 23,797           | 20,363           |
| Social security costs   | 2,369              | 0                                | 0               | 0                              | 0              | 2,369            | 1,955            |
| Employer<br>contributions to NHS<br>Pension Scheme              | 4,014              | 0                                | 0               | 0                              | 0              | 4,014            | 3,144            |
| Other pension costs   | 6                  | 0                                | 0               | 0                              | 0              | 6                | 6                |
| Other employment<br>benefits                                    | 0                  | 0                                | 0               | 0                              | 0              | 0                | 0                |
| Termination benefits  | 0                  | 0                                | 0               | 0                              | 0              | 0                | 0                |
| <b>Total Employee costs</b>                                     | <b>28,264</b>      | <b>1,670</b>                     | <b>252</b>      | <b>0</b>                       | <b>0</b>       | <b>30,186</b>    | <b>25,468</b>    |
| Charged to capital  |                    |                                  |                 |                                |                | 256              | 0                |
| Charged to revenue  |                    |                                  |                 |                                |                | 29,930           | 25,468           |
|   |                    |                                  |                 |                                |                | <u>30,186</u>    | <u>25,468</u>    |
| Net movement in accrued employee benefits (untaken staff leave) |                    |                                  |                 |                                |                | (48)             | (218)            |

## 9.2 Average number of employees

|   | Permanent Staff<br>Number | Staff on Inward<br>Secondment<br>Number | Agency Staff<br>Number | Specialist Trainee (SLE)<br>Number | Other Staff<br>Number | Total<br>2023–24<br>Number | Total<br>2022–23<br>Number |
|---|---------------------------|---|------------------------|------------------------------------|-----------------------|----------------------------|----------------------------|
| Administrative, clerical and board members    | 331                       | 8                                       | 5                      | 0                                  | 0                     | 344                        | 294                        |
| Medical and dental                            | 49                        | 1                                       | 0                      | 0                                  | 0                     | 50                         | 51                         |
| Nursing, midwifery registered                 | 10                        | 3                                       | 0                      | 0                                  | 0                     | 13                         | 12                         |
| Professional, Scientific, and technical staff | 35                        | 0                                       | 0                      | 0                                  | 0                     | 35                         | 30                         |
| Additional Clinical Services                  | 1                         | 0                                       | 0                      | 0                                  | 0                     | 1                          | 2                          |
| Allied Health Professions                     | 5                         | 1                                       | 0                      | 0                                  | 0                     | 6                          | 5                          |
| Healthcare Scientists                         | 2                         | 0                                       | 0                      | 0                                  | 0                     | 2                          | 0                          |
| Estates and Ancillary                         | 0                         | 0                                       | 0                      | 0                                  | 0                     | 0                          | 0                          |
| Students                                      | 0                         | 0                                       | 0                      | 0                                  | 0                     | 0                          | 0                          |
| <b>Total</b>                                  | <b>433</b>                | <b>13</b>                               | <b>5</b>               | <b>0</b>                           | <b>0</b>              | <b>451</b>                 | <b>394</b>                 |

## 9.3 Retirements due to ill-health

|                                      | 2023–24 | 2022–23 |
|--------------------------------------|---------|---------|
| Number                               | 0       | 1       |
| Estimated additional pension costs £ | 0       | 310,287 |

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

## 9.4 Employee benefits

HEIW SHA has four employee benefit schemes. There are three salary sacrifice schemes for childcare vouchers, bikes and lease cars. There is also an employee loans and savings scheme offered through an external financial wellbeing provider.

## 9.5 Reporting of other compensation schemes – exit packages

| Exit packages cost band<br>(including any special<br>payment element) | 2023–24                                 |                                  | 2023–24                                |  | 2022–23                                |
|---|---|----------------------------------|--|--|--|
|   | Number of<br>compulsory<br>redundancies | Number<br>of other<br>departures | Total<br>number<br>of exit<br>packages | Number of<br>departures<br>where<br>special<br>payments<br>have been<br>made | Total<br>number<br>of exit<br>packages |
|   | Whole<br>numbers<br>only                | Whole<br>numbers<br>only         | Whole<br>numbers<br>only               | Whole<br>numbers<br>only   | Whole<br>numbers<br>only               |
| less than £10,000   | 0                                       | 2                                | 2                                      | 2  | 0                                      |
| £10,000 to £25,000  | 0                                       | 2                                | 2                                      | 2  | 0                                      |
| £25,000 to £50,000  | 0                                       | 0                                | 0                                      | 0  | 0                                      |
| £50,000 to £100,000   | 0                                       | 0                                | 0                                      | 0  | 0                                      |
| £100,000 to £150,000  | 0                                       | 0                                | 0                                      | 0  | 0                                      |
| £150,000 to £200,000  | 0                                       | 0                                | 0                                      | 0  | 0                                      |
| more than £200,000  | 0                                       | 0                                | 0                                      | 0  | 0                                      |
| <b>Total</b>  | <b>0</b>                                | <b>4</b>                         | <b>4</b>                               | <b>4</b>   | <b>0</b>                               |

| Exit packages cost band<br>(including any special<br>payment element) | 2023–24                               |                                | 2023–24                           |  | 2022–23                           |
|---|---------------------------------------|--------------------------------|-----------------------------------|--|-----------------------------------|
|   | Cost of<br>compulsory<br>redundancies | Cost of<br>other<br>departures | Total cost<br>of exit<br>packages | Cost of<br>special<br>element<br>included<br>in exit<br>packages | Total cost<br>of exit<br>packages |
|   | £                                     | £                              | £                                 | £  | £                                 |
| less than £10,000   | 0                                     | 18,515                         | 18,515                            | 18,515   | 0                                 |
| £10,000 to £25,000  | 0                                     | 29,813                         | 29,813                            | 29,813   | 0                                 |
| £25,000 to £50,000  | 0                                     | 0                              | 0                                 | 0  | 0                                 |
| £50,000 to £100,000   | 0                                     | 0                              | 0                                 | 0  | 0                                 |
| £100,000 to £150,000  | 0                                     | 0                              | 0                                 | 0  | 0                                 |
| £150,000 to £200,000  | 0                                     | 0                              | 0                                 | 0  | 0                                 |
| more than £200,000  | 0                                     | 0                              | 0                                 | 0  | 0                                 |
| <b>Total</b>  | <b>0</b>                              | <b>48,328</b>                  | <b>48,328</b>                     | <b>48,328</b>  | <b>0</b>                          |

| Exit costs paid in year of departure | Total paid in year | Total paid in year |
|--------------------------------------|--------------------|--------------------|
|                                      | 2023–24<br>£       | 2022–23<br>£       |
| Exit costs paid in year              | 48,328             | 0                  |
| Total                                | 48,328             | 0                  |

Redundancy costs are paid in accordance with the NHS Redundancy provisions, other departure costs are paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the SHA has agreed early retirements, the additional costs are met by the SHA and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

## 9.6 Fair Pay disclosures

### 9.6.1 Remuneration Relationship

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

|  | 2023-24   |          |         | 2022-23   |          |         |
|--|-----------|----------|---------|-----------|----------|---------|
|  | £000      | 2023-24  |         | £000      | 2022-23  |         |
|  | Chief     | £000     | 2023-24 | Chief     | £000     | 2022-23 |
|  | Executive | Employee | Ratio   | Executive | Employee | Ratio   |
| Total pay and benefits                     |           |          |         |           |          |         |
| 25th percentile pay ratio                  | 173       | 32       | 5.31:1  | 168       | 34       | 4.94:1  |
| Median pay                                 | 173       | 52       | 3.34:1  | 168       | 50       | 3.35:1  |
| 75th percentile pay ratio                  | 173       | 107      | 1.61:1  | 168       | 104      | 1.62:1  |
| Salary component of total pay and benefits |           |          |         |           |          |         |
| 25th percentile pay ratio                  | 173       | 32       |         | 168       | 34       |         |
| Median pay                                 | 173       | 52       |         | 168       | 50       |         |
| 75th percentile pay ratio                  | 173       | 107      |         | 168       | 103      |         |

In 2023-24, 0 (2022-23, 1) employees received remuneration in excess of the Chief Executive, who is also the highest-paid director.

Remuneration for all staff ranged from £17,901 to £170,919 (2022-23, £16,469 to £165,618).

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

### Financial year summary

Between 2022/23 and 2023/24 the ratio of the median remuneration of the workforce and the Chief Executive decreased from 3.35:1 to 3.34:1. The median for total pay and benefits for the year was £51,706 (£49,972 2022/23), which equates to the entry step point of the 8a Agenda for Change payscale.

During the year employees on the Agenda for Change payscales were awarded a one-off non-consolidated 'recovery payment'. This value paid was based on five bandings linked to pay scales and not a set percentage applied to salary. The payment was applied to service completed during the 2022/23 financial year, and therefore was not paid to employees who joined HEIW after 31st March 2023. For employees who changed bands during the year the payment was adjusted for each relevant period. Employees on other terms and

conditions did not receive the payment.

As at 31 March 2024 there was a net increase of 40 individuals employed (146 joiners and 106 leavers) than at 31 March 2023, of which 43 were below the 25% percentile (76 joiners and 33 leavers). As these individuals were not entitled to the recovery payment and were likely to have started at the entry step point for their grade this has impacted on the 25% percentile ratio for 2023/24.

Pay rates for all employees of HEIW are set nationally, predominately through the Executive and Senior Pay Terms and conditions of service, the Agenda for Change agreement or the Medical & Dental Terms and Conditions of Service. Where employees remain on the Cardiff University terms following TUPE into HEIW these are amended in line with any Agenda for Change pay awards during the year.

### 9.6.2 Percentage Changes

|   | 2022-23<br>to<br>2023-24<br>% | Restated<br>2021-22<br>to<br>2022-23<br>% |
|---|-------------------------------|---|
| % Change from previous financial year in respect of Chief Executive |                               |   |
| – Salary and allowances   | 4                             | 4   |
| – Performance pay and bonuses                                       | 0                             | 0   |

## 9.7 Pension Costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://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 at 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 2023-24 tax year (2022-23 £6,240 and £50,270).

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

## 10. Public Sector Payment Policy – Measure of Compliance

### 10.1 Prompt payment code – measure of compliance

The Welsh Government requires that the SHA 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 SHA financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery. HEIW met the target in 2023–24.

|  | 2023–24<br>Number | 2023–24<br>£000 | 2022–23<br>Number | 2022–23<br>£000 |
|--|-------------------|-----------------|-------------------|-----------------|
| <b>NHS</b>                             |                   |                 |                   |                 |
| Total bills paid                       | 3,181             | 122,303         | 2,472             | 120,059         |
| Total bills paid within target         | 2,953             | 116,997         | 2,256             | 115,979         |
| Percentage of bills paid within target | 92.8%             | 95.7%           | 91.3%             | 96.6%           |
| <b>Non-NHS</b>                         |                   |                 |                   |                 |
| Total bills paid                       | 7,913             | 118,082         | 6,576             | 112,911         |
| Total bills paid within target         | 7,572             | 114,914         | 6,176             | 110,879         |
| Percentage of bills paid within target | 95.7%             | 97.3%           | 93.9%             | 98.2%           |
| <b>Total</b>                           |                   |                 |                   |                 |
| Total bills paid                       | 11,094            | 240,385         | 9,048             | 232,970         |
| Total bills paid within target         | 10,525            | 231,911         | 8,432             | 226,858         |
| Percentage of bills paid within target | 94.9%             | 96.5%           | 93.2%             | 97.4%           |

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

|  | 2023–24<br>£ | 2022–23<br>£ |
|--|--------------|--------------|
| Amounts included within finance costs (note 7) from claims made under this legislation | 0            | 0            |
| Compensation paid to cover debt recovery costs under this legislation                  | 0            | 0            |
| <b>Total</b>   | <b>0</b>     | <b>0</b>     |

## 11. Property, plant and equipment

| 2023-24                                      | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|--|------|-------------------------------|-----------|---|---------------------|---------------------|------------------------|------------------------|-------|
|  | £000 | £000                          | £000      | £000  | £000                | £000                | £000                   | £000                   | £000  |
| Cost at 31 March bf                          | 0    | 1,431                         | 0         | 0   | 566                 | 0                   | 1,821                  | 470                    | 4,288 |
| NHS Wales Transfers                          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Prepayments                                  | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases to ROU Asset Note | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Cost or valuation at 1 April 2023            | 0    | 1,431                         | 0         | 0   | 566                 | 0                   | 1,821                  | 470                    | 4,288 |
| Revaluation/Indexation                       | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Additions                                    |      |                               |           |   |                     |                     |                        |                        |       |
| – purchased                                  | 0    | 32                            | 0         | 0   | 591                 | 0                   | 257                    | 0                      | 880   |
| – donated                                    | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| – government granted                         | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other organisations       | 0    | 0                             | 0         | 0   | 264                 | 0                   | 0                      | 0                      | 264   |
| Reclassifications                            | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Revaluations                                 | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                      | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                                  | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassified as held for sale                | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals                                    | 0    | 0                             | 0         | 0   | 0                   | 0                   | (335)                  | 0                      | (335) |
| At 31 March 2024                             | 0    | 1,463                         | 0         | 0   | 1,421               | 0                   | 1,743                  | 470                    | 5,097 |
| Depreciation at 31 March bf                  | 0    | 624                           | 0         | 0   | 519                 | 0                   | 1,167                  | 400                    | 2,710 |
| NHS Wales Transfers                          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases to ROU Asset Note | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Depreciation at at 1 April 2022              | 0    | 624                           | 0         | 0   | 519                 | 0                   | 1,167                  | 400                    | 2,710 |
| Revaluation/Indexation                       | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other organisations       | 0    | 0                             | 0         | 0   | 229                 | 0                   | 0                      | 0                      | 229   |
| Reclassifications                            | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Revaluations                                 | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                      | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |

| 2023–24                                    | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|--|------|-------------------------------|-----------|---|---------------------|---------------------|------------------------|------------------------|-------|
| Impairments                                | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassified as held for sale              | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals                                  | 0    | 0                             | 0         | 0   | 0                   | 0                   | (335)                  | 0                      | (335) |
| Provided during the period                 | 0    | 147                           | 0         | 0   | 13                  | 0                   | 304                    | 64                     | 528   |
| At 31 March 2023                           | 0    | 771                           | 0         | 0   | 761                 | 0                   | 1,136                  | 464                    | 3,132 |
| Net book value at 1 April 2023             | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |
| Net book value at 31 March 2024            | 0    | 692                           | 0         | 0   | 660                 | 0                   | 607                    | 6                      | 1,965 |
| Net book value at 31 March 2024 comprises: |      |                               |           |   |                     |                     |                        |                        |       |
| Purchased                                  | 0    | 692                           | 0         | 0   | 625                 | 0                   | 607                    | 0                      | 1,930 |
| Donated                                    | 0    | 0                             | 0         | 0   | 35                  | 0                   | 0                      | 0                      | 35    |
| Government Granted                         | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March 2024                           | 0    | 692                           | 0         | 0   | 660                 | 0                   | 607                    | 0                      | 1,965 |
| Asset financing:                           |      |                               |           |   |                     |                     |                        |                        |       |
| Owned                                      | 0    | 692                           | 0         | 0   | 660                 | 0                   | 607                    | 0                      | 1,965 |
| On-SoFP MIMS Funded PPP contracts          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| On-SoFP PFI contracts                      | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| PFI residual interests                     | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March 2024                           | 0    | 692                           | 0         | 0   | 660                 | 0                   | 607                    | 0                      | 1,965 |

The net book value of land, buildings and dwellings at 31 March 2024 comprises:

|                 | £000       |
|-----------------|------------|
| Freehold        | 0          |
| Long Leasehold  | 692        |
| Short Leasehold | 0          |
|                 | <u>692</u> |

Building Assets' held by HEIW relate to leasehold improvements and are depreciated over the shorter of the remainder of the lease or the assessed life of the asset.

## 11.1 Property, plant and equipment

| 2022–23                                      | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|--|------|-------------------------------|-----------|---|---------------------|---------------------|------------------------|------------------------|-------|
|  | £000 | £000                          | £000      | £000  | £000                | £000                | £000                   | £000                   | £000  |
| Cost at 31 March bf                          | 0    | 1,431                         | 0         | 0   | 623                 | 0                   | 1,695                  | 482                    | 4,231 |
| NHS Wales Transfers                          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Prepayments                                  | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases to ROU Asset Note | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Cost or valuation at 1 April 2022            | 0    | 1,431                         | 0         | 0   | 623                 | 0                   | 1,695                  | 482                    | 4,231 |
| Indexation                                   | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Additions                                    |      |                               |           |   |                     |                     |                        |                        |       |
| – purchased                                  | 0    | 0                             | 0         | 0   | 0                   | 0                   | 226                    | 0                      | 226   |
| – donated                                    | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| – government granted                         | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other NHS bodies          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                            | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Revaluations                                 | 0    | 0                             | 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                   | (42)                   | 0                      | (42)  |
| Reclassified as held for sale                | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals                                    | 0    | 0                             | 0         | 0   | (57)                | 0                   | (58)                   | (12)                   | (127) |
| At 31 March 2023                             | 0    | 1,431                         | 0         | 0   | 566                 | 0                   | 1,821                  | 470                    | 4,288 |
| Depreciation at 31 March bf                  | 0    | 478                           | 0         | 0   | 563                 | 0                   | 920                    | 330                    | 2,291 |
| NHS Wales Transfers                          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases to ROU Asset Note | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Depreciation at 1 April 2022                 | 0    | 478                           | 0         | 0   | 563                 | 0                   | 920                    | 330                    | 2,291 |
| Indexation                                   | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other NHS bodies          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                            | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |

| 2022–23                                    | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|--|------|-------------------------------|-----------|---|---------------------|---------------------|------------------------|------------------------|-------|
| Revaluations                               | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                    | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                                | 0    | 0                             | 0         | 0   | 0                   | 0                   | (35)                   | 0                      | (35)  |
| Reclassified as held for sale              | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals                                  | 0    | 0                             | 0         | 0   | (57)                | 0                   | (58)                   | (12)                   | (127) |
| Provided during the year                   | 0    | 146                           | 0         | 0   | 13                  | 0                   | 340                    | 82                     | 581   |
| At 31 March 2023                           | 0    | 624                           | 0         | 0   | 519                 | 0                   | 1,167                  | 400                    | 2,710 |
| Net book value at 1 April 2022             | 0    | 953                           | 0         | 0   | 60                  | 0                   | 775                    | 152                    | 1,940 |
| Net book value at 31 March 2023            | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |
| Net book value at 31 March 2023 comprises: |      |                               |           |   |                     |                     |                        |                        |       |
| Purchased                                  | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |
| Donated                                    | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| Government Granted                         | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March 2023                           | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |
| Asset financing:                           |      |                               |           |   |                     |                     |                        |                        |       |
| Owned                                      | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |
| On-SoFP MIMS Funded PPP contracts          | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| On-SoFP PFI contracts                      | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| PFI residual interests                     | 0    | 0                             | 0         | 0   | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March 2023                           | 0    | 807                           | 0         | 0   | 47                  | 0                   | 654                    | 70                     | 1,578 |

The net book value of land, buildings and dwellings at 31 March 2023 comprises:

|                 | £000       |
|-----------------|------------|
| Freehold        | 0          |
| Long Leasehold  | 807        |
| Short Leasehold | 0          |
|                 | <u>807</u> |

Building Assets' held by HEIW relate to leasehold improvements and are depreciated over the shorter of the remainder of the lease or the assessed life of the asset.

## 11. Property, plant and equipment (continued)

### Additional disclosures re Property, Plant and Equipment

#### Disclosures:

##### i) Donated Assets

HEIW SHA has received donated assets with a net book value of £35k during the year. The assets were received from Cardiff University to support the provision of endoscopy training by HEIW.

##### ii) Valuations

The SHA is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

##### iii) Asset Lives

Depreciated as follows:

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

##### iv) Compensation

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

##### v) Write Downs

There have/have not been write downs.

vi) The SHA does not hold any property where the value is materially different from its open market value.

##### vii) Assets Held for Sale or sold in the period.

There are no assets held for sale or sold in the period.

## 11. Property, plant and equipment

### 11.2 Non-current assets held for sale

|  | Land | Buildings excluding dwellings | Other property, plant and equipment | Intangible assets | Other assets | Total |
|--|------|-------------------------------|-------------------------------------|-------------------|--------------|-------|
|  | £000 | £000                          | £000                                | £000              | £000         | £000  |
| Balance at 1 April 2023  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Plus assets classified as held for sale in the period                                      | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Revaluation  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less assets sold in the period   | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Add reversal of impairment of assets held for sale   | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less impairment of assets held for sale  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less assets no longer classified as held for sale, for reasons other than disposal by sale | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Balance carried forward 31 March 2024  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Balance brought forward 1 April 2022   | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Plus assets classified as held for sale in the year  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Revaluation  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less assets sold in the year   | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Add reversal of impairment of assets held for sale   | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less impairment of assets held for sale  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Less assets no longer classified as held for sale, for reasons other than disposal by sale | 0    | 0                             | 0                                   | 0                 | 0            | 0     |
| Balance carried forward 31 March 2023  | 0    | 0                             | 0                                   | 0                 | 0            | 0     |

Assets sold in the period

There were no assets sold in the period.

Assets classified as held for sale during the period

No assets were classified as held for sale during 2023–24.

### 11.3 Right of Use Assets

|   | Land | Land and buildings | Buildings | Dwellings | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|---|------|--------------------|-----------|-----------|---------------------|---------------------|------------------------|------------------------|-------|
|   | £000 | £000               | £000      | £000      | £000                | £000                | £000                   | £000                   | £000  |
| 2023–24                                     |      |                    |           |           |                     |                     |                        |                        |       |
| Cost or valuation at 31 March               | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Lease prepayments in relation to RoU Assets | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases from PPE Note    | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Operating Leases Transitioning              | 0    |                    | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Cost or valuation at 1 April                | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Additions                                   | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other NHS bodies         | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals other than by sale                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Revaluations                                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                     | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| De-recognition                              | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March                                 | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Depreciation at 31 March                    | 0    | 287                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 287   |
| Transfer of Finance Leases from PPE Note    | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Operating Leases Transitioning              | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Depreciation at 1 April                     | 0    | 287                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 287   |
| Recognition                                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfers from/into other NHS bodies        | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals other than by sale                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |

|   | Land | Land and buildings | Buildings | Dwellings | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|---|------|--------------------|-----------|-----------|---------------------|---------------------|------------------------|------------------------|-------|
| Revaluations                            | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                             | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| De-recognition                          | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Provided during the year                | 0    | 287                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 287   |
| At 31 March                             | 0    | 574                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 574   |
| Net book value at 1 April               | 0    | 1,483              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,483 |
| Net book value at 31 March              | 0    | 1,196              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,196 |
| RoU Asset Total Value Split by Lessor   |      |                    |           |           |                     |                     |                        |                        |       |
| NHS Wales Peppercorn Leases             | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| NHS Wales Market Value Leases           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Other Public Sector Peppercorn Leases   | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Other Public Sector Market Value Leases | 0    | 1,196              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,196 |
| Private Sector Peppercorn Leases        | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Private Sector Market Value Leases      | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Total                                   | 0    | 1,196              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,196 |

### 11.3 Right of Use Assets

|   | Land | Land and buildings | Buildings | Dwellings | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|---|------|--------------------|-----------|-----------|---------------------|---------------------|------------------------|------------------------|-------|
|   | £000 | £000               | £000      | £000      | £000                | £000                | £000                   | £000                   | £000  |
| 2022–23                                     |      |                    |           |           |                     |                     |                        |                        |       |
| Cost or valuation at 31 March               | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Lease prepayments in relation to RoU Assets | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases from PPE Note    | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Operating Leases Transitioning              | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Cost or valuation at 1 April                | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Additions                                   | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer from/into other NHS bodies         | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals other than by sale                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Revaluations                                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                     | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| De-recognition                              | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| At 31 March                                 | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Depreciation at 31 March                    | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfer of Finance Leases from PPE Note    | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Operating Leases Transitioning              | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Depreciation at 1 April                     | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Recognition                                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Transfers from/into other NHS bodies        | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Disposals other than by sale                | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reclassifications                           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |

|   | Land | Land and buildings | Buildings | Dwellings | Plant and machinery | Transport equipment | Information technology | Furniture and fittings | Total |
|---|------|--------------------|-----------|-----------|---------------------|---------------------|------------------------|------------------------|-------|
| Revaluations                            | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Reversal of impairments                 | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Impairments                             | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| De-recognition                          | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Provided during the year                | 0    | 287                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 287   |
| At 31 March                             | 0    | 287                | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 287   |
| Net book value at 1 April               | 0    | 1,770              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,770 |
| Net book value at 31 March              | 0    | 1,483              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,483 |
| RoU Asset Total Value Split by Lessor   |      |                    |           |           |                     |                     |                        |                        |       |
| NHS Wales Peppercorn Leases             | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| NHS Wales Market Value Leases           | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Other Public Sector Peppercorn Leases   | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Other Public Sector Market Value Leases | 0    | 1,483              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,483 |
| Private Sector Peppercorn Leases        | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Private Sector Market Value Leases      | 0    | 0                  | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 0     |
| Total                                   | 0    | 1,483              | 0         | 0         | 0                   | 0                   | 0                      | 0                      | 1,483 |

## 11.3 Right of Use Assets (continued)

### Quantitative disclosures

|  | 2023–24<br>Land | 2023–24<br>Buildings | 2023–24<br>Other | 2023–24<br>TOTAL | 2022–23<br>TOTAL |
|--|-----------------|----------------------|------------------|------------------|------------------|
| Maturity analysis  |                 |                      |                  |                  |                  |
| Contractual undiscounted cash flows relating to lease liabilities            |                 |                      |                  |                  |                  |
| Less than 1 year   | 0               | 322                  | 0                | 322              | 322              |
| 2–5 years  | 0               | 1,007                | 0                | 1,007            | 1,288            |
| > 5 years  | 0               | 0                    | 0                | 0                | 41               |
| Less finance charges allocated to future periods                             | 0               | -25                  | 0                | -25              | -39              |
| <b>Total</b>   | <b>0</b>        | <b>1,304</b>         | <b>0</b>         | <b>1,304</b>     | <b>1,612</b>     |
| Lease Liabilities (net of irrecoverable VAT)                                 |                 |                      |                  |                  |                  |
| Current  |                 |                      |                  | 311              | 308              |
| Non-Current  |                 |                      |                  | 993              | 1,304            |
| <b>Total</b>   |                 |                      |                  | <b>1,304</b>     | <b>1,612</b>     |
| Amounts Recognised in Statement of Comprehensive Net Expenditure             |                 |                      |                  |                  |                  |
| Depreciation   |                 |                      |                  | 287              | 287              |
| Impairment   |                 |                      |                  | 0                | 0                |
| Variable lease payments not included in lease liabilities – Interest expense |                 |                      |                  | 14               | 17               |
| Sub-leasing income   |                 |                      |                  | 0                | 0                |
| Expense related to short-term leases   |                 |                      |                  | 0                | 0                |
| Expense related to low-value asset leases (excluding short-term leases)      |                 |                      |                  | 0                | 0                |
| Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)      |                 |                      |                  |                  |                  |
| Interest expense   |                 |                      |                  | -14              | -17              |
| Repayments of principal on leases  |                 |                      |                  | -308             | -305             |
| <b>Total</b>   |                 |                      |                  | <b>-322</b>      | <b>-322</b>      |

## 12. Intangible non-current assets 2023–24

|                                   | Software<br>(purchased) | Software (internally<br>generated) | Licences and<br>trademarks | Patents | Development<br>expenditure –<br>internally generated | Assets under<br>Construction | Total |
|-----------------------------------|-------------------------|------------------------------------|----------------------------|---------|--|------------------------------|-------|
|                                   | £000                    | £000                               | £000                       | £000    | £000   | £000                         | £000  |
| Cost or valuation at 1 April 2023 | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Revaluation                       | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reclassifications                 | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reversal of impairments           | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Impairments                       | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Additions – purchased             | 0                       | 0                                  | 0                          | 0       | 0  | 209                          | 209   |
| Additions – internally generated  | 0                       | 0                                  | 0                          | 0       | 0  | 256                          | 256   |
| Additions – donated               | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Additions – government granted    | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reclassified as held for sale     | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Transfers                         | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Disposals                         | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Gross cost at 31 March 2024       | 0                       | 0                                  | 0                          | 0       | 0  | 465                          | 465   |
| Amortisation at 1 April 2023      | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Revaluation                       | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reclassifications                 | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reversal of impairments           | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Impairment                        | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Provided during the period        | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Reclassified as held for sale     | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Transfers                         | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Disposals                         | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Amortisation at 31 March 2024     | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Net book value at 1 April 2023    | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Net book value at 31 March 2024   | 0                       | 0                                  | 0                          | 0       | 0  | 465                          | 465   |
| At 31 March 2024                  |                         |                                    |                            |         |  |                              |       |
| Purchased                         | 0                       | 0                                  | 0                          | 0       | 0  | 209                          | 209   |
| Donated                           | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Government Granted                | 0                       | 0                                  | 0                          | 0       | 0  | 0                            | 0     |
| Internally generated              | 0                       | 0                                  | 0                          | 0       | 0  | 256                          | 256   |
| Total at 31 March 2024            | 0                       | 0                                  | 0                          | 0       | 0  | 465                          | 465   |

During 2023/24 HEIW commenced the development of a single trainee platform that is due for completion in 2024/25. The project has been funded through strategic Welsh Government capital funding and will be recognised as an asset under construction until the asset becomes operational. The development is a combination of both internal and external resources.



## 12. Intangible non-current assets 2022–23

|                                   | Software (purchased) | Software (internally generated) | Licences and trademarks | Patents | Development expenditure – internally generated | Assets under Construction | Total |
|-----------------------------------|----------------------|---------------------------------|-------------------------|---------|--|---------------------------|-------|
|                                   | £000                 | £000                            | £000                    | £000    | £000   | £000                      | £000  |
| Cost or valuation at 1 April 2022 | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Revaluation                       | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reclassifications                 | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reversal of impairments           | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Impairments                       | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Additions – purchased             | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Additions – internally generated  | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Additions – donated               | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Additions – government granted    | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reclassified as held for sale     | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Transfers                         | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Disposals                         | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Gross cost at 31 March 2023       | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Amortisation at 1 April 2022      | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Revaluation                       | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reclassifications                 | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reversal of impairments           | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Impairment                        | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Provided during the period        | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Reclassified as held for sale     | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Transfers                         | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Disposals                         | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Amortisation at 31 March 2023     | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Net book value at 1 April 2022    | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Net book value at 31 March 2023   | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| At 31 March 2023                  |                      |                                 |                         |         |  |                           |       |
| Purchased                         | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Donated                           | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Government Granted                | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Internally generated              | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |
| Total at 31 March 2023            | 0                    | 0                               | 0                       | 0       | 0  | 0                         | 0     |

## 13. Impairments

|   | 2023-24                          |                        |                      | 2022-23                          |                        |                      |
|---|----------------------------------|------------------------|----------------------|----------------------------------|------------------------|----------------------|
|   | Property, plant<br>and equipment | Right of<br>Use Assets | Intangible<br>assets | Property, plant<br>and equipment | Right of<br>Use Assets | Intangible<br>assets |
|   | £000                             | £000                   | £000                 | £000                             | £000                   | £000                 |
| Impairments arising from:   |                                  |                        |                      |                                  |                        |                      |
| Loss or damage from normal operations   | 0                                | 0                      | 0                    | 7                                | 0                      | 0                    |
| Abandonment in the course of construction   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Over specification of assets (Gold Plating)   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Loss as a result of a catastrophe   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Unforeseen obsolescence   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Changes in market price   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Others (specify)  | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Reversal of impairments   | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| <b>Total of all impairments</b>   | <b>0</b>                         | <b>0</b>               | <b>0</b>             | <b>7</b>                         | <b>0</b>               | <b>0</b>             |
| Analysis of impairments charged to reserves in period:  |                                  |                        |                      |                                  |                        |                      |
| Charged to the Statement of Comprehensive Net Expenditure   | 0                                | 0                      | 0                    | 7                                | 0                      | 0                    |
| Impairments as a result of revaluation/indexation Charged to Revaluation Reserve                        | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
| Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve | 0                                | 0                      | 0                    | 0                                | 0                      | 0                    |
|   | <b>0</b>                         | <b>0</b>               | <b>0</b>             | <b>7</b>                         | <b>0</b>               | <b>0</b>             |

## 14.1 Inventories

|                                   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-----------------------------------|--------------------------|--------------------------|
| Drugs                             | 0                        | 0                        |
| Consumables                       | 0                        | 0                        |
| Energy                            | 0                        | 0                        |
| Work in progress                  | 0                        | 0                        |
| Other                             | 0                        | 0                        |
| Total                             | <u>0</u>                 | <u>0</u>                 |
| Of which held at realisable value | <u>0</u>                 | <u>0</u>                 |

## 14.2 Inventories recognised in expenses

|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|--------------------------|--------------------------|
| Inventories recognised as an expense in the period | 0                        | 0                        |
| Write-down of inventories (including losses)       | 0                        | 0                        |
| Reversal of write-downs that reduced the expense   | 0                        | 0                        |
| Total  | <u>0</u>                 | <u>0</u>                 |

## 15. Trade and other Receivables

|   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|---|--------------------------|--------------------------|
| Current   |                          |                          |
| Welsh Government  | 32                       | 54                       |
| Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC) | 0                        | 1                        |
| Welsh Health Boards   | 96                       | 84                       |
| Welsh NHS Trusts  | 66                       | 30                       |
| Welsh Special Health Authorities  | 8                        | 3                        |
| Non-Welsh Trusts  | 41                       | 0                        |
| Other NHS   | 0                        | 27                       |
| 2019–20 Scheme Pays – Welsh Government Reimbursement  | 0                        | 0                        |
| Welsh Risk Pool Claim Reimbursement;  |                          |                          |
| – NHS Wales Secondary Health Sector   | 0                        | 0                        |
| – NHS Wales Primary Sector FLS Reimbursement  | 0                        | 0                        |
| – NHS Wales Redress   | 0                        | 0                        |
| – Other   | 0                        | 0                        |
| Local Authorities   | 0                        | 0                        |
| Capital debtors – Tangibles   | 0                        | 0                        |
| Capital debtors – Intangibles   | 0                        | 0                        |
| Other receivables   | 1,273                    | 3,858                    |
| Provision for irrecoverable debts   | (494)                    | (271)                    |
| Pension Prepayments NHS Pensions  | 0                        | 0                        |
| Other prepayments   | 6,642                    | 5,947                    |
| Other accrued income  | 0                        | 0                        |
| Sub total   | 7,664                    | 9,733                    |
| Non-current   |                          |                          |
| Welsh Government  | 0                        | 0                        |
| Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC) | 0                        | 0                        |
| Welsh Health Boards   | 0                        | 0                        |
| Welsh NHS Trusts  | 0                        | 0                        |
| Welsh Special Health Authorities  | 0                        | 0                        |
| Non-Welsh Trusts  | 0                        | 0                        |
| Other NHS   | 0                        | 0                        |
| 2019–20 Scheme Pays – Welsh Government Reimbursement  | 0                        | 0                        |
| Welsh Risk Pool Claim Reimbursement;  |                          |                          |
| – NHS Wales Secondary Health Sector   | 0                        | 0                        |
| – NHS Wales Primary Sector FLS Reimbursement  | 0                        | 0                        |

|                                   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-----------------------------------|--------------------------|--------------------------|
| – NHS Wales Redress               | 0                        | 0                        |
| – Other                           | 0                        | 0                        |
| Local Authorities                 | 0                        | 0                        |
| Capital receivables – Tangibles   | 0                        | 0                        |
| Capital receivables – Intangibles | 0                        | 0                        |
| Other receivables                 | 342                      | 0                        |
| Provision for irrecoverable debts | 0                        | 0                        |
| Pension Prepayments NHS Pensions  | 0                        | 0                        |
| Pension Prepayments NEST          | 0                        | 0                        |
| Other prepayments                 | 0                        | 0                        |
| Other accrued income              | 0                        | 0                        |
| Sub total                         | <u>342</u>               | <u>0</u>                 |
| Total                             | <u>8,006</u>             | <u>9,733</u>             |

## 15. Trade and other Receivables

|  | 31 March<br>2024 | 31 March<br>2023 |
|--|------------------|------------------|
|  | £000             | £000             |
| Receivables past their due date but not impaired |                  |                  |
| By up to three months                            | 53               | 15               |
| By three to six months                           | 27               | 15               |
| By more than six months                          | 30               | 3                |
|  | <u>110</u>       | <u>33</u>        |

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

|   |              |              |
|---|--------------|--------------|
| Balance at 1 April                          | (271)        | (221)        |
| Transfer to other NHS Wales body            | 0            | 0            |
| Amount written off during the period        | 135          | 60           |
| Amount recovered during the period          | 35           | 0            |
| (Increase)/decrease in receivables impaired | (393)        | (110)        |
| ECL/Bad debts recovered during period       | 0            | 0            |
| Balance at 31 March                         | <u>(494)</u> | <u>(271)</u> |

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

### Receivables VAT

|                   |            |            |
|-------------------|------------|------------|
| Trade receivables | 278        | 251        |
| Other             | 0          | 0          |
| Total             | <u>278</u> | <u>251</u> |

## 16. Other Financial Assets

|   | Current<br>31 March<br>2024<br>£000 | Current<br>31 March<br>2023<br>£000 | Non-current<br>31 March<br>2024<br>£000 | Non-current<br>31 March<br>2023<br>£000 |
|---|-------------------------------------|-------------------------------------|---|---|
| Financial assets                                  |                                     |                                     |   |   |
| Shares and equity type investments                |                                     |                                     |   |   |
| – Held to maturity investments at amortised costs | 0                                   | 0                                   | 0                                       | 0                                       |
| – At fair value through SOCNE                     | 0                                   | 0                                   | 0                                       | 0                                       |
| – Available for sale at FV                        | 0                                   | 0                                   | 0                                       | 0                                       |
| Deposits  | 0                                   | 0                                   | 0                                       | 0                                       |
| Loans   | 0                                   | 0                                   | 0                                       | 0                                       |
| Derivatives                                       | 0                                   | 0                                   | 0                                       | 0                                       |
| Other (Specify)                                   |                                     |                                     |   |   |
| – Right of Use Asset Finance Sublease             | 0                                   | 0                                   | 0                                       | 0                                       |
| – Held to maturity investments at amortised costs | 0                                   | 0                                   | 0                                       | 0                                       |
| – At fair value through SOCNE                     | 0                                   | 0                                   | 0                                       | 0                                       |
| – Available for sale at FV                        | 0                                   | 0                                   | 0                                       | 0                                       |
| <b>Total</b>                                      | <b>0</b>                            | <b>0</b>                            | <b>0</b>                                | <b>0</b>                                |

### RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure

|                        | 2023-24 | 2022-23 |
|------------------------|---------|---------|
| RoU Sub-leasing income | 0       | 0       |

## 17. Cash and cash equivalents

|   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|---|--------------------------|--------------------------|
| Opening Balance   | 4,103                    | 5,955                    |
| Net change in cash and cash equivalent balances                 | 2,684                    | (1,852)                  |
| Balance at 31 March   | <u>6,787</u>             | <u>4,103</u>             |
| Made up of:   |                          |                          |
| Cash held at Government Banking Service (GBS)                   | 6,787                    | 4,103                    |
| Commercial banks  | 0                        | 0                        |
| Cash in hand  | 0                        | 0                        |
| Cash and cash equivalents as in Statement of Financial Position | <u>6,787</u>             | <u>4,103</u>             |
| Bank overdraft – GBS  | 0                        | 0                        |
| Bank overdraft – Commercial banks                               | 0                        | 0                        |
| Cash and cash equivalents as in Statement of Cash Flows         | <u>6,787</u>             | <u>4,103</u>             |

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

Lease Liabilities (ROUA) £0.32m

Lease Liabilities (short-term and low value leases) £0.0m

The movement relates to cash, no comparative information is required by IAS 7 in 2023–24.

## 18. Trade and other payables

|   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|---|--------------------------|--------------------------|
| Current   |                          |                          |
| Welsh Government  | 0                        | 1                        |
| Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC) | 0                        | 11                       |
| Welsh Health Boards   | 5,516                    | 4,327                    |
| Welsh NHS Trusts  | 1,889                    | 2,244                    |
| Welsh Special Health Authorities  | 0                        | 0                        |
| Other NHS   | 737                      | 10                       |
| Taxation and social security payable/refunds  | 0                        | 19                       |
| Refunds of taxation by HMRC   | 0                        | 0                        |
| VAT payable to HMRC   | 0                        | 0                        |
| Other taxes payable to HMRC   | 0                        | 0                        |
| NI contributions payable to HMRC  | 9                        | 6                        |
| Non-NHS trade payables – revenue  | 4,692                    | 1,959                    |
| Local Authorities   | 97                       | 97                       |
| Capital payables – Tangible   | 0                        | 0                        |
| Capital payables – Intangible   | 202                      | 0                        |
| Overdraft   | 0                        | 0                        |
| Rentals due under operating leases  | 0                        | 0                        |
| RoU Lease Liability   | 311                      | 309                      |
| Obligations under finance leases, HP contracts  | 0                        | 0                        |
| Imputed finance lease element of on SoFP PFI contracts  | 0                        | 0                        |
| Impact of IFRS 16 on SoFP PFI contracts   | 0                        | 0                        |
| Pensions: staff   | 423                      | 327                      |
| Non NHS Accruals  | 906                      | 3,424                    |
| Deferred Income:  |                          |                          |
| Deferred Income brought forward   | 0                        | 4                        |
| Deferred Income Additions   | 0                        | 0                        |
| Transfer to/from current/non current deferred income  | 0                        | 0                        |
| Released to SoCNE   | 0                        | (4)                      |
| Other creditors   | 0                        | 0                        |
| PFI assets – deferred credits   | 0                        | 0                        |
| Payments on account   | 0                        | 0                        |
| Sub total   | 14,782                   | 12,734                   |

|   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|---|--------------------------|--------------------------|
| Non-current   |                          |                          |
| Welsh Government  | 0                        | 0                        |
| Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC) | 0                        | 0                        |
| Welsh Health Boards   | 0                        | 0                        |
| Welsh NHS Trusts  | 0                        | 0                        |
| Welsh Special Health Authorities  | 0                        | 0                        |
| Other NHS   | 0                        | 0                        |
| Taxation and social security payable/refunds  | 0                        | 0                        |
| Refunds of taxation by HMRC   | 0                        | 0                        |
| VAT payable to HMRC   | 0                        | 0                        |
| Other taxes payable to HMRC   | 0                        | 0                        |
| NI contributions payable to HMRC  | 0                        | 0                        |
| Non-NHS trade payables – revenue  | 0                        | 0                        |
| Local Authorities   | 0                        | 0                        |
| Capital Creditors – Tangible  | 0                        | 0                        |
| Capital Creditors – Intangible  | 0                        | 0                        |
| Overdraft   | 0                        | 0                        |
| Rentals due under operating leases  | 0                        | 0                        |
| RoU Lease Liability   | 993                      | 1,304                    |
| Obligations under finance leases, HP contracts  | 0                        | 0                        |
| Imputed finance lease element of on SoFP PFI contracts  | 0                        | 0                        |
| Impact of IFRS 16 on SoFP PFI contracts   | 0                        | 0                        |
| Pensions: staff   | 0                        | 0                        |
| Non NHS Accruals  | 0                        | 0                        |
| Deferred Income:  |                          |                          |
| Deferred Income brought forward   | 0                        | 0                        |
| Deferred Income Additions   | 0                        | 0                        |
| Transfer to/from current/non current deferred income  | 0                        | 0                        |
| Released to SoCNE   | 0                        | 0                        |
| Other creditors   | 0                        | 0                        |
| PFI assets – deferred credits   | 0                        | 0                        |
| Payments on account   | 0                        | 0                        |
| Sub total   | 993                      | 1,304                    |
| Total   | 15,775                   | 14,038                   |

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

## 18. Trade and other payables (continued)

Amounts falling due more than one year are expected to be settled as follows:

|                            | 2022-24<br>£000 | 2022-23<br>£000 |
|----------------------------|-----------------|-----------------|
| Between one and two years  | 314             | 311             |
| Between two and five years | 679             | 952             |
| In five years or more      | 0               | 41              |
| Sub-total                  | 993             | 1,304           |

## 19. Other financial liabilities

|   | Current<br>31 March<br>2024<br>£000 | Current<br>31 March<br>2023<br>£000 | Non-current<br>31 March<br>2024<br>£000 | Non-current<br>31 March<br>2023<br>£000 |
|---|-------------------------------------|-------------------------------------|---|---|
| Financial liabilities                   |                                     |                                     |   |   |
| Financial Guarantees:                   |                                     |                                     |   |   |
| – At amortised cost                     | 0                                   | 0                                   | 0                                       | 0                                       |
| – At fair value through SoCNE           | 0                                   | 0                                   | 0                                       | 0                                       |
| Derivatives at fair value through SoCNE | 0                                   | 0                                   | 0                                       | 0                                       |
| Other:                                  |                                     |                                     |   |   |
| – At amortised cost                     | 0                                   | 0                                   | 0                                       | 0                                       |
| – At fair value through SoCNE           | 0                                   | 0                                   | 0                                       | 0                                       |
| Total                                   | 0                                   | 0                                   | 0                                       | 0                                       |

## 20. Provisions

| 2023-24                                     | At 1 April 2023 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the period | Utilised during the period | Reversed unused | Unwinding of discount | At 31 March 2024 |
|---|-----------------|--|-------------------------------------|--|---------------------------|----------------------------|-----------------|-----------------------|------------------|
|   | £000            | £000   | £000                                | £000                                     | £000                      | £000                       | £000            | £000                  | £000             |
| Current                                     |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Clinical negligence:                        |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Secondary care                              | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Primary care                                | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Secondary care                      | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Personal injury                             | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Defence legal fees and other administration | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               |                       | 0                |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Pensions relating to other staff            | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| 2019–20 Scheme Pays – Reimbursement         | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Restructuring                               | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other                                       | 0               |  | 0                                   | 0  | 34                        | 0                          | 0               |                       | 34               |
| <b>Total</b>                                | <b>0</b>        | <b>0</b>   | <b>0</b>                            | <b>0</b>                                 | <b>34</b>                 | <b>0</b>                   | <b>0</b>        | <b>0</b>              | <b>34</b>        |

| 2023-24                                     | At 1 April 2023 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the period | Utilised during the period | Reversed unused | Unwinding of discount | At 31 March 2024 |
|---|-----------------|--|-------------------------------------|--|---------------------------|----------------------------|-----------------|-----------------------|------------------|
|   | £000            | £000   | £000                                | £000                                     | £000                      | £000                       | £000            | £000                  | £000             |
| Non Current                                 |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Clinical negligence:                        |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Secondary care                              | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Primary care                                | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Secondary care                      | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Personal injury                             | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Defence legal fees and other administration | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               |                       | 0                |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Pensions relating to other staff            | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| 2019–20 Scheme Pays – Reimbursement         | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Restructuring                               | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other                                       | 0               |  | 0                                   | 0  | 0                         | 0                          | 0               |                       | 0                |
| <b>Total</b>                                | <b>0</b>        | <b>0</b>   | <b>0</b>                            | <b>0</b>                                 | <b>0</b>                  | <b>0</b>                   | <b>0</b>        | <b>0</b>              | <b>0</b>         |

| 2023-24                                     | At 1 April 2023 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the period | Utilised during the period | Reversed unused | Unwinding of discount | At 31 March 2024 |
|---|-----------------|--|-------------------------------------|--|---------------------------|----------------------------|-----------------|-----------------------|------------------|
|   | £000            | £000   | £000                                | £000                                     | £000                      | £000                       | £000            | £000                  | £000             |
| <b>TOTAL</b>                                |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Clinical negligence:                        |                 |  |                                     |  |                           |                            |                 |                       |                  |
| Secondary care                              | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Primary care                                | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Secondary care                      | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Personal injury                             | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Defence legal fees and other administration | 0               | 0  | 0                                   | 0  | 0                         | 0                          | 0               |                       | 0                |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Pensions relating to other staff            | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| 2019–20 Scheme Pays – Reimbursement         | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Restructuring                               | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other                                       | 0               |  | 0                                   | 0  | 34                        | 0                          | 0               |                       | 34               |
| <b>Total</b>                                | <b>0</b>        | <b>0</b>   | <b>0</b>                            | <b>0</b>                                 | <b>34</b>                 | <b>0</b>                   | <b>0</b>        | <b>0</b>              | <b>34</b>        |

Expected timing of cash flows:

|   | In year<br>to 31 March<br>2025<br>£000 | Between<br>1 April 2025<br>31 March<br>2029<br>£000 | Thereafter<br>£000 | Total<br>£000 |
|---|--|---|--------------------|---------------|
| Clinical negligence:                        |  |   |                    |               |
| Secondary care                              | 0                                      | 0   | 0                  | 0             |
| Primary care                                | 0                                      | 0   | 0                  | 0             |
| Redress Secondary care                      | 0                                      | 0   | 0                  | 0             |
| Redress Primary care                        | 0                                      | 0   | 0                  | 0             |
| Personal injury                             | 0                                      | 0   | 0                  | 0             |
| All other losses and special payments       | 0                                      | 0   | 0                  | 0             |
| Defence legal fees and other administration | 0                                      | 0   | 0                  | 0             |
| Pensions relating to former directors       | 0                                      | 0   | 0                  | 0             |
| Pensions relating to 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             |
| <b>Total</b>                                | <b>0</b>                               | <b>0</b>  | <b>0</b>           | <b>0</b>      |

A provision was set up in 2023/24 for the probable recovery of VAT by HMRC on specific IT expenditure.

## 20. Provisions (continued)

| 2022–23  | At 1 April 2022<br>£000 | Structured settlement cases<br>transferred to Risk Pool<br>£000 | Transfer of provisions to<br>creditors<br>£000 | Transfer between current<br>and non-current<br>£000 | Arising during the period<br>£000 | Utilised during the period<br>£000 | Reversed unused<br>£000 | Unwinding of discount<br>£000 | At 31 March 2023<br>£000 |
|--|-------------------------|---|--|---|-----------------------------------|------------------------------------|-------------------------|-------------------------------|--------------------------|
| <b>Current</b>                                 |                         |   |  |   |                                   |                                    |                         |                               |                          |
| Clinical negligence:                           |                         |   |  |   |                                   |                                    |                         |                               |                          |
| Secondary care                                 | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Primary care                                   | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Redress Secondary care                         | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Redress Primary care                           | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Personal injury                                | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| All other losses and special<br>payments       | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Defence legal fees and<br>other administration | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       |                               | 0                        |
| Pensions relating to<br>former directors       | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Pensions relating to<br>other staff            | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| 2019–20 Scheme Pays –<br>Reimbursement         | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Restructuring                                  | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| RoU Asset Dilapidations CAME                   | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Other Capital Provisions                       | 0                       |   |  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Other  | 0                       |   | 0  | 0   | 0                                 | 0                                  | 0                       |                               | 0                        |
| <b>Total</b>                                   | <b>0</b>                | <b>0</b>  | <b>0</b>                                       | <b>0</b>  | <b>0</b>                          | <b>0</b>                           | <b>0</b>                | <b>0</b>                      | <b>0</b>                 |
| <b>Non Current</b>                             |                         |   |  |   |                                   |                                    |                         |                               |                          |
| Clinical negligence:                           |                         |   |  |   |                                   |                                    |                         |                               |                          |
| Secondary care                                 | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Primary care                                   | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Redress Secondary care                         | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Redress Primary care                           | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Personal injury                                | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| All other losses and<br>special payments       | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       | 0                             | 0                        |
| Defence legal fees and<br>other administration | 0                       | 0   | 0  | 0   | 0                                 | 0                                  | 0                       |                               | 0                        |

| 2022-23                               | At 1 April 2022 | Structured settlement cases transferred to Risk Pool | Transfer of provisions to creditors | Transfer between current and non-current | Arising during the period | Utilised during the period | Reversed unused | Unwinding of discount | At 31 March 2023 |
|---------------------------------------|-----------------|--|-------------------------------------|--|---------------------------|----------------------------|-----------------|-----------------------|------------------|
|                                       | £000            | £000   | £000                                | £000                                     | £000                      | £000                       | £000            | £000                  | £000             |
| Pensions relating to former directors | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Pensions relating to other staff      | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| 2019-20 Scheme Pays – Reimbursement   | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Restructuring                         | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME          | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other Capital Provisions              | 0               |  |                                     | 0  | 0                         | 0                          | 0               | 0                     | 0                |
| Other                                 | 0               |  | 0                                   | 0  | 0                         | 0                          | 0               |                       | 0                |
| <b>Total</b>                          | <b>0</b>        | <b>0</b>   | <b>0</b>                            | <b>0</b>                                 | <b>0</b>                  | <b>0</b>                   | <b>0</b>        | <b>0</b>              | <b>0</b>         |

#### TOTAL

##### Clinical negligence:

|   |          |          |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Secondary care                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Primary care                                | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Redress Secondary care                      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Redress Primary care                        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Personal injury                             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| All other losses and special payments       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Defence legal fees and other administration | 0        | 0        | 0        | 0        | 0        | 0        | 0        |          | 0        |
| Pensions relating to former directors       | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| Pensions relating to other staff            | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| 2019-20 Scheme Pays – Reimbursement         | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| Restructuring                               | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| RoU Asset Dilapidations CAME                | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| Other Capital Provisions                    | 0        |          |          | 0        | 0        | 0        | 0        | 0        | 0        |
| Other                                       | 0        |          | 0        | 0        | 0        | 0        | 0        |          | 0        |
| <b>Total</b>                                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

## 21. Contingencies

### 21.1 Contingent liabilities

|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|--------------------------|--------------------------|
| Provisions have not been made in these accounts for the following amounts: |                          |                          |
| Legal claims for alleged medical or employer negligence                    |                          |                          |
| Secondary Care   | 0                        | 0                        |
| Primary Care   | 0                        | 0                        |
| Secondary Care Redress   | 0                        | 0                        |
| Primary Care Redress   | 0                        | 0                        |
| Doubtful debts   | 0                        | 0                        |
| Equal Pay costs  | 0                        | 0                        |
| Defence costs  | 0                        | 0                        |
| Continuing Health Care costs   | 0                        | 0                        |
| Other  | 0                        | 0                        |
| Total value of disputed claims   | <hr/> 0                  | <hr/> 0                  |
| Amounts recovered in the event of claims being successful                  | 0                        | 0                        |
| Net contingent liability   | <hr/> 0                  | <hr/> 0                  |

## 21.2 Remote Contingent liabilities

Please disclose the values of the following categories of remote contingent liabilities:

|                    | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--------------------|--------------------------|--------------------------|
| Guarantees         | 0                        | 0                        |
| Indemnities        | 0                        | 0                        |
| Letters of Comfort | 0                        | 0                        |
| Total              | 0                        | 0                        |

## 21.3 Contingent assets

|       | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-------|--------------------------|--------------------------|
|       | 0                        | 0                        |
|       | 0                        | 0                        |
|       | 0                        | 0                        |
| Total | 0                        | 0                        |

## 22. Capital commitments

Contracted capital commitments

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

|                               | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-------------------------------|--------------------------|--------------------------|
| Property, plant and equipment | 0                        | 0                        |
| Right of Use Assets           | 0                        | 0                        |
| Intangible assets             | 685                      | 0                        |
| Total                         | 685                      | 0                        |

## 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

### 23.1 Number of cases and associated amounts paid out during the financial year

|                                       | Amounts paid out during period to 31 March 2024 |        |
|---------------------------------------|---|--------|
|                                       | Number  | £      |
| Clinical negligence                   | 0   | 0      |
| Personal injury                       | 0   | 0      |
| All other losses and special payments | 4   | 48,328 |
| Total                                 | 4   | 48,328 |

### 23.2 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 |
|------------------------------|--------------------------------------|--------|-------------------|
|                              | Number                               | £      | £                 |
| Cases in excess of £300,000: |                                      |        |                   |
| Sub-total                    | 0                                    | 0      | 0                 |
| All other cases paid in year | 4                                    | 48,328 | 48,328            |
| Total cases paid in year     | 4                                    | 48,328 | 48,328            |

### 23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

|                                      | Number | £ |
|--------------------------------------|--------|---|
| Cumulative amount up to £300k        | 0      | 0 |
| Cumulative amount greater than £300k | 0      | 0 |
| Total                                | 0      | 0 |

## 24. Right of Use leases obligations

### 24.1 Obligations (as lessee)

Amounts payable under right of use asset/finance leases:

|  | Land<br>31 March<br>2024<br>£000 | Buildings<br>31 March<br>2024<br>£000 | Other<br>31 March<br>2024<br>£000 | TOTAL<br>31 March<br>2024<br>£000 |
|--|----------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|
| 2023–24  |                                  |                                       |                                   |                                   |
| Minimum lease payments                           |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 322                                   | 0                                 | 322                               |
| Between one and five years                       | 0                                | 1,007                                 | 0                                 | 1,007                             |
| After five years                                 | 0                                | 0                                     | 0                                 | 0                                 |
| Less finance charges allocated to future periods | 0                                | -25                                   | 0                                 | -25                               |
| Minimum lease payments                           | 0                                | 1,304                                 | 0                                 | 1,304                             |
| Included in:                                     |                                  |                                       |                                   |                                   |
| – Current borrowings                             | 0                                | 311                                   | 0                                 | 311                               |
| – Non-current borrowings                         | 0                                | 993                                   | 0                                 | 993                               |
|  | 0                                | 1,304                                 | 0                                 | 1,304                             |
| Present value of minimum lease payments          |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 311                                   | 0                                 | 311                               |
| Between one and five years                       | 0                                | 993                                   | 0                                 | 993                               |
| After five years                                 | 0                                | 0                                     | 0                                 | 0                                 |
| Present value of minimum lease payments          | 0                                | 1,304                                 | 0                                 | 1,304                             |
| Included in:                                     |                                  |                                       |                                   |                                   |
| – Current borrowings                             | 0                                | 311                                   | 0                                 | 311                               |
| – Non-current borrowings                         | 0                                | 993                                   | 0                                 | 993                               |
|  | 0                                | 1,304                                 | 0                                 | 1,304                             |

| 2022-23  | Land<br>31 March<br>2023<br>£000 | Buildings<br>31 March<br>2023<br>£000 | Other<br>31 March<br>2023<br>£000 | TOTAL<br>31 March<br>2023<br>£000 |
|--|----------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|
| Minimum lease payments                           |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 322                                   | 0                                 | 322                               |
| Between one and five years                       | 0                                | 1,288                                 | 0                                 | 1,288                             |
| After five years                                 | 0                                | 41                                    | 0                                 | 41                                |
| Less finance charges allocated to future periods | 0                                | -39                                   | 0                                 | -39                               |
| Minimum lease payments                           | 0                                | 1,612                                 | 0                                 | 1,612                             |
| Included in:                                     |                                  |                                       |                                   |                                   |
| – Current borrowings                             | 0                                | 308                                   | 0                                 | 308                               |
| – Non-current borrowings                         | 0                                | 1,304                                 | 0                                 | 1304                              |
|  | 0                                | 1,612                                 | 0                                 | 1,612                             |
| Present value of minimum lease payments          |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 308                                   | 0                                 | 308                               |
| Between one and five years                       | 0                                | 1,263                                 | 0                                 | 1,263                             |
| After five years                                 | 0                                | 41                                    | 0                                 | 41                                |
| Present value of minimum lease payments          | 0                                | 1,612                                 | 0                                 | 1,612                             |
| Included in:                                     |                                  |                                       |                                   |                                   |
| – Current borrowings                             | 0                                | 308                                   | 0                                 | 308                               |
| – Non-current borrowings                         | 0                                | 1,304                                 | 0                                 | 1304                              |
|  | 0                                | 1,612                                 | 0                                 | 1,612                             |

## 24.2 Right of Use Assets lease receivables (as lessor)

The SHA has no RoU leases receivable as a lessor.

Amounts receivable under right of use assets:

|  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
|  | £000          | £000          |
| Gross Investment in leases                       |               |               |
| Within one year                                  | 0             | 0             |
| Between one and five years                       | 0             | 0             |
| After five years                                 | 0             | 0             |
| Less finance charges allocated to future periods | 0             | 0             |
| Minimum lease payments                           | 0             | 0             |
| Included in:                                     |               |               |
| – Current borrowings                             | 0             | 0             |
| – Non-current borrowings                         | 0             | 0             |
|  | 0             | 0             |
| Present value of minimum lease payments          |               |               |
| Within one year                                  | 0             | 0             |
| Between one and five years                       | 0             | 0             |
| After five years                                 | 0             | 0             |
| Less finance charges allocated to future periods | 0             | 0             |
| Present value of minimum lease payments          | 0             | 0             |
| Included in:                                     |               |               |
| – Current borrowings                             | 0             | 0             |
| – Non-current borrowings                         | 0             | 0             |
|  | 0             | 0             |

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

The SHA has no PFI schemes which are deemed to be on or off the statement of financial position.

## 26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The SHA is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The SHA has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the SHA in undertaking its activities.

### Currency risk

The SHA is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The SHA has no overseas operations and therefore has low exposure to currency rate fluctuations.

### Interest rate risk

The SHA is not permitted to borrow. The SHA therefore has low exposure to interest rate fluctuations

### Credit risk

Because the majority of the SHA funding derives from funds voted by the Welsh Government the SHA has low exposure to credit risk.

### Liquidity risk

The SHA is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The SHA is not, therefore, exposed to significant liquidity risks.

## 27. Movements in working capital

|   | 2023-24<br>£000 | 2022-23<br>£000 |
|---|-----------------|-----------------|
| (Increase)/decrease in inventories                                  | 0               | 0               |
| (Increase)/decrease in trade and other receivables – non-current    | (342)           | 0               |
| (Increase)/decrease in trade and other receivables – current        | 2,069           | (601)           |
| Increase/(decrease) in trade and other payables – non-current       | (311)           | 1,179           |
| Increase/(decrease) in trade and other payables – current           | 2,048           | 4,316           |
| Total   | 3,464           | 4,894           |
| Adjustment for accrual movements in fixed assets – creditors        | (202)           | 0               |
| Adjustment for accrual movements in fixed assets – debtors          | 0               | 0               |
| Adjustment for accrual movements in right of use assets – creditors | 309             | 0               |
| Adjustment for accrual movements in right of use assets – debtors   | 0               | 0               |
| Other adjustments   | 37              | 0               |
|   | 3,608           | 4,894           |

## 28. Other cash flow adjustments

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Depreciation   | 815             | 868             |
| Amortisation   | 0               | 0               |
| (Gains)/Loss on Disposal   | 0               | 0               |
| Impairments and reversals  | 0               | 7               |
| Release of PFI deferred credits  | 0               | 0               |
| Donated assets received credited to revenue but non-cash               | (35)            | 0               |
| Government Grant assets received credited to revenue but non-cash      | 0               | 0               |
| Right of Use Grant (Peppercorn Lease) credited to revenue but non cash | 0               | 0               |
| Non-cash movements in right of use assets                              | 0               | 0               |
| Non-cash movements in provisions                                       | 34              | 0               |
| Other movements  | 2,667           | 521             |
| Total  | 3,481           | 1,396           |

Other movements relate to Notional funding received for the notional 6.3% Staff Employer Pension Contributions funded directly to the NHSBA Pensions Division by Welsh Government.

## 29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 11 July 2024.

### Medical Pay Awards

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.

### 30. Related Party Transactions

The Welsh Government is regarded as a related party. During the accounting period SHA 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. These are set out on the table below along with details of the transactions with other organisations in which senior members of the organisation have an interest.

| Related Party                     | Expenditure to related party<br>£000 | Income from related party<br>£000 | Amounts owed to related party<br>£000 | Amounts due from related party<br>£000 |
|-----------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--|
| Welsh Government                  | 2                                    | 311,811                           | 0                                     | 32                                     |
| Welsh LHBS                        | 111,199                              | 416                               | 5,518                                 | 96                                     |
| Welsh NHS Trusts                  | 63,682                               | 297                               | 1,890                                 | 66                                     |
| Local Authorities                 | 532                                  | 0                                 | 0                                     | 0                                      |
| Welsh Special Health Authorities  | 800                                  | 67                                | 0                                     | 8                                      |
| Swansea University                | 21,824                               | 0                                 | 1,218                                 | 1,490                                  |
| Cardiff University                | 26,711                               | 0                                 | 1,598                                 | 683                                    |
| University of South Wales         | 15,519                               | 0                                 | 79                                    | 1,854                                  |
| Hafod                             | 71                                   | 0                                 | 35                                    | 0                                      |
| Royal College of Nursing          | 161                                  | 0                                 | 0                                     | 0                                      |
| University of the West of England | 166                                  | 0                                 | 4                                     | 86                                     |
| Academi Wales                     | 1                                    | 0                                 | 0                                     | 0                                      |
|                                   | 240,668                              | 312,591                           | 10,342                                | 4,315                                  |

In the table above:

- 'Amounts due from related party' include prepaid expenditure that is reflected in the HEIW Statement of Financial Position as at 31 March 2024 and will be released to the Statement of Comprehensive Net Expenditure in future accounting periods.
- Expenditure is shown net of any recovery where payments are made in advance on a contracted schedule and subsequently repaid to HEIW.

During the year, other than the individuals set out below, there were no other material related party transactions involving other board members or key senior management staff.

Tina Donnelly is a Fellow of the University of South Wales and Royal College of Nursing and Non-Executive Director of Hafod Housing Association.

John Gammon is a Professor at Swansea University and is employed as Bank/Consultant at Hywel Dda Health Board.

Ruth Hall is a visiting Chair of the University of West of England and an advisory Board Member, Centre for Public Policy Wales at Cardiff University. Member/Fellow of Royal College of Physicians (RCP).

Alex Howells is a Lay Member at Academi Wales.

Chris Jones has an honorary fellowship at Cardiff University.

Dawn Jones is a Non-Executive Director at Hendre (Hafod Housing Association).

Pushpinder Mangat is an Honorary Professor Swansea Medical School.

Jayne Sadgrove is a Senior Professional Fellow at Cardiff University.

All other declarations where there were no transactions with HEIW during 2023/24 are published in the Register of Members Interest.

### 31. Third Party assets

The SHA does not hold cash on behalf of third parties.

### 32. Pooled budgets

The SHA does not does not operate any pooled budgets.

### 33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

The SHA is deemed to operate as one segment.

### 34. Other Information

#### 34.1 6.3% Staff Employer Pension Contributions – Notional Element

The notional transactions are based on estimated costs for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions as at month eleven and the actual employer staff payments for month 12.

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<br>£000  | 2022–23<br>£000  |
|---|------------------|------------------|
| Statement of Comprehensive Net Expenditure for the period ended 31 March 2024 |                  |                  |
| 3.2 Postgraduate Medical, Dental and Pharmacy Education                       | 1,445            | 1329             |
| 3.3 Other Operating Expenditure   | 1,224            | 962              |
| Statement of Changes in Taxpayers' Equity for the period ended 31 March 2024  |                  |                  |
| Net operating cost for the year   | -2,669           | -2,291           |
| Notional Welsh Government Funding   | 2,669            | 2,291            |
|   | 31 March<br>2024 | 31 March<br>2023 |
| Statement of Cash Flows for period ended 31 March 2024                        |                  |                  |
| Net operating cost for the financial year                                     | 0                | 0                |
| Other cash flow adjustments   | 2,669            | 2,291            |
| 2.1 Revenue Resource Performance  |                  |                  |
| Revenue Resource Allocation   | 2,669            | 2,291            |
|   | 2023–24<br>£000  | 2022–23<br>£000  |
| 3. Analysis of gross operating costs  |                  |                  |
| 3.2 Postgraduate Medical, Dental and Pharmacy Training                        |                  |                  |
| GP Registrars   | 1,122            | 1017             |
| Dental Foundation Trainees  | 147              | 136              |
| Pharmacy Training   | 161              | 167              |
| Induction and Refresher   | 1                | 1                |
| Training Grade Salaries   | 9                | 6                |
| Other   | 6                | 2                |
| 3.3 Other Operating Expenditure   |                  |                  |
| Directors' costs  | 55               | 42               |
| Staff costs   | 1,169            | 920              |

|  | 2022-23<br>£000 | 2021-22<br>£000 |
|--|-----------------|-----------------|
| 9.1 Employee costs                           |                 |                 |
| Permanent Staff                              |                 |                 |
| Employer contributions to NHS Pension Scheme | 1,224           | 962             |
| Charged to capital                           | 12              | 0               |
| Charged to revenue                           | 1,212           | 962             |
| 18. Trade and other payables                 |                 |                 |
| Current                                      |                 |                 |
| Pensions: staff                              | 0               | 0               |
| 28. Other cash flow adjustments              |                 |                 |
| Other movements                              | 2,669           | 2,291           |

THE NATIONAL HEALTH SERVICE IN WALES  
ACCOUNTS DIRECTION GIVEN BY WELSH  
MINISTERS IN ACCORDANCE WITH PARAGRAPH  
3(1) OF SCHEDULE 9 TO THE NATIONAL  
HEALTH SERVICE (WALES) ACT 2006 (C.42)  
AND WITH THE APPROVAL OF TREASURY

HEALTH EDUCATION AND  
IMPROVEMENT WALES

1. Health Education and Improvement  
Wales (HEIW), a special health authority,  
shall prepare accounts for the financial  
period 5th October 2017 to 31 March 2019  
and subsequent financial years in the form  
specified in paragraphs 2 to 4 below.

BASIS OF PREPARATION

2. The accounts of HEIW shall comply with:

(a) the accounting principles and disclosure  
requirements of the Government Financial  
Reporting Manual ('the FReM') issued by HM  
Treasury which is in force for that financial  
year, as detailed in the NHS Wales Manual for  
Accounts; and

(b) any other specific guidance or disclosures  
required by the Welsh Government.

3. The accounts shall be prepared so as to:

(a) give a true and fair view of the state of affairs  
as at the year-end and of the net expenditure,  
financial position, cash flows and changes in  
taxpayers' equity for the financial year then  
ended; and

(b) provide disclosure of any material  
expenditure or income that has not been  
applied to the purposes intended by the  
Senedd Cymru – Welsh Parliament or material  
transactions that have not conformed to the  
authorities which govern them.

4. Compliance with the requirements of the  
FReM as detailed in the NHS Wales Manual  
for Accounts will, in all but exceptional  
circumstances, be necessary for the accounts to  
give a true and fair view. If, in these exceptional  
circumstances, compliance with the  
requirements of the FReM as detailed in the  
NHS Wales Manual for Accounts is inconsistent  
with the requirement to give a true and fair  
view, the requirements of the FReM as detailed  
in the NHS Wales Manual for Accounts should  
be departed from only to the extent necessary  
to give a true and fair view. In such cases,  
informed and unbiased judgment should  
be used to devise an appropriate alternative  
treatment which should be consistent both  
with the economic characteristics of the  
circumstances concerned and the spirit of the  
FReM. Any material departure from the FReM  
should be discussed in the first instance with  
the Welsh Government.

Signed by the authority of the Welsh Ministers

Signed:

Dated:

Alan Brace, Director of Finance HSSG



GIG  
CYMRU  
NHS  
WALES

Addysg a Gwella Iechyd  
Cymru (AaGIC)  
Health Education and  
Improvement Wales (HEIW)

Addysg a Gwella Iechyd Cymru (AaGIC)  
Health Education and Improvement Wales (HEIW)

Tŷ Dysgu, Cefn Coed, Nantgarw, CF15 7QQ

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