

Digital Health
and Care Wales

Annual Report

2025 - 2026



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Statement from our Chief Executive

This past year has been one of progress and opportunities alongside challenges for our organisation.



In terms of achievements, we delivered 94% of our IMTP milestones; however, delivery in diagnostic programmes and elements of the NHS Wales App did not meet our original expectations. Throughout the year, we maintained high levels of operational performance, with more than 100 national digital services supporting NHS Wales and system availability of 99.969%.

We have continued to make progress in areas that matter to patients and staff. This includes expanding access to services through the NHS Wales App, improving access to integrated clinical information, and continuing the modernisation of key areas such as diagnostics, medicines and primary care. These developments are helping to support safer, more joined-up care and improving the experience of services for people across Wales.

Operating under the escalation status of Level Three (Enhanced Monitoring) has created opportunities for us to work with stakeholders to identify challenges and improve the ways in which we operate. Throughout the year we placed a focus on strengthening our governance, planning and delivery disciplines. This has not always been straightforward, but it has been necessary to improve how we plan, oversee and deliver our work. While some progress has been made, we recognise there is more to do to fulfil our role as a trusted partner and system leader.

Partnership working has been central to our approach and delivery, and an area where we have had to be honest about the need to improve. We have worked to strengthen our engagement with health boards, trusts and Welsh Government, supported by a more structured and purposeful approach to stakeholder working. While this has led to more consistent collaboration and clearer accountability, we recognise that building confidence and trust across the system takes time and must continue to be a priority.

We are also clear that delivering consistent, system-wide transformation remains complex. External dependencies, variation in local capacity and digital maturity, and the scale of national programmes continue to present challenges. Our focus has therefore been not only on delivery, but on strengthening the conditions for delivery, including clarity of priorities, realistic planning and stronger system-level working.

Overall, this has been a year where we have worked to respond to both opportunities and challenges for our organisation, strengthened our foundations and delivered progress against our objectives.

At the start of 2026/27, our escalation level increased to Level Four (Targeted Intervention), which presents us with further scope to strengthen and improve how we work across the system. Over the coming year our focus will be on sustaining the momentum in areas where we have seen improvement, working with stakeholders to continue to strengthen partnerships, and ensuring we translate our plans into outcomes. Through this, we will work hard to continue to build confidence, improve patient care and ensure digital is a force for good in health and care across Wales.

Helen Thomas, Chief Executive.



The Performance Report

Purpose of this Overview. This overview provides a clear and accessible summary of our performance during 2025/26. It sets the context for the financial and governance disclosures that follow and helps readers of the report understand who we are, how we have performed against our strategic objectives, and why our work matters for patients, communities and the wider health and care system in Wales.

Our Vision. To provide world leading digital services, empowering people to live healthier lives.

Our Purpose. To make digital a force for good in health and care.



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Our Organisation

Digital Health and Care Wales (DHCW) were established as a Special Health Authority on April 1st 2021 responsible for delivering digital services in Wales, directed by Welsh Government to:

- Design, develop and deliver digital platforms, systems and services
- Support others in the design, development and deliver digital platforms, systems and services
- Support the development and implementation of common standards for digital platforms, systems and services
- Advise and assist the Welsh ministers in relation to the security of digital platforms, systems and services
- Support the development of the digital workforce

More than three quarters of our activity and resources is dedicated to delivery of operational services. Over a hundred operational services provide the core network, data and integration across NHS Wales, supported by cyber security, data sharing, service support, data centre management, and other key functions.

We provide national digital, data services to support health and care delivery in Wales. We are responsible for national digital infrastructure, national data, and most of the main digital services which are widely used across multiple organisations.

Local health boards and local authorities manage their own internal digital systems, hospital devices, networks and virtual or remote technologies. Enterprise systems, including finance and HR, are provided by NHS Wales Shared Services Partnership (NWSSP), while the 111 service is delivered by Welsh Ambulance Services University NHS Trust (WAST)

About 70% of our people are technical, including software engineers, data analysts and digital architects. Since our establishment, we have taken on a number of new services on behalf of Welsh Government and NHS Wales, including areas such as the Cyber Resilience Unit, the Microsoft 365 Centre of Excellence and major programmes like Diagnostics - Laboratory Information Management System (LIMS) and Radiology Imaging System Procurement (RISP).

In line with government policy set out in A Healthier Wales, DHCW is increasing investment in patient facing and community services which enable prevention and patient empowerment through digital.

During 2025/26 we were aligned to Ministerial digital priorities in place at the time, working collaboratively with partners to support delivery of these **four strategic priorities**:

- **Target Architecture** - Establishing a unified, modern digital architecture for NHS Wales, enabling interoperability and future-proofing systems
- **Electronic Health Record (EHR)** - Delivering a comprehensive, integrated electronic health record accessible across care settings
- **National Data Resource (NDR)** - Building and expanding the national data platform to support analytics, research, and improved patient care
- **Cyber Security** - Strengthening cyber resilience and security across all NHS Wales digital platforms and services

And **four delivery priorities**:

- **NHS Wales App** - Expanding and embedding the NHS Wales App as the digital front door for patients, supporting access to appointments, prescriptions, records, and waiting list information
- **Digital Maternity Data Standards** - Supporting the development and adoption of maternity data standards and digital solutions to improve patient pathways and information sharing
- **ePrescribing** - Delivering the Electronic Prescription Service (EPS) and supporting health boards with the rollout of prescribing solutions to improve safety, efficiency and patient experience
- **Connecting Care** - Delivering integrated digital solutions to connect health and social care, supporting seamless patient journeys and information sharing

Our Purpose, Vision and Approach

Our purpose is to make digital a force for good in health and care, supporting patients, the public and health and care professionals through safe, reliable national digital services designed around real needs.

Our vision is to provide world leading digital services, empowering people to live healthier lives, within a digitally enabled system where information flows securely, services are accessible to all, and data supports better decision making.

We deliver this through our strategic objectives and five missions, supported by a strong focus on user centred design, partnership working, transparency and continuous improvement.





Our Missions and Strategic Objectives

Our 5 Missions provide a structured view of our activity and what we are doing to improve digital and data technologies to support better health and care services. We use these missions as a framework to manage delivery across our organisation, and to prioritise investment and resources across live services and transformation programmes.



Mission 1: Provide a platform for enabling digital transformation

- Move all our data stores and services to the NDR platform to create a single national Clinical Data Repository
- Redesign our applications and services to a clean architecture which is secure by design and is based on open standards
- Extend data standards and data components to social care and other partners
- Establish an all-Wales framework for sharing health and social care data
- Move all our live services to the cloud and close our datacentres



Mission 2: Deliver high quality digital products and services

- All prescribing and medicines management in Wales is digitally enabled
- All our digital health systems and major social care systems flow data to and from the NDR platform
- Our core health services are consolidated into a single all-Wales Electronic Health Record application
- Our core social care services are consolidated into a single all-Wales Electronic Social Care Record application



Mission 3: Expand the digital health and care record and the use of digital to improve health and care

- A comprehensive single digital health and care record is used across all settings throughout Wales
- The NHS Wales App is used regularly by over a million people
- Users report a top-quartile satisfaction for our products and services



Mission 4: Drive better values and outcomes through innovation

- An NDR Secure Data Environment which provides access for research while protecting privacy
- A national information and data insights service which demonstrates net benefit and value
- Deploy AI and automation, safely and ethically, to deliver year-on-year productivity improvements across NHS Wales



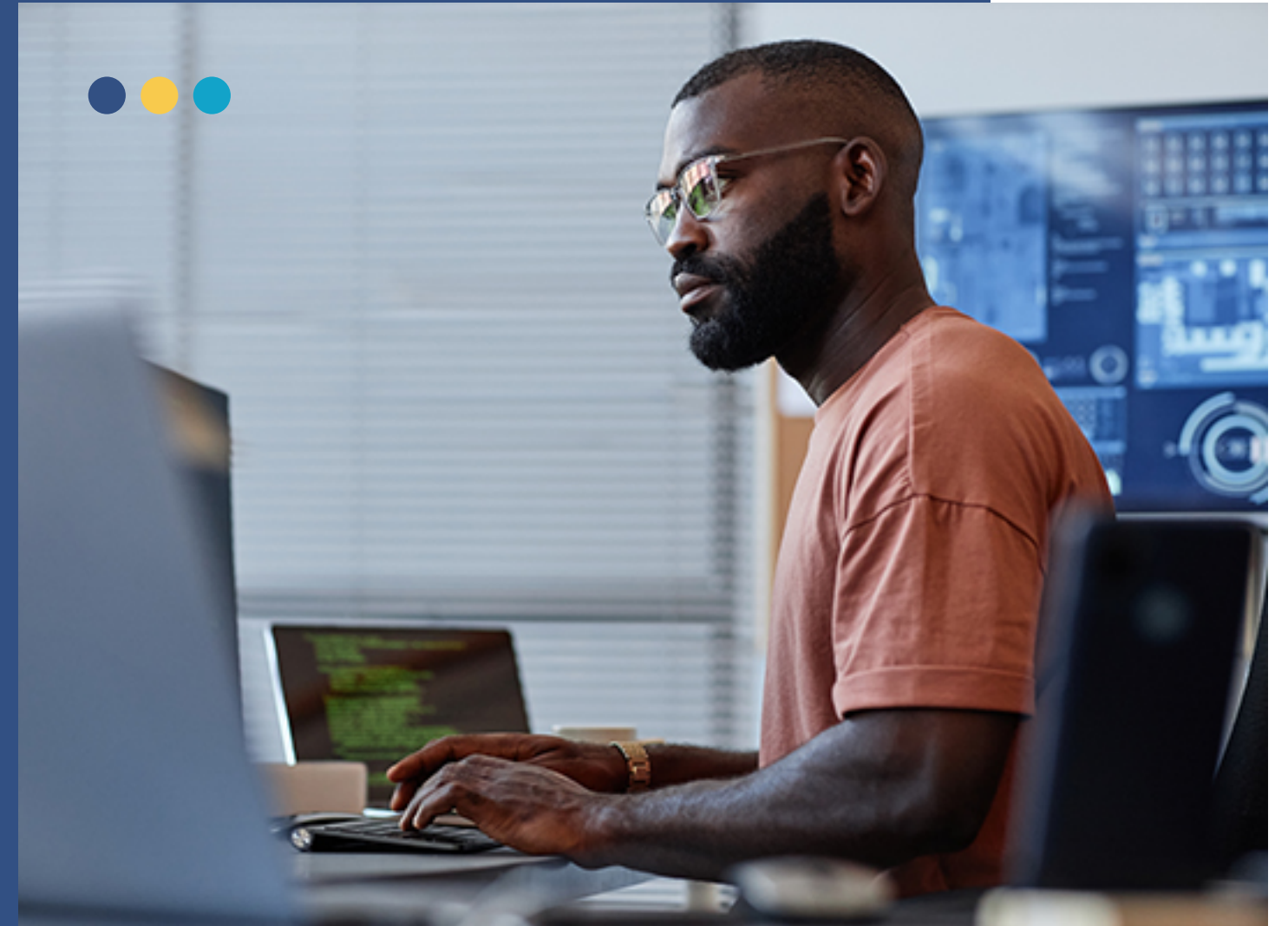
Mission 5: Be the trusted strategic partner and a high quality, inclusive and ambitious organisation

- An academy approach to developing people through talent and leadership development programmes, aligned to Digital and Data Profession Capability Framework
- A secure, long-term financially stable position
- At least a 34% lower carbon footprint with a clear route to achieving net-zero
- Work with partners and stakeholders to deliver a prioritised pipeline of future programmes and projects
- Top quartile staff and stakeholder engagement

A synopsis of the performance analysis

Overall, our performance broadly met expectations but did not fully meet original delivery ambitions. Our original Integrated Medium-Term Plan (IMTP) submitted to Welsh Government comprised 345 milestones. During the year, the plan expanded to reflect new and evolving national priorities, including Remit Letter requirements, Ministerial Advisory Group (MAG) actions, Winter Pressures and escalation activity, resulting in a revised plan of 381 milestones. Delivery covered a broad portfolio across primary and secondary care, patient services, integration, digital enablers and corporate services, with 360 milestones delivered, exceeding the original IMTP commitment and demonstrating sustained alignment to Welsh Government priorities.

Delivery against IMTP milestones reached 94%, reflecting that some planned commitments were not achieved, with diagnostic modernisation programmes (including LIMS and RISP) and elements of the NHS Wales App not meeting original expectations due to the materialisation of known risks and system constraints. These challenges contributed to the organisation's escalation, highlighting the need to better align ambition with deliverability and strengthen system conditions for sustained performance improvement.



We operated under a set of 13 Welsh Government defined accountability conditions following agreement of our IMTP with the intention of providing assurance that our key risks were being managed and national priorities delivered. These required us to deliver the objectives set out in the Cabinet Secretary's objectives; the March 2025 Remit Letter; full compliance with the NHS Wales Oversight and Escalation Framework and any de escalation criteria linked to our escalation status; and deliver agreed IMTP milestones, including those arising from in year additional priorities.

We also maintained clear oversight of priority and Digital Priorities Investment Fund (DPIF), funded programmes, ensuring financial sustainability and effective resource management whilst progressing national digital and architectural priorities.

During 2025/26 we have been under the Welsh Government Oversight and Escalation Framework level 3 Enhanced Monitoring with escalation related specifically to the performance and outcomes domain, with a focus on the pace, governance and delivery of major national digital programmes.

In response, we worked with Welsh Government to agree an Enhanced Monitoring Improvement Plan, setting out clear milestones, strengthened governance arrangements and formal review points through Integrated Quality, Performance and Delivery (IQPD) meetings and Joint Executive Team (JET) reviews.

Delivery against the escalation action plan was steadfast and by end of the year, most of the actions had been achieved, with the remaining actions on track for completion within agreed revised timescales.

Feedback from Welsh Government recognised improved grip, transparency and delivery discipline during the year, while also noting that wider perceptions take time to shift following a period of enhanced monitoring. However, the decision to escalate the organisation further under the Oversight and Escalation Framework indicates that, despite progress, the pace and consistency of improvement was not sufficient across all areas of delivery.

We recognise that further work is required in the year ahead and will continue to work closely with Welsh Government and other partner organisations to build confidence through sustained delivery. The organisation therefore moves forward with a clearer focus on fewer, more meaningful milestones, stronger system level engagement, and a more mature approach to programme oversight, providing a firmer platform for continued improvement.

We developed, managed, maintained, and kept secure **over 100 services** used by thousands of staff across NHS Wales.

These operational services provide the core network, data, integration, and clinical service across NHS Wales, supported by cyber security, data sharing, service support, data centre management, and other key functions.

We achieved 99.969% availability this year above our target of (99.90%) and continue to enhance our operational services across all settings.

Through the work we have done to strengthen national digital platforms and expand patient facing services, patients are now able to access hospital appointment information for new outpatients via the NHS Wales App, with over 250,000 appointments shared digitally, making it easier to view and manage care. At the same time our work has supported safer, more joined up care by enabling clinical information, such as test results and care documents, to be shared securely at scale, helping ensure the right information is available to professionals as patients move between services.

We conduct formal investigations, lessons learned, and reviews, after every major incident impacting on the systems we manage, and we apply those lessons to our services to continually improve performance. Learning is assessed through the Contributory Factors Framework and embedded through a process of continuous improvement aligned to the Duty of Quality. Through our Building Our Future programme we also developed an organisation wide approach to quality improvement.



NHS Wales App, with over 250,000 appointments shared digitally, making it easier to view and manage care.



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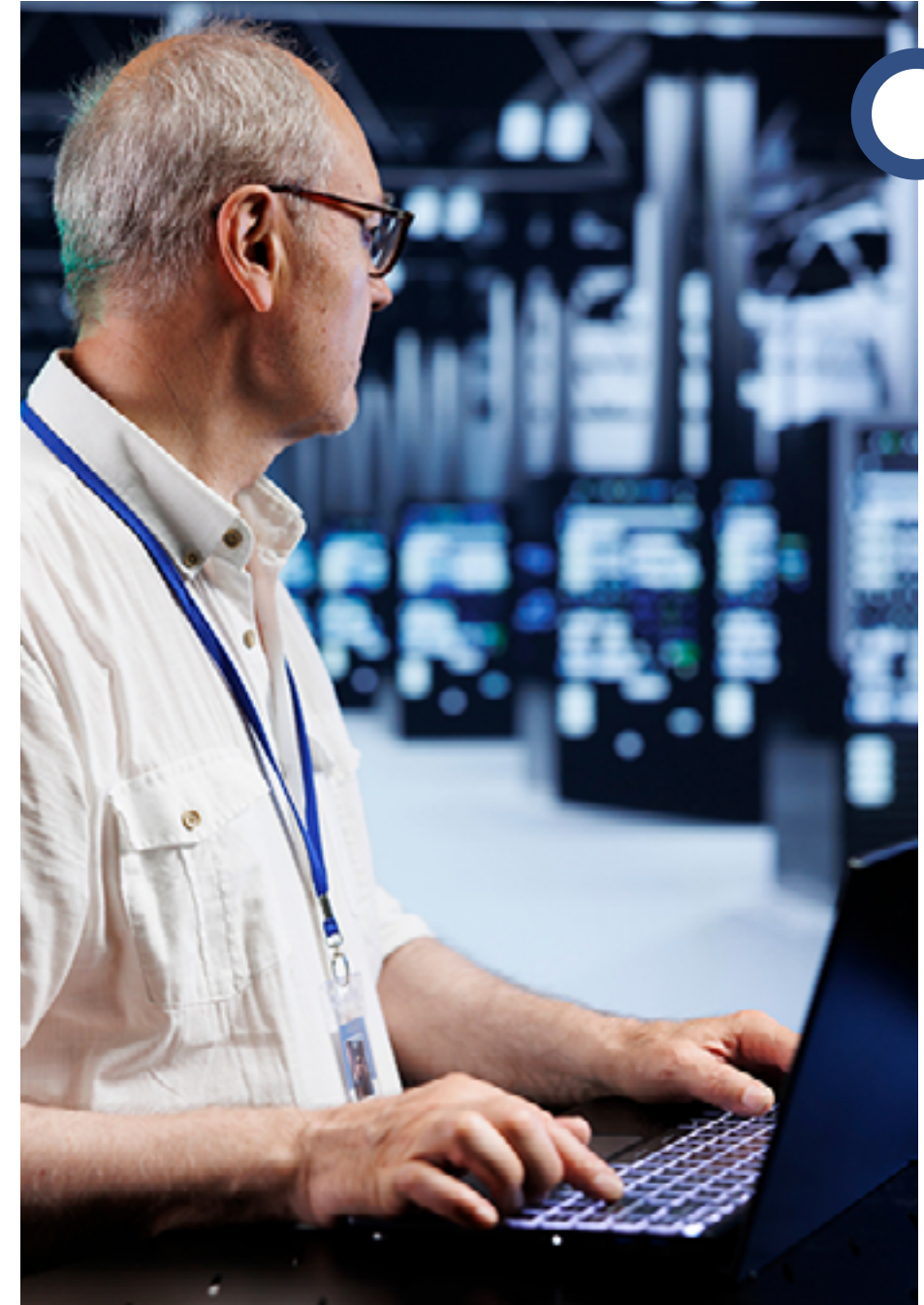
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Mission 1 Provide a platform for enabling digital transformation

During 2025/26, we continued to build the national foundations for digital transformation, focusing on data platforms, cloud infrastructure, cyber resilience and information governance. Key highlights included progressing the National Data Resource (NDR), decommissioning legacy data centres, strengthening cyber security controls, and delivering national IT and client services at scale across NHS Wales.

Significant progress was made in establishing secure, cloud based national data platforms, improving access to data and therefore reducing reliance on legacy infrastructure. Cyber resilience was strengthened through national security controls and assurance activities, helping to safeguard critical digital services. Client Services maintained high levels of service performance and user satisfaction while supporting large scale device upgrades and national IT transitions.

The scale and pace of infrastructure modernisation remains challenging, particularly managing cost, skills and dependencies across multiple organisations. Rising cyber threats and the complexity of national data sharing continue to require sustained investment in security, standards and assurance capacity.



Mission 1

Overall Assessment: Strong

Delivery: Good progress in national platforms, infrastructure and cyber resilience, with sustained operational performance.

Outcomes: Improved system resilience, data access and security providing the foundation for safe, reliable care delivery.

Key Constraints: Scale and complexity of infrastructure modernisation, with cost, capability and cross-system dependencies impacting pace of delivery. Access to data and the ability to share data legally and securely across NHS Wales.

Mission 2 Deliver high quality digital products and services

We delivered and continued to operate a portfolio of over 100 national digital services supporting primary, community, secondary and urgent care. Primary activity focused on maintaining service availability, modernising diagnostics, medicines and primary care systems, whilst supporting national priority programmes and managing transitions where suppliers or delivery models changed.

Operational digital services continued to perform strongly, with very high levels of availability supporting safe, reliable care delivery. Important progress was made in digital medicines, diagnostics, immunisation systems and urgent and emergency care data, improving information quality, clinical workflows and patient safety. Several legacy systems were modernised or replaced, reducing technical risk and improving sustainability.

Some complex national collaborative programmes, such as LIMS and RISP diagnostics modernisation, have faced challenges in their delivery timetables. We have worked with Welsh Government and local delivery partners to manage risks, maintain delivery capacity, and to replan implementation timetables where necessary.



Mission 2

Overall Assessment: Mixed

Delivery: Strong operational performance and service availability were maintained, with progress in key programmes against national strategic priorities.

Outcomes: Supporting Improvements in diagnostics and medicines, alongside progress in urgent care data is beginning to enable safer and more efficient care.

Key Constraints: Delivery of large national programmes has been affected by complexity, resource constraints and dependencies, requiring replanning.

Mission 3 Expand the digital health and care record and the use of digital to improve health and care

We continued to expand the digital health and care record for both professionals and the public. Activity focused on enhancing clinician access to information through national clinical portals, digitising nursing and specialist records, and improving citizen access via the NHS Wales App.

Clinicians have benefited from improved access to integrated patient information, with reduced duplication, thereby supporting more efficient, safer care. Digital nursing records were extended across hospitals, and specialist systems such as cancer and maternity records have continued to be modernised. Public use of the NHS Wales App grew over the year, supporting greater digital access to services and information.

Progress toward a fully unified national health and care record remains complex, reflecting variation in local digital maturity (capacity for change, infrastructure and adoption), reliance on multiple legacy clinical systems, and inconsistent data quality and coding standards across NHS Wales organisations. In parallel, changes to delivery models for national programmes—such as revised governance, supplier arrangements and rollout sequencing—created transitional challenges including having to adjust plans, manage dual-running arrangements and providing increased implementation/support demand, while preserving the programmes strategic objective.



Mission 3

Overall Assessment: Mixed

Delivery: Continued expansion of digital records and NHS Wales App, with progress in clinical access and digitisation of key services.

Outcomes: Improved access to patient information and increased digital use supporting safer, more efficient care.

Key Constraints: Complexity of achieving a unified record due to variation in digital maturity, challenges in interoperability and system integration, legacy systems and inconsistent data quality.

Mission 4 Drive better value and outcomes through innovation

We continued to invest in research, analytics, insight and innovation to improve health and care outcomes. Activity included expanding secure data access for research, enhancing analytics platforms, and supporting innovation through trusted data services and digital knowledge resources.

Use of cloud based analytics and national datasets has helped to improve access to timely insights for policy, planning and research. Digital knowledge and evidence services (including NHS Wales eLibrary) saw increased engagement, supporting evidence based practice across NHS Wales.

Ensuring consistent data quality, capability and adoption across organisations continues to be limiting factors in our ability to demonstrate measurable system level benefits. We continue to work closely with organisation across Wales as we understand that delivering innovation and creating impact requires wider collaboration.



Mission 4

Overall Assessment: Mixed

Delivery: Progress in analytics, research capability and innovation through expanded data platforms and partnerships.

Outcomes: Improved access to insight and evidence supporting more informed planning, research and service improvement with system impact still developing.

Key Constraints: Inconsistent data quality, capability and adoption across organisations limiting demonstrable system-wide impact.



Mission 5 Be the trusted strategic partner and a high quality, inclusive and ambitious organisation

Mission 5 focused on organisational enablers, including people, culture, governance, sustainability, quality and stakeholder engagement. We progressed its Building Our Future transformation programme, strengthened workforce development, and enhanced assurance, quality and environmental performance.

We matured our Governance and Quality arrangements, embedding continuous learning through the Duty of Quality. Environmental sustainability improved, with reductions in carbon footprint supported by digital ways of working and infrastructure changes. Staff engagement and internal capability continued to strengthen throughout the course of the year, supported by leadership development and creation of professional pathways. We continued to build on the foundations of our Stakeholder engagement plan strengthening our partnerships with other organisations across Wales.

Operating within a constrained financial and workforce environment required difficult prioritisation decisions. Managing organisational change alongside delivery of critical national services remained challenging, but reinforced the need for clarity of priorities, better planning stability and continued investment in our people and our systems.



Mission 5

Overall Assessment: Moderate

Delivery: Strengthened governance, workforce capability, quality frameworks and stakeholder engagement.

Outcomes: Improved organisational capability, culture and sustainability supporting delivery and continuous improvement.

Key Constraints: Financial and workforce constraints alongside organisational change impacting pace and stability of delivery.



Delivery and Performance Analysis

Our Year in Numbers

This section provides a summary of key performance metrics for 2025/26, illustrating the scale, reach and impact of our digital services. These measures support the detailed performance analysis that follows and demonstrate how delivery has translated into outcomes for patients, staff and the wider health and care system.

Taken together, these measures demonstrate that digital services are increasingly embedded in care delivery across Wales. They show clear improvements in access, efficiency and information availability, although the full system-wide impact will depend on continued adoption, integration and consistent data quality across organisations.

The services and products that we provide are becoming a central part of how people in Wales access and experience care.



Over three quarters of a million people, around one in five adults have now downloaded the NHS Wales App.

With **more than 300,000 unique logins recorded every**

month, this reflects a meaningful shift in how people interact with health services. Through the App, **patients have ordered over 2.3 million repeat prescriptions**, reducing the need for phone calls or visits and making it quicker and simpler to get the medicines they need. Alongside this, **over 7 million prescriptions have been processed digitally through the Electronic Prescription Service**, improving safety and ensuring prescriptions are accurate and securely transferred.

For many people, digital access is now embedded as part of everyday care. **100% of GP practices in Wales are connected to the NHS Wales App**, providing a consistent national route for patients to access services; however, levels of active use and functionality vary across practices, with rollout continuing.

Blog - 5 Reasons why GPs should adopt the NHS Wales App by Dr Aled Davies

News - People in Wales can now track their NHS waiting list progress on the app

News - Fifteen million items in Wales dispensed via the Electronic Prescription Service

Within this, **30% of GP practices are already actively using digital prescribing**, with more continuing to adopt it. **74% of community pharmacies, are connected**, helping create a more joined-up experience so prescriptions flow more safely and efficiently between GPs and pharmacies, reducing delays and improving access to medicines. Health board data is increasingly integrated through national platforms, but coverage is still expanding, meaning not all services and datasets are yet fully available across Wales.

News - 'Game-changing' Electronic Prescription Service now live in half of community pharmacies in Wales



This year we played a central role in protecting the health of people in Wales by enabling the national Respiratory Syncytial Virus (RSV) vaccination programme through the **Welsh Immunisation System**. By ensuring eligible people were identified quickly, vaccinations were delivered on time, and uptake was monitored in real time, and patients were better protected from a serious respiratory illness. This resulted in **over 700 fewer babies (1st year of life) being admitted to A&E departments**, a **13% reduction in hospital stays (people aged 75 – to 79)** related to RSV in **prevented over £700,000 in front line costs** to the NHS in Wales

News - Welsh Immunisation System helps protect people in Wales with RSV vaccine

At the same time, digital services are supporting clinicians to provide better, faster care. **More than 34,955 healthcare professionals are now using the digital health and care record**, helping ensure that the right information is available when making decisions about patient care. This means patients are less likely to need to repeat their history and can experience more coordinated care.

News - Paramedics gain quicker access to medicines information for safe prescribing



In community pharmacy, **259,000 consultations have been delivered digitally**, helping free up GP appointments for patients with more complex needs.

Diagnostic services are also improving, with **2.5 million imaging results generated and shared digitally**, supporting improved access to diagnostic information, enabling faster decision-making. Digital workflows, such as **59,000 endoscopy results viewed electronically**, are helping ensure that clinicians can access important information quickly at the point of care.

Behind these improvements is a significant national infrastructure. Digital Health and Care Wales **support and develop over 100 national digital services used across NHS Wales, delivered by a workforce of only 1,200 staff**. While largely unseen by patients, this infrastructure enables services to run reliably and securely every day, forming the backbone of modern healthcare delivery.

This reliability is critical. **National digital services achieved 99.969% system availability this year**, meaning that the systems clinicians depend on are consistently available when patients need care. As digital becomes integral to healthcare, this level of resilience directly supports safer, more effective treatment and a more dependable experience for patients.

Overall, this progress shows that digital is no longer an optional add-on—it is becoming a core part of how care is delivered, accessed and experienced. For patients and citizens, this means more convenient access, safer care, better information sharing and more joined-up services across Wales. Taken together, these numbers show a Wales wide system moving from digital foundations to digital maturity—where services are not only available but widely used and embedded in care pathways.

News - DHCW leading digital healthcare transformation in Wales

Our Approach to Performance Assurance

Performance

Our Performance Management Framework sets out our approach to managing performance, supporting continuous improvement and the delivery of our strategic aims, objectives and core business activities. It focusses on 3 key areas that ensure resources are used efficiently to achieve outcomes that meet stakeholder needs.

- **Plans** – Clearly defined objectives and expected outcomes
- **Resources** – Ensuring the right resources to achieve outcomes
- **Outcomes** – Monitoring results and their impact on development

Given our role as a national strategic organisation, and the specific regulatory environment in which it operates, performance is measured and monitored using a tailored and proportionate set of indicators. These differ from those used by other NHS Wales organisations and reflect our system leadership responsibilities

Performance is managed through a hierarchy of directorates, departments and teams, overseen by the Management Board and assured by the DHCW Board.

Key Components of the Framework are:

- **Seven principles** underpin the PMF: strategic focus, connectivity of information, materiality, conciseness, reliability and completeness, consistency and comparability, and stakeholder relationships.
- **Key Performance Indicators** (KPIs) and **Objectives and Key Results** (OKRs) are key tools used to measure and improve performance. KPIs are quantifiable measures that reflect our critical success factors. OKRs are a goal management framework that follow a structured, hierarchical approach, cascading from organisational objectives, with measurable results to track progress.

It ensures accountability, with performance metrics and reporting structures aligned to strategic objectives and KPIs are stored in a centralised Metrics database, enhancing organisational visibility, increasing accountability and alignment.

KPIs provide the primary mechanism for monitoring delivery against the IMTP and organisational objectives, enabling clear oversight of performance across priority areas. This is complemented by organisational performance reporting to Management Board, which includes standard metrics across delivery performance, quality and safety, workforce, finance, operational services and risk.

Throughout the year, these measures were used collectively to track progress against planned milestones and organisational processes and ensure focus remained on agreed outcomes. Performance was, however, impacted by a range of risks, including enhanced monitoring requirements, evolving national priorities and external dependencies. In response, activity was reprioritised and milestones reprofiled where necessary, ensuring continued delivery against Welsh Government priority outcomes while maintaining transparency on where risks affected performance.

We assess our performance across three dimensions:

- **Delivery** – the extent to which planned IMTP milestones and priority programmes were delivered
- **Outcomes** – the extent to which delivery translated into improved services, access and safety
- **System conditions** – the strength of governance, planning, and partnerships required to sustain delivery

Performance is rated across these dimensions using a combination of KPIs, milestone delivery, and qualitative assessment of risk and outcomes.



Planning

Our IMTP was underpinned by a solid planning approach built around clarity, practicality and alignment with NHS Wales priorities including:

- Welsh Government Digital Strategy (2023)
- Well-being of Future Generations (Wales) Act 2015,
- the Health and Social Care (Quality and Engagement) (Wales) Act 2020,
- Supporting the delivery of the refreshed A Healthier Wales 2024 action plan for health and social care in Wales.

We worked closely and constructively with the Welsh Government Digital Policy Team to align ministerial correspondence and policy expectations with the IMTP. This provided a clear, agreed position against which delivery was progressed throughout the year.

The plan was purposely structured to be phased and flexible, with Year 1 commitments being firm and Years 2 and 3 clearly identified as indicative, reflecting known uncertainty around future funding, capacity and dependencies. Delivery timelines were colour coded to show the level of maturity and certainty for each commitment, supporting transparent decision making.

Planning explicitly recognised resource uncertainty, particularly where budgets or funding allocations were not yet confirmed. New delivery commitments progressed from an early “future pipeline” stage into the plan only as confidence improved and routes to funding became clearer.

The process considered organisational capacity and constraints across the organisation, including business as usual demands, recruitment timelines, workforce availability and interdependencies between teams. This ensured commitments were deliverable and all risks fully understood. A robust change control process was in place to enable resources to be focused on the highest priority initiatives, delivering the most benefit to NHS Wales. We achieved 94% of our IMTP milestones by carefully managing funding, resource constraints and digital Welsh Government in year priorities within the system.

The plan was shaped through continuous engagement with partners, including Welsh Government, NHS strategic programmes, Health Boards and Trusts. It reflected priorities gathered through regular planning meetings, peer groups and service requests, with alignment managed throughout the year rather than only at plan sign off.

Overall, this represents strong delivery against national priorities and demonstrates effective use of mitigation to protect the most critical outcomes. However, it also highlights a gap between overall ambition and deliverability, with in-year adjustments required to manage risk and capacity. This indicates that while delivery discipline improved, further work is required to ensure plans are realistic, prioritised and sustainable.

Risk Management

We recognise that delivering our strategy and ultimately improving outcomes for patients and the public sometimes requires us to take well thought out risks. This means we manage risk in a disciplined way, making informed decisions, putting proportionate controls in place and monitoring delivery so that we remain in control. These risks are actively monitored alongside performance measures, ensuring that changes in risk exposure are reflected in delivery assessments. This enables the organisation to take timely action where risks begin to affect progress against our objectives.

The Board sets and regularly reviews our risk appetite and tolerance and therefore seeks assurance that overall exposure remains within agreed limits as circumstances change. Where risks move outside tolerance, they are escalated through our governance arrangements so that actions, ownership and decision making are clear and transparent. In limited circumstances, we may accept a higher level of risk—for example where the likelihood of occurrence is low, the potential benefits are significant, mitigation would be disproportionately costly, the period of exposure is short, or effective mitigation depends on action by external partners.

Our IMTP 2025 – 28 identified our main areas of risk as:

Cyber. Optimising our protection against cyber attacks is critical to ensure continued availability and delivery of our digital solutions. Otherwise, optimum safe and timely patient care is at risk.

Suppliers. We are reliant on supplier capacity to support key systems over the course of this plan. We need to be confident that delivery timescales are not at risk, and suppliers are focussed on an NHS Wales roadmap and requirements. Supplier financial viability is a key risk, as is non-compliance with national standards. Local contracts may be more attractive to health boards but less attractive to the market and interoperability.

Digital Inflation. Increased costs from suppliers of digital services could potentially impact on the organisation's ability to balance finances.

Sustainable Funding. Major projects digital funding uncertainty may impact on delivery of new systems and ongoing operational services. There can be uncertainty about future service level agreement income from other NHS organisations, including the transition of major programmes from Welsh Government digital priority investments into business as usual.

Resourcing. There is a risk of not filling vacancies in a timely manner and losing key resources due to funding uncertainty. Some digital skills are in short supply and posts can be difficult to fill.

Legacy issues. There is still legacy infrastructure which needs upgrading across the estate. Any focus away from this means new systems could sit on sub-optimal infrastructure which could delay roll out and presents a risk to delivery of our services.

Complex Interdependencies. The integrations between digital systems in health and social care are extremely complex. This can result in unexpected delays which may be difficult to mitigate, for example, when systems are provided by third parties.

Information Governance. Without a legal gateway that is fully transparent for the use of identifiable Welsh resident information, our Programmes such as the NDR and Value in Health, will not be able to derive the full benefits of their assigned responsibilities to collect, process and disseminate information for service improvement, innovation and research.

Where KPIs were not achieved or delivery was impacted, this was explicitly linked to underlying risks and their effect on outcomes. For example, external dependencies on suppliers and Health Board capacity affected the pace of programme delivery, requiring milestone reprofiling, but mitigation ensured that priority outcomes—such as national service availability and core digital functionality—were maintained.

Quality and Safety

We continued to maintain a strong focus on quality and safety through our ongoing commitment to the Duty of Quality and Duty of Candour established under the Health and Social Care (Quality and Engagement) (Wales) Act 2020. Compliance with these duties is demonstrated through the publication of Always On reports and the [Annual Quality Report](#), which sets out how we monitor quality, learn from experience and drives continuous improvement across our services and products.

Work progressed in aligning our approach to the Health and Care Quality Standards (2023) focussing on interpreting the standards in a way that is meaningful for a national digital organisation, by providing a clear and proportionate Quality Framework that supports both assurance and improvement. Further detail on this work is set out in the Annual Quality Report.

The organisation maintained its ISO certifications throughout 2025/26, demonstrating sustained commitment to recognised standards of quality, information governance and service management.

Oversight for quality, safety and compliance activities is supported by established governance structures, including the Quality and Regulatory Group, the Integrated Management Systems Assurance Group and the Medical Devices and Alerts Group which report into Audit and Assurance Committee, which in turn provides assurance to the Board.

Clinical Informatics Framework (CIF)

Our CIF provides a clear, two way structure for embedding clinical informatics input across our organisation, while also setting out the professional practice framework for the Clinical Informatics team. It ensures the clinical voice is consistently and proportionately reflected in digital products, services and programmes.

The framework supports colleagues across all directorates to engage clinical informatics expertise throughout the full lifecycle of digital change, from policy development and horizon scanning with Welsh Government and partners, through discovery, design and delivery, to live service management and training. This enables earlier and more structured clinical input, strengthening clinical assurance and reducing risk.

The framework also informs IMTP mapping, workforce and resource planning, helping to align clinical informatics capacity with organisational priorities. Its continued implementation has increased the provision of clinical informatics advice and guidance across DHCW, improving consistency, professional practice and alignment with national standards, and supporting the delivery of clinically safe, high quality digital services for patients and care professionals across Wales.

Concerns

We take all concerns seriously and recognise the importance of handling them in a consistent, transparent and proportionate way. Although not formally covered by the Putting Things Right Regulations, the organisation follows the principles of those arrangements, ensuring concerns are acknowledged, reviewed and responded to in line with established standards. Robust monitoring arrangements are in place to support early identification of emerging issues, with clear escalation routes and regular reporting to the Board, providing assurance that concerns are managed effectively and with appropriate oversight.

Throughout 2025/26, key themes have centred on the need for clearer communication, stronger stakeholder engagement and consistent application of governance and delivery processes. Feedback highlighted the importance of transparency, responsiveness and demonstrating clear ownership of actions. In response, we strengthened our governance structures, embedded more formal review mechanisms, and improved the visibility of performance and risk information through established reporting forums. These changes have supported more timely decision-making and greater organisational grip.

Learning from concerns has been actively embedded through structured review processes and a focus on continuous improvement. Formal investigations, lessons learned reviews and the application of frameworks such as the Contributory Factors Framework ensure that underlying causes are identified and addressed, rather than only managing symptoms.

This learning is reinforced through dedicated groups and quality governance arrangements, supporting improvements in service resilience, safety and reliability across the organisation.

As a result, we strengthened our approach to managing concerns, with clearer accountability, improved systems for capturing and acting on feedback, and greater organisational awareness of recurring issues. While we recognise that building confidence takes time, the actions taken during the year have established a stronger basis for responding to concerns, demonstrating a commitment to openness, continuous learning and sustained improvement. Clinical incidents form an important part of our overall approach to quality and safety assurance, providing insight into system risks and opportunities for improvement.

Clinical Incidents

Clinical incidents are monitored as part of our overall quality and safety framework, providing assurance on the safe operation of digital systems and services and ensures that they are not considered in isolation but as part of a wider system of performance, risk and quality management. All incidents are reviewed to assess potential impact on patient care, identify underlying causes and ensure that learning is captured and applied to prevent recurrence.

During the year 2025-26 we logged 13 clinical incidents. Three of these incidents were escalated to Welsh Government as Early Warning Notifications due to the assessment of the potential for patient harm during initial incident review, two by us and one in conjunction with a Health Board - this case was subsequently escalated as a Nationally Reportable Incident by the affected health board. No patient harm because of any act or omission by DHCW was identified in relation to any of these incidents, nor any associated requirement to trigger the Duty of Candour.

This approach ensures that our performance report provides a fair, balanced and understandable assessment of progress, clearly linking performance results to the risks and uncertainties that have influenced delivery during the year.



Mission 1: Provide a platform for enabling digital transformation

This mission focuses on enabling digital transformation across health and care by providing resilient national platforms, establishing a unified digital architecture, safeguarding patient data, and delivering secure and sustainable infrastructure at scale.



The **National Target Architecture** now provides a clear, evidence-based framework for connected health and care data, and integrated digital services across NHS Wales. During 2025/26, we completed a comprehensive current state assessment of the digital estate using a single national architecture repository.

Over 1,400 digital systems in use across NHS Wales were identified, with patient information currently distributed across around **300 separate systems**.

This has informed agreed target architectures, transition roadmaps and the development of a Strategic Investment Plan, which will guide prioritisation and sequencing of digital investment over coming years. During 2026/27, the focus will move to embedding national architecture and standards governance, supporting adoption of agreed roadmaps, and using architecture to reduce complexity, lower integration risk and improve delivery confidence across national programmes.

The **National Data Resource** (NDR) has progressed from platform build into a phase focused on data migration and adoption. Core components, including the Care Data Repository (CDR) and National Data and Analytics Platform (NDAP), are now underpinning live services such as the Shared Medicines Record, growth charts within the Welsh Clinical Portal(WCP), hospital appointment visibility in the NHS Wales App, and national Admission, Discharge and Transfer (ADT) data feeds supporting maternity systems.

Over **250,000** hospital appointments shared via the NHS Wales App.



GIG
CYMRU
NHS
WALES

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NHS
Wales App

These developments demonstrate the NDR's role as a foundational enabler for patient facing services, direct care and analytics.

During 2026/27, focus will be on onboarding agreed priority datasets, strengthening governance and assurance arrangements, and supporting partners to adopt national data flows as part of business as usual delivery.

National cloud and infrastructure services continued to operate at increased scale during 2025/26, underpinning the availability and resilience of critical digital services across NHS Wales.

These services supported approximately **2400 servers and 900+ databases**, providing the hosting, connectivity and integration required for national applications and platforms.

National integration and messaging services processed around **~200 million secure digital system to system messages**, enabling secure data exchange across primary, secondary and community care.

Document and results services handled on average **780,000 care documents and 1.6 million test results each month**, supporting timely access to information across organisational boundaries and care settings.

While migration to cloud based services continues, experience has increasingly shifted focus toward operational resilience rather than transition alone.

During 2025/26, activity prioritised service availability, disaster recovery, monitoring and security alongside cost control.

Further emphasis will be placed on observability, sustainability and capacity planning to ensure national infrastructure remains robust as digital dependency and demand continue to grow.

Cyber security remained a critical enabling function throughout 2025/26, providing national oversight, assurance and coordinated incident response within a shared responsibility model across NHS Wales. Our Security Operations Centre (SOC) and Cyber Resilience Unit (CRU) deliver 24/7 monitoring and system wide assurance for national platforms and services, improving early detection, response coordination and recovery planning.

During the year, national cyber services processed **on average 11 billion events and more than 100 TB of telemetry**, providing real time visibility of activity across cloud and on premise environments.

Targeted work extended SOC coverage to additional cloud workloads and critical software, strengthened use case development and tuning, and improved mean time to detect/respond for priority alerts.

The CRU led national assurance activity, including assessments against recognised frameworks and supplier due diligence for key services, and supported readiness through tabletop exercises and lessons learned reviews following sector incidents.

Together these actions support compliance with ISO 27001 and the Network and Information Systems (NIS) Regulations, reduce residual risk, and protect clinical systems and patient data as digital dependency grows.

Our Priorities for 2026/27 include extending integration between SOC telemetry and service observability, improving vulnerability management across diverse estates, and continuing system wide maturity uplift so that organisations can evidence consistent controls while maximising the availability of national digital services.

Information on our **Information Governance** (IG) arrangements, including updates on the IG Framework, Welsh Information Governance Toolkit submission for 2025/26 and data breaches is included as part of the Accountability report.

Members of the public are entitled to request information from public authorities. This includes information about themselves (Subject Access Requests), or information held by public authorities (Freedom of Information Act and Environmental Information Regulations requests).

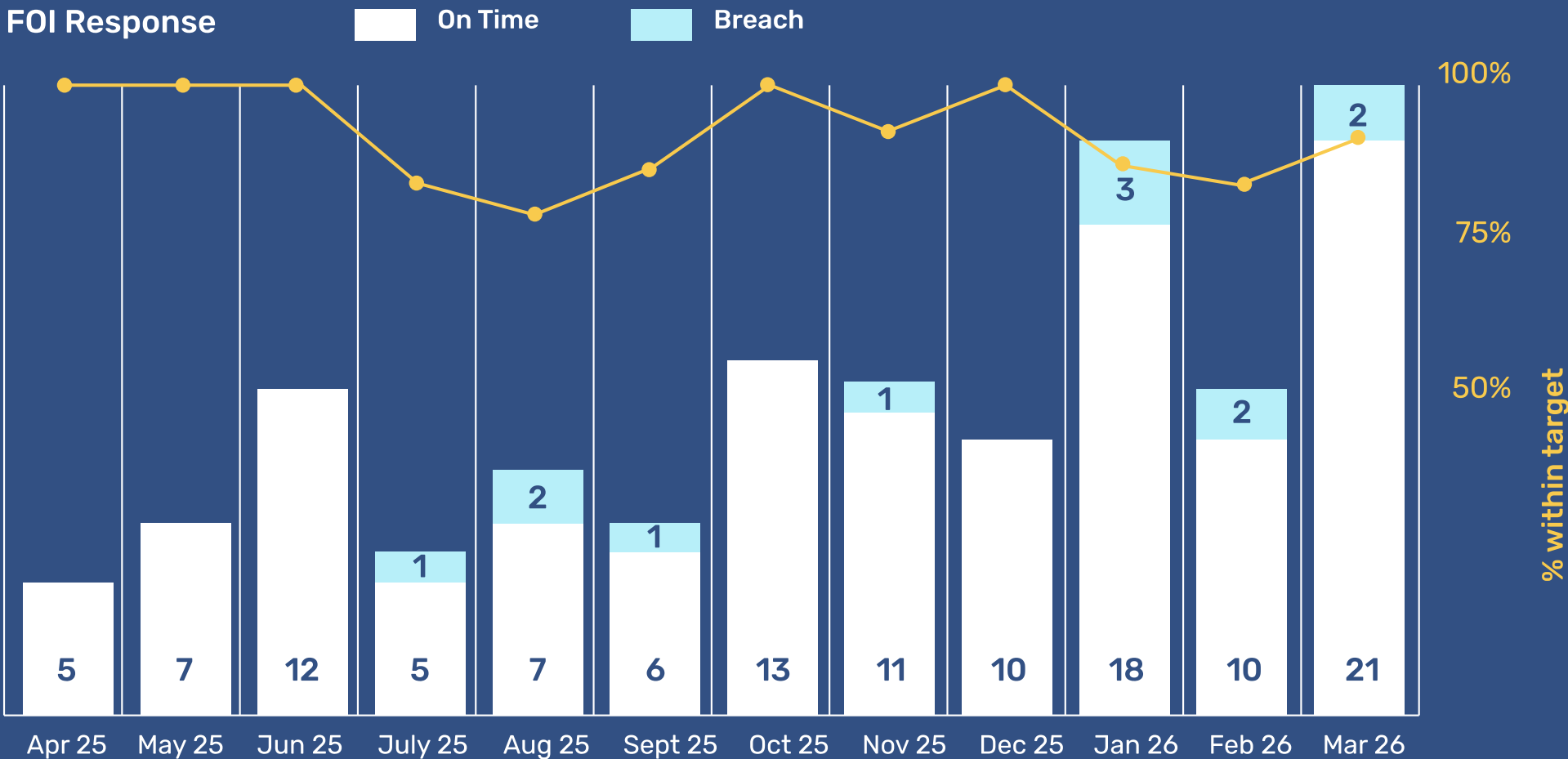
We are required to respond to any requests in line with the requirements of the legislation, including responding within statutory timeframes.

From April 2025 to March 2026, we received 156 requests under the **Freedom of Information Act 2000**. Within this timeframe, **92% of FOI Act requests were responded to within target**. 12 FOI Act requests were responded to outside of the statutory timeframes.

We received 68 **Subject Access Requests** within this timeframe. All responses were responded to within the statutory timeframes.

We also received 1 Environmental information Regulation request, 4 requests made by the police and other agencies under Schedule 2 of the Data Protection Act, 8 other Individual Rights request and 4 complaints/ FOI Internal Reviews – all of which were responded to within the statutory timeframes.

	Apr 25	May 25	June 25	July 25	Aug 25	Sept 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Number of Requests	7	11	11	6	12	11	16	15	16	14	22	15
Response												
On time	5	7	12	5	7	6	13	11	10	18	10	21
Breach	0	0	0	1	2	1	0	1	0	3	2	2
KPI %	100%	100%	100%	83%	78%	86%	100%	92%	100%	86%	83%	91%



Wales Accord on the Sharing of Personal Information (WASPI) progressed its application to become an Information Commissioner's Office Code of Conduct, reinforcing a common, trusted approach to information sharing across the public sector. To reduce local effort and variation, we supported the rollout of a digital service for Information Sharing Agreements (ISAs) so organisations can author, approve and evidence sharing arrangements in a consistent way. Updated national ISA templates were issued in the run up to WASPI's twentieth year, helping partners adopt a single, modern pattern for lawful sharing.



In parallel, the **Welsh Information Governance Toolkit** continued to evolve in response to user feedback, with a clearer user journey and improved reporting for organisations seeking assurance. The platform's reach widened, including support for Community Pharmacies through the Pharmacy Clinical Governance Toolkit, and a roadmap to enable a broader range of stakeholders to demonstrate IG assurance where they process personal data in the provision of NHS Wales services.

Client Services provides the day to day foundation for accessing national digital systems, delivering a fully managed desktop and device service across NHS Wales.

In 2025/26 the service operated at considerable scale, supporting approximately **16,500 users across 500+ sites**, including primary care and secure environments. Coverage included **369 GP practices** and **173 devices in prisons**, providing a consistent, security hardened build and a common support model.

The team continued an iterative device refresh programme, updating around **3,000 devices**, and progressed Windows 11 adoption alongside modern deployment methods to reduce downtime and improve user experience. Service reliability and security remained central. Client Services standardised systems and devices and strengthened identity controls, making it easier for frontline staff to sign in, including the use of biometrics where it was appropriate.

In 2026/27, the focus will move from one off upgrades to ongoing endpoint management. This includes better monitoring, better matched devices, and more self service for common requests such as software installs and password resets. These changes will help maintain service quality as demand grows, reducing costs, and ensuring staff have secure, reliable access to national systems.

Desktop Support is the managed desktop service we offer to our supported organisations. Our performance metrics, or Key Performance Indicators (KPIs), are set by Service Level Agreements with each organisation.

During the reporting period, Desktop Support managed approximately **16,417 incidents**, alongside **12,441 service requests**.

Incidents typically relate to faults or technical issues affecting devices, while service requests cover planned activities such as access changes, configuration updates and equipment provision.

Resolution performance is tracked against agreed timescales, with **97.27% (High); 95.12% (Low) of incidents** and **98.12% (High); 95.62% (Low) of service requests** completed within target.

Together, these measures provide assurance that Desktop Support services continue to operate effectively, maintaining service availability and minimising disruption to frontline operations.



Ongoing performance monitoring supports continuous improvement, enabling the service to identify trends, respond to emerging pressures and adapt capacity to meet demand across NHS Wales.

The national Service Desk continued to act as a single front door for digital support across NHS Wales during 2025/26. The Service Desk processed **approximately 222,095 tickets**, achieving a **call answer rate of 97.1%** and **customer satisfaction of 97%**.

The **Service Desk** plays a key role in sustaining service availability during national rollouts and infrastructure change, with ongoing improvement focused on automation, knowledge led support and improved triage.

We help keep NHS Wales digital services running securely and consistently, so people can access care more easily and staff can make safe decisions using the right information. The metrics highlighted below show the scale of the digital estate, the level of activity happening every day behind the scenes, and the practical improvements that are already reaching the public.

Overall, these measures help show how our national digital platforms, secure infrastructure, clear governance and responsive support, work together to improve patient access; support safety and privacy; and enable more reliable, connected care across Wales. Together, they form the foundations that support the delivery and experience of frontline digital services under Mission 2.

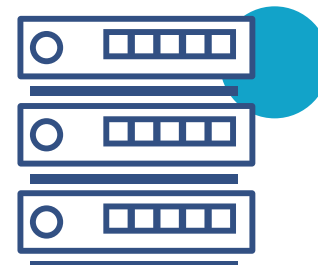
Over **1,400** digital systems are currently used across NHS Wales.



Patient information is spread across around **300** different systems.



250,000+ hospital appointments have been shared with patients via the NHS Wales App.



2,400 servers and **900+** databases support national NHS Wales digital services.

200 million secure digital messages are exchanged each year across NHS Wales systems.



780,000 care documents and **1.6 million** test results are shared securely every month.



24/7 national monitoring across NHS Wales systems help protect patient information and keep health services running safely.

DHCW has **clear national rules** for sharing information (WASPI) progressing to ICO Code of Conduct.

30 Subject Access Requests, **100%** answered on time.

14 information governance incidents - None reportable to the ICO.



DHCW provides secure, standardised devices and support to **369** GP practices across Wales.

National support services handled **229,000** support requests with **97%** customer satisfaction.





Mission 2: Deliver high quality digital products and services

We develop and deliver the high-quality digital systems and services that our partners across NHS Wales need to deliver health and care.



We achieved **99.969% availability this year** and continue to enhance our operational services across all settings. This includes continued work replacing older versions of diagnostics systems, joining up community health, mental health and social care data and the deeper rolling out and integrating medicines digital services. This work directly supports patient safety, efficiency of care and data accuracy. Digital requirements are developed with clinical networks and national strategic programmes including planned, urgent and primary care.

Primary care in Wales is supported by advanced digital tools to manage patient records and improve care. Following notification of the withdrawal of one of our GP Systems suppliers in 2024, we have been migrating GP practices to the remaining supplier, prioritising safety and minimising disruption, with 156 out of 194 practices migrated to plan by March 2026. The Dental Access Portal (DAP) has been implemented nationwide, enabling patients access to routine NHS dental care.

The **National Immunisation Framework (NIF)** and **Welsh Immunisation System (WIS)** support vaccination programmes. In September 2025, WIS became compliant with HL7 FHIR health data standards. This allowed secure data sharing with the National Data Resource (NDR) and Clinical Data Repository (CDR) and enabled the data to be used alongside other clinical systems. In addition, WIS underwent a user centred design improvements that reduces the number of clicks, improving throughput, freeing up meaningful time for patient interaction.

Diagnostic services in Wales are navigating increasing demand, standardisation issues, and scarce expertise by employing digital technology to enhance efficiency, patient safety, and data usage. Programmes like RISP and LIMS2.0 aim to modernise diagnostic systems, enabling better access to test results and improved information sharing across health boards. Despite challenges such as tight timescales and resource constraints, RISP progresses towards a fully integrated radiology system by 2026, while LIMS2.0 progressed to the launch phase.

The current laboratory information system (WLIMS) manages nearly 40 million tests annually, linking results across healthcare settings.

Recent upgrades have seen the go-live of new laboratory information management system including Cellular pathology, mortuary and Andrology tools across Wales.

The Six Goals for Urgent and Emergency Care programme, aligned with Welsh Government priorities, aims to provide high-quality healthcare close to home and improve service integration. This year, the Welsh Emergency Care Data Set (WECDS) has enabled dataflows to the NDR and has integrated the FHIR specifications empowering the development of the Urgent and Emergency care Application. The Patient Care Record (ePCR) and Computer Aided Dispatch (CAD) improved data sharing with health boards, while Same Day Emergency Care (SDEC) services collected new data to enhance service delivery.

Urgent Primary Care Centres and Out of Hours services worked on updating data standards, with a new telephony Data Standards Change Notification (DSCN) planned for 2025-26. Two real-time dashboards replaced the old Unscheduled Care Dashboard, improving data access for NHS Wales and Welsh Government.

The **Digital Medicines** programme in Wales is advancing towards a fully digital approach in prescribing and medication. More than one million items were dispensed using the Electronic Prescription Service (EPS) and the integration of digital prescriptions into Community Pharmacy Patient Medication Records.

Through the NHS Wales App, patients can receive “prescription ready” notifications and will soon nominate pharmacies for EPS prescriptions. In secondary care, the ePMA programme has seen health boards preparing hospital implementations, while readiness work continues for national integration. The Shared Medicines Record (SMR) project provides a consolidated record of medicines, allergies, and intolerances, enabling seamless data sharing between systems. These initiatives reflect significant progress in improving efficiency, safety, and patient care across Wales.



News Article: [Wrexham Maelor Hospital live with ePMA system and sharing discharge medicines with the Shared Medicines Record](#)

Mission 3: Expand the digital health and care record and use of digital

This mission looks at providing digital front doors to data which may be locked in specialist systems or in different health boards and settings. Predominantly the Welsh Clinical Portal and the Welsh Nursing Care Record provide this for clinicians in secondary care and the NHS Wales App for citizens.



The **NHS Wales App** has become a key digital gateway for patient services across Wales.

With more than three quarters of a million registered users, it has exceeded its March 2026 target and is enabling patients to manage key aspects of their care independently.



This includes ordering repeat prescriptions and booking GP appointments (where enabled by GP practices). The app now also provides access to information about waiting list referrals (made by a GP) and information about outpatient appointments, helping patients better understand and track their care journeys.

The content accessible to **Welsh Clinical Portal (WCP)** continues to expand, supporting frontline care across Wales, typically for over **600,000 patients every month**.



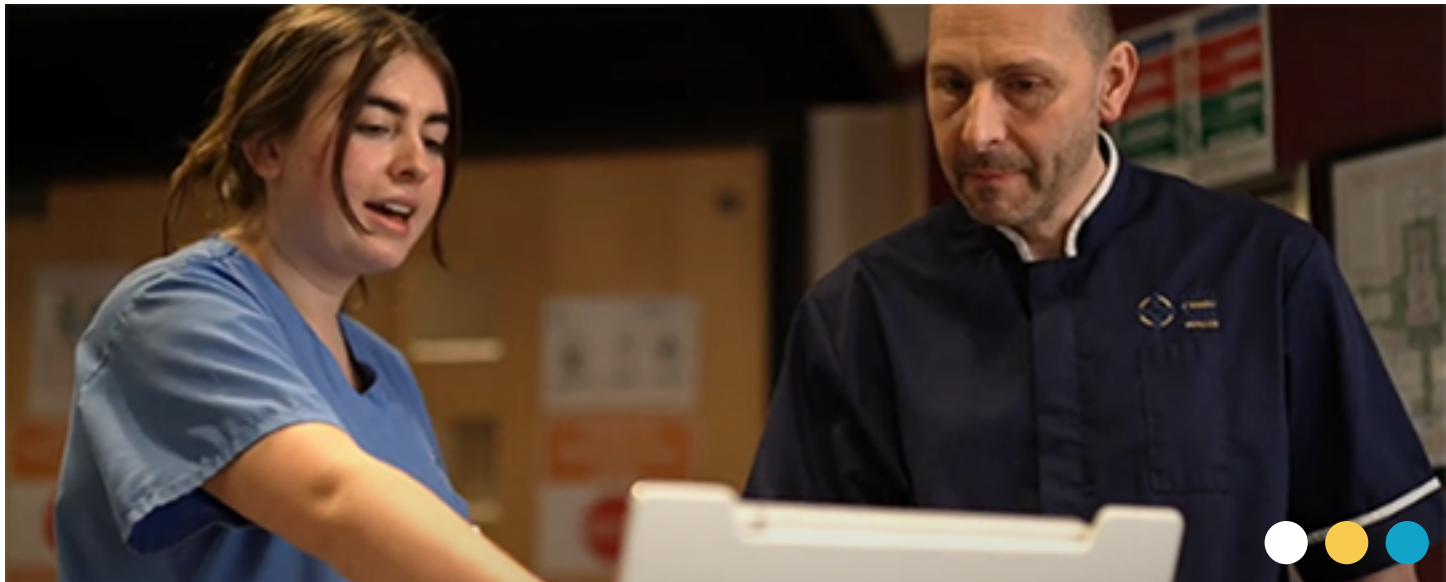
Paediatric Growth Charts are now available across Wales. This enhancement allows clinicians to quickly and securely view accurate, up to date growth trends, supporting earlier identification of potential health concerns.

A new **Workflow Action List** is being trialled in Cwm Taf Morgannwg University Health Board. This product, which supports clinical workflow, has been developed and is managed by DHCW and allows departments, such as cardiology and endoscopy, to receive and process diagnostic requests, reducing reliance on paper processes and improving task management. It also enables specialist services to group and manage patients.

National rollout of Electronic Test Requesting (ETR) continues at pace, with **over 85% pathology tests requested electronically** and almost a quarter of radiology test requests being made electronically.

Pathology and Radiology, supplemented by further modules such as Endoscopy, Histology, and Cardiology, are currently in pilot and testing phases. An electronic Operation Note has also been released to early adopters, incorporating Scan4Safety functionality to support patient safety.

Since its launch in 2021, the **Welsh Nursing Care Record (WNCR)** has transformed nursing paper documentation with a digital alternative, standardising processes and introducing a single nursing language across Wales. The system has delivered measurable benefits, including reduced costs, improved data quality, and time savings for nursing staff. A single national record has particularly improved continuity of care for the high percentage of patients moving between Welsh health boards, while ongoing agile development ensures the system continues to evolve based on real-world use.



Phase 2 of the **Cancer Informatics** Programme has successfully delivered a national cancer informatics solution, replacing CaNISC and modernising cancer data capture across NHS Wales. Core clinical functionality is now live and operating as business as usual, with cancer information becoming increasingly accessible through the WCP. The programme has improved national reporting, strengthened cyber resilience, and established a sustainable governance and product model to support future enhancements. Modernised cancer systems provide more reliable information to support timely, joined up cancer care.

Electronic Prescription Services (EPS) is live across all health boards in Wales, with GP rollout progressing toward full implementation by November 2026. Uptake by GPs and community pharmacies has exceeded national targets, with millions of prescription items already processed. Monthly usage continues to grow steadily, and more than half a million patients have received prescriptions through EPS, supporting more efficient prescribing and dispensing across the system, making it easier for patients to receive their medication.

News Article:
More than 100 GP practices in Wales using Electronic Prescription Service

The **Microsoft 365 Centre of Excellence (MSCoE)** led a national approach to purchasing Microsoft Extended Security Update licences following the end of Windows 10 support, ensuring NHS Wales devices remained secure while transitioning to Windows 11, enabling more secure and reliable devices helping staff focus on patient care without digital disruption.

Through coordinated negotiations with Microsoft and close collaboration with health boards, the programme **secured a £375,000 saving for NHS Wales.**

Canolfan Ragoriaeth
Microsoft 365 GIG Cymru
NHS Wales Microsoft 365
Centre of Excellence
IGDC • DHCW

The work also highlighted the benefits of a unified national approach and has informed the next phase: a Device Optimisation Discovery Project to improve visibility, management and long term sustainability of the NHS Wales device estate, supporting safer and more efficient digital services.

Overall, the continued growth of the NHS Wales App, expansion of content and workflow capabilities in the WCP, and the ongoing benefits of the WNCR are improving access, continuity and efficiency across health and care settings. Alongside the implementation of major national programmes such as EPS and enabling functions, including UCD, these advances are helping to deliver safer, more joined-up care. The focus for 2026-27 will be placed on scaling adoption, completing rollouts and integrations, and using consistent data and design standards to further improve user experience and outcomes for all stakeholders.



Mission 4: Drive Better Value and Outcomes Through Innovation

This mission focuses on turning data, information and research into meaningful improvement. Rather than just delivering systems, it's about ensuring digital and data actively improve care quality, safety, efficiency and population health outcomes.



Research and Innovation (R&I)

Our Research and Innovation (R&I) team continued to strengthen Wales's ability to deliver high-quality digital research and innovation. A key focus this year was improving operational timescales for research approvals and data provisioning, helping accelerate study setup and ensuring researchers receive timely access to high-quality linked datasets. This work has enhanced the efficiency and responsiveness of Wales's digital research environment.

Welsh health data continues to play an essential role in several major national studies, reinforcing our role as a vital national data partner. The team contributed to [**Heartburn Health \(Best4\) study**](#) aims to improve early detection of Barrett's oesophagus and oesophageal cancer through a simple capsule sponge test. Earlier identification helps clinicians plan care with greater clarity and gives staff a more efficient, less invasive testing option than endoscopy.

[**Paramedic3**](#), a large UK-wide trial, assesses alternative airway management strategies for out of hospital cardiac arrest and is expected to influence national prehospital care guidelines. Faster and more consistent vascular access gives emergency teams greater confidence and reduces technical delays during critical moments, helping staff deliver timely care under pressure.

The [SIROC](#) study supports national efforts to improve understanding of schizophrenia and early-intervention pathways, using linked data to explore lived experience and service needs. This evidence is now helping clinicians and teams consider improved monitoring approaches, supporting safer prescribing and reducing uncertainty for staff delivering mental health care.

Together, these studies reflect the impact of secure, well-governed Welsh health data in supporting research that benefits patients and clinical services.

Alongside research delivery, we successfully maintained our accreditation under the UK Statistical Authority’s Digital Economy Act (DEA) underscoring our continued compliance as a Trusted Third Party (TTP) working through Swansea University’s SAIL Databank. These accreditations assure staff and partners that Welsh data is being handled to the highest national standards, enabling research teams to work with greater confidence and clarity in the security and quality of the systems they rely on.

Collaboration remained central to the team’s approach. Working closely with [Health and Social Care Innovation Wales](#) and Innovation Leads across NHS Wales, the R&I team contributed to the national digital innovation agenda and strengthened relationships across sectors. The organisation’s achievement of ISO 56001 Innovation Management Certification reflects this maturing culture of innovation and continuous improvement—ensuring staff feel supported in exploring, testing and embedding new ideas that enhance the services they deliver.

Together, these developments build a stronger research and innovation environment across Wales—one that gives staff the information, confidence and resources they need to contribute to new discoveries, improvements in care processes and future service transformation.

NHS Wales e-Library



The [NHS Wales e Library](#) continues to play a key role in supporting staff across the health and social care system with quick,

reliable access to trusted, up to date information. From clinical evidence and research literature to specialist databases and training materials, the service equips staff with the knowledge needed to make informed decisions and maintain high quality practice.

In June 2025, the e-Library hosted its inaugural national conference, bringing together librarians, educators, clinicians, and digital knowledge specialists. The event highlighted new developments in knowledge services, showcased best practice in evidence use, and included sessions on AI, digital literacy, equitable access and the changing role of knowledge services within the health system. This will now form a flagship annual event for professional development, collaboration and service improvement as it helped build confidence among staff and encouraged consistent use of high-quality information across services.

All procurement and contract-management activity for the service was delivered on time. This included the full re-procurement of bibliographic and full-text databases and, for the first time, the procurement of the Public Health Database, ensuring broader evidence coverage for the workforce.

A major development this year was the launch of our [Policy on using AI for Information Discovery and Use](#). As NHS Wales’s copyright licence holder, we must ensure that AI technologies do not circumvent publisher licences or expose the organisation to copyright risk. The policy establishes a clear governance framework for safe, ethical and transparent AI use, emphasising copyright compliance, intellectual property protection and responsible use of licensed content. This ensures staff can benefit from emerging technologies while maintaining legal and contractual safeguards.

The eLibrary also commissioned a [Strategic Review and Feasibility Study of Open Access \(OA\) models for NHS Wales](#). The study identified substantial gaps in OA availability for NHS Wales authored outputs, particularly where staff publish without academic coauthors. Fewer than half of such outputs are currently accessible via OA, limiting their visibility and the ability to share learning across the system. The review recommended prioritising the development of a national NHS Wales institutional repository as the most scalable and cost-effective solution for surfacing both published and grey literature. This work builds on [DHCW’s own Open Access Policy](#) and [organisational repository](#), which have already led to a more than 50% increase in our OA outputs.

These developments lay the foundation for a more equitable, transparent, and accessible research sharing environment across NHS Wales. This work supports shared learning, enabling staff to see and build on research happening within the system—and helping organisations across Wales benefit from each other’s insights and innovation efforts.

These developments ensure the NHS Wales workforce has the evidence, confidence and tools needed to provide consistent, high-quality care creating the conditions for a more informed and supportive environment for staff, which in turn enhances experiences and outcomes for the people they serve.



NHS Wales e-Library usage stats 2025 - 26

Number of e-Journal articles accessed
511,011

Number of e-Book chapters accessed
47,913

Number of database searches **432,770**

Number of Medicines Information and Drug Tool Requests **39,551**

Number of evidence summary topics (web and mobile) **215,589**

Number of guideline topics accessed **5,640**

Number of e-Learning modules completed
10,414

Value from Data

Our Value from Data capability is focused on enabling better decision making across NHS Wales by providing trusted, timely and transparent information and insight. Our aim is to ensure that health and care data is translated into meaningful intelligence that supports service improvement, population health management and national priorities, while maintaining public trust and high professional standards.

During the year, we made progress in expanding the range, richness and accessibility of national data assets available for analysis and insight. An increasing range of National Clinical Audit data is now available centrally, enabling the secure linkage of rich clinical information and supporting more sophisticated analysis to inform quality improvement and service evaluation.

Modernisation of national analytics capability has continued using cloud based technologies. Exploratory work has been undertaken to assess the potential benefits of Machine Learning and Natural Language Processing, using new capabilities available on the Google Cloud Platform.

This work is focused on understanding where advanced analytics can add value safely and proportionately, supporting future innovation while ensuring strong governance and ethical use of data.

Progress has also been made in strengthening Patient Reported Outcome Measures (PROMs) data.

End to end testing is underway, from patients completing PROMs remotely to clinicians viewing results in the Welsh Clinical Portal. In parallel, work is also in progress to send PROMs links directly to patients through the NHS Wales App, helping gather feedback more quickly and make better use of outcomes data to improve care and services.

International benchmarking and comparative insight continue to inform national policy and service development. Insights from the Organisation for Economic Co operation and Development (OECD) Patient Reported Indicator Surveys (PaRIS) are now being shared with Clinical Networks and Welsh Government colleagues.

This is helping to inform policy development and initiatives such as the Women's Health Network and Community by Design, combining international learning with local data and Welsh context to support better informed decisions. Alongside these developments, we continue to deliver a comprehensive national analytics service.



More than **100 live dashboards** are now available, supporting a wide range of national priorities and enabling consistent, transparent reporting across NHS Wales.



These dashboards, alongside a growing portfolio of data products and statistical publications, support operational, clinical and strategic decision making at local and national levels.

Our Value from Data teams also contribute to the wider research, analytics and innovation landscape through academic publications, conference presentations and professional forums, supporting knowledge exchange and strengthening analytical capability across the system. This activity ensures that learning from Wales is shared more widely, while also bringing external insight back into national work.

As an official statistics producing body, we continue to work closely with Welsh Government and other statistics organisations to ensure that data is produced and published in line with the Code of Practice for Statistics. Strong governance, professional standards and quality assurance underpin all Value from Data activity, ensuring that information is accurate, proportionate and trusted.

Through Mission 4, Value from Data is explicitly focused on demonstrating value and outcomes, not simply the production of data. By improving the availability, quality and use of insight, DHCW enables NHS Wales to understand what is working, where improvement is needed, and how data and analytics can deliver measurable benefit for patients, staff and the wider system.



Mission 5: Be the trusted strategic partner and a high quality, inclusive and ambitious organisation

During 2025/26 we concluded the Building Our Future Programme and embedded its ways of working into business as usual.



Its five projects (Put people First; Simplify everything we do; Design for more digital More Data; Find More Value; Learn from the past to embrace the future).

As a result the programme has helped to strengthen capability through:

- Development of the Target Operating Model and progressed - role alignment with the Government Digital and Data Profession Capability Framework
- Launch of the Digital Learning Portal and strengthened user-centred design.
- Setting an enterprise tooling strategy and standardised priority tools.
- Pilot of a sustainable financial model and delivered an AI Roadmap.
- Improved stakeholder collaboration and delivered QI training.
- Embedding lessons learned reviews to strengthen future delivery.

Together, this has supported the shift to a product approach, improved consistency and continuous improvement, and further strengthened our ability to deliver high-quality digital services for Wales.

Culture

During 2025–26, we used staff feedback more directly to shape culture improvement. The What Matters to You approach remained one of the main ways we gathered staff insight and used it to inform priorities. This helped us focus on issues that staff said mattered most, including psychological safety, leadership behaviour and how change is experienced in practice.

The Culture Improvement Group provided a more structured route for turning culture evidence into action. Through joint analysis of staff feedback and transparent reporting through the Local Partnership Forum, we linked improvement work more directly to values, behaviours and leadership expectations. This gave us a clearer basis for action and accountability.

We also widened the channels through which feedback could be heard and acted on. This included Listen and Learning sessions, which created additional opportunities for colleagues to raise issues and share experience, and the introduction of 360 feedback to strengthen leadership insight and accountability. These changes increased transparency and created more direct routes for feedback to influence improvement.

The NHS Wales Staff Survey 2025 gave us a clearer evidence base for culture work. We achieved a **68.5% response rate**, the third highest in NHS Wales, up from 62.3% in 2024 and 60.5% in 2023. This was positive because it increased the strength of the evidence available to us.

However, our engagement score was 74%, a slight reduction on the previous year, reflecting a wider system trend. Although we remained above the NHS Wales benchmark across all survey themes, this suggests that morale and experience continue to be under pressure.

Staff continued to report positively on teamwork, feeling valued, flexible working and supportive environments. At the same time, the survey reinforced that we need to keep focusing on wellbeing, psychological safety and the lived experience of change. This is particularly important in a period where organisational change can place additional strain on individuals and teams.

Talent Development

During 2025–26, we focused on three practical areas of capability, clearer role definitions, leadership development and more structured access to learning. Through the Building Our Future programme, we aligned relevant roles to the Government Digital and Data Profession Capability Framework. This improved consistency in role design and gave us a clearer basis for defining expectations, development pathways and future capability needs. That mattered because clearer roles support better deployment, development and succession planning in specialist areas that are important to delivery.

Adeiladu Ein Dyfodol

Building Our Future

IGDC • DHCW

We delivered compassionate leadership workshops and neurodiversity training to strengthen leadership capability during a period of change. We also continued senior leadership development through quarterly Senior Leadership Team sessions and participation in the Whitehall & Industry Group leadership programme. This mattered because leadership consistency affects how well teams are supported through organisational change and operational pressure.

We launched the Digital Learning Portal and progressed implementation of the Learning Management System. This brought learning opportunities together more coherently and created a better foundation for linking development to role requirements and identified skills gaps. Alongside this, Heads of Profession and Communities of Practice supported stronger professional identity and development in digital and specialist roles.

We also began structured work to identify critical skills, so that we have a clearer understanding of where loss of capability would create the greatest delivery risk. Training and coaching in delivery disciplines, including Agile methodologies, were introduced to support more consistent ways of working across value streams. This was intended to improve prioritisation, reduce duplication and support more outcome-focused delivery.

A clear limitation is that this is not yet a mature strategic workforce plan. During 2025–26 we put in place stronger foundations, and the next stage is to translate these into a more evidence-based plan covering future skills requirements, workforce risks and the actions needed over time.

We also need to ensure that staff experience these changes not simply as structural alignment, but as clearer pathways and better access to meaningful development.



MY LMS
FY SRD



MY space to learn, grow and thrive.
FY lle l ddysgu, tyfu a ffynnu.



IGDC • DHCW

Equality, Diversity and Inclusion

During 2025–26, we delivered several specific actions under our Strategic Equality Plan. We ran awareness and spotlight sessions on topics including carers' experiences, Windrush, South Asian Heritage, Black History Month and inclusive leadership. These sessions were used to maintain visibility of equality issues and support organisational learning.

We maintained 94.5% compliance with anti-racism training and introduced neuroinclusion training to strengthen understanding of how we support neurodivergent colleagues. We also revised our Equality Impact Assessment procedure and uploaded completed assessments to IPassport. This improved consistency and visibility in how equality impacts are considered across policies, strategies and service developments.

Equality Impact Assessments completed during the year included the Working Outside the UK policy and the Organ Donor Registration App. This mattered because it strengthened our ability to identify where policies or digital services may affect different groups differently, and to address those issues earlier in design and decision-making.

We also strengthened recruitment practice through mandatory hiring manager training, the use of diverse interview panels and an EDI-focused question bank linked to our organisational values. These actions were taken in response to the Workforce Race Equality Standard and were intended to improve consistency and fairness in recruitment.



In 2025, we expanded mandatory pay gap reporting beyond gender to include ethnicity and disability. This improved transparency and gave us a stronger evidence base for understanding inequality in workforce outcomes.

We also increased organisational capacity through the appointment of a Wellbeing and Diversity Officer and maintained active engagement through our EDI and wellbeing networks. However, the more important test is whether the actions are driving improved outcomes. The focus of ongoing work is to ensure there is sustained improvement in staff experience and outcomes over time.

DHCW is moving from strategic intent to embedded, evidence-led practice, where equality and ethical governance are systematically integrated into how services are designed, delivered, and evaluated. Through our Strategic Equality Plan, robust governance frameworks, and a data-driven approach, we can demonstrate that we are actively meeting our statutory obligations under the Public Sector Equality Duty (PSED), alongside our responsibilities for preventing bribery, fraud and corruption. This ensures both equitable outcomes and the highest standards of integrity in the use of public resources.

Equality is embedded by design – DHCW integrates equality, inclusion, accessibility and ethical considerations into the planning and delivery of all services and digital products. This ensures services are responsive to diverse user needs, reduce inequalities, and are delivered in a way that is transparent and accountable.

Due regard to PSED is systematically applied and evidenced – The three aims of the Public Sector Equality Duty (eliminating discrimination, advancing equality of opportunity, and fostering good relations) are explicitly considered and documented within policy development, service design, workforce practice and decision-making processes. Equality considerations are not retrospective but built in from the outset and evidenced through formal assessment and governance routes.

Robust processes ensure inclusive, accessible and compliant services, with practical evidence including:

- Equality Impact Assessments (EIAs) embedded within digital service development lifecycles (e.g. Community Pharmacy access via the Welsh Clinical Portal), identifying and mitigating potential barriers for protected groups
- Bilingual (Welsh and English) services and communications, supporting compliance with the Welsh Language Standards and equitable access
- Digital platforms and learning systems designed to meet accessibility standards and the needs of a diverse workforce and user base
- Clear procurement, financial control and decision-making processes aligned to anti-bribery, counter-fraud and corruption prevention requirements, ensuring that services are commissioned and delivered with integrity, transparency and value for public money

Evidence, data and engagement drive continuous improvement – Workforce and service data (including protected characteristic monitoring), alongside structured engagement with staff networks and lived experience groups (e.g. EDI Network), inform service design, policy review and organisational improvement. This ensures DHCW can evidence how it identifies inequalities, takes proportionate action, and tracks impact over time.

A strong control environment supports anti-bribery and counter-corruption duties – DHCW operates clear policies, training, and controls aligned to NHS Wales standards on counter fraud, bribery and corruption, including:

- Regular staff awareness and mandatory training on standards of conduct, conflicts of interest, and fraud prevention
- Transparent declaration of interests and gifts/hospitality processes
- Financial governance, audit, and internal control systems that mitigate risk and provide assurance
- Partnership with counter fraud services to detect, prevent and respond to risks

Governance and assurance frameworks provide oversight and accountability – Board oversight, annual equality reporting, Strategic Equality Plan monitoring, internal audit, and quality governance systems provide robust assurance that DHCW is meeting its statutory equality duties, upholding ethical standards, and continuously improving. This enables transparent reporting on compliance with the PSED and accountability for preventing bribery and corruption.



We remain committed to supporting the Welsh Language Scheme by encouraging staff to learn and use Welsh in the workplace.

Compliance with **Welsh Language Awareness training stands at 98.2%**, with **58.5% of staff assessed at levels 1–5**. Targeted recruitment activity has also been undertaken to increase Welsh speaking capability, with **5% of new and vacant posts advertised as Welsh language essential and 95% as desirable during the year**.

Sickness Absence: Overall Sickness is 2.70% at the end of March 2026, with an average over the year of 3.42%.

Appraisals: Appraisal completion rate is 82.19% at the end of March 2026, with an average over the year of 84.03%. During this period there has been large-scale structural changes across the organisation, and line-managers and employees have been transitioning into new roles, reporting lines and ways of working, which has led to PADRs being delayed. This will improve throughout the beginning of 2026/27 and we are confident this will move beyond the Welsh Government set target.

Statutory and Mandatory Training: The completion rate is 95.16% at the end of March 2026, with an average over the year of 95.39%.

Our commitment to excellence and continual improvement is demonstrated by the retention and recertification of the BS 76000 Valuing People and ISO 30415 Equality and Inclusion Standards. These achievements reflect our strategic focus on creating a positive, supportive environment where our people can thrive.

Taken together, this work was brought into sharper focus through the refresh of our People Strategy for 2026–2030, People at the Heart of Digital Health. This gives us a clearer strategic framework for skills, leadership, inclusion, wellbeing and workforce sustainability, and a more coherent basis for aligning our workforce priorities to organisational delivery needs and the longer-term capability requirements of NHS Wales.

Our Current Workforce

DHCW is undergoing a period of transformation, shaped by organisational growth, evolving service demands, and a renewed focus on inclusivity, leadership, and strategic planning.

This data reflects a healthy age distribution, with a strong mid-career presence and manageable tapering toward retirement age.

We have active Equality Diversity and Inclusion and Health and Wellbeing Networks to shape our thinking and make positive improvements. Greater emphasis is needed on creating a truly inclusive workplace, as disabled individuals remain under-represented and there is inconsistent representation of Black, Asian, and Minority Ethnic groups across all levels of the organisation.

Workforce Composition (as at 31st March 2026)



Contract Type:

- 83% Permanent
- 9% Fixed Term
- 7% Secondment
- 1% Honorary

Working Pattern:

- 90% Full-Time
- 10% Part-Time



Gender Split:

- 55% Male
- 45% Female

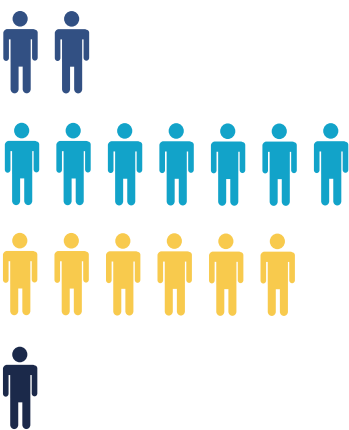
Disability Declaration:

9.53%

Welsh Language Proficiency:

- 4.2 % Fluent (level 5)
- 15.7% with proficiency levels 2-5
- 38.6% Level 1

Age Profile & Generational Breakdown:



- Gen Z (Born between 1997-2011): 11%
- Millennials (Born between 1981- 1996): 48%
- Gen X (Born between 1965-1980): 37%
- Baby Boomers (Born between 1945-1964): 4%

Well-being of Future Generations (Wales) Act 2015



The Well-being of Future Generations Act, established in 2015, requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

This year these objectives were linked to our missions which contribute to multiple well-being goals, reflecting the interconnected nature of delivery and outcomes under the Act.



Mission 1 – Provide a platform for enabling digital transformation

Linked Well-being Objective: A Healthier Wales | A Prosperous Wales | A More Equal Wales

Intended / Observed Outcome: Improved availability and accessibility of health data, supporting more informed decision-making and enabling progress towards better population health outcomes, although impact at scale remains variable.



Mission 2 – Digital services for health and care professionals

Linked Well-being Objective: A Healthier Wales | A Prosperous Wales | A More Equal Wales

Intended / Observed Outcome: Enhanced access to digital tools and information for professionals, supporting safer and more efficient service delivery, with evidence of improved processes but inconsistent translation into measurable system outcomes.



Mission 3 – Expand the digital health and care record and use of digital

Linked Well-being Objective: A Healthier Wales | A More Equal Wales | A Wales of Cohesive Communities | A Prosperous Wales

Intended / Observed Outcome: Increased access to digital services for patients and the public, contributing to improved engagement and experience, with continuing work required to demonstrate consistent impact on prevention and health outcomes.



Mission 4 – Drive Better Value and Outcomes Through Innovation

Linked Well-being Objective: A Wales of Cohesive Communities | A Globally Responsible Wales | A Prosperous Wales.

Intended / Observed Outcome: Strengthened collaboration with partners and wider system engagement, contributing to clearer shared priorities and approaches, although confidence and co-ownership remain variable across the system.



Mission 5 – Be the trusted strategic partner and a high quality, inclusive and ambitious organisation

Linked Well-being Objective: A Prosperous Wales | A Resilient Wales | A More Equal Wales | A Globally Responsible Wales | A Healthier Wales

Intended / Observed Outcome: Progress in workforce development, organisational culture and sustainability initiatives, including steps towards carbon reduction and a more inclusive workforce, with longer-term outcomes still emerging.

These were embedded across the organisation's strategic missions and delivery plans, focusing on improving population health outcomes through digital services and data, supporting sustainability, strengthening system collaboration and enabling an inclusive workforce. Delivery against these objectives was broadly positive in terms of activity and outcome, with strong progress in areas such as digital service provision and alignment to national priorities.

However, this did not consistently translate into demonstrable outcomes or sustained improvements across all programmes, with some slippage and variability in delivery where risks and dependencies materialised. Overall, while the organisation delivered against many of its planned commitments, further work is required to demonstrate consistent impact and outcomes in line with the intent of the well-being objectives.

Cymraeg

As a bilingual organisation, DHCW is committed to promoting and embedding Cymraeg in line with national priorities, including Mwy na geiriau, duties under the Welsh Language Standards and the DHCW Welsh Language Scheme. Our approach supports the everyday use of Cymraeg at work and contributes to its wider use across communities in Wales.

We operated throughout 25-26 under our Welsh Language Scheme, which sets out how we treat both Cymraeg and English equally and how we support staff and services to use Cymraeg with confidence.



Our Key Commitments and Progress

We continue to make good progress in strengthening Welsh language capability across DHCW and supporting Cymraeg in the community.

1. Supporting Our People

We actively support staff to learn and use Cymraeg at all skill levels. **Over half of our workforce (54.3%) now have at least basic Welsh language skills**, helping to normalise the use of Welsh in daily work. This progress enabled the introduction of a Welsh language mentoring scheme, with 6% of staff taking part, supporting confidence, peer learning and day to day use of Welsh. All staff can access free Welsh learning opportunities, and we have actively promoted Cwrs Croeso since its launch, with 8% of staff participating.

2. Education, Awareness and Accountability

Welsh language awareness training remains a core requirement, helping staff understand their responsibilities under the Welsh Language Standards and Scheme, with over **97% of staff** completing this. Alongside formal training, Leading in a Bilingual Country principles are being embedded into leadership behaviours, reinforcing Cymraeg as part of our organisational culture rather than a compliance activity alone.

3. Workforce Planning and Recruitment

We strengthened Welsh speaking capacity through targeted recruitment, advertising posts to attract Welsh speakers wherever possible. Welsh language requirements are considered alongside role need and service impact, ensuring we build sustainable bilingual capability that supports services and communities.

4. Cymraeg in the Community

Our approach supports More Than Just Words by increasing confidence and visibility of Cymraeg in both internal and external DHCW activity. By growing Welsh language skills within the workforce, we are better able to engage with partners, stakeholders and communities in the language of their choice and contribute positively to the wider Welsh language ecosystem.

5. Leadership and Oversight

Senior leaders, Board members (of which two are Welsh Language Board Champions), SHA Board and the Audit & Assurance Committee, provide active oversight of progress against the DHCW Welsh Language Scheme (along with preparation to formally become part of the Welsh Language Standards in 2026), setting clear expectations and supporting culture change. This leadership commitment is essential to embedding Cymraeg as a living, working language across DHCW.

Social Partnership Duty

The Social Partnership and Public Procurement (Wales) Act 2023 (the SPPPA 2023) requires DHCW, as a public body, to produce an annual report to evidence how they have complied with the Social Partnership Duty, the report must be agreed with the public body's trade union, submitted to the Social Partnership Council (SPC) for scrutiny.

Social Partnership

During 2025–26, we used social partnership more consistently in workforce decision-making. We worked jointly with recognised Trade Unions to align job descriptions and workforce structures to the Digital, Data and Technology framework. This gave staff clearer role expectations, more consistent job information and a stronger basis for development and progression. It also supported a more transparent approach to change at a time of organisational redesign.

We used formal partnership arrangements to support changes linked to our Target Operating Model. Staff and Trade Union representatives were involved from the outset, with proposals discussed through the Local Partnership Forum and reported through Management Board processes. This improved clarity, reduced the risk of inconsistent implementation and helped staff understand how and why decisions were being made.

We also co-developed a [DHCW Social Partnership Case Study](#). This set out how partnership is working in practice in our organisation and was shared internally, with Welsh Government and with national partners. Its value was in providing a clear account of the standards we expect in partnership working and how these support fair work and better workforce decision-making.

In January 2026, we held a Social Partnership Workshop with senior leaders, Trade Unions and social partnership champions. This reviewed our self-assessment, well-being objectives and ways of working. It confirmed strengths in purpose, values, relationships and collaboration, and identified two areas requiring further action, clearer shared aims and better flow of information into the workplace. These were built into the 2026 work plan.

While these arrangements strengthened how we managed change, organisational change remained challenging for staff. Structural change, role refinement and changes to reporting lines inevitably created uncertainty, and maintaining trust and clarity through that process requires continued attention. This remains an important area for us to keep improving.

The organisation remains compliant with relevant equality, diversity and human rights legislation, including the Well-being of Future Generations (Wales) Act and Welsh Language Standards, supported by delivery of our Strategic Equality Plan and ongoing monitoring through governance arrangements.

Stakeholder Engagement

During 2025/26, stakeholder engagement became a sharper organisational priority following DHCW entering escalation, with feedback from stakeholders identified as a key area requiring improvement. In response, stakeholder engagement was made an explicit action within the escalation and improvement plan, strengthening leadership focus, accountability and oversight. This resulted in a more structured and purposeful approach, including increased senior level engagement with stakeholders, clearer ownership of actions, and regular monitoring of delivery through established governance arrangements.

As part of this response, DHCW developed and implemented an action plan informed by an Independent Stakeholder Review. The review provided external challenge and evidence-based insight into how the organisation works and communicates with partners, benchmarked stakeholder views of collaboration with DHCW, and identified opportunities for improvement. Its recommendations were translated into a time-bound plan, with progress monitored throughout the year to support meaningful, sustained change rather than ad hoc engagement activity.

Being in escalation accelerated change by shifting engagement from an enabling activity to a core delivery requirement. This led to clearer expectations around transparency, more active listening, and improved consistency in how we engage across programmes.

By embedding stakeholder engagement formally within the escalation response, we have strengthened trust, improved responsiveness, and laid the foundations for more effective partnership working as the organisation moved forward

Digital Inclusion

Digital inclusion remained a priority for us in 2025/26. During the year, we commissioned Cwmpas to carry out a baseline review of organisational activity and research with seldom-heard groups to better understand the digital inclusion needs of our communities. We also undertook engagement with internal and external stakeholders. This work built on our commitment to the Digital Inclusion Charter for Wales and informed the development of an organisation-wide Digital Inclusion Action Plan to bring activity together, clarify our commitments and demonstrate system leadership.

Targeted, place-based pilots with the South East Cardiff GP Cluster and the Chinese Community in Wales took place to test more inclusive approaches to accessing NHS digital services; as well as expansion of the Digital Champions network to build confidence and skills among staff and communities. We also strengthened system coordination by convening the first Digital Inclusion Delivery Group for NHS Wales, helping to embed inclusive design and more equitable access across programmes and services.

Behind the screens blog - [Delyth Williams: The importance of digital inclusion](#)

Finance

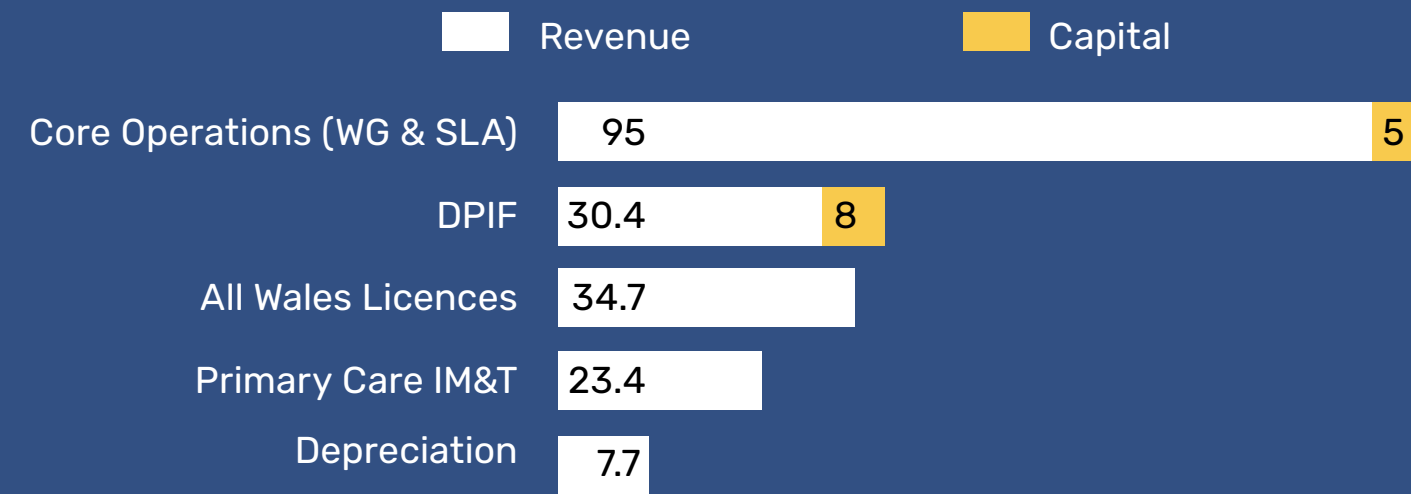
Our main objective is financial sustainability. The key financial indicators reflect both statutory (to achieve breakeven in revenue and capital allocations) and administrative targets (to pay 95% of all non-NHS within 30 days). We continue to identify opportunities to automate processes, lead on accounting for digital guidance, benefits management and financial analytics.

DHCW is reporting achievement of all the key financial indicators for the financial year.

Indicator	Result	Summary
Revenue Breakeven (To secure that the organisations expenditure does not exceed aggregated income)	Achieved	Small operational surplus of £0.241m (0.1% of revenue funding received).
Remain within Capital Resource Limit (To ensure net Capital Spend does not exceed the Capital Resource Limit CRL)	Achieved	£12.375m capital and £0.768m IFRS16 lease spend, totalling £13.143m against a capital limit of £13.238m, resulting in an underspend of £0.095m (1%).
Public Sector Payment Policy (To pay a minimum of all non-NHS creditors within 30 days of receipt of a valid invoice)	Achieved	PSPP target achieved. 99% achieved against a target of 95%.
Bank Sufficient bank balances	Achieved	Balance as at 31/03/25 £4.2m.

To support organisational activities we spent £204.3m (Revenue & Capital) in the following 5 main areas:

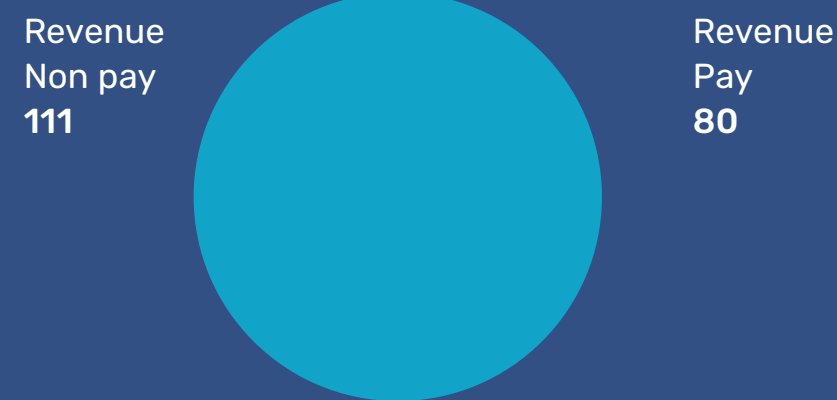
2025/2026 Organisational Spend £m



The expenditure recorded during the year of £204.3m (£191.2m revenue and £13.1m capital) can be further analysed as follows:

2025/2026 How We Spend Our Funding £m

Revenue Expenditure

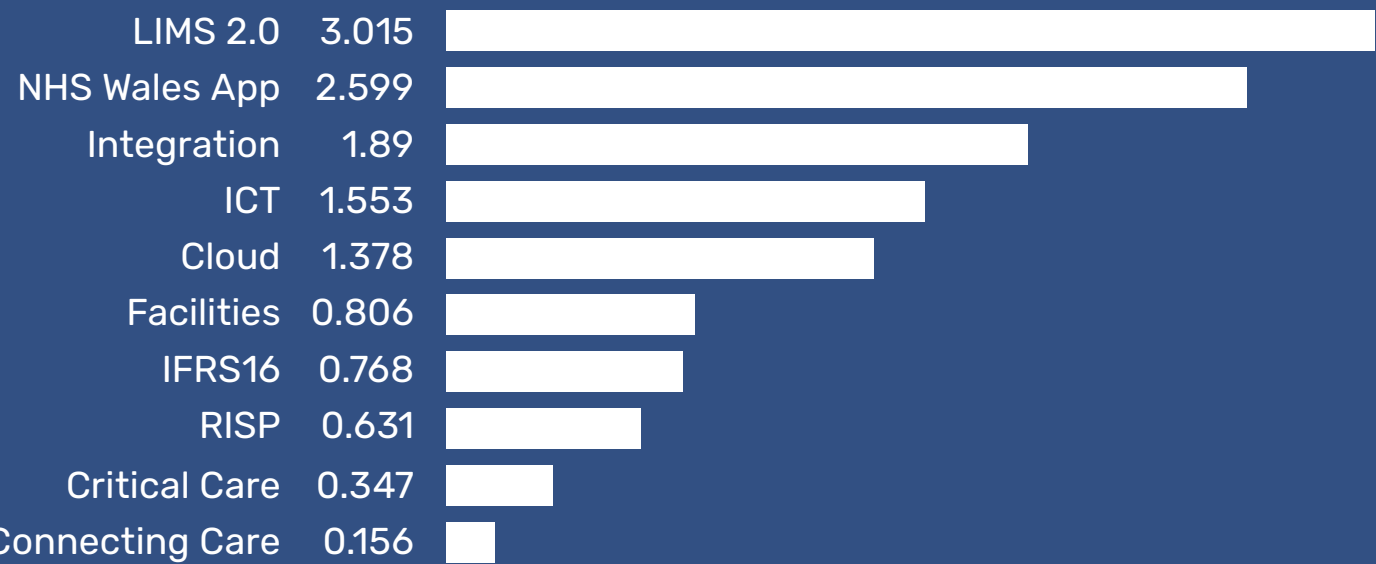


Capital Investment



In terms of capital investment totalling £13.143m, the key initiatives consisted of the following schemes:

2025/2026 Capital Expenditure £m



These capital investments have supported delivery of our IMTP commitments and national priorities, enabling progress across major programmes and strengthening digital capability across NHS Wales. Investment has been managed within the approved Capital Resource Limit, contributing to overall financial control and supporting the organisation’s breakeven position. For example, LIMS 2.0 is progressing via a staged national rollout, RISP is enabling health boards to implement integrated radiology systems, and the NHS Wales App has expanded patient access to digital services.

Investment has been managed within the approved Capital Resource Limit, supporting financial control and the organisation’s breakeven position while improving system resilience and capability.

Sustainability Report

The approach to delivering against our wellbeing objectives (as defined by the Wellbeing of Future Generations Act (2015)) was drafted and developed through the Building Our Futures programme and Social Value considerations are being embedded into the Microsoft Enterprise Agreement renewal process.

To support our Wellbeing Objectives, we piloted the Ecosia search engine for one month. Following positive feedback from the pilot and the Dragon’s Heart Institute’s Spread and Scale Academy, Ecosia was adopted organisation-wide, resulting in:



We have continued to progress the sustainability agenda in several areas, including a milestone being achieved, relating to Estates Rationalisation by reaching agreement with our Landlord in Technium 2 to reduce DHCW’s footprint significantly at the end of March 2026 – this reflects our agile working practices. This rationalisation will achieve savings in both cost and carbon emissions. We also offer surplus DHCW Estate to partner organisations and share space in Cardiff (Welsh NHS Confederation and Health Technology Wales) and North Wales (NHS Performance & Improvement and Joint Commissioning Committee).

We also offer surplus DHCW Estate to partner organisations and share space in Cardiff (Welsh NHS Confederation and Health Technology Wales) and North Wales (NHS Performance & Improvement and Joint Commissioning Committee).

A Climate Change Adaptation Plan and Biodiversity Plan were developed and approved in December 2025 ahead of submission to Welsh Government. We continued to work with the Wellbeing of Future Generations Commissioner’s Office and engaged with the wider health and care system through a national Community of Practice on digital inclusion and accessibility.

Following the November 2025 refresh of the Welsh Government Decarbonisation Strategic Delivery Plan (SDP), we completed the first round of SDP progress reporting and the Adaptation Qualitative Report, making submissions to NWSSP and Welsh Government.

The Discovery Zone conference area, at Ty Glan-yr-Afon which will provide an in-house Conferencing Facility for use by DHCW and their stakeholders, has now largely been completed. This includes the main building works, renovation works, structural improvements, final decoration, new furniture, and the installation of a new fire exit. The core IT, video, and voice upgrades have been completed. The installation of the hearing loop and additional digital functionality is scheduled for late April 2026. Building Control sign-off will take place throughout April 2026 alongside completion of any final minor works. The project remains on track, with the overall programme unchanged and the space still scheduled for launch in June 2026.

Environmental Statement

Climate change is already having significant long-term impacts at local, regional and global levels, increasing climate-related health risks across the population.

As a result, environmental sustainability is now a core system requirement for digital health and care. Rising energy demand from digital services, national decarbonisation commitments, increasing scrutiny of public value, and formal assurance expectations mean environmental performance must be designed into delivery, not treated as a secondary concern.

As the national digital organisation for health and care in Wales, we must therefore act deliberately – embedding environmental sustainability into how digital services are designed, delivered and assured, and using digital stewardship to support resilient, high-quality care for the long term.

In late 2021 we developed the first iteration of our Decarbonisation Strategic Delivery Action Plan (DAP) and have made significant progress since then. In early 2025 we refreshed our DAP to take a fresh look at our building and energy needs, as well as procurement, travel, and other emissions sources. Some of these emissions are beyond our direct control; highlighting the challenge we have in working collaboratively to influence the decisions of others.

All ten actions within our Decarbonisation Action Plan for 2025–26 were completed.

Our annual trend is positive with our operational emissions showing a **gross reduction of 53% (1,458 mtCO2e) in 2025/26**, compared to our baseline year of 2019–20.

Our Carbon Footprint

Carbon emissions are an important part of measuring environmental impact. Our carbon footprint is calculated as the total quantity of greenhouse gas (GHG) emissions produced as a result of our activities and services, expressed as carbon dioxide equivalent.

Emissions were first measured in 2019–20 by our predecessor organisation, establishing the baseline for reporting. Much of our carbon footprint for operations this year were attributed to electricity (59%) and commuting (32%). Operational emissions during 2019–20 totalled 2757 tCO2e (Tonnes of Carbon Dioxide equivalent).

Operational Emissions (Q1-Q3)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Electricity	400	246	292	274	185	169	156
Gas	92	95	58	49	25	18	15
Water	5	2	1	1	1	1	1
Waste	5	1	1	1	3	0	0
Data Centres	1215	1084	581	458	437	365	316
Business Mileage	138	6	11	32	51	53	49
Fleet Vehicles	21	23	25	25	35	35	36
Commuting	872	40	69	84	81	147	71
Homeworking	9	515	541	582	606	604	652
F-Gas	0	0	0	169	0	0	0
TOTAL	2757	2012	1578	1676	1424	1393	1298

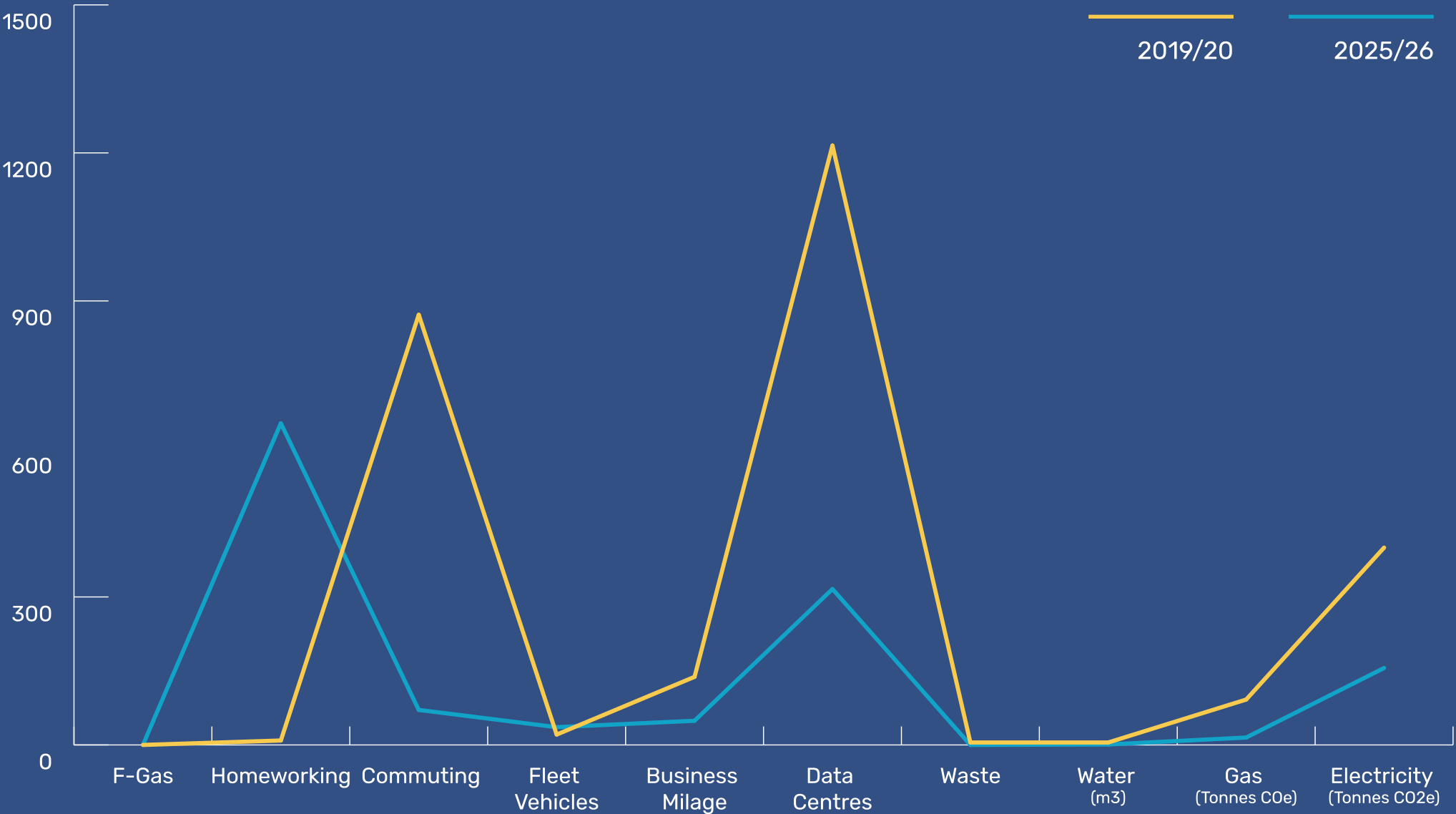
The emissions data featured in this report relates only to DHCW operational emissions and excludes supply chain emissions.

During Year 7 (2025–26), operational emissions, which totalled 1298 tCO2e have continued to decrease. A key contributory factor was our estates rationalisation programme, supported by agile working, enabling us to vacate one office and reduce our footprint at another.

The below table features Year 7 annual data in comparison to our baseline year; we are showing a 53% gross reduction in operational emissions.

Operational Emissions Annual Comparison

	2019/20	2025/26
F-Gas	0	0
Homeworking	9	652
Commuting	872	71
Fleet Vehicles	21	36
Business Milage	138	49
Data Centres	1215	316
Waste	5	0
Water (m3)	5	1
Gas (Tonnes CO"e)	92	15
Electricity (Tonnes CO2e)	400	156



Further Breakdown of Waste and Resource Usage

As shown in the graph below, recycled waste (plastic, cardboard, paper and cans) accounted for the largest proportion of waste. Closely followed by Waste Electrical and Electronic Equipment (WEEE). Materials typically sent to landfill were processed through waste-to-energy methods.

Waste Emissions by Category (mtCO2e)



Emissions Methodology

When reporting our emissions, different methodologies are used to calculate these figures. For example, a different methodology will be used in the absence of specific usage data.

As a guide, our approximate methodology breakdown is:

- Tier 1 – 26%
- Tier 2 – 26%
- Tier 3 – 48%

(Tier 1 being the least accurate and Tier 3 being the most accurate).

These methodologies are subject to change, and we monitor our usage of these regularly to ensure the most accurate option is being used.

Task Force on Climate-related Financial Disclosure (TCFD)

Digital Health and Care Wales confirm that this Climate-Related Financial Disclosure has been prepared in accordance with the requirements of paragraph 3.41 of the Welsh Government Manual for Accounts and is aligned with the four core themes of the Task Force on Climate-related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, and Metrics and Targets and also addresses all of the TCFD recommended disclosures.

We are committed to environmental sustainability and reducing carbon emissions, complying with the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015. We continue to make positive progress towards net zero targets, adaptation and biodiversity, aligning to the NHS Wales Decarbonisation Strategic Delivery Plan.

Board Governance of climate-related issues

DHCW has established clear governance structures to oversee climate-related risks. Oversight rests with our Board, who monitor our adaptation and decarbonisation reporting and subsequent progress against the net zero targets set by Welsh Government. The Board also considers climate-related opportunities, including estate rationalisation, energy efficiency, digital service delivery and agile working, as part of its oversight of organisational strategy, investment decisions and long-term resilience.

Our Decarbonisation Action Plan includes 6 activity streams, split into 24 initiatives to meet Welsh Government's net zero targets. We track and report our climate mitigation efforts through:

- Monthly Compliance Reports, detailing environmental performance
- Decarbonisation Energy Working Group (DEWG)
- Environmental Awareness Group (EAG)
- Annual quantitative net zero emissions reporting to Welsh Government
- Annual Estates Facilities Performance Monitoring (EFPMS) Submission
- Annual Carbon Footprint Performance Highlight Report
- The DHCW annual reporting process

Other Oversight of climate-related issues includes:

The Decarbonisation Energy Working Group oversees delivery of the 24 initiatives in our Decarbonisation Action Plan. Progress is documented at each meeting of the DEWG and is subsequently recorded within our Decarbonisation Action Plan Roadmap. The annual quantitative net zero emissions report, annual Estates Facilities Performance Monitoring (EFPMS) Submission and annual Carbon Footprint Performance Highlight Report is overseen by the Estates and Compliance Team and a robust governance process. The Executive Board is in place for approval matters.

Management's role in managing climate-related issues

Leadership within the organisation sits with our Chief Executive who has delegated Lead Executive responsibility to the Director of Corporate Affairs / Board Secretary, who together with the Head of Estates and Compliance, the Estates Operational Projects and Compliance Lead and the Environmental Development and Estates Compliance Facilitator, are responsible for embedding DHCWs climate response into planning, development and business continuity. In addition to our adaptation and decarbonisation activity being reported to Board, we share these reports with our Management Board and our Audit and Assurance Committee.

We support the ambition of NHS Wales to become net zero by 2030. Climate related actions are sorted into annual objectives through our Decarbonisation Action Plan, Adaptation Plan and Biodiversity Action Plan aligning with Welsh Government priorities.

Climate change is an organisation-wide priority affecting all parts of the organisation. Senior representatives from several directorates contribute to climate related actions and environmental sustainability activities, through the Decarbonisation Energy Working Group, as well as supporting the Environmental Management System (EMS) Team to maintain certification to the ISO:14001 standard.

Climate-related risks and opportunities over the short, medium and long term

DHCW recognises that climate change presents both risks and opportunities across the short (1–3 years), medium (3–10 years) and long term (10+ years). In the short term, key climate-related risks include energy price volatility, disruption from severe weather, compliance requirements and the impact of heat, flooding or transport disruption on service continuity and staff travel. In the medium term, risks include the resilience of the estate and data centre infrastructure, dependency on suppliers and the need to adapt operating models to changing climate conditions. In the long term, systemic climate impacts may affect infrastructure resilience, utilities, supply chains and the wider health and care system. Climate-related opportunities include estate rationalisation, energy efficiency, lower-carbon procurement, reduced travel through digital service delivery and agile working, and improved organisational resilience through adaptation planning.

The organisation considers climate-related risks and opportunities over different time horizons to support proportionate planning and decision-making. Short-term issues are considered through annual planning, compliance reporting and business continuity arrangements. Medium-term matters are considered through the Decarbonisation Action Plan, Adaptation Action Plan, Biodiversity Action Plan and estate planning. Longer-term issues are considered as part of strategic planning, digital transformation, infrastructure resilience and alignment with NHS Wales and Welsh Government net zero ambitions.

Impact on the organisation's business, strategy and financial planning

Climate-related risks and opportunities influence DHCW's business model, organisational strategy and financial planning. They inform decisions on the use and configuration of the estate, energy efficiency measures, data centre energy demand, travel and hybrid working patterns, business continuity arrangements and the prioritisation of capital and revenue investment. Decarbonisation and adaptation activity is intended to reduce exposure to rising energy costs, support compliance with public sector policy, maintain service continuity and improve the resilience and efficiency of operations over time.

Resilience of the organisation's strategy under climate-related scenarios

DHCW has developed its initial approach to climate scenario consideration as part of its Adaptation Action Plan. This includes considering a range of plausible climate futures to assess potential impacts on buildings, data centres, utilities, transport, supply chains and service continuity. In future, it will include a 2°C or lower transition pathway. This scenario-based approach supports the organisation in identifying where further adaptation, contingency planning and investment may be required to maintain resilient digital health and care services in Wales.

Processes for identifying and assessing climate-related risks

Climate-related risks are identified through a combination of environmental reporting, operational insight, partnership intelligence and formal risk review processes. Sources include decarbonisation and adaptation planning, compliance reporting, estates and infrastructure monitoring, the Climate Action Partnership (CAP) report, and directorate input. Identified issues are assessed using the organisation's established risk management methodology, taking account of likelihood, impact, service disruption, financial implications, compliance considerations and the potential effect on delivery of organisational objectives.

Processes for managing climate-related risks

Once identified and assessed, climate-related risks are managed through a combination of mitigation, adaptation, monitoring and escalation. Key controls include the Decarbonisation Action Plan, Adaptation Action Plan, Biodiversity Action Plan, energy and utilities monitoring, estate rationalisation, business continuity arrangements and ongoing governance through relevant management groups. Risk owners are responsible for implementing actions, monitoring progress and escalating material issues where additional management intervention or investment is required.

Integration into the organisation's overall risk management

Climate-related risks are integrated into DHCW's overall risk management framework through our risk management system and associated reporting arrangements. This ensures climate-related risks are considered alongside strategic, operational, financial and compliance risks, and that they are subject to routine review, governance oversight and escalation through established risk reporting processes.

Metrics and targets used to assess climate-related issues

Our emissions reductions targets, in line with Welsh Government ambition, (inclusive of operational and supply chain emissions) are a 16% reduction by 2025 and 34% reduction by 2030 – from the 2019/20 baseline year.

Our Operational Emissions Dashboard (internal) and the Welsh Public Sector Net Zero Target Carbon Report (external) track our carbon emissions performance and our progress towards the 2030 and interim net zero targets. Our Decarbonisation Action Plan summarises the impact of the DHCW’s actions, aligning with the NHS Wales Decarbonisation Strategic Delivery Plan. It focuses on reducing carbon emissions from buildings, transport, procurement, and approach to healthcare (homeworking).

These metrics are used to inform strategic planning, prioritise decarbonisation and adaptation activity, support investment decisions and monitor the management of climate-related risks and opportunities.

Emissions and Performance Targets

The tables below show our operational position in 2025/26 (measured in tCO2e) and how it compares to 2019/20 and previous years.

Broad Categories	Categories	Scope	2019/2020 “Baseline” Emissions (tCO2e)	19/20 %	2025/2026 Emissions (tCO2e)	25/26 %
Buildings	Building Gas	1 & 3	92		15 (-84%)	
	Water	3	5		1 (-80%)	
	Building Electricity	2 & 3	400		156 (-56%)	
	Datacentre Electricity	2 & 3	1,215		316 (-74%)	
	F-Gas	1	N/A		0 (0%)	
	Subtotal		1,712	62.1%	488 (-72%)	37.5%
Transport	Fleet	1 & 3	21		36 (+71%)	
	Business Travel	3	138		49 (-65%)	
	Commuting	3	872		71 (-92%)	
	Subtotal		1,031	37.4%	156 (-85%)	12%
Homeworking	Homeworking	3	9		652 (+99%)	
	Subtotal		9	0.3	652 (+99%)	50.2%
Waste	Waste	3	5		0.5 (-90%)	
	Subtotal		5	0.2	0.5 (-90%)	0.03%
Total Operational Emissions			2,757	100%	1,297	100%

Please note: The above table excludes Supply Chain (Procurement) Emissions data.

Target and Actual Performance	Emissions (tCO2e) (actual and target)	Percentage Reduction vs 2019/20	Cumulative Savings (tCO2e) vs 2019/20
2019/2020 (Baseline)	2,757	-	-
2020/2021	2,011	-27%	-746
2021/2022	1,579	-43%	-1,178
2022/2023	1,676	-39%	-1,081
2023/2024	1,424	-48%	-1,333
2024/2025	1,393	-49%	-1,364
2025/2026	1,297	-53%	-1,460
2025 (Target)	2,316	-16%	-441
2030 (Target)	1,820	-34%	-937

The table shows the DHCW's operational emissions performance for 2025/26. Emissions have reduced by 53% comparatively to the baseline year (2019/2020), this currently exceeds both the interim (2025) and 2030 Welsh Government reduction targets of 16% and 34% reduction respectively. This is predominantly as a result of DHCW adopting agile working practices, enabling us to rationalise our estate by closing offices, we have also increased energy efficiency at our sites, as well as at the data centres we occupy. As we have made these changes, we envisage that the rate of carbon emission reductions in future years may be more gradual. We have also developed our Adaptation Action Plan, which will help us adapt to climate risks and impacts at our sites.

Our performance against targets to manage climate-related risks

Performance against net zero targets is monitored via the Annual Carbon Footprint Performance Highlight Report. We aim to update our Decarbonisation Action Plan in 2026/27 to align with the Welsh Government's strategic plan refresh.

Climate-related risks are identified via the Climate Action Partnership (CAP) report and monitored via the Datix risk management system. The relevant risk owners regularly review and update these risks and updates are provided via associated reporting arrangements. Further details on our climate emergency risks and response will be included in our Adaptation Action Plan as actions are progressed.

Conclusion and Forward Look

As we look ahead to 2026/27, our focus is firmly on sustaining momentum while translating the improvements we have made into consistent, measurable outcomes. The progress achieved this year—particularly in strengthening governance, planning discipline and delivery oversight—provides a more stable foundation. The challenge now is to ensure that this improved control results in reliable, predictable delivery across all priority programmes, enabling us to meet expectations with greater confidence and clarity.

We will continue to sharpen our prioritisation, focusing on high-impact commitments that deliver tangible benefit to patients, staff and the wider system. This includes scaling adoption of national platforms such as the NHS Wales App, further embedding the National Data Resource, and progressing key transformation programmes in diagnostics, medicines and integrated care. Delivering these at pace and at scale will require continued discipline in planning, clearer sequencing of change, and alignment of resources to what matters most.

Partnership working will remain central to success. While we have strengthened our engagement with health boards, trusts and Welsh Government, the year ahead must see this translate into stronger collective ownership of delivery. We will focus on deeper system-level collaboration, clearer accountability across organisational boundaries, and more consistent engagement with stakeholders. Building trust and confidence across the system remains essential, and this will be achieved through sustained delivery and transparent communication.

At the same time, we recognise that the external environment remains complex, with ongoing financial pressures, workforce constraints and dependencies beyond our direct control. Our approach will therefore continue to balance ambition with realism—strengthening the conditions for delivery as well as delivery itself. By maintaining focus on quality, resilience and long-term capability, we will ensure that digital continues to play a leading role in improving outcomes and experience for the people of Wales, while building a more mature, trusted and high-performing organisation.



Accountability Report and Accounts

Corporate Governance Report

The Corporate Governance Report provides an overview of the governance arrangements and structures in place across Digital Health and Care Wales Special Health Authority during 2025/26. It includes:

The Annual Governance Statement

Sets out the governance arrangements and structures and brings together how the organisation manages governance, risk and control.

The Directors’ Report

Provides details of the Board and Executive Team, which has authority or responsibility for directing and controlling the major activities of the Special Health Authority during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.

The Statement of Accountable Officer’s Responsibilities and Statement of Directors’ Responsibilities

The Accountable Officer, Chairman and Executive Director of Finance confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts, as a whole, is fair, balanced and understandable.





Annual Governance Statement

Scope of responsibilities

The Board of Digital Health and Care Wales (DHCW) is responsible for the overall leadership and direction of the organisation. This includes:

- setting the organisation's long-term strategic direction
- putting in place effective governance arrangements
- setting the tone, values and culture of the organisation
- agreeing the organisation's approach to risk and overseeing the most significant risks
- building strong relationships with key partners and stakeholders, and
- ensuring the successful development and delivery of DHCW's Long Term Strategy.

The Board is accountable for ensuring that robust arrangements are in place for governance, risk management and internal control.

As Chief Executive, I am responsible for making sure that appropriate governance structures, systems and processes operate effectively across the organisation. This includes maintaining a sound system of internal control that supports the delivery of DHCW's objectives, while safeguarding public money and the organisation's assets for which I am personally accountable. These responsibilities are carried out in line with the duties assigned by the Accountable Officer of NHS Wales.

How this Governance Statement fits with the Annual Report

The Annual Report describes how DHCW has worked during 2025/26, both internally and with partners, to deliver its objectives. It explains how we maintain good standards of governance, identify and manage risks, and obtain assurance that our arrangements are working as intended.

This Governance Statement provides additional detail where necessary but aims to avoid repeating information already set out elsewhere in the Annual Report. For this reason, it should be read alongside other sections of the report, particularly the Performance Report, which explains DHCW's role, functions and plans.

This statement explains how DHCW's governance structures are organised and how they support the delivery of our objectives.

Board and Assurance Arrangements

The Board sits at the top of DHCW's governance and assurance framework. It:

- agrees strategic objectives
- monitors progress against those objectives
- ensures appropriate actions are taken where required, and
- confirms that effective controls are in place and operating as intended.

The Board receives assurance through its committees, as well as through assessments against recognised professional standards and regulatory frameworks.

Escalation and Intervention Arrangements

National Oversight

Under the Joint Escalation and Intervention Arrangements, the Welsh Government meets twice a year with Audit Wales and Healthcare Inspectorate Wales (known collectively as the Tripartite Group). These meetings consider a wide range of information about each Health Board, Trust and Special Health Authority, including DHCW, to form an overall assessment of organisational performance and risk.

Welsh Government Escalation Framework

The Welsh Government Oversight and Escalation Framework for NHS Wales organisations has five levels:

- Routine arrangements
- Area of concern
- Enhanced monitoring
- Targeted intervention
- Special measures

On 11 March 2025, DHCW was moved from Level 1 (routine arrangements) to Level 3 (enhanced monitoring).

This change related specifically to the performance and outcomes domain of the framework, in particular to the delivery of major national programmes.

The decision reflected ongoing challenges with the pace and delivery of some key national priorities.

As part of the enhanced monitoring arrangements, the Welsh Government has set out clear expectations for improvement and the areas that DHCW is required to address over the coming months.

Existing performance management arrangements with the Welsh Government – including regular Joint Executive Team (JET) and Integrated Quality, Planning and Delivery Group (IQPD) meetings – will continue, with a specific focus on major programmes. These meetings track progress against DHCW’s escalation improvement plan and agreed milestones.

Within DHCW, the Programmes Delivery Committee will oversee delivery of the escalation improvement plan and will report regularly to the Board on progress and emerging issues.

Openness and Transparency

DHCW is committed to being open and transparent about how decisions are made and how we conduct our business. In line with the Public Bodies (Admission to Meetings) Act 1960, and our wider commitment to openness, we take the following steps to make our work visible and accessible to the public.

We hold our Board meetings in public, and these meetings are livestreamed and recorded. Recordings are published on our website within five working days of the meeting taking place.

Our Board committees are also recorded, with recordings published on our website within the same timescales.

We give advance notice of Board and Committee meetings by publishing details at least 10 days before they take place. Meeting papers are shared with Board and Committee members seven days in advance, and all public papers are published on our website at the same time.

To encourage public engagement, we actively promote our public Board and Committee meetings through a range of communication channels, including social media. We also share highlights from meetings to help explain the issues discussed and decisions made.

Following each Committee and Advisory Group meeting, a highlight report is produced. These reports summarise key discussions from both public and private agenda items and are shared with the Board and published on our website.

Some meetings are held in private where this is appropriate. The Remuneration and Terms of Service Committee and the Local Partnership Forum currently meet in private; however, to maintain transparency, a highlight report from each of these meetings is presented at every public Board meeting.

This Governance Statement covers activity primarily during the financial year 1 April 2025 to 31 March 2026.

Our Governance Framework and assurance system

DHCW has clear rules in place to explain how the organisation operates and how decisions are made. These are known as Standing Orders, turn the legal requirements set out in the DHCW (Establishment and Constitution) Order 2020 into practical, day to day ways of working.

Alongside the Standing Orders, DHCW also has:

- a list of decisions that must be taken by the Board
- clear arrangements for delegating decisions to senior staff
- financial rules that set out how public money must be managed.

Together, these documents set the framework for how DHCW conducts its business and ensures it operates properly, fairly and responsibly. They are supported by a range of corporate policies, including the Standards of Behaviour Policy, which sets expectations for how people working in DHCW should act. Collectively, these make up DHCW's governance framework.

The Board reviewed and approved the Standing Orders in March 2025. At the same meeting, the Board also received assurance that DHCW had complied with these rules during 2025/26. No changes were made to the Standing Orders during that year.

DHCW also has arrangements in place to move into a formal command structure if required. This was not used during 2025/26.

In line with the Standing Orders and delegation arrangements, the Board and its Committees approved a number of key organisational policies during 2025/26:

- POD-POL-17 –DHCW Equality, Diversity and Inclusion Policy
- POD-POL 18-Recruitment and Resourcing Policy
- POD-POL-3 –Violence, Domestic Abuse and Sexual Abuse
- DHCW-POL-9-Wellbeing Policy (including Mental Health and Stress Management)
- DHCW-POL-19-Policy on Policies, Strategies and Frameworks
- CLS-POL-1 –DHCW Joiner’s Mover’s and Leaver’s ICT Policy
- ELIB-POL-2- Policy on Using AI for information Discovery and Use
- DHCW-FRA-8, Social Value Approach
- CS-POL-12, Acceptable Use Policy - Artificial Intelligence
- DHCW-PS-2026-01, DHCW People Strategy 2026–2030: People at the Heart of Digital Health
- EC-POL-226, Suspect Packages and Bomb Threats Policy
- DHCW-POL-24, Integrated Management System Policy
- DHCW-POL-11, DHCW Counter Fraud Bribery and Corruption (CFCB) Policy

Business Continuity

Welsh Government has formally directed Digital Health and Care Wales (DHCW), under the powers of the NHS Wales Act (2006), to comply with the Civil Contingencies Act 2004 to:

- undertake risk assessments
- maintain and regularly test emergency response and business continuity management arrangements in line with relevant standards; and
- collaborate with other organisations on emergency preparedness and response arrangements.

The DHCW Resilience Planning Group is represented by key internal stakeholders across the organisation to collaboratively assess and manage national and local risks applicable to DHCW.

DHCW maintains a Business Continuity Management System aligning to ISO:22301. This includes monitoring the maintenance and testing of emergency response and business continuity plans. A recent audit of DHCW’s service continuity arrangements by NHS Wales Shared Services Partnership concluded reasonable assurance. Once approved, the DHCW Business Continuity Strategy 2026–29 aims to improve current arrangements to achieve full alignment to ISO:22301.

DHCW collaborates and engages with external stakeholders on emergency preparedness and response arrangements. This includes the NHS Wales Emergency Planning Advisory Group, the Welsh Government System Resilience Planning and Response Group, and the Health and Digital Infrastructure subgroups of the 4 Welsh Local Resilience Forums.

The role of the Board

The Board has been constituted to comply with the DHCW (Membership and Procedure) Regulations 2020.

In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Independent Members have worked with the Chair to agree their Board Champion roles. A detailed report was shared at our **Board Meeting in March 2026**.



During 2025/26 Board development and briefing sessions took place that included a focus on the following:

- Joint Board Session with the Republic of Ireland – Learning session focused on Stakeholder Engagement, Investment and Data Policy
- Escalation Reflections
- Review of Board Decisions
- New Electoral System & Political Outlook
- Long Term Strategy
- IMTP Plan & Approach 2026-29
- Escalation Outputs
- Artificial Intelligence Strategy
- Board Assurance Framework & Risk Appetite
- NHS Staff Survey
- Audit Wales Digital Transformation

The **Board** is made up of Independent Members and Executive Directors.

DHCW Board Structure

Governance Framework Objectives

- Meeting Statutory Obligations
- Meeting Organisational Objectives
- Taking effective decisions
- Adherence to the NHS Values
- Workforce Development
- Maintaining a patient and user focus

Supported by Board Secretary

The Board

Propose: Strategic direction | Monitoring performance and behaviours | Assuring control mechanisms

Chair

Ceo - Chief Executive Officer

Independent and Associate Members

The Executive Management Team

Vice-Chair
Independent Member

Independent Member

Independent Member

Independent Member

Independent Member

Independent Member

Associate Member - Trade Union

Executive Director of Strategy

Executive Medical Director

Director of People & Organisational Development

Executive Director of Finance

Executive Director of Operations

Director Of Primary, Community & Mental Health Digital Services

Board Secretary

Reporting up and providing assurance on behalf of the Board

Delegated Authority For Assurance

Remuneration and Terms of Service Committee

Audit and Assurance Committee

Digital Governance and Safety Committee

Programmes Delivery Committee

Local Partnership Forum

Reporting Up

Holding To Account

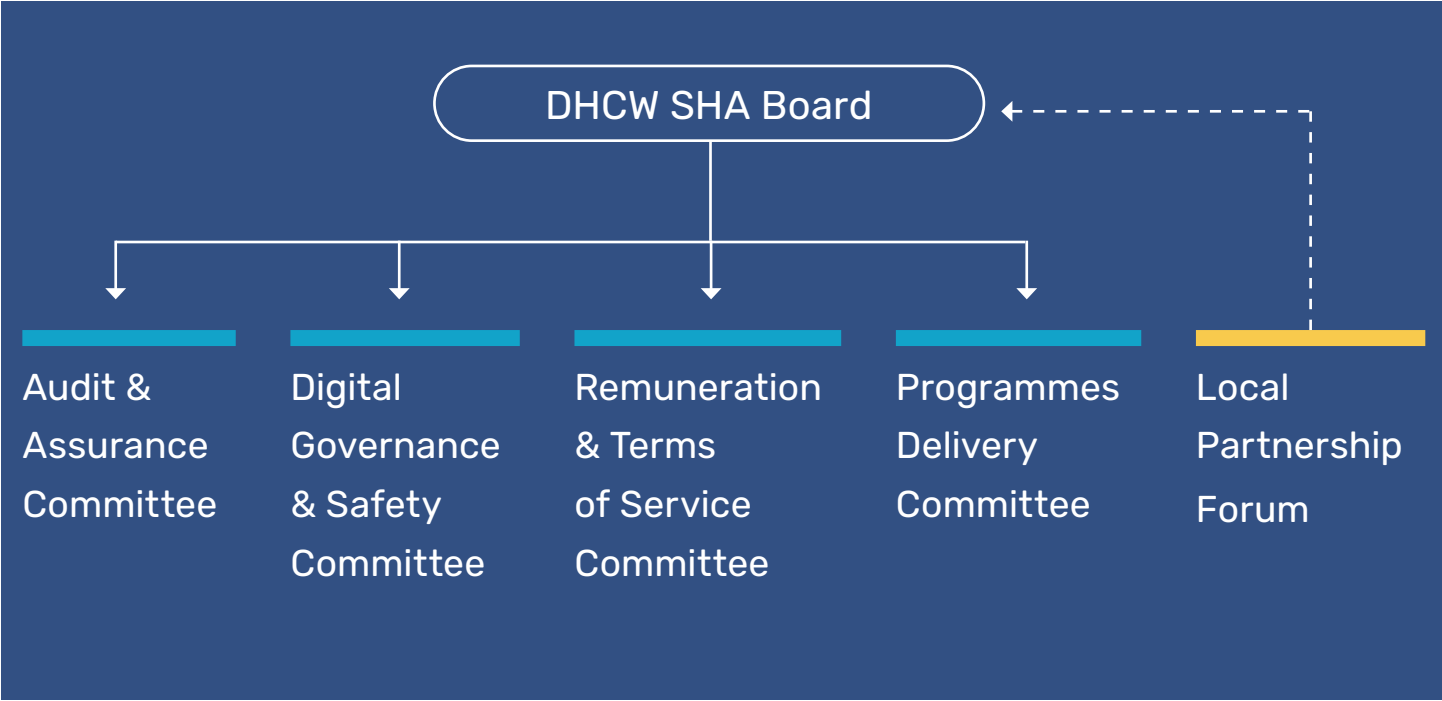
Senior Managers

Management Board

Management Groups

Working Groups

Full membership of the Board is outlined in [Appendix 1](#). Below is a summary of the Board and Committee structure. This is reflective of the proposed structure in the DHCW model standing orders.



The Board provides overall leadership and direction for Digital Health and Care Wales, making sure the organisation is well governed, open in how it works and held to high standards. Board members share collective responsibility for decisions and for overseeing how well the organisation performs. All Board meetings held during 2025/26 were properly constituted, with enough members present to make decisions. Key issues discussed during the year, including major risks and performance matters, are summarised in this Governance Statement, with further details available in the [published meeting papers](#) on our website.

Role of the Committees

To support its work, the DHCW Board is supported by four committees:

- Audit and Assurance Committee
- Digital Governance and Safety Committee
- Programmes Delivery Committee
- Remuneration and Terms of Service Committee

These committees are chaired by the Chair or Independent Members of the Board. They play an important role in helping the Board to make informed decisions by providing detailed scrutiny of specific areas such as governance, risk, performance, safety and delivery of major programmes.

Committees review information in depth, challenge where necessary, and report key issues and assurances to each Board meeting. This helps the Board to understand how well the organisation is performing and whether risks are being properly managed.

The Board keeps the committee structure under regular review and formally reviews its Standing Orders each year. During 2026/27, the Board will consider whether any changes are needed to the committee arrangements, in line with DHCW’s governance framework and priorities set out in its Integrated Medium Term Plan.

DHCW is committed to being open and transparent in how committees operate. Wherever possible, business is discussed in public meetings, with papers published on DHCW's website. A small number of items are considered in private sessions where this is necessary, for example where matters are commercially sensitive, relate to personal information, or involve early stage plans. These arrangements help protect confidentiality while allowing decisions to be made appropriately.

Each committee and advisory group produces an annual report, which summarises its work over the year and is available on the DHCW website. These include reports from the:

- [**Audit and Assurance Committee**](#)
- [**Remuneration and Terms of Service Committee**](#)
- [**Digital Governance and Safety Committee**](#)
- [**Programmes Delivery Committee**](#)
- [**Local Partnership Forum**](#)

Audit and Assurance Committee

The Audit and Assurance Committee play a key role in supporting this Annual Governance Statement. Its purpose is to review how well DHCW is governed and whether appropriate systems are in place to manage risk, finances and internal controls.

During 2025/26, the Committee focused on a range of important governance matters, including:

- reviewing and updating its terms of reference
- approving the Internal Audit Plan and reviewing audit reports, including how identified risks were being addressed
- ensuring effective financial controls were in place
- overseeing DHCW's risk management arrangements
- monitoring standards of behaviour, including declarations of interests, gifts and hospitality
- working with Audit Wales and considering national audit findings and plans
- overseeing progress on the Welsh Language Scheme and work towards formally become subject to the Welsh Language Standards
- approving and reviewing DHCW's Legislative Assurance Framework
- developing and endorsing policies and frameworks that support good governance and strong internal control
- receiving assurance on DHCW's approach to escalation.

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is responsible for matters relating to senior pay and employment conditions. This includes considering and recommending salaries, pay awards and terms of service for Executive Directors and other senior staff.

During 2025/26, the Committee considered:

- the performance of Executive Directors against their agreed objectives
- the structure of the Executive Team
- the formal approval of Executive Team roles
- formal approval of redundancy payments

Digital Governance and Safety Committee

The Digital Governance and Safety Committee supports the Board by providing assurance on how information, data and digital systems are used safely, securely and effectively to support health and care services.

During 2025/26, the Committee considered matters including:

- reviewing and updating its terms of reference
- cyber security arrangements
- digital incidents and organisational learning
- information governance
- assurance over information services and informatics
- research and innovation assurance
- technical design assurance for digital solutions.

Programmes Delivery Committee

The Programmes Delivery Committee provides assurance to the Board on how major programmes are planned, managed and delivered. It focuses on whether programmes have appropriate governance, clear reporting and effective controls in place.

The Committee also looks at how programmes work together as a portfolio, how resources are prioritised, the impact of programmes on wider DHCW services, and whether programmes are transitioned into sustainable, long term services.

During 2025/26, the Committee considered:

- refining and agreeing its terms of reference
- assurance over individual programmes
- assurance over the overall programme portfolio
- governance arrangements, including which programmes fall within the Committee's remit
- assurance over DHCW's escalation plan and milestone delivery.

Effectiveness Self-Assessment

The Board and its Committees carried out a self-assessment of effectiveness for 2025/26 between January and March 2026. The results were considered at the relevant Committee meetings and reported to the SHA Board. This process supports continuous improvement by helping the Board and Committees reflect on how effectively they carry out their roles.

The self-assessment questionnaires were informed not only by recognised good practice and relevant guidance, but also by learning from an external review of Board and Committee effectiveness. This helped ensure the questions focused on areas such as clarity of roles, quality of leadership, effectiveness of support arrangements, and how well the Board and Committees provide challenge, assurance and oversight.

The Audit and Assurance Committee questionnaire was based on the Audit Committee Handbook and was circulated to Committee members and regular attendees. The questionnaires used for the SHA Board, Digital Governance and Safety Committee, Programmes Delivery Committee and Local Partnership Forum were aligned to this approach and tailored to reflect each group's composition, purpose and responsibilities, drawing on the governance, leadership and support themes used by the Audit and Assurance Committee. In addition, the Committee Chairs and Chair of the Board met collectively to discuss the effectiveness of the Board & Committees. This approach helped provide a consistent and informed view of effectiveness across the Board and its Committees, while also taking account of external insight and good practice.

Membership of the Board and its Committees

[Appendix 1](#) shows who served on the Board and its Committees, and how often meetings were attended, during the period 1 April 2025 to 31 March 2026. In addition to formal meetings, Board members also take part in a range of other activities on behalf of the organisation, including Board development sessions, briefing meetings, and both internal and external meetings.

Any changes to the structure or membership of Board committees must be approved by the Board. During the year, the Audit and Assurance Committee, Digital Governance and Safety Committee, and Programmes Delivery Committee each reviewed their own terms of reference and made recommendations to the Board. The Board reviews the terms of reference for all committees every year to make sure they remain up to date and clearly reflect governance requirements, delegated responsibilities and areas of oversight.

All Board committees and advisory groups produce an annual report summarising their work and key activities. These reports were received and noted by the Board in March 2025. Details of lead officers are included in [Appendix 2](#), and the schedule of Board and Committee meetings for 2025/26 is set out in [Appendix 3](#).

Local Partnership Forum

The DHCW Local Partnership Forum (LPF) is the main way the organisation works in partnership with trade unions and staff representatives. It provides a formal space for discussion, consultation and communication between DHCW management and staff organisations, helping to ensure that staff views are considered when decisions are made.

During 2025/26, the LPF met four times a year and focused on both strategic and practical workforce issues. Topics discussed included organisational culture and values, staff recognition and wellbeing, new ways of working, organisational development, employment policies, and equality and diversity.

Through this partnership approach, the LPF supports open dialogue, constructive challenge and joint working on issues that affect staff and the wider organisation.

The purpose of the system of Internal Control

DHCW has systems in place to help manage risk and support good decision making. These arrangements are designed to reduce risks to an acceptable level, rather than to remove all risk entirely. This approach is set out in DHCW's risk appetite statement. As a result, the system of internal control can provide reasonable assurance that things are working as intended, but it cannot guarantee that problems will never occur.

The system of internal control is an ongoing process. It helps DHCW to identify and prioritise risks that could affect the achievement of its aims and objectives, assess how likely those risks are to occur and the impact they could have, and put proportionate controls in place to manage them effectively and efficiently. This system was in operation throughout the year ending 31 March 2026 and remains in place up to the approval of the Annual Report and Accounts.

The Board Assurance Framework (BAF) is a key part of this system. It was reviewed and approved by the Board in May 2025 and sets out the main risks facing the organisation, along with the controls and sources of assurance used to manage those risks. The Board uses the BAF as part of its annual cycle of assurance and scrutiny.

The Board and its Committees regularly review information from the BAF and the Corporate Risk Register to monitor risks, seek assurance and make sure that any gaps or weaknesses are addressed. Key controls are those systems and processes that support the delivery of the Board's strategic objectives.

The effectiveness of DHCW's internal control arrangements is reviewed by both internal and external auditors, who provide independent assurance to the Board.

Capacity to handle risk

The Chief Executive, as Accountable Officer, has overall responsibility for managing risk across DHCW. Day to day leadership for risk management is delegated to the Director of Corporate Affairs/Board Secretary, who oversees how risks are identified, managed and reported through DHCW’s Risk Management Framework and Board Assurance Framework.

DHCW recognises that taking some risks is necessary to achieve its strategic aims and deliver benefits for patients, staff and partners. The organisation’s risk appetite statement explains the level of risk the Board is prepared to accept and how risks are approached. In summary, this means that:

- risks are taken deliberately and in a controlled way
- the Board seeks to keep risks within an acceptable level of impact
- the level of acceptable risk is reviewed at least once a year and may change over time
- risks outside the agreed appetite can still be accepted, but only through clear governance arrangements so they are visible and actively managed.

In some cases, higher levels of risk may be accepted where, for example, the likelihood of the risk occurring is low, the potential benefits are significant, the cost of controlling the risk would be greater than the impact if it occurred, the risk exists only for a short period, or where action is required by another organisation.

DHCW’s approach to risk also takes account of its capacity for risk. This reflects how much risk the organisation can reasonably manage, given its financial position and other resources, before it would be unable to meet its legal duties or statutory responsibilities.

Clear risk tolerance levels are used to guide when risks should be escalated to senior management, Committees or the Board. Risks are grouped into defined risk areas, each with an agreed level of appetite and expectation about the controls in place. This information is used by the Board when reviewing the Board Assurance Report.

Hungry	Risk with rating 25 of above are escalated for consideration to report to the Board	None
Open	Risk with rating 20 of above are escalated for consideration to report to the Board	Development of Services
Moderate	Risk with rating 15 of above are escalated for consideration to report to the Board	Corporate Social Responsibility
Cautious	Risk with rating 12 of above are escalated for consideration to report to the Board	Financial, Reputational Safety and Wellbeing, Service Delivery Reputational, Information - Access and Sharing
Adverse	Risk with rating 9 of above are escalated for consideration to report to the Board	Compliance, Information - Storing and Maintaining, Citizen Safety

All risks are linked directly to DHCW's strategic objectives and reported through the Board Assurance Framework (BAF). The BAF identifies the organisation's five principal risks, which were agreed by the Board in May 2025 following detailed discussion.

Throughout 2025/26, DHCW took a proactive and structured approach to managing its key risks, supported by Board and Committee oversight.

The organisation's risk profile reflected the pace and complexity of delivering national digital priorities, alongside dependencies on partner commitment, funding certainty and system wide decision making.

Key areas of focus included delivery confidence against agreed milestones, the impact of funding uncertainty on programme delivery, the need for clear national direction to support sustainable digital transformation, and ongoing information governance challenges linked to the wider legal and policy environment for data use. These risks were actively monitored through the corporate risk register and assurance processes, with a small number managed in private where confidentiality was required.

The Board and its Committees maintained regular scrutiny throughout the year, alongside continued work to strengthen risk management processes and organisational resilience.

Risk management framework

The Board sees effective risk management as an essential part of how DHCW operates and delivers its objectives.

The Board and its Committees identify and oversee the key risks facing the organisation, with significant risks escalated to the Board for consideration where appropriate.

At an operational level, Executive Directors regularly review risks within their areas of responsibility and make sure appropriate controls and actions are in place.

DHCW's risk management framework links strategic and day to day risks and provides a consistent approach for identifying, assessing and monitoring risks across the organisation.

Embedding effective risk management

DHCW places strong emphasis on building a positive and open risk culture, where risks are identified early, discussed openly and managed consistently.

Staff are supported through training, guidance and access to clear tools that help them understand and manage risk in their day-to-day work.

Over the past year, this approach has strengthened understanding of risk across the organisation, improved the quality of risk information, and empowered staff to escalate issues appropriately.

As a result, DHCW has a clearer, more accurate view of its risk profile, allowing greater focus on the most critical and emerging risks, supported by regular Board and Committee oversight.

An analysis of corporate risks including the movement in corporate risks since the establishment of DHCW, from October 2024 to September 2025, was undertaken during the year and presented to our Board in November 2025.

The control framework

DHCW is not required to comply with every requirement of the corporate governance code for central government departments. However, the Board assesses how DHCW applies the main principles of the code in a way that is appropriate for an NHS public body. This assessment is carried out annually and reported to the Board, with no departures identified. Where relevant information is not included in this Governance Statement, it is reported more fully in the wider Annual Report.

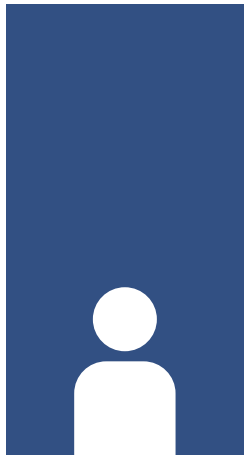
DHCW’s risk management arrangements are also aligned with the Orange Book – Management of Risk principles, taking account of the organisation’s size, structure and responsibilities. There have been no reported departures from these principles.

Effectiveness of Raising Concerns (Whistleblowing/ Speaking up Safely) Arrangements

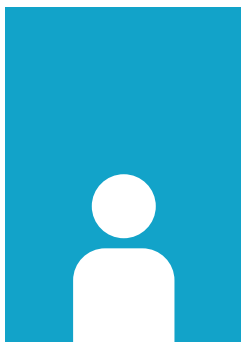
DHCW are committed to fostering a culture of openness across all parts of the organisation to support and encourage all staff to communicate any concerns they might have, with the confidence that they will be treated with respect and dignity when doing so.

During 2025-26 there were two Rasing Concerns cases which were managed within the appropriate processes and reported to Audit & Assurance Committee.

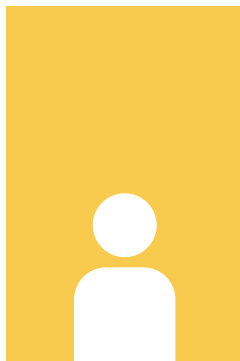
The NHS Wales Staff Survey Results for DHCW indicate that:



79.5% of staff would feel secure raising concerns about unethical behaviour;



59.2% of staff are confident that DHCW would address concerns; and



62.8% of staff feel safe to speak up about anything that concerns them in DHCW.

Other control framework elements

Quality and Duty of Candour

DHCW continues to operate under the [Duty of Quality](#), as set out in the Health and Social Care (Quality and Engagement) (Wales) Act 2020, having come into scope in April 2023. During 2025/26, DHCW maintained compliance with the Duty of Quality and continued to strengthen organisational arrangements to support the delivery of high quality, safe and continuously improving digital health services.

Following the publication of its inaugural Duty of Quality Annual Report in the previous reporting period, DHCW’s focus during 2025/26 shifted from establishment to the embedding and operationalisation of duty led quality arrangements across the organisation.

A key milestone during the year was the formal approval and implementation of the DHCW Quality Framework, which provides a clear, organisation wide approach to defining, assuring and improving quality. The Framework is explicitly aligned to the Duty of Quality, underpinned by the Health and Care Quality Standards, and structured around Quality Planning, Quality Control and Quality Improvement. It establishes clear governance, roles and responsibilities and supports consistent quality oversight through quarterly and annual quality reporting.



In parallel, DHCW continued the strategic development of its Quality Management System (QMS). During 2025/26, the DHCW Quality Management System Development Early Position Statement (EPS) was formally approved and submitted to NHS Performance & Improvement (NHS P&I). The EPS sets out DHCW’s current QMS maturity position, confirms alignment with national expectations, and describes a phased approach to developing an enterprise wide, proportionate and scalable QMS appropriate to a national digital health organisation.

Together, the approval of the Quality Framework and the submission of the QMS EPS represent significant progress in strengthening DHCW’s quality governance, assurance and improvement arrangements, providing clearer line of sight from statutory duty through to operational delivery and supporting a culture of continuous learning and improvement in line with the Duty of Quality.

DHCW has a statutory obligation to have in place the knowledge, processes, and procedures to appropriately implement and manage the [Duty of Candour](#).

To ensure this all incidents are reviewed and actioned by the Patient Safety team and any escalation, subsequent review of reports and learning from events is managed by the Incident Review & Learning Group (IRLG) and in turn this group reports to the Digital Safety & Governance Committee, allowing for robust levels of assurance that the Duty is appropriately and effectively implemented.

Information Governance Arrangements

Information Governance ensures that the right information is available to the right people, at the right time, whilst keeping patient and staff data confidential, secure and used lawfully. Strong information governance builds trust, supports better clinical decision-making and protects patients, clinicians and the organisation from harm by making sure information is handled, shared and accessed responsibly.

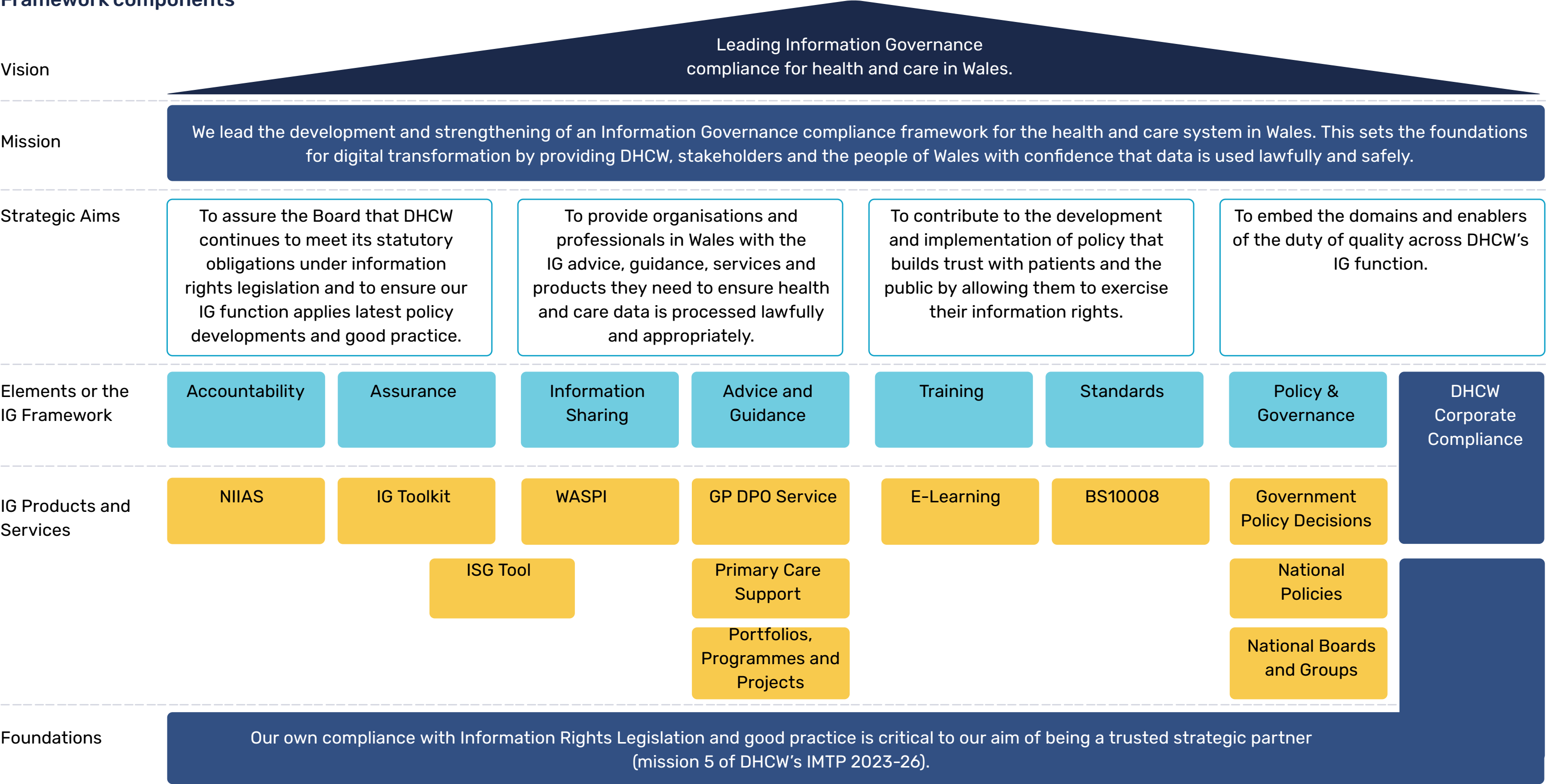
DHCW’s Information Governance team is responsible for the design, delivery and management of a number of products and services, which it

collectively refers to as the ‘Information Governance Framework’, as set out in DHCW’s Information Governance 2023-2026 Strategy, this helps patients trust that their information is handled appropriately, while giving clinicians the confidence and clarity to process, access and share information appropriately to support high-quality care.



The IG Strategy outlines the team’s vision, mission statement and strategic aims, highlighting any challenges and opportunities, and how the team are intending to meet their key aims identified in the Strategy:

Framework components



How Information Is Kept Safe and Used Properly in NHS Wales

NHS Wales has a clear Information Governance (IG) Framework to make sure personal health and care information is used lawfully, safely and appropriately.

Monitoring access to records

A national system checks how staff access clinical records. While staff are trained to only access information they need for their job, this system helps spot any unusual or potentially inappropriate access and alerts health organisations so action can be taken if needed.

Checking organisations meet standards

All health and care organisations in Wales complete an annual self assessment against national information governance and data protection standards. This helps ensure consistent practice across Wales and reassures the public that information is handled securely.

Sharing information safely

Organisations across Wales follow a long established framework that sets clear rules for sharing personal information where it is lawful and beneficial to do so. New digital tools are helping to standardise and improve how information sharing agreements are created and checked.

Advice and support for health professionals

GP practices, pharmacies and optometry services can access specialist support on data protection. This includes advice, training, audits and practical guidance to help them meet their legal responsibilities.

Supporting national digital programmes

Information governance experts support major national digital health initiatives by advising on risks and safeguards when sensitive data is used. They also help shape national assurance and standards setting processes.

Training for the NHS workforce

Mandatory information governance training is regularly updated to make sure NHS staff understand their responsibilities and current legal and policy requirements.

Clear standards and accreditation

NHS Wales meets recognised national standards for managing electronic records, providing assurance that digital information is reliable, secure and legally robust.

Policy and oversight

Information governance work is closely aligned with Welsh Government policy and is overseen by the Digital Governance & Safety Committee to ensure ongoing accountability and transparency.

Information Governance Framework Components

DHCW’s Welsh Information Governance Toolkit Submission



DHCW have dual responsibilities for the The Welsh Information Governance Toolkit (“IG Toolkit”), in that it is responsible for the development and maintenance of the IG Toolkit and is required to complete and submit annually. The deadline for submission of the 2025/26 IG Toolkit was 31st March 2026. DHCW submitted their IG Toolkit with the outcome and action plan presented to the Digital Governance and Safety Committee. The scoring of 2025/26 Toolkit was as follows:

Welsh IG Toolkit sections	Expectation Exceeded	Minimum Expectation										
Leadership and oversight	100%	100%										
Policies and Procedures	100%	100%										
Training and Awareness	91%	100%										
Individuals Rights	100%	100%										
Records of Processing and Lawful Basis	100%	100%										
Contracts and Information Sharing	42%	100%										
Risks and DPIAs	71%	100%										
Breach Response and Monitoring	100%	100%										
FOI and EIR	40%	100%										
Information Security	100%	100%										
Video Surveillance	0%	100%										
Business Continuity	100%	100%										

N.B. There are no Exceeds Expectations questions for the Video Surveillance section.

DHCW's scoring shows a high level of compliance. The scoring should only be used as a guide to DHCW's level of IG compliance.

Organisations completing the IG Toolkit are not expected to achieve 100% across all sections as the self-assessment is intended to be used to identify areas of improvement. Therefore, where DHCW has not scored 100% in some sections, this does not indicate that the organisation does not meet the legal requirements for these sections, more so, it identifies areas which can be improved.

Following submission of the IG Toolkit, actions were identified to improve DHCW's compliance with legislation, standards and good practice and its next submission (2026/27).

Counter Fraud

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales), the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed at the beginning of the financial year a work plan for 2025/26 which was approved by the Audit and Assurance Committee in April 2025.

Updates on delivering against this work plan have been provided to the Audit and Assurance Committee during 2025/26.

Compliance with equality, diversity, and human rights legislation

Equality Diversity and Inclusion (EDI)

DHCW is committed to putting people at the centre of everything it does and as an organisation, we are guided by our core values. Our ambition is to celebrate our organisation as a place where people thrive, innovate and achieve great things. We believe our values are integral to everything we do.

In line with the Equality Act 2010, government standards and action plans have been embedded within our approach to ensure compliance and accountability. The bi-annual Strategic Equality Plan reports to Welsh Government incorporates progress made by DHCW on the objectives outlined in the Anti-racist Wales Action Plan (2024), the LGBTQ+ Action Plan (2023) and the Workforce Race Equality Standard (WRES).

Feedback from [Welsh Government on the WRES in September 2025](#) from the previous reporting period, highlighted a 10.9% increase in the proportion of minority ethnic staff in DHCW, reflecting positive progress. This increase reflects a programme of targeted work on improving diversity within the organisation, including the introduction of new recruitment processes, the roll out of hiring manager training which addressed key issues such as unconscious bias, the establishment of diverse interview panels, and the implementation of a buddy programme.



Accountability is key, with the hiring manager training being mandatory and attendance monitored.

A total of **378 people completed the training**, with ongoing sessions planned for new managers going forward.

Welsh Government noted in their feedback report in 2025, that based on the data analysed from the NHS Wales Staff Survey period, there was an improved perception among ethnic minority staff regarding opportunities for progression. This improvement can be attributed to a series of in-person and online listening and learning sessions, facilitated by the Chief Executive Officer and the Director of People and Organisational Development, following the results of the staff survey. This positive impact was further reinforced through Social Value Spotlight Sessions delivered by executives and key leads across the organisation, with the most recent session held on 23 March 2026. The staff survey analysis also indicates that levels of bullying and harassment within DHCW are significantly low, and that there is no evidence of racial inequality in relation to referrals into capability processes.

The Social Value Spotlight Sessions highlighted how people practices contribute to social value outcomes; how social value, equity and inclusion can be embedded within organisational culture; how colleagues' skills and behaviours can be strengthened to support everyday decision making; and how DHCW reinforces its commitment to being a people first employer.

This aligns with the Welsh Government's 2025 feedback, which emphasised that leaders at every level must ensure inclusion is not only an aspiration, but is delivered through positive action.

Gender Pay Gap reporting is a legal requirement. The latest report was received by the SHA Board on 26 March 2026 and has also been submitted on gov.uk. While not legally required, DHCW has also included ethnicity and disability pay gap reporting in its latest submission. This demonstrates a further commitment that aligns with the newly published Disabled People's Rights Plan (2025) and the introduction of the Workforce Equality Standard (WES).

As of 31 March 2026, there are **45% females and 55% males employed** by DHCW compared to 43% female and 57% male at 31 March 2025.

The increase in female staff reflects the impact of the work undertaken to support the attraction and retention of females in digital which includes flexible working arrangements, equal opportunity for development and events such as our Annual International Women's Day in March 2026. International Women's Day is led by the Chief Executive for DHCW which included topics such as Leadership Insight: Career Journeys in Digital, Professional Bodies & the Future of Digital Health, and Leadership Workshop: Cultivating Personal Presence & Impact.

Further detail can be found in [SHA Board papers](#). The Annual Pay Gap Report (Item 2.8 on the agenda) and the Annual Equality Report (Item 6.6 on the agenda).

During 2025-26 DHCW took the following actions:

- Government set Living Wage is paid as a minimum, with Agenda for Change Band 3 established as the organisation's entry grade, reflecting a commitment to fair pay and progression.
- The Raising Concerns (Whistle blowing) Policy ensures a fair process for staff, suppliers, or contractors to report malpractice without risk.
- Robust IR35 processes prevent misuse of false self-employment and umbrella schemes, ensuring fair treatment, proper tax and insurance payments, and equal employment opportunities.
- Staff and workers are not engaged on zero-hour contracts.
- The Recruitment and Selection Policy is transparent, supporting equality by advertising roles in diverse communities.
- The organisation collaborates with trade unions and employee support networks; anti-bullying and harassment sessions were jointly conducted during the period.

Audits

The organisation received recertification for the BS 76000 Valuing People and ISO 30415 Diversity and Inclusion Standards in December 2025, following a surveillance audit. The organisation welcomed the Staff Culture and Wellbeing audit undertaken by NHS Wales Shared Services Partnership, during quarter 3 (2025). The findings and recommendations from these audits have been discussed at Weekly Executive Directors Meetings and Audit committee, with action plans in place toward continual improvement.

DHCW Strategic Equality Plan (2023-2027)

In 2025, the organisation continued its focus on embedding EDI with the latest Annual Equality Report received by [SHA Board on 26 March 2026](#).

In October 2025, Equality, Diversity and Inclusion Network Champions presented at a Board meeting, providing evidence of the meaningful change since the implementation of the Strategic Equality Plan in 2023. This was an impactful and engaging session between Network Champions and Members of the Board on lived experience, embracing change and information on further improvements.

Building on the progress made in embedding EDI, the organisation has developed annual plans to further strengthen and extend this work. To support this, Annual Health and Wellbeing and Equality, Diversity and Inclusion Plans have been developed for implementation from Quarter 1 2026-27.

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.

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. The Board along with its internal sources of assurance, which includes its internal audit function provided by NHS Shared Services, also uses sources of external assurance and reviews from auditors, regulators and inspectors to inform and guide our development. The outcomes of these assessments are being used by the Board to further inform our planning and the embedding of good governance across a range of the organisation's responsibilities.

Carbon reduction delivery plan

In March 2025, the DHCW Board approved a revised Decarbonisation Delivery Plan (DAP) for 2025 to 2028. The revised DAP reassesses the decarbonisation needs in areas such as buildings, energy, procurement and travel, as well as other sources of emissions, and it features a roadmap with actions up to 2030. Importantly, we incorporated the ongoing work that is being undertaken to strengthen DHCWs position regarding AI, its environmental impact, and how inclusion of this technology will influence the design process of our software and programs.

Our DAP was developed to support the ambitions set out within the first NHS Wales Decarbonisation Strategic Delivery Plan which outlined how NHS Wales could contribute to the wider recovery effort and its commitment to the Wellbeing of Future Generations (Wales) Act 2015, which addresses long-term persistent challenges such as poverty, health inequity, and climate change. The NHS Wales Decarbonisation Plan was refreshed in late 2025 and includes 25 Initiatives which were developed in collaboration across NHS Wales. We have started a refresh of our own plan during to provide assurance and set out how we will achieve the initiatives that are applicable to us and our Adaptation activity (due to be approved and published in 2026-27).

DHCW have continued to make significant progress towards further decarbonising our estate throughout 2025-26, however, we recognise that there is still more work to be done.

Climate Change Act and Adaptation

The DHCW Adaptation Risk Assessment and Plan was approved by our Board in February 2026. We undertook the Adaptation risk assessment in accordance with our obligations under the Climate Change Act using the Health and Social Care Risk and Opportunities Toolkit.

Our first Three Year Biodiversity Report covering the period 2022-25 was prepared in accordance with Section 6 of the Environment (Wales) Act 2016. This was approved in December 2025 and covered initiatives such as increased planting, raising staff awareness, sustainable travel and volunteering in the local community (parks).

We maintain a Legislation Register, which is reviewed regularly to ensure that we meet our compliance obligations and provide the required assurance. Additionally, our Environmental Aspects Register enables us to assess potential environmental impacts and ensures compliance with the Climate Change Act.

At present, we can confirm that we are in full compliance with the Climate Change Act and Adaptation Reporting requirements and our Adaptation Qualitative Return was approved by Board in March 2026 for submission by the required deadline.

We remain committed to maintaining compliance in this area and will take all necessary steps to ensure that we continue to meet these important obligations.

Data Breaches

Incidents resulting in a data breach are reported in accordance with DHCWs statutory requirements and documented Standard Operating Procedure on Personal Data Breach Reporting Management. Under Data Protection legislation, personal data breaches 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 are required to be risk assessed to determine the likelihood of the risk to the individuals' affected rights and freedoms. If a risk is likely, under Data Protection, the breach must be reported to the Information Commissioners Office (ICO) within 72 hours. Failure to report could lead to financial or reputational loss. Additionally, those individuals concerned directly may need to be informed where the breach is likely to result in a high risk to the rights and freedoms of individuals.

All data breaches are appropriately investigated by our Information Governance team. Where appropriate or mandated, Welsh Government are informed as part of a no surprises report.

During 205/26, there were 18 IG incidents recorded on our incident management system during the financial year. No incidents recorded during this period were deemed reportable to the Information Commissioner's Office.

Ministerial directions

Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to DHCW. Ministerial Directions issued throughout the year are listed on the Welsh Government website. Details of the ministerial direction received and their applicability to DHCW as at year end 31 March 2026 are included at [Appendix 4](#).

Planning Arrangements

The Integrated Medium-Term Plan 2025-28 was approved by the SHA Board and then submitted to Welsh Government at the end of March 2025 in accordance with the NHS Wales Planning Framework. The plan was subsequently confirmed as satisfactory by the Director General Health, Social Care & Early Years Group / NHS Wales Chief Executive, and feedback was provided by the Welsh Government as requirements and accountability conditions in July 2025. These included quarterly reporting requirements.

Accountability conditions set out in the letter are included below:

General

The **Five Ways of Working** sustainable development principle of the Well-being of Future Generations Act remains central to the SHA’s approach. It is essential that the organisation builds on the progress made and ensures its well-being objectives are aligned with, and supported by, its planning arrangements.

The **12 Health and Care Standards** of the Quality Framework guide Wider regulatory and national priorities, which include but are not limited to:

- Welsh Language and the Active Offer
- Support for vulnerable groups
- All-Wales Anti-Racism Action Plan
- Delivery of actions outlined in the LGBTQ+ Plan

Delivery of the objectives stated in the letter from Cabinet Secretary for Health and Social Care sent on 3rd July 2025, which include (where applicable):

Delivering the key **Welsh Government priorities** for the NHS:

- a. Reducing waiting times
- b. Reducing Pathways of Care delays
- c. Improving women’s health services

Strengthening how we **run the NHS**:

- a. Modernising leadership and culture
- b. Getting better at regional working
- c. Improving openness, accountability and collaboration

Getting services **ready for the future**:

- a. More effective prevention of ill health
- b. Putting more services into the community
- c. Realising the potential of digital and innovation

Reporting

The IMTP and summary explainer video must be published on your organisation's public facing website

Reporting must be submitted quarterly to provide a delivery update against the IMTP, as well as the conditions outlined above. There should be reporting against the key milestones associated with that quarter, an explanation of any delays/amendments to milestones, identification of next steps and the mitigation of any new/emerging risks.

The Minimum Data Set (MDS) must be refreshed on a quarterly basis, supported by written narrative to explain the context to these changes.

Finance and Efficiency

Delivering and sustaining a financially balanced position, through:

- a. Demonstrating delivery, in full of the planned level of savings that underpin the SHA's financially balanced plan
- b. Demonstrating actions that are being taken to mitigate any in-year pressures that may arise
- c. Ensuring delivery of the financially balanced plan that the organisation has approved
- d. Identifying and delivering actions that positively improve the SHA's recurrent position for 26/27 and beyond

Governance and Engagement

Meeting the **de-escalation** criteria relevant to your escalation status.

Confirming the **risk identification and management process** to your plan and arrangements for monitoring by your board

Delivery

Delivery of the priorities and enabling actions set out the in the **NHS Wales Planning Framework 2025-28** and your organisation's **Remit Letter**.

Delivery of the recommendations set out in the **Ministerial Advisory Group on Performance and Productivity Report** (where applicable).

Developing **primary care delivery milestones** to ensure deliverability within the remit letter.

Provide further detail on the plan and deliverables to implement the actions set out in the **Women's Health Plan**.

Workforce

Supporting Wales's ambition to become a **Marmot nation, by embedding the principles of equity and social justice** into actions and values.

Ensuring the **workforce actions** in your plan effectively translated into delivery requirements.

Review of Effectiveness

As Accountable Officer, I am responsible for checking that Digital Health and Care Wales (DHCW) has an effective system of internal control. My assessment is based on the work of our internal auditors, the assurances provided by Executive Directors and senior managers who are responsible for maintaining these controls, and the findings of external auditors through their reports and audit letters.

The Board and its Committees draw on a wide range of internal and external assurances to understand how well our controls are working and where improvements may be needed. These assurances form part of DHCW's overall Board Control Framework.

To maintain and review the effectiveness of our internal controls, we have a number of processes in place, including:

- **Oversight by the Board and its Committees**, which routinely review key sources of assurance and hold Executive Directors and senior managers to account.
- **Executive leadership**, with Directors and senior managers responsible for developing, implementing and improving internal controls within their areas.
- **Active monitoring of operational risks** through our Committees and Board-level reporting.
- **Fraud prevention and detection**, supported by the Cardiff and Vale Local Counter Fraud Team.
- **Tracking audit recommendations** through a formal audit tracker overseen by the Audit and Assurance Committee.
- **Independent scrutiny** of our audit, risk and assurance arrangements by the Audit and Assurance Committee.

All Board Committees provided annual reports to the March 2026 Board meeting, summarising their work and key decisions during the year.

Based on these arrangements, I am satisfied that DHCW's system of internal control is generally working well and that there is an appropriate balance between the assurances I receive from Executive Directors, the Board, its Committees and Internal Audit.

Internal Audit & Head of Internal Audit Opinion

Internal Audit provides ongoing assurance to me as Accountable Officer and to the Board through the Audit and Assurance Committee. The audit programme—delivered by NHS Wales Shared Services Partnership in line with public sector internal audit standards—is agreed with the Committee and focuses on areas of highest risk and organisational priority.

The Head of Internal Audit’s annual opinion is informed by this programme of work. The programme has been delivered largely as planned, with any necessary changes approved by the Audit and Assurance Committee. Regular progress updates have been provided throughout the year, and the Head of Internal Audit has confirmed that there was sufficient audit coverage during the reporting period to provide a robust annual opinion. The findings from these audits, summarised in the following table, contribute directly to the level of assurance available to the Board and support DHCW’s continuous improvement.

Name of Audit	Date received by the Audit Committee	Assurance Rating
Programme Management	08/04/2025	Reasonable
Performance Framework	08/04/2025	Reasonable
National Data Resource	08/04/2025	Reasonable
Service Management	08/04/2025	Reasonable
Recruitment Processes	08/04/2025 (PRIVATE)	Limited
Financial Sustainability	08/07/2025	Substantial
Follow up of Internal Audit Recommendations	08/07/2025	Substantial
Cyber Resilience Unit	08/07/2025 (PRIVATE)	N/A
Information Governance Framework	07/10/2025	Substantial
Staff Culture / Wellbeing (advisory)	07/10/2025	NA
GMS Clinical Migration System	07/10/2025 (PRIVATE)	Reasonable
Programme Management	20/01/2026	Reasonable
CaNISC	20/01/2026	Reasonable
Risk Management	20/01/2026	Reasonable

The Head of Internal Audit has concluded:

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

In reaching this opinion the Head of Internal Audit has identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. The 2025/26 Internal Audit Plan included audits over key operational objectives, digital deliverables, programme management and associated risks.

From the opinions issued during the year, three (including two from 2024/25) were allocated Substantial Assurance, seven were allocated Reasonable Assurance and no reports were allocated a 'limited' or 'no assurance' opinion. We also issued one advisory report and two that were not rated, during the year, which have been considered when reaching our opinion.

There were two further reports issued before the year end that has been taken into account for the opinion, but will be reported to the Audit and Assurance Committee during 2026/2027. These include one advisory review and one rated Limited assurance.

Audit Wales Structured Assessment

Audit Wales carries out a Structured Assessment each year to check whether Digital Health and Care Wales (DHCW) is using public money in a way that is economical, efficient and effective. This assessment looks closely at how well the organisation is governed, how it plans for the future, how it manages its finances, and how it looks after its workforce, digital systems, buildings and other assets.

The 2025 Structured Assessment, concluded:

- DHCW has an effective Board supported by good governance arrangements. DHCW has strong financial management processes and a clear long-term plan, including the Integrated Medium-Term Plan (IMTP). However, DHCW's reliance, in part, on short-term funding and savings from job vacancies continue to present some financial risks
- DHCW's corporate governance systems are effective, and current actions are helping to reduce key risks. The Programmes Delivery Committee is rightly focused on major digital programmes, but it should concentrate more on what DHCW can control and work better with partners to support wider delivery. While DHCW is responding positively to its recent escalation by Welsh Government, stronger performance reporting and better tracking of organisational strategies would help it to assess and demonstrate its impact and value to partners.

All recommendations from Audit Wales, along with DHCW’s management responses, are logged and monitored regularly. Progress is reviewed at every meeting of the Audit and Assurance Committee to ensure that improvements are delivered and that the organisation continues to strengthen how it manages its resources and demonstrates its impact.

Data Quality

The quality and effectiveness of the information and data provided to the Board is continually reviewed at each meeting of the Board and some revisions have been made to the Performance Report during the year to provide further clarity. The Board finds the Performance Report acceptable in making its assessment of the organisation.

Conclusion

There were no significant control or governance issues identified during 2025/26. However, like all public bodies, DHCW continues to operate in a financially challenging environment, and the growing reliance on digital systems means that cyber security remains an ongoing risk. As Accountable Officer, I will ensure that our Governance Framework continues to evolve so that DHCW can respond effectively to these pressures, protect its systems and services, and maintain strong and reliable internal controls.

Signed by Helen Thomas, Chief Executive:



Date: 25th June 2026



Director's Report for the period ended 31 March 2026

The information required for this report can be found in the tables and pages of the annual report detailed below:

The Composition of the Board and Membership

Composition of Board: [Appendix 1](#) provides 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 DHCW during the financial year 2025/26. 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. [Appendix 1](#) also details the meetings attended during the year and the champion roles agreed by Board Members for the forthcoming year. In addition, [short biographies of all Board Members](#) can be found on the Special Health Authorities website.

Register of Interests

To ensure fair and equitable decision making the Board are required to declare any interests which may conflict with the organisation's responsibilities. This is updated on a regular basis and received by the Audit and Assurance Committee on behalf of the Board, it is published to the DHCW website under [key documents](#).

Personal Data Related Incidents

Information on personal data related incidents formally reported to the Information Commissioner's Office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed in the Annual Governance Statement.

Environmental, Social and Community Issues

Details of DHCW decarbonisation strategy and progress are in the Performance Report

Statement for Public Sector Information Holders

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



Accountable Officer of the Special Health Authority

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the SHA.

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

I can confirm that:

- To the best of my knowledge there is no relevant audit information of which the entity's auditors are unaware, and I as the Accountable Officer have taken all the steps that ought to have taken to make myself aware of any relevant audit information and have established that the entity's auditors are aware of that information.
- The DHCW annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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

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

Signed by Helen Thomas, Chief Executive:

A handwritten signature in dark blue ink, appearing to read "Helen Thomas", is written over a light blue horizontal line.

Date: 25th June 2026



Statement of Directors' Responsibilities

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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

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

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

By Order of the Board

Signed:

On behalf of the Chair: Ruth Glazzard

Dated: 25th June 2026

Chief Executive: Helen Thomas

Dated: 25th June 2026

Interim Director of Finance: Chris Moreton

Dated: 25th June 2026



Remuneration and Staff Report

Remuneration Report

The information contained in this report relates to the remuneration of the senior managers employed by Digital Health and Care Wales (DHCW). 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 DHCW, the senior managers are considered to be the regular attendees of Board meetings, i.e. Members of the Executive Team and the Independent Members.

Existing public sector pay arrangements apply to all staff including members of the Executive Team.

All members of the Executive Team are on pay points and not pay scales.

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

There have been some payments to former Executives or other former senior managers during the year and these are detailed in table 1.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31 March 2026 whilst the Annual Accounts (note 9.2) shows the average number of employees during the year.

Transparency of senior remuneration in the devolved [Welsh Public Sector – Guide to Tackling Unfair Employment Practices and False Self-Employment](#)

Remuneration and Terms of Service Committee

The pay and terms and conditions of employment for the Executive Team and senior managers have been and will be determined by the Remuneration and Terms of Service Committee, within the framework set by the Welsh Government. The SHA Remuneration Committee members are Independent Members of the Board. The Committee is chaired by the SHA Chair. The Terms of Reference for the Committee are reviewed on an annual basis. Details of the membership of the Remuneration & Terms of Service Committee are captured in [Appendix 1](#).

Salary and Pension Disclosures

Salary and pension disclosure tables (unaudited) – single total figure of remuneration

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

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual by the SHA during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person’s salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The salary and pension disclosures reflect the senior managers’ information. In 2025/26 the senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Primary, Community and Mental Health Digital Services, the Director of People and Organisational Development and the Director of Corporate Affairs / Board Secretary.

Table 1: Salary Benefits 25-26

Name	(a) Salary (£'000) £5k bands	(b) Bonus payments (£'000) £5k bands	(c) Benefits in kind £ (to the nearest £100)	(d) Pension benefits *** £'000 2.5k bands	(e) Total £'000 £5k bands
Executive and Senior Management					
Helen Thomas	170-175	0	0	105-107.5	275-280
Claire Osmundsen-Little (1)	120-125	0	14	35-37.5	160-165
Chris Moreton (2)	5-10	0	0	0	5-10
Chris Darling (3)	110-115	0	22	0	80-85
Rhidian Hurle	175-180	0	0	72.5-75	250-255
Samantha Hall	130-135	0	0	32.5-35	165-170
Sam Lloyd	135-140	0	0	32.5-35	170-175
Ifan Evans (4)	140-145	0	0	67.5-70	205-210
Samantha Morgan	110-115	0	0	27.5-30	135-140

Name	(a) Salary (£'000) £5k bands	(b) Bonus payments (£'000) £5k bands	(c) Benefits in kind £ (to the nearest £100)	(d) Pension benefits *** £'000 2.5k bands	(e) Total £'000 £5k bands
Non-Executive Directors					
Simon Jones (5)	20-25	0	0	0	20-25
Marian Jones	5-10	0	0	0	5-10
Ruth Glazzard (6)	30-35	0	0	0	30-35
David Selway (7)	15-20	0	0	0	15-20
Rowan Gardner (8)	5-10	0	0	0	5-10
Marilyn Bryan- Jones	5-10	0	0	0	5-10
Alistair Klaas Neill	5-10	0	0	0	5-10

1. Claire Osmundsen Little was seconded to Swansea Bay UHB from 9th March 2026 – The salary for the period to 8th March 26 before salary sacrifice deductions was £130-135K and the full year salary £140-145K
2. Chris Moreton became Interim Director of Finance from 9th March 2026 – Full year salary £135-140K – Acting up and salary details were confirmed after the deadline to submit pension figures so are not disclosed
3. Chris Darling salary prior to salary sacrifice deductions was £120-125K
4. Ifan Evans was seconded from Welsh Government for the entire year
5. Simon Jones left the Organisation on 30th September 2025
6. Ruth Glazzard became Acting Chair from 1st October 2025
7. David Selway became Acting Vice Chair from 1st October 2025
8. Rowan Gardner left the Organisation on 31st March 2026

Salary figures are reported after salary sacrifice deductions and salary sacrifice is reported as a benefit in kind. This is a change to previous years where salary was reported before salary sacrifice deductions, previous year figures have not been restated

Independent member salary increases for the period 1st January 2026 to 31st March 2026 have been included in the above figures but have not changed the salary bands declared.

Table 2: Salary Benefits 24-25

Name	(a) Salary (£'000) £5k bands	(b) Bonus payments (£'000) £5k bands	(c) Benefits in kind £ (to the nearest £100)	(d) Pension benefits *** £'000 (to the nearest £1000)	(e) Total £'000 £5k bands
Executive and Senior Management					
Helen Thomas	165-170	0	0	101	265-270
Claire Osmundsen-Little	135-140	0	0	39	175-180
Chris Darling (5)	120-125	0	0	82	200-205
Rhidian Hurle	170-175	0	0	82	250-255
Sarah-Jane Taylor (3)	60-65	0	0	N/A	60-65
Samantha Hall (6)	130-135	0	0	36	170-175
Sam Lloyd	130-135	0	0	35	165-170
Ifan Evans (1)	120-125	0	0	77	225-230
Samantha Morgan (4)	35-40	0	0	102	140-145

1. Ifan Evans was seconded from Welsh Government for the entire year. A salary increase of £25-30K has been included above which relates to the period 01/04/22 to 31/03/25. The salary declaration excluding the back dated element would have been 135-140K
2. Rowan Gardner recommenced salaried employment from 1st May

Name	(a) Salary (£'000) £5k bands	(b) Bonus payments (£'000) £5k bands	(c) Benefits in kind £ (to the nearest £100)	(d) Pension benefits *** £'000 (to the nearest £1000)	(e) Total £'000 £5k bands
Non-Executive Directors					
Simon Jones	40-45	0	0	0	40-45
Marian Jones	5-10	0	0	0	5-10
Ruth Glazzard	20-25	0	0	0	20-25
David Selway	5-10	0	0	0	5-10
Rowan Gardner (2)	5-10	0	0	0	5-10
Marilyn Bryan-Jones	5-10	0	0	0	5-10
Alistair Klaas Neill	5-10	0	0	0	5-10

3. Sarah-Jane Taylor Left employment on 30th September – Full year salary £120-125K
4. Samantha Morgan commenced employment on 23rd November – Full year salary £105-110K
5. Chris Darling received a payment of 0-5K which related to the previous year, the salary declaration excluding this payment would have been 115-120K
6. Samantha Hall received a payment of 0-5K which related to the previous year, the salary declaration excluding this payment would remain at 130-135K

Salary and pension disclosure cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Pension Benefits

Table 3: Pension Benefits 2025-26

Name and Title	Accrued pension at pension age as at 31/03/26 and related lump sum (bands of £5,000) £000	Real increase in pension and related lump sum at pension age (bands of £2,500) £000	Cash Equivalent Transfer Value at 31/03/2026 to the nearest £1,000 £000	Cash Equivalent Transfer Value at 31/03/25 to the nearest £1,000 £000	Real increase in Cash Equivalent Transfer Value to the nearest £1,000 £000
Mrs. Helen Thomas, Chief Executive Officer	75-80 plus lump sum of 195-200	12.5-15	1,804	1,634	142
Mrs. Claire Osmundsen-Little, Executive Director of Finance	20-25	2.5-5	365	313	44
Mr. Chris Darling, Board Secretary	30-35 plus lump sum of 70-75	0	637	646	0
Mr. Rhidian Hurle, Executive Medical Director	80-85 plus lump sum of 205-210	7.5-10	1,947	1,800	117
Mrs. Samantha Hall, Director of Primary Care and Mental Health	5-10	2.5-5	132	90	41
Mr. Sam Lloyd, Executive Director of Operations	15-20 plus lump sum of 30-35	2.5-5	351	304	42
Mrs. Samantha Morgan, Director of People	5-10	0-2.5	120	83	35
Mr. Ifan Evans, Executive Director of Strategy	50-55	2.5-5	974	871	50

Table 4: Pension Benefits 2024-25

Name and Title	Accrued pension at pension age as at 31/03/25 and related lump sum (bands of £5,000) £000	Real increase in pension and related lump sum at pension age (bands of £2,500) £000	Cash Equivalent Transfer Value at 31/03/2025 to the nearest £1,000 £000	Cash Equivalent Transfer Value at 31/03/24 to the nearest £1,000 £000	Real increase in Cash Equivalent Transfer Value to the nearest £1,000 £000
Mrs. Helen Thomas, Chief Executive Officer	70-75 plus lump sum of 185-190	12.5-15	1,634	1,408	132
Mrs. Claire Osmundsen-Little, Executive Director of Finance	20-25	2.5-5	313	251	45
Mr. Chris Darling, Board Secretary	30-35 plus lump sum of 80-85	10-12.5	646	528	82
Mr. Rhidian Hurle, Executive Medical Director	75-80 plus lump sum of 200-205	7.5-10	1,800	1,576	118
Mrs. Samantha Hall, Director of Primary Care and Mental Health	5-10	2.5-5	90	46	41
Mr. Sam Lloyd, Executive Director of Operations	15-20 plus lump sum of 30-35	2.5-5	304	248	40
Mrs. Samantha Morgan, Director of People	5-10	5-7.5	83	-	83
Mr. Ifan Evans, Executive Director of Strategy	45-50	2.5-5	871	768	60

Fair Pay disclosures

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.

Table 5: Remuneration Relationship

	2025-2026	2025 -2026	2025 -2026	2024 -2025	2024 -2025	2024 -2025
	£000	£000	£000	£000	£000	£000
Total pay and benefits	Chief Executive	Employee	Ratio	Chief Executive	Employee	Ratio
25th percentile pay ratio	172.5	38.4	4.5:1	167.5	37.0	4.5:1
Median pay	172.5	48.5	3.6:1	167.5	45.6	3.7:1
75th percentile pay ratio	172.5	59.4	2.9:1	167.5	54.6	3.1:1
Salary component of total pay and benefits						
25th percentile pay ratio	172.5	38.4		167.5	37.0	
Median pay	172.5	47.3		167.5	45.6	
75th percentile pay ratio	172.5	56.5		167.5	54.6	
Total pay and benefits	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
25th percentile pay ratio	177.5	38.4	4.6:1	172.5	37.0	4.7:1
Median pay	177.5	48.5	3.7:1	172.5	45.6	3.8:1
75th percentile pay ratio	177.5	59.4	3.0:1	172.5	54.6	3.2:1
Salary component of total pay and benefits						
25th percentile pay ratio	177.5	38.4		172.5	37.0	
Median pay	177.5	47.3		172.5	45.6	
75th percentile pay ratio	177.5	56.5		172.5	54.6	

The median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity’s employees taken as a whole.

Staff Report

Number of Senior Staff

As of 31 March 2026, there were 14 members of the Board, of which five were Executive Directors, three Directors and five Independent Members including DHCW Interim Chair and Vice Chair.

Staff Numbers and Composition as of 31 March 2026

Table 6: Breakdown of staff by Group (Figures are an average across the year, supplied by Finance and includes contractors)

Staff Group	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total	Financial Year
Administrative, Clerical and Board Members	1207	8	10	0	0	1225	2025-26
Administrative, Clerical and Board Members	1219	11	4	0	1	1235	2024-25

Table 7: Gender Breakdown of the Board and Directors - Updated as of 31st March 2026

Position	Female	Male	Total
Chair – Vacancy			0
Chief Executive Officer	1		1
Executive Director of Finance – Interim		1	1
Executive Director of Strategy		1	1
Executive Director of Operations		1	1
Executive Medical Director		1	1
Director of People & Organisational Development	1		1
Board Secretary		1	1
Director of Primary, Community & Mental Health Digital Services	1		1
Independent Member - Vice Chair*	1		1
Independent Member**	3	2	5
Grand Total	7	7	14

*Interim Chair

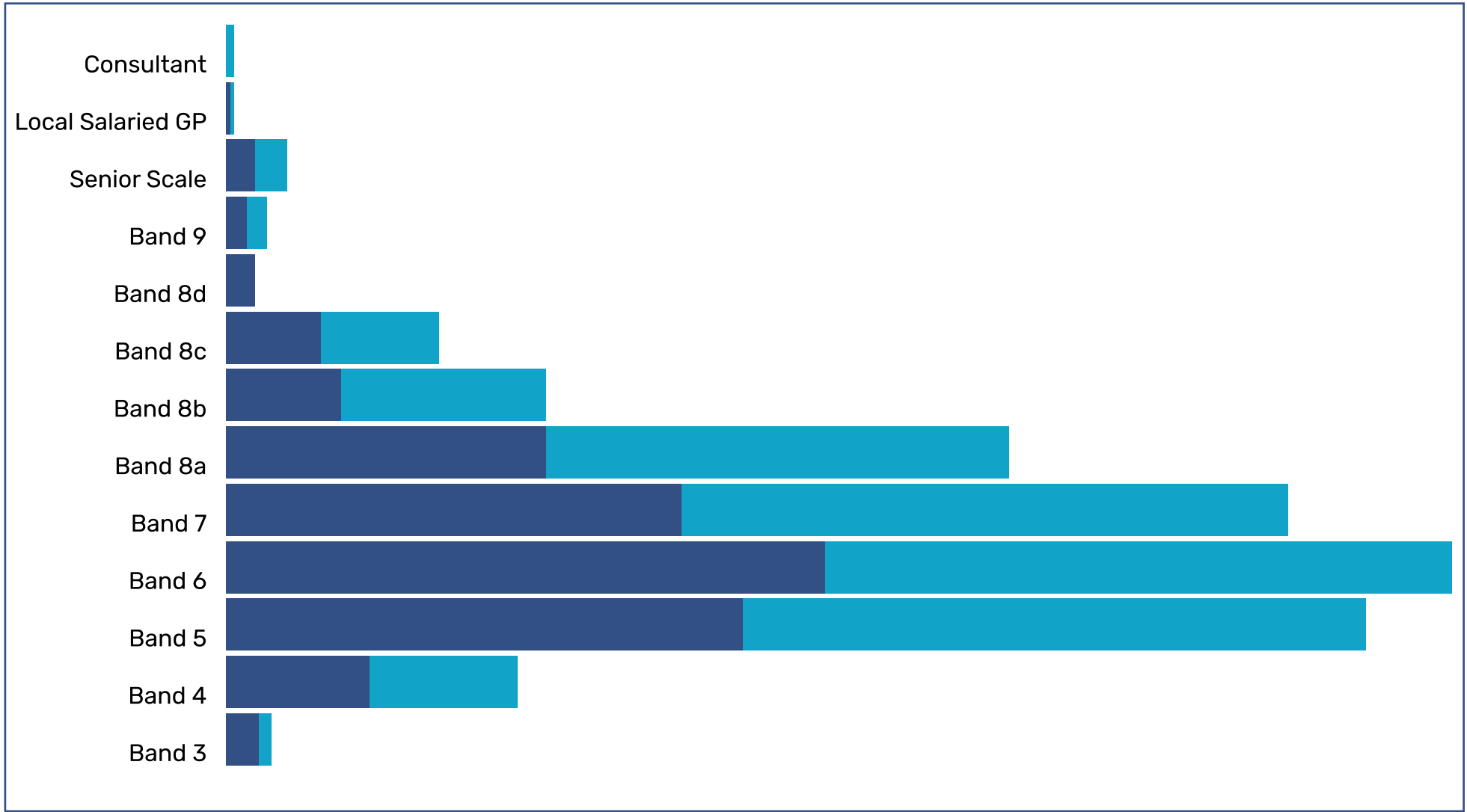
** Interim Vice Chair (male)

Table 7: Gender Breakdown by Executive Team and Other Employees as of 31st March 2026

Staff Composition	Female	Male	Total
Senior Employees (Executive Team, Directors, IMs)	7	7	14
Other Employees	562	692	1254
Secondment In	6	6	12
Total	575	705	1280
% All Staff	45%	55%	

Table 8: Breakdown by Gender and by Band

	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8a	Band 8b	Band 8c	Band 8d	Band 9	Senior Scale	Local Salaried GP	Consultant
Male	3	36	152	153	148	113	50	29	0	5	8	1	2
Female	8	35	126	146	111	78	28	23	7	5	7	1	0



Sickness absence data

The People and Organisation Development Directorate (POD) collaborates with each Directorate to safeguard the wellbeing of our staff and responsibly manage sickness absence. Monthly performance reports are provided on sickness absence rates to ensure rigorous monitoring by Directorates and Executive colleagues. Additionally, all staff have access to both the Occupational Health Service and the Employee Assistance Programme, which extends complimentary support to family members as well.

During 2025-26, most individual absences were due to cold and flu (416) whilst the highest number of lost working days were stress and anxiety (5209).

The table 9 below shows the sickness absence levels during 2025/26. The average rate of sickness was 3.21%, while current rate as of 31st March 2026 is 2.7%.

Table 9: Percentage Sickness Absence 2025/26

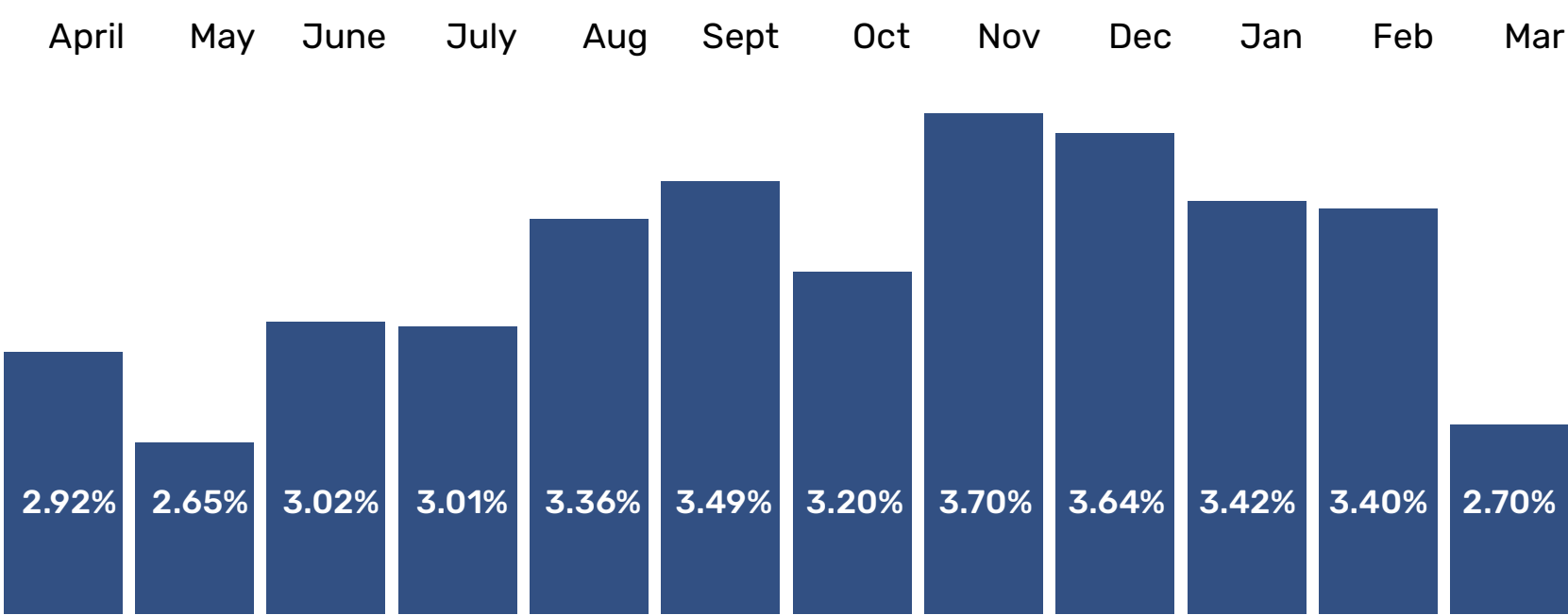


Table 10 Number of Working Days Lost to Sickness

Number of working days lost due to sickness	
Calendar Days Lost	14649
Calendar Sickness Days Lost (Short-term)	6291
Calendar Sickness Days Lost (Long-term)	8358
% of Employees with Zero Absence	51.32%
% Employees with Absence	48.68%

Staff Policies applied during the financial year

All DHCW policies and procedures applied during the financial year are subject to Equality Impact Assessment against the nine protected characteristics. This ensures that they do not discriminate against individuals who apply to work for, or are employed by, DHCW and supports our ongoing commitment to equality, diversity and inclusion.

All policies are reviewed on a regular basis and updated where appropriate through the formal ratification process, which is managed and recorded within the iPassport Quality Management System. This process includes defined review cycles, version control and quality assurance to ensure policies remain current, compliant and fit for purpose.

Where applicable, DHCW adopts All Wales policies, which are developed nationally to ensure consistency across NHS Wales. These [policies are available to access via the DHCW website](#).

Health & Wellbeing

At DHCW, we are dedicated to creating a healthy, engaged, and resilient workforce. Over the past year, we have taken a proactive approach to employee wellbeing by introducing various initiatives aimed at improving physical, mental, and social health. More information on this can be found in the performance report.

Equality, Diversity and Inclusion

At DHCW, we are dedicated to fostering an inclusive and supportive workplace. Our Strategic Equality Plan (SEP), approved in March 2023 and published in April 2023, highlights our commitment to anti-bullying and anti-racism. This plan was developed in partnership with staff and key stakeholders, and its implementation has continued in the same way.

The EDI Network was established in May 2023 and meets every two months to raise awareness, lead events, and support SEP objectives. EDI Network Champions play a vital role in advocating for diversity and inclusion. In Quarter 4 (2024-25), the EDI Network will be refreshed, allowing new members to join, with the updated network announced in Quarter 1 (2025-26).

Our Key Commitments and Progress

We are making good progress in delivering our Strategic Equality Plan (2023–27), which sets out how we promote fairness, inclusion and equality across DHCW.

1. Supporting Our People

We support an inclusive workplace through an Equality, Diversity and Inclusion (EDI) Network that represents all protected characteristics under equality law. The network continues to grow and is helping drive positive changes in policy and culture. We also celebrate the diversity of our workforce through national events and campaigns, including Windrush, South Asian Heritage Month and Pride.

2. Education and Accountability

We provide regular awareness-raising sessions to help staff understand equality and inclusion, with around 100 people attending each event. Training remains a priority, with high completion rates for anti-racism training. We have also invested in neurodiversity training for leaders. Equality Impact Assessments are carried out regularly to make sure new policies and projects consider their impact on different groups.

3. Using Data to Drive Change

We use data to monitor fairness and support national reporting requirements. Recruitment dashboards help us track diversity throughout the recruitment process, while pay gap reporting allows us to understand trends over time and take action where needed.

4. Understanding Barriers and Challenges

We are improving awareness of invisible and non-physical disabilities and working with staff to put appropriate support and adjustments in place. Feedback from exit interviews and national support schemes helps us identify where further improvements are needed. As a Disability Confident Employer, we continue to support staff who declare a disability.

5. Leadership and Sponsorship

Senior leaders actively promote equality and inclusion by supporting staff engagement, participating in awareness events and encouraging staff to take part in national surveys. The Board and Executive team also engage directly with staff networks to listen to lived experiences and oversee progress against the Equality Plan.

Further information on our EDI and Wellbeing activities and key achievements for 2025 – 2026 can be found in our performance report.

Reporting of other compensation schemes – exit packages

During 2025/26 there were two exit packages paid or approved.

Expenditure on consultancy services

During 2025/2026 the SHA spent £0.221m of its revenue funding on external consultancy services, this is a decrease of 30% from the same spend in 2024/25.

For the purpose of the statutory accounts, consultancy is defined as time limited/ad-hoc assignments related to the provision of professional and strategic advice and not directly attributable to activities delivering digital products. Examples include:

- Accountancy & Commercial fees
- Legal fees
- Design fees
- IT consultancy and advice

Expenditure on temporary staff

During 2025/2026 the SHA spent £1.286m of its revenue funding on temporary staff. This includes Temporary (agency) workers, Interim managers and Specialist Contractors. The spend is reflective of use of temporary workers in the PC refresh and migration work, the cloud and in Immunisation support in 2025/26.

Tax assurance for off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2026 for those earning more than £245 per day for the core SHA and any hosted organisations.

Table 11: Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.

Number (No.) of existing engagements as of 31 March 2026	4
Of which...	
existed less than 1 year	4
for between one and two years	0
for between two and three years	0
for between three and four years	0
for four or more years	0

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

Table 12: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2026	8
Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	8
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

Table 13: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total Number of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on-payroll engagements.	14

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.

Helen Thomas

Chief Executive and Accountable Officer, Digital Health and Care Wales



25th June 2026



Senedd Cymru/Welsh Parliamentary Accountability & Audit Report

For the year ended 31 March 2026

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 Digital Health and Care Wales (DHCW) 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 DHCW undertakes an activity which is not funded directly by the Welsh Government, DHCW receives income to cover its costs. Further detail of income received is published in the annual accounts. DHCW 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 DHCW are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2026.

2025 - 2026	
Guarantees	Nil
Indemnities	Nil



Audit Certificate and the Audit General for Wales Report

Opinion on financial statements

I certify that I have audited the financial statements of Digital Health and Care Wales for the year ended 31 March 2026 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 Digital Health and Care Wales as at 31 March 2026 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 and regularity of public sector bodies 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 Digital Health and Care 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 the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability 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 the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by the 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 Digital Health and Care Wales's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, posting of unusual journals and management override of controls;
- obtaining an understanding of Digital Health and Care Wales's framework of authority as well as other legal and regulatory frameworks that the Authority 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 Digital Health and Care Wales; and
- obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Digital Health and Care Wales's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other auditor’s responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales
26 June 2026

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ



Report of the Auditor General to the Senedd

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Digital Health and Care Wales for the year ended 31 March 2026 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury’s Financial Reporting Manual. In preparing the financial statements, I am 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 Digital Health and Care Wales will continue in operation;
- ensuring the regularity of any expenditure and other transactions incurred; and
- the design, implementation and maintenance of internal control to prevent and detect error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- our knowledge of fraud or suspected fraud that we are aware of and that affects Digital Health and Care Wales and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- the identity of all related parties and all the related party relationships and transactions of which we are aware.
- our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no non-trivial misstatements within the accounts which remain uncorrected.

Representations by the Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on 25 June 2026.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Executive: Helen Thomas



Dated: 25th June 2026

Interim Chair: Ruth Glazzard



Dated: 25th June 2026



Financial Statements and Notes 2025/26

Foreword

These accounts have been prepared by DHCW SHA, 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 2025 to 31st March 2026

Statutory background

DHCW was established by establishment order 2020 No 1451 (W313) under section 22 of the National Health Service (Wales) Act 2006 (“the Act”), which was made on 7th December 2020 and came into force on the 30th December 2020.

DHCW operated in a shadow form until 1 April 2021 with all establishment and set up costs being borne by the Welsh Government, and Public Health Wales NHS Trust. The predecessor body NHS Wales Informatics Services (NWIS) hosted by Velindre University NHS Trust delivered operational activity to 31st March 2021.

On 1st April 2021 staff were transferred into DHCW and the organisation became fully operational.

DHCW is the second Special Health Authority within Wales created to take forward the digital transformation needed for better health and care in Wales, making services more accessible and sustainable while supporting personal health and well-being.

Performance Management and Financial Results

DHCW 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 DHCW which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

DHCW 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.

Financial targets

DHCW was established as a Special Health Authority. The statutory financial duties of Special Health Authorities are set out in section 172 of the National Health Service (Wales) Act 2006.

Statutory Financial Duties – First Financial Duty

Section 172(1) sets out what is referred to as the ‘First Financial Duty’ -a duty to secure that DHCW 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.

Administrative Financial Duties – Second Financial Duty

The ‘Second Financial Duty’ for NHS bodies in Wales is the duty to prepare a plan and for that plan to be submitted to and approved by the Welsh Ministers.

Financial performance

DHCW is reporting the achievement all financial targets set.

- Breakeven duty - DHCW has an annual requirement to achieve a balanced year end position against the Resource and Capital limits set for the year. The SHA reported a revenue surplus of £0.241m (0.1% of total allocation) and capital underspend of £0.095m (1% of total allocation) for the financial year therefore achieving its statutory financial duty to achieve financial breakeven.
- The SHA has submitted an Integrated Medium Term Plan for the period 2025-28 in accordance with NHS Wales Planning Framework 2024-27. However, as this was not a statutory requirement for SHAs under the NHS Finance (Wales) Act 2014 the plan did not require Ministerial approval.
- Creditor payments - The Trust is required to pay 95% of the number of non-NHS bills within 30 days of the receipt of goods or a valid invoice (whichever is the later). The SHA has met this target, paying 99% of invoices within the required timeframe.

Statement of Comprehensive Net Expenditure for the period ended 31 March 2026

[See note 2](#) on page 158 for details of performance against Revenue and Capital allocations.

The notes on pages 143 to 210 form part of these accounts.

	Note	2025-26 £000	2024-25 £000
General Medical Services	3.1	23,420	19,730
Other Operating Expenditure	3.2	166,735	157,981
		190,155	177,711
Less: Miscellaneous Income	4	(61,825)	(59,371)
Net operating costs before interest and other gains and losses		128,330	118,340
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	0
Finance costs	7	1,047	92
Net operating costs for the financial period		129,377	118,432

Other Comprehensive Net Expenditure

The notes on pages 143 to 210 form part of these accounts.

	2025-26 £000	2024-25 £000
Net (gain) / loss on revaluation of property, plant and equipment	(23)	(7)
Net (gain) / loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
Net (gain)/loss on revaluation of financial assets	0	0
Net (gain) loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Net (gain) / loss on other reserves	0	0
Other comprehensive net expenditure for the period	(23)	(7)
Total comprehensive net expenditure for the period		118,425

Statement of Financial Position as at 31 March 2026

The financial statements on pages 143 to 210 were approved by the Board on 25th June 2026.

[Signature]

Chief Executive and Accountable Officer, Digital Health and Care Wales - 25th June 2026.

The notes on pages 143 to 210 form part of these accounts.

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Property, plant and equipment	11	8,949	9,443
Right of Use Assets	11.3	4,429	4,698
Intangible assets	12	45,911	39,782
Trade and other receivables	15	457	321
Other financial assets	16	0	0
Total non-current assets		59,746	54,244
Current assets			
Inventories	14	58	51
Trade and other receivables	15	23,950	19,623
Other financial assets	16	0	0
Cash and cash equivalents	17	4,218	2,745
		28,226	22,419
Non-current assets classified as "Held for Sale"	11.2	0	0
Total current assets		28,226	22,419
Total assets		87,972	76,663
Current liabilities			
Trade and other payables	18	(20,702)	(19,233)
Other financial liabilities	19	0	0
Provisions	20	(5,116)	(22,648)
Total current liabilities		(25,818)	(41,881)
Net current assets/ (liabilities)		2,408	(19,462)
Non-current liabilities			
Trade and other payables	18	(3,715)	(3,893)
Other financial liabilities	19	0	0
Provisions	20	0	(5)
Total non-current liabilities		(3,715)	(3,898)
Total assets employed		58,439	30,884
Financed by :			
Taxpayers' equity			
General Fund		58,321	30,788
Revaluation reserve		118	96
Total taxpayers' equity		58,439	30,884

Statement of Changes in Taxpayers' Equity. For the period ended 31 March 2026

Notional Welsh Government funding line includes 9.4% staff employer pension costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 9.4% staff employer pension:

- SHA Staff (note 3.3) = 5.1m
- Single Lead Employer (SLE) Staff (note 3.2) = £0m

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity			
Balance b/f as at 31 March 2025	30,788	96	30,884
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 2025	30,788	96	30,884
Net operating cost for the period	(129,377)		(129,377)
Net gain/(loss) on revaluation of property, plant and equipment	0	23	23
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 PPE and Intangible assets held for sale	0	0	0
Net gain/(loss) on revaluation of financial 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
Net gain/(loss) on Other Reserve	0	0	0
Total recognised income and expense for period	(129,377)	23	(129,354)
Net Welsh Government funding	151,761		151,761
Welsh Government notional funding	5,149		5,149
Balance at 31 March 2026	58,321	119	58,440

The notes on pages 143 to 210 form part of these accounts.

Statement of Changes in Taxpayers’ Equity for the period ended 31 March 2025

Notional Welsh Government funding line includes 9.4% staff employer pension costs paid centrally by Welsh Government.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2025-26. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

Notional Welsh Government funding split:

Notional 9.4% staff employer pension:

- SHA Staff (note 3.3) = £4.9m
- Single Lead Employer (SLE) Staff (note 3.2) = £0m

The notes on pages 143 to 210 form part of these accounts.

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers’ equity			
Balance b/f as at 31 March 2024	36,442	89	36,531
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 2024	36,442	89	36,531
Net operating cost for the period	(118,432)		(118,432)
Net gain/(loss) on revaluation of property, plant and equipment	0	7	7
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 PPE and Intangible assets held for sale	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Movements in other reserves	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers (to) / from other bodies NHS Wales bodies	0	0	0
Net gain/(loss) on Other Reserve	0	0	0
Total recognised income and expense for period	(118,432)	7	(118,432)
Net Welsh Government funding	107,836		107,836
Welsh Government notional funding	4,942		4,942
Balance at 31 March 2025	30,788	96	30,884

Statement of Cash Flows for period ended 31 March 2026

The notes on pages 143 to 210 form part of these accounts.

	Note	2025-26 £000	2024-25 £000
Cash Flows from operating activities			
Net operating cost for the financial period		(129,377)	(118,432)
Movements in Working Capital	27	(1,366)	2,439
Other cash flow adjustments	28	23,359	22,344
Provisions utilised	20	(27,964)	0
Net cash outflow from operating activities		(135,348)	(93,649)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(2,477)	(3,130)
Proceeds from disposal of property, plant and equipment		17	38
Purchase of intangible assets		(11,590)	(9,262)
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		(14,050)	(12,354)
Net cash inflow/(outflow) before financing		(149,398)	(106,003)
Cash Flows from financing activities			
Welsh Government funding (including capital)		151,761	107,836
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		(890)	(1,181)
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		150,871	106,655
Net increase/(decrease) in cash and cash equivalents		1,473	652
Cash and cash equivalents (and bank overdrafts) at 1 April 2025		2,745	2,093
Cash and cash equivalents (and bank overdrafts) at 31 March 2026		4,218	2,745

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 2025-26 Manual for Accounts. The accounting policies contained in that manual follow the 2025-26 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the 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 Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2025-26. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other Note within these accounts.

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

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 DHCW;
- 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.

The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

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

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

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

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 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.

1.7.2 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.

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. Right of use (ROU) asset impairments are reflected in ROU liability.

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.

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: DHCW 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 DHCW 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 DHCW 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

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

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

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

The SHA 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 DHCW as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. DHCW 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 DHCW applies a revised rate to the remaining lease liability.

Where existing leases are modified DHCW 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 DHCW.

1.11.2 DHCW as lessor

DHCW 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.

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 three 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 DHCW.

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 2024-25 and 2025-26, although no costs were apportioned to the SHA during the year. The WRP is hosted by Velindre University 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 FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.17.1. 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 SHA 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 SHA 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 SHA has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

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 SHA 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 SHA accounts for all losses and special payments gross.

The SHA 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.

For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.23. Pooled budget

The SHA has not entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

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

DHCW 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 SHA, 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 SHA. 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** – Not UK endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.
- **IFRS 18 Presentation and Disclosure in Financial Statements** – Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** – Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2025-26 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 SHA 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 performance 2025-26	
	£000
Net operating costs for the period	129,378
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 16	0
Total operating expenses	129,378
Revenue Resource Allocation	129,619
Under /(over) spend against Allocation	241

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

2.2 Capital Resource Performance

	2025-26
	£000
Gross capital expenditure	13,174
Add: Losses on disposal of donated assets	0
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	(31)
Adjustment for transfers (to)/from NHS Trusts	0
Less: capital grants received	0
Less: donations received	0
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	13,143
Capital Resource Allocation	13,238
(Over) / Underspend against Capital Resource Allocation	95

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

2.3 Integrated Medium Term Plan

The SHA has submitted an Integrated Medium Term Plan for the period 2025-28 in accordance with NHS Wales Planning Framework 2025-28. 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:

	2025-26	2024-25
Total number of non-NHS bills paid	4,164	4,483
Total number of non-NHS bills paid within target	4,109	4,365
Percentage of non-NHS bills paid within target	98.7%	97.4%

DHCW has met the target.

3. Analysis of gross operating costs

3.1 General Medical Services

	2024-25 £'000	2023-24 £'000
IT Support and Refresh	4,801	4,756
Public Sector Broadband Aggregation	589	609
Systems & Services Contract	9,598	6,419
Licences	4,045	3,845
Data Quality System Audit	484	518
Primary Care Services	3,489	3,123
Other Expenditure	414	460
Total	23,420	19,730

3.2 Other Operating Expenditure

	2025-26 £000	2024-25 £000
Local Health Boards	9,290	5,952
Welsh NHS Trusts	2,250	2,195
Welsh Special Health Authorities	184	110
Goods and services from other NHS bodies	0	24
NHS Wales Joint Commissioning Committee (NWJCC) / Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	5	0
Local Authorities	211	1,028
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	0	0
Other NHS Trusts	0	0
Directors' costs	1,748	1,676
Operational Staff costs	72,642	69,130
Supplies and services - clinical	0	0
Supplies and services - general	5,385	5,346
Consultancy Services	221	325
Establishment	2,018	1,637
Transport	47	39
Premises	1,693	2,053
Computer software licences and maintenance contracts (DHCW only)	52,394	48,231

External Contractors	7,145	9,783
Depreciation	2,883	3,347
Depreciation RoU Asset)	1,037	1,237
Amortisation	3,863	5,507
Fixed asset impairments and reversals (Property, plant & equipment)	0	44
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	213	201
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	3,401	6
Research and Development	0	0
Expense related to short-term leases	100	108
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating costs	5	2
Total	166,735	157,981

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

Increase/(decrease) in provision for future payments:	2025-26 £000	2024-25 £000
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	3,402	0
Defence legal fees and other administrative costs	0	0
Gross increase/(decrease) in provision for future payments	3,402	0
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(1)	6
Less: income received/due from Welsh Risk Pool	0	0
Total	3,401	6

	2025-26	2024-25
	£	£
Permanent injury included within personal injury £:	0	0

4. Miscellaneous Income

	2025-26 £000	2024-25 £000
Local Health Boards	51,507	49,270
NHSW Joint Commissioning Committee	160	155
NHS trusts	8,023	7,636
Welsh Special Health Authorities	800	822
Foundation Trusts	0	0
Other NHS England bodies	0	0
Other NHS Bodies	130	325
Local authorities	56	56
Welsh Government	209	200
Welsh Government Hosted Bodies	64	63
Non NHS:		
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other income from activities	876	844
Patient transport services	0	0
Education, training and research	0	0
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	0	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	0	0
Total	61,825	59,371

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

	2025-26	2024-25
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	0.00	0.00

5. Investment Revenue

	2025-26 £000	2024-25 £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	0	0

6. Other gains and losses

	2025-26 £000	2024 -25 £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 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	0	0

7. Finance costs

	2025-26 £000	2024-25 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	194	92
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	194	92
Provisions unwinding of discount	0	0
Other finance costs	853	0
Total	1,047	92

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

SHA as lessee

As at 31st March 2026 the SHA has 34 lease agreements that are not accounted for under IFRS16 as they are considered low value/short term assets.

Payments recognised as an expense	Low Value & Short Term	Other	Total	
	2025-26 £000	2025-26 £000	2025-26 £000	2024-25 £000
Minimum lease payments	100	0	100	108
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	100	0	100	108

Total future minimum lease payments	Low Value & Short Term	Other	Total	
Payable	2025-26 £000	2025-26 £000	2025-26 £000	2024-25 £000
Not later than one year	84	0	84	88
Between one and five years	0	0	0	8
After 5 years	0	0	0	0
Total	84	0	84	96

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

Rental revenue	2025-26 £000	2024-25 £000
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0

Total future minimum lease payments Receivable	2025-26 £000	2024-25 £000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total 2025-26	Total 2024-25
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	60,222	860	608	0	10	61,700	58,930
Social security costs	7,876	0	0	0	0	7,876	6,172
Employer contributions to NHS Pension Scheme	12,865	0	0	0	0	12,865	12,356
Other pension costs	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0
Total Employee costs	80,963	860	608	0	10	82,441	77,459

Charged to capital	2,227	1,479
Charged to revenue	80,214	75,980
	82,441	77,459

Net movement in accrued employee benefits (untaken staff leave)	65	159
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9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total 2025-26	Total 2024-25
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	1,207	8	10	0	0	1,225	1,235
Medical and dental	0	0	0	0	0	0	0
Nursing, midwifery registered	0	0	0	0	0	0	0
Professional, Scientific, and technical staff	0	0	0	0	0	0	0
Additional Clinical Services	0	0	0	0	0	0	0
Allied Health Professions	0	0	0	0	0	0	0
Healthcare Scientists	0	0	0	0	0	0	0
Estates and Ancillary	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Total	1,219	8	10	0	0	1,225	1,235

9.3. Retirements due to ill-health

	2025-26	2024-25
Number	0	0
Estimated additional pension costs £	0	0

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

DHCW operates four salary sacrifice schemes (childcare vouchers, cycle to work, home electronics and lease cars) for the financial benefit of its employees. It also provides a purchase of annual leave scheme. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support, and a financial wellbeing scheme to provide staff with access to simple financial education, salary deducted loans, and a range of savings and investment products.

9.5 Reporting of other compensation schemes - exit packages

9.5.1 Exit Packages Costs and numbers

	2025-2026				2024-2025
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	1
£25,000 to £50,000	1	0	1	0	0
£50,000 to £100,000	1	0	1	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	2	0	2	0	1

	2025-2026				2024-2025
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	14,000
£25,000 to £50,000	42,508	0	42,508	0	0
£50,000 to £100,000	63,933	0	63,933	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	106,441	0	106,441	0	14,000

Exit costs paid in year of departure	Total paid in year 2025-26 £	Total paid in year 2024-25 £
Exit costs paid in year	42,508	14,000
Total	42,508	14,000

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

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Where DHCW has agreed early retirements, the additional costs are met by DHCW and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

9.5 Reporting of other compensation schemes - exit packages continued

9.5.2 Analysis of other departures

Type of other departures	2025-26 Agreement numbers	2025-26 Total Value of agreements £
Voluntary redundancies including early retirement contractual costs	0	0
Contractual payments in lieu of notice*	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval**	0	0
Other please specify	0	0
Total	0	0

This disclosure provides detail for the number and value of exit packages agreed in the year.

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 9.5.1 which will be the number of individuals.

Please detail type of non-contractual severance with amounts below.

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.

Total pay and benefits			£000
Chief Executive Total pay and benefits range			000-000
Highest paid Director Total pay and benefits range			000-000
	2025-2026 £	2025-2026 £	2025-2026 £
Total pay and benefits mid-point	Chief Executive	Employee	Ratio
25th percentile pay ratio	172.5	38.4	4.5:1
Median pay	172.5	48.5	3.6:1
75th percentile pay ratio	172.5	59.4	2.9:1
Salary component of total pay and benefits			
25th percentile pay ratio	172.5	38.4	
Median pay	172.5	47.3	
75th percentile pay ratio	172.5	56.5	
Total pay and benefits mid-point	Highest Paid Director	Employee	Ratio
25th percentile pay ratio	177.5	38.4	4.6:1
Median pay	177.5	48.5	3.7:1
75th percentile pay ratio	177.5	59.4	3.0:1
Salary component of total pay and benefits			
25th percentile pay ratio	177.5	38.4	
Median pay	177.5	47.3	
75th percentile pay ratio	177.5	56.5	

2024-2025 £	2024-2025 £	2024-2025 £
Chief Executive	Employee	Ratio
167.5	37.0	4.5:1
167.5	45.6	3.7:1
167.5	54.6	3.1:1
167.5	37.0	
167.5	45.6	
167.5	54.6	
Highest Paid Director	Employee	Ratio
172.5	37.0	4.7:1
172.5	45.6	3.8:1
172.5	54.6	3.2:1
172.5	37.0	
172.5	45.6	
172.5	54.6	

In 2025-26, 0 (2024-25, 0) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £25,313 to £177,828 (2024-25, £24,300 to £172,231).

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

Financial year summary

Between 2024/25 and 2025/26 the median ratio of the workforce and the Chief Executive decreased from 3.7:1 to 3.6:1 and the ratio of the highest paid director decreased from 3.8:1 to 3.7:1.

The median for the salary component of total pay and benefits is £47,280 and £48,527 for total pay and benefits (In 2024/25 these figures were £45,637 and £45,637 respectively) which for both years is the top of a band 6 on the agenda for change pay scales.

There were 26 more wte at the end of the year, the net movement consists of a 37 wte increase above the median and a 11 wte decrease at the median and below; this will cause the value of the median to increase but as it is still within the same band, remains constant.

Pay rates for all employees of DHCW 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. Different awards applied to Medical and Agenda for Change payscales, and also between bands within each sets of terms and conditions, has had an impact on the change in the median pay for staff.

9.6.2 Percentage Changes

	2024-25 to 2025-26 %	2023-24 to 2024-25 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	3.0	3.1
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	2.9	6.2
Performance pay and bonuses	0	0

9.7 Pension Cost

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

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

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 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 (considering recent demographic experience), and to recommend the contribution rate payable by 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

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 2025-26 tax year (2024-25 £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.

	2025-26 Number	2025-26 £000	2024-25 Number	2024-25 £000
NHS				
Total bills paid	931	15,316	1,080	13,156
Total bills paid within target	907	14,756	1,044	12,651
Percentage of bills paid within target	97.4%	96.3%	96.7%	96.2%
Non-NHS				
Total bills paid	4,164	124,969	4,483	119,059
Total bills paid within target	4,109	123,137	4,365	116,009
Percentage of bills paid within target	98.7%	98.5%	97.4%	97.4%
Total				
Total bills paid	5,095	140,285	5,563	132,215
Total bills paid within target	5,016	137,893	5,409	128,660
Percentage of bills paid within target	98.4%	98.3%	97.2%	97.3%

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

	2025-26 £	2024-25 £
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
Total	0	0

11. Property, plant and equipment

2025-26	Land £000	Building excluding dwellings £000	Dwelling £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2025	0	1,743	0	2,672	196	0	22,234	137	26,982
Revaluation/Indexation	0	83	0	0	0	0	0	0	83
Additions									
- purchased	0	141	0	1,054	14	0	1,047	127	2,383
- 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	0	0	0	0	0
Reclassifications	0	652	0	(2,435)	0	0	1,515	268	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	(97)	0	0	0	0	(2,694)	0	(2,791)
At 31 March 2026	0	2,522	0	1,291	210	0	22,102	532	26,657
Depreciation at 1 April 2025	0	1,508	0	0	187	0	15,796	48	17,539
Revaluation/Indexation	0	60	0	0	0	0	0	0	60
Transfer from/into other organisations	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(97)	0	0	0	0	(2,677)	0	(2,774)
Provided during the period	0	163	0	0	5	0	2,673	42	2,883
At 31 March 2026	0	1,634	0	0	192	0	15,792	90	17,708
Net book value at 1 April 2025	0	235	0	2,672	9	0	6,438	89	9,443
Net book value at 31 March 2026	0	888	0	1,291	18	0	6,310	442	8,949

Net book value at 31 March 2026 comprises :	Land £000	Building excluding dwellings £000	Dwelling £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Purchased	0	888	0	1,291	18	0	6,310	442	8,949
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2026	0	888	0	1,291	18	0	6,310	442	8,949
Asset financing:									
Owned	0	888	0	1,291	18	0	6,310	442	8,949
On-SoFP PPP/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 2026	0	888	0	1,291	18	0	6,310	442	8,949

The net book value of land, buildings and dwellings at 31 March 2026 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	888
	888

11.1 Property, plant and equipment

2024-25	Land £000	Building excluding dwellings £000	Dwelling £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2024	0	1,714	0	1,459	196	0	23,014	137	26,520
Revaluation/Indexation	0	28	0	0	0	0	0	0	28
Additions									
- purchased	0	1	0	2,642	0	0	614	0	3,257
- 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	0	0	0	0	0
Reclassifications	0	0	0	(1,429)	0	0	1,429	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	(222)	0	(222)
Disposals	0	0	0	0	0	0	(2,601)	0	(2,601)
At 31 March 2025	0	1,743	0	2,672	196	0	22,234	137	26,982
Depreciation at 1 April 2024	0	1,313	0	0	148	0	15,431	20	16,912
Revaluation/Indexation	0	21	0	0	0	0	0	0	21
Transfer from/into other organisations	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	44	0	44
Reclassified as held for sale	0	0	0	0	0	0	(184)	0	(184)
Disposals	0	0	0	0	0	0	(2,601)	0	(2,601)
Provided during the period	0	174	0	0	39	0	3,106	28	3,347
At 31 March 2025	0	1,508	0	0	187	0	15,796	48	17,539
Net book value at 1 April 2024	0	401	0	1,459	48	0	7,583	117	9,608
Net book value at 31 March 2025	0	235	0	2,672	9	0	6,438	89	9,443

Net book value at 31 March 2025 comprises :	Land £000	Building excluding dwellings £000	Dwelling £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Purchased	0	235	0	2,672	9	0	6,438	89	9,443
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2025	0	235	0	2,672	9	0	6,438	89	9,443
Asset financing:									
Owned	0	235	0	2,672	9	0	6,438	89	9,443
On-SoFP MIMS Funded PPP 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 2025	0	235	0	2,672	9	0	6,438	89	9,443

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	235
	235

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Additional disclosures re Property, Plant and Equipment

Disclosures:

i) Donated Assets

DHCW has not received any donated assets during the year.

ii) Valuations

DHCW 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 over life of the asset. Leasehold improvements are depreciated over the shorter of the remainder of the lease or the assessed life of the asset.
- 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 not been write downs.

vi) Open Market Value

DHCW 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.

(viii) IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

11.2 Non-current assets held for sale

	Land £000	Buildings, including dwelling £000	Other property, plant and equipment £000	Intangible assets £000	Other assets £000	Total £000
Balance at 1 April 2025	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 2026	0	0	0	0	0	0

Balance brought forward 1 April 2024	0	0	0	0	0	0
Plus assets classified as held for sale in the period	0	0	38	0	0	38
Revaluation	0	0	0	0	0	0
Less assets sold in the period	0	0	(38)	0	0	(38)
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 2025	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 2025-26.

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, three are significant in their own right: with a net book value at 31 March 2026 of £500k or more:

Land and Buildings: One Lease for SHA Headquarters with a NBV of £2,557k.

Equipment: Two separate leases for Data Centre Rack Rental with a NBV of £630k and £557k respectively.

2025-26	Land £000	Land and buildings £000	Buildings £000	Dwelling £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April	0	4,948	0	0	0	0	2,444	0	7,392
Additions	0	33	0	0	0	0	737	0	770
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	(31)	0	(31)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	29	0	0	0	0	0	0	29
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	5,010	0	0	0	0	3,150	0	8,160
Depreciation at 1 April	0	1,341	0	0	0	0	1,353	0	2,694
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
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	477	0	0	0	0	560	0	1,037
At 31 March	0	1,818	0	0	0	0	1,913	0	3,731
Net book value at 1 April	0	3,607	0	0	0	0	1,091	0	4,698
Net book value at 31 March	0	3,192	0	0	0	0	1,237	0	4,429

2025 - 26	Land £000	Land and buildings £000	Buildings £000	Dwelling £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
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	222	0	0	0	0	0	0	222
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	2,970	0	0	0	0	1,237	0	4,207
Total	0	3,192	0	0	0	0	1,237	0	4,429

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, two are significant in their own right: with a net book value at 31 March 2025 of £500k or more:

Land and Buildings: One Lease for SHA Headquarters with a NBV of £2,841k

Equipment: One lease for Data Centre Rack Rental with a NBV of £0,903k

2024-25	Land £000	Land and buildings £000	Buildings £000	Dwelling £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April	0	2,236	0	0	0	0	4,263	0	6,499
Additions	0	2,841	0	0	0	0	0	0	2,841
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	(121)	0	(121)
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	(129)	0	0	0	0	(1,698)	0	(1,827)
At 31 March	0	4,948	0	0	0	0	2,444	0	7,392

Depreciation at 1 April	0	958	0	0	0	0	2,326	0	3,284
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
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	(129)	0	0	0	0	(1,698)	0	(1,827)
Provided during the year	0	512	0	0	0	0	725	0	1,237
At 31 March	0	1,341	0	0	0	0	1,353	0	2,694
Net book value at 1 April	0	1,278	0	0	0	0	1,937	0	3,215
Net book value at 31 March	0	3,607	0	0	0	0	1,091	0	4,698

2024 - 25	Land £000	Land and buildings £000	Buildings £000	Dwelling £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
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	242	0	0	0	0	0	0	242
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	3,365	0	0	0	0	1,091	0	4,456
Total	0	3,607	0	0	0	0	1,091	0	4,698

Quantitative disclosures

	2025-26	2025-26	2025-26	2025-26	2024-25
Maturity analysis	LAND	BUILDINGS	OTHER	TOTAL	TOTAL
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	0	468	598	1,066	1,008
2-5 years	0	1,989	658	2,647	2,496
> 5 years	0	1,652	0	1,652	2,119
Less finance charges allocated to future periods	0	(711)	(58)	(769)	(906)
Total	0	3,398	1,198	4,596	4,717

Lease Liabilities (net of irrecoverable VAT)		2025-26	2024-25
Current		881	824
Non-Current		3,715	3,893
Total		4,596	4,717

Amounts Recognised in Statement of Comprehensive Net Expenditure		2025-26	2024-25
Depreciation		1,037	1,237
Impairment		0	0
Variable lease payments not included in lease liabilities - Interest expense		194	92
Sub-leasing income		0	0
Expense related to short-term leases		100	108
Expense related to low-value asset leases (excluding short-term leases)		0	0
		1,331	1,437

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)			
Interest expense		(194)	(92)
Repayments of principal on leases		(890)	(1,181)
Total		(1,084)	(1,273)

12. Intangible non-current assets

2025-26	Software (purchased) £000	Software (internally generated) £000	Licences and trademarks £000	Patents £000	Development expenditure- internally generated £000	Assets under Construction £000	Total £000
Cost or valuation at 1 April 2025	22,454	16,017	3,549	0	0	27,271	69,291
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	534	0	0	0	(534)	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	151	0	0	0	0	0	151
Additions- internally generated	0	1,216	0	0	0	8,625	9,841
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
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(533)	(45)	(96)	0	0	0	(674)
Gross cost at 31 March 2026	22,072	17,722	3,453	0	0	35,362	78,609
Amortisation at 1 April 2025	19,018	7,391	3,100	0	0	0	29,509
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
Provided during the period	1,118	2,455	290	0	0	0	3,863
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(533)	(45)	(96)	0	0	0	(674)
Amortisation at 31 March 2026	19,603	9,801	3,294	0	0	0	32,698
Net book value at 1 April 2025	3,436	8,626	449	0	0	27,271	39,782
Net book value at 31 March 2026	2,469	7,921	159	0	0	35,362	45,911
At 31 March 2026							
Purchased	2,469	0	159	0	0	0	2,628
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	7,921	0	0	0	35,362	43,283
Total at 31 March 2025	2,469	7,921	159	0	0	35,362	45,911

12.1 Intangible non-current assets

2024-25	Software (purchased) £000	Software (internally generated) £000	Licences and trademarks £000	Patents £000	Development expenditure- internally generated £000	Assets under Construction £000	Total £000
Cost or valuation at 1 April 2024	22,344	13,313	3,648	0	0	21,077	60,382
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	1,595	0	0	0	(1,595)	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	2,603	0	0	0	0	0	2,603
Additions- internally generated	0	2,004	0	0	0	7,789	9,793
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
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(2,493)	(895)	(99)	0	0	0	(3,487)
Gross cost at 31 March 2025	22,454	16,017	3,549	0	0	27,271	69,291
Amortisation at 1 April 2024	18,991	5,589	2,909	0	0	0	27,489
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
Provided during the period	2,520	2,697	290	0	0	0	5,507
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(2,493)	(895)	(99)	0	0	0	(3,487)
Amortisation at 31 March 2025	19,018	7,391	3,100	0	0	0	29,509
Net book value at 1 April 2024	3,353	7,724	739	0	0	21,077	32,893
Net book value at 31 March 2025	3,436	8,626	449	0	0	27,271	39,782
At 31 March 2025							
Purchased	3,436	0	449	0	0	0	3,885
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	8,626	0	0	0	27,271	35,897
Total at 31 March 2025	3,436	8,626	449	0	0	27,271	39,782

13 . Impairments

2025-26	Property, plant & equipment £000	Rights of Use Assets £000	Intangible assets £000	Held for sale assets £000	Financial Assets £000	Total Asset Impairment £000
Impairments arising from;						
Loss or damage from normal operations	0	0	0	0	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
Total of all impairments	0	0	0	0	0	0

Analysis of impairments charged to reserves in period :

Impairments charged to the Statement of Comprehensive Net Expenditure	0	0	0	0	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
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
	0	0	0	0	0	0

2024-25	Property, plant & equipment £000	Rights of Use Assets £000	Intangible assets £000	Held for sale assets £000	Financial Assets £000	Total Asset Impairment £000
Impairments arising from						
Loss or damage from normal operations	0	0	0	0	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	44	0	0	0	0	44
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
Total of all impairments	44	0	0	0	0	44

Analysis of impairments charged to reserves in period:

Impairments charged to the Statement of Comprehensive Net Expenditure	44	0	0	0	0	44
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
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
	44	0	0	0	0	44

14.1 Inventories

	31 March 2026 £000	31 March 2025 £000
Drugs	0	0
Consumables	58	51
Energy	0	0
Work in progress	0	0
Other	0	0
Total	58	51
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2026 £000	31 March 2025 £000
Inventories recognised as an expense in the period	(7)	11
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	(7)	11

15. Trade and other Receivables

Current	31 March 2026 £000	31 March 2025 £000
Welsh Government	0	0
NHSW Joint Commissioning Committee	0	78
Welsh Health Boards	5,001	1,450
Welsh NHS Trusts	36	(56)
Welsh Special Health Authorities	1	5
Non - Welsh Trusts	722	631
Other NHS	0	180
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	56	5
Other receivables	650	996
Provision for irrecoverable debts	(7)	(23)
Pension Prepayments NHS Pensions	0	0
Other prepayments	17,491	16,357
Other accrued income	0	0
Right of Use capital receivables	0	0
Capital Receivables		
Tangibles capital receivables	0	0
Intangibles capital receivables	0	0
Other capital prepayments	0	0
Sub total	23,950	19,623

The great majority of trade undertaken by the SHA is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary. The value of trade receivables that are past their payment date but not impaired is £5,267K (£1,682K in 2024-25).

Non-current	31 March 2026 £000	31 March 2025 £000
Welsh Government	0	0
NHSW Joint Commissioning Committee	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
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	457	321
Other accrued income	0	0
Right of Use capital receivables	0	0
Capital Receivables		
Tangibles capital receivables	0	0
Intangibles capital receivables	0	0
Other capital prepayments	0	0
Sub total	457	321
Total	24,407	19,944

Receivables past their due date but not impaired	31 March 2026 £000	31 March 2025 £000
By up to three months	5,251	1,651
By three to six months	5	3
By more than six months	11	28
	5,267	1,682

Expected Credit Losses (ECL) previously Allowance for bad and doubtful debts		
Balance at 1 April	(23)	(2)
Transfer to other NHS Wales body	0	0
Amount written off during the period	15	0
Amount recovered during the period	0	0
(Increase) / decrease in receivables impaired	(5)	(22)
ECL/Bad debts recovered during period	6	1
Balance at 31 March	(7)	(23)

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	585	857
Other	0	0
Total	585	857

16. Other Financial Assets

	Current		Non-current	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £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 at amortised cost	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Capital Financial Assets				
Loans at amortised cost	0	0	0	0
Right of Use Asset Finance Sublease	0	0	0	0
Total	0	0	0	0

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure.

	2025-26	2024-25
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	31 March 2026 £000	31 March 2025 £000
Opening Balance	2,745	2,093
Net change in cash and cash equivalent balances	1,473	652
Balance at 31 March	4,218	2,745

Made up of:		
Cash held at Government Banking Service (GBS)	4,218	2,745
Commercial banks	0	0
Cash in hand	0	0
Cash and cash equivalents as in Statement of Financial Position	4,218	2,745
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	4,218	2,745

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

Lease Liabilities (ROUA) £1.084m

Lease Liabilities (short-term and low value leases) £0m

The movement relates to cash, no comparative information is required by IAS 7 in 2025-26.

18. Trade and other Payables

Current	31 March 2026 £000	31 March 2025 £000
Welsh Government	66	100
NHSW Joint Commissioning Committee	2	0
Welsh Health Boards	1,088	425
Welsh NHS Trusts	326	335
Welsh Special Health Authorities	4	93
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	743	2
NI contributions payable to HMRC	912	2
Non-NHS trade payables - revenue	2,550	3,504
Local Authorities	(24)	(1)
Overdraft	0	0
Rentals due under operating leases	0	0
Pensions: staff	1,173	2
Non NHS Accruals	1,436	1,557
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	5,833	4,986
Payments on account	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Right of Use asset payables	881	824
Capital asset payables		
Tangibles - Payables	424	518
Intangibles - Payables	5,288	6,886
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
PFI assets – deferred credits	0	0
Capital Payments on account	0	0
Sub total	20,702	19,233

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

Non-current	31 March 2026 £000	31 March 2025 £000
Welsh Government	0	0
NHSW Joint Commissioning Committee	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
Overdraft	0	0
Rentals due under operating leases	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
Payments on account	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Right of Use asset payables	3,715	3,893
Capital asset payables		
Tangibles - Payables	0	0
Intangibles - Payables	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
PFI assets – deferred credits	0	0
Capital Payments on account	0	0
Sub total	3,715	3,893
Total	24,417	23,126

Amounts falling due more than one year are expected to be settled as follows:

	2025-2026 £000	2024-2025 £000
Between one and two years	791	605
Between two and five years	1,410	1,384
In five years or more	1,514	1,904
Sub-total	3,715	3,893

19. Other financial liabilities

	Current		Non-current	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £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

2025-26	At 1 April 2025	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 2026
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	3,402	0	0	0	3,402
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	3			0	0	(3)	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	22,645			0	7,246	(27,961)	(216)	0	1,714
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	22,648	0	0	0	10,648	(27,964)	(216)	0	5,116

2025-26	At 1 April 2025	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 2026
Non-current	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	5			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	(5)	0	0
Restructuring	0			0	0	0	0	0	0
Other	0			0	0	0	0	0	0
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	5	0	0	0	0	0	(5)	0	0

2025-26	At 1 April 2025	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 2026
TOTAL	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	3,402	0	0	0	3,402
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	8			0	0	(3)	(5)	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	22,645			0	7,246	(27,961)	(216)	0	1,714
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	22,653	0	0	0	10,648	(27,964)	(221)	0	5,116

Expected timing of cash flows:	In year to 31 March 2027	Between 1 April 2027 31 March 2031	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-				
Secondary care	0	0	0	0
Primary care	0	0	0	0
Redress Secondary care	0	0	0	0
Redress Primary care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	3,402	0	0	3,402
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
Other	1,714	0	0	1,714
Capital provisions		0	0	
RoU Asset Dilapidations CAME	0			0
Other Capital Provisions	0	0	0	0
Total	5,116	0	0	5,116

The ongoing VAT recovery provision, the majority of which has been repaid, is £1,110K at 31st March 2026. A provision has arisen in year relating to the interest associated with VAT recovery, this stands at £3,402K. A provision of £604K in relation to implementation costs remains unchanged.

2024-25	At 1 April 2024	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 2025
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	3	0	0	0	3
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	15,387			0	7,258	0	0	0	22,645
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	15,387	0	0	0	7,261	0	0	0	22,648

2024-25	At 1 April 2024	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 2025
Non-current	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	5	0	0	0	5
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0			0	0	0	0	0	0
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	0	0	0	0	5	0	0	0	5

2024-25	At 1 April 2024	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 2025
TOTAL	£000	£000	£000	£000	£000	£000	£000	£000	£000
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	8	0	0	0	8
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	15,387			0	7,258	0	0	0	22,645
Capital provisions									
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Total	15,387	0	0	0	7,266	0	0	0	22,653

As at 31 March 2024, a provision of £15,171k is recognised on the balance sheet in relation to the recovery of VAT, which has yet to be concluded. This provision has increased by £6,654k during the year, bringing the total provision to £21,825k as at 31 March 2025. Additionally, a provision of £216k, held on the balance sheet as at 31 March 2024, relates to ongoing contract price negotiations for software services delivered. A further provision of £604k has been recognised during the year in relation to potential implementation related costs.

21. Contingencies

21.1 Contingent liabilities

Provisions have not been made in these accounts for the following amounts :	31 March 2026 £000	31 March 2025 £000
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	17,317
Total value of disputed claims	0	17,317
Less amounts recovered in the event of claims being successful	0	0
Net contingent liability	0	17,317

DHCW has previously identified a contingent liability as at 31 March 2025. The potential liability was in respect of an estimated £17.317m repayable to Welsh NHS organisations, should a VAT recovery claim to HMRC be successful. During the 2025-26 financial year the underlying provision was utilised as amounts were repaid to HMRC. As a result of this, the contingent liability is no longer required.

21.2 Remote Contingent liabilities

Please disclose the values of the following categories of remote contingent liabilities :	31 March 2026 £000	31 March 2025 £000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets

	31 March 2026 £000	31 March 2025 £000
Nil	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 2026 £000	31 March 2025 £000
Property, plant and equipment	60	60
Right of Use Assets	0	0
Intangible assets	2,288	743
Total	2,348	803

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 for settlement and claimant costs 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 2026	
	Number of cases	£
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	1	852,447
Total	1	852,447

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
	L&R Case reference number	£	£
Cases in excess of £300,000:			
HMRC Interest	7E Other	852,447	852,447
	Number of cases	£	£
Sub-total	1	852,447	852,447
All other cases paid in year	0	0	0
Total cases paid in year	1	852,447	852,447

23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number of cases	£
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:

2025-26	LAND - 31 March 2026	BUILDINGS - 31 March 2026	OTHER - 31 March 2026	TOTAL - 31 March 2026
Minimum lease payments	£000	£000	£000	£000
Within one year	0	468	598	1,066
Between one and five years	0	1,989	658	2,647
After five years	0	1,652	0	1,652
Less finance charges allocated to future periods	0	-711	-58	-769
Minimum lease payments	0	3,398	1,198	4,596
Included in:				
Current borrowings	0	320	561	881
Non-current borrowings	0	3,078	637	3,715
	0	3,398	1,198	4,596
Present value of minimum lease payments				
Within one year	0	320	561	881
Between one and five years	0	1,564	637	2,201
After five years	0	1,514	0	1,514
Present value of minimum lease payments	0	3,398	1,198	4,596
Included in:				
Current borrowings	0	320	561	881
Non-current borrowings	0	3,078	637	3,715
	0	3,398	1,198	4,596

2024-25	LAND - 31 March 2025	BUILDINGS - 31 March 2025	OTHER - 31 March 2025	TOTAL - 31 March 2025
Minimum lease payments	£000	£000	£000	£000
Within one year	0	508	500	1,008
Between one and five years	0	1,924	572	2,496
After five years	0	2,119	0	2,119
Less finance charges allocated to future periods	0	-864	-42	-906
Minimum lease payments	0	3,687	1,030	4,717
Included in:				
Current borrowings	0	348	476	824
Non-current borrowings	0	3,339	554	3893
	0	3,687	1,030	4,717
Present value of minimum lease payments				
Within one year	0	348	476	824
Between one and five years	0	1,435	554	1,989
After five years	0	1,904	0	1,904
Present value of minimum lease payments	0	3,687	1,030	4,717
Included in:				
Current borrowings	0	348	476	824
Non-current borrowings	0	3,339	554	3893
	0	3,687	1,030	4,717

24.2 Right of Use Assets lease receivables (as lessor)

DHCW did not hold any Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

Amounts receivable under right of use assets leases:

	31 March 2026	31 March 2025
Gross Investment in leases	£000	£000
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 financial assets	0	0
Non-current financial assets	0	0
	0	0

Present value of minimum lease payments	£000	£000
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 financial assets	0	0
Non-current financial assets	0	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

DHCW 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

	2025-26 £000	2024-25 £000
(Increase)/decrease in inventories	(7)	11
(Increase)/decrease in trade and other receivables - non-current	(136)	976
(Increase)/decrease in trade and other receivables - current	(4,327)	4,361
Increase/(decrease) in trade and other payables - non-current	(178)	1,935
Increase/(decrease) in trade and other payables - current	1,469	(43)
Total	(3,179)	7,240
Adjustment for accrual movements in fixed assets - creditors	1,692	(3,260)
Adjustment for accrual movements in fixed assets - debtors	0	(1)
Adjustment for accrual movements in right of use assets - creditors	121	(1,540)
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	0	0
	(1,366)	2,439

28. Other cash flow adjustments

	2025-26 £000	2024-25 £000
Depreciation	3,920	4,584
Amortisation	3,863	5,507
(Gains)/Loss on Disposal	0	0
Impairments and reversals	0	44
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	0	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	10,427	7,266
Other movements	5,149	4,943
Total	23,359	22,344

Other movements of £5.149m (2024-25 £4.943m) is made up of notional funding received for:

- SHA notional 9.4% Staff Employer Pension Contributions;

which is 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 25 June 2026; post the date the financial statements were certified by the Auditor General for Wales.

Subsequent to the reporting date, the SHA received confirmation from the Welsh Government of changes to remuneration rates for NHS Wales public appointees, approved prior to 31 March 2026 and effective from 1 January 2026. The financial impact has been recognised in these financial statements.

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	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	291	151,331	66	0
Welsh LHBS	10,580	51,508	1,187	5,001
Welsh NHS Trusts	2,741	8,023	351	36
Local Authorities	245	56	(24)	56
NWJCC	5	160	2	0
Welsh Special Health Authorities	184	800	4	1
NHS Wales Charities	0	0	0	0
Bangor University	7	0	1	0
	14,053	211,878	1,587	5,094

Marian Wyn Jones, Independent Member, is the Chair of Council at Bangor University.

31. Third Party Assets

DHCW does not hold cash on behalf of third parties.

32. Pooled budgets

DHCW does not does not operate any pooled budgets.

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

DHCW is deemed to operate as one segment.

34. Other Information

34.1. 9.4% Staff Employer Pension Contributions – Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2025 to 31st March 2026. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2025 and February 2026 alongside Health Board data for March 2026.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

Statement of Comprehensive Net Expenditure for the period ended 31 March 2026	2025-26 £000	2024-25 £000
3.1 General Medical Services	0	0
3.3 Other Operating Expenditure	5,149	4,942

Statement of Changes in Taxpayers’ Equity for the period ended 31 March 2026	2025-26 £000	2024-25 £000
Net operating cost for the year	-5,149	(4,942)
Notional Welsh Government Funding	5,149	4,942

Statement of Cash Flows for period ended 31 March 2026	31 March 2026	31 March 2025
Net operating cost for the financial year	-128,330	(118,432)
Other cash flow adjustments	5,149	4,942

2.1 Revenue Resource Performance	2025-26 £000	2024-25 £000
Revenue Resource Allocation	5,149	4,942

3. Analysis of gross operating costs	2025-26 £000	2024-25 £000
3.3 Other Operating Expenditure		
Directors’ costs	92	84
Staff costs	5,057	4,858

9.1 Employee costs	2025-26 £000	2024-25 £000
Permanent Staff		
Employer contributions to NHS Pension Scheme	5,149	4,942
Charged to capital	0	0
Charged to revenue	5,149	4,942

18. Trade and other payables	2025-26 £000	2024-25 £000
Current		
Pensions: staff	0	0

28. Other cash flow adjustments	2025-26 £000	2024-25 £000
Other movements	5,149	4,942

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2025-26. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

34.2 IFRS 17 - Insurance Contract Disclosures

The outcome of the contract review for a range of income contract types applicable to the organisation, did not identify any insurance contracts that fall within the scope of IFRS 17.

Statement of Financial Position

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2025	0
Liability for remaining payments @ 31 March 2026	0
	0

Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	0
	0

Statement of comprehensive net expenditure / Statement of comprehensive income

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

Digital Health and Care Wales

1. Digital Health and Care Wales (DHCW), a special health authority, shall prepare accounts for the financial period 30th December 2020 to 31st March 2022 and subsequent financial years in the form specified in paragraphs 2 to 4 below.

Basis of Preparation

2. The accounts of DHCW 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: 18/01/2022

Steve Elliot, Interim Director of Finance HSS



Appendices

Appendix 1 - Board and Committee Membership and attendance

1 April 2025 to 31 March 2026

Name	Position	Area of expertise/Representation Role	Board/Committee membership	Meeting attendance	Champion roles
Simon Jones*	Chair	• Board cohesion and oversight • Partnership working across the system	• Board • RATS Committee (Chair)	• 3/7 • 2/4	• N/A
Ruth Glazzard	Vice-Chair/Interim Chair from September 2025	• Stakeholder engagement strategy with focus on patient and citizen experience • Champion primary, community and mental health digital services • National strategic primary care programme • Advice and advocacy to the decarbonisation and quality and regulatory agendas	• Board • RATS Committee (Vice Chair) • Audit and Assurance Committee (removed from Committee when appointed interim Chair) • Programmes Delivery Committee	• 6/7 • 3/4 • 3/5 • 6/7	• Mental health • Children and Young People • Older Persons
Rowan Gardner	Independent Member	• Research and Innovation strategy • Population health and Value-Based healthcare agenda • Cyber Security	• Board • RATS Committee • Digital Governance and Safety Committee (Chair)	• 7/7 • 4/4 • 3/4	• Infection prevention and control • Research • Armed forces and veterans
David Selway	Independent Member	• National Data Resource programme • Stakeholder engagement strategy with focus on patient and citizen experience • DHCW product approach	• Board • RATS Committee • Digital Governance and Safety Committee (Vice Chair) • Programmes Delivery Committee (Chair)	• 7/7 • 4/4 • 3/4 • 7/7	• Putting Things Right

Name	Position	Area of expertise/Representation Role	Board/Committee membership	Meeting attendance	Champion roles
Marian Wyn Jones	Independent Member	• DHCW Communications function review • DHCW Communications and public relations approach	• Board • RATS Committee • Audit and Assurance Committee (Chair) • Programmes Delivery Committee	• 6/7 • 4/4 • 5/5 • 5/7	• Raising concerns (staff) • Welsh Language
Alistair Klaas Neill	Independent Member		• Board • RATS Committee • Audit and Assurance Committee • Digital Governance and Safety Committee	• 7/7 • 4/4 • 5/5 • 4/4	• Armed forces and veterans
Marilyn Bryan Jones	Independent Member		• Board • RATS Committee • Audit and Assurance Committee • Digital Governance and Safety Committee	• 7/7 • 4/4 • 5/5 • 3/4	• Equality
Helen Thomas	Chief Executive	• N/A	• Board	• 7/7	• N/A
Claire Osmundsen-Little*	Deputy Chief Executive/ Executive Director of Finance	• N/A	• Board • Audit & Assurance Committee	• 6/7 • 5/5	• Fire Safety • Infection Prevention and Control
Rhidian Hurle	Executive Medical Director	• N/A	• Board • Digital Governance and Safety Committee	• 7/7 • 4/4	• Caldicott • Mental Health • Children and Young People • Putting Things Right • Older Persons • Research

Name	Position	Area of expertise/Representation Role	Board/Committee membership	Meeting attendance	Champion roles
Chris Darling	Director of Corporate Affairs Board Secretary	• N/A	• Board • Audit & Assurance Committee	• 7/7 • 5/5	• Raising Concerns (Staff)
Ifan Evans	Executive Director of Strategy	• N/A	• Board • Programmes Delivery Committee	• 7/7 • 7/7	• Emergency Planning • Welsh Language
Sam Morgan	Director of People and Organisational Development	• N/A	• Board	• 6/7	
Sam Hall	Director of Primary, Community and Mental Health Digital Services	• N/A	• Board • Programmes Delivery Committee	• 6/7 • 6/7	• N/A
Sam Lloyd	Executive Director of Operations	• N/A	• Board	• 7/7	• N/A

(*) Denotes a member who left or joined part way through the year, attendance reflects the number of Board and Committee meetings before the exit or after the start date. Simon Jones left 30 September 2025.

Appendix 2 – Lead Officers

Committee	Officer
Audit and Assurance Committee	Executive Director of Finance
Remuneration and Terms of Service	Chief Executive Officer supported by the Director of People and OD
Digital Governance and Safety Committee	Executive Medical Director
Programmes Delivery Committee	Executive Director of Strategy / Director of Primary, Community & Mental Health Digital Services

Appendix 3 - Schedule of Board, Committee and Advisory Group Meetings

2025/26

Board/Committee	April	May	June	July	August	September	October	November	December	January	February	March
DHCW SHA Board		29-May-25	EO – 26 June 25	31-Jul-25		29-Sep-25		27-Nov-25			02-Feb-26	26-Mar-26
Audit and Assurance Committee	08-Apr-25		26 June 26 - Draft Accounts	08-Jul-25			07-Oct-25			20-Jan-26		
Remuneration and Terms of Service			05-June-25	17-Jul-25				20-Nov-25				05-Mar-25
Digital Governance and Safety Committee		22-May-25			21-Aug-25			20-Nov-25				05-Mar-26
Programmes Delivery Committee		01-May-25		EO 10- Jul-25	07-Aug-25	EO 09- Sept-25		06-Nov-25			05-Feb-26	EO 16 Mar 26
Local Partnership Forum			05-Jun-25			04-Sep-25			04-Dec-25			02-Mar-26

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2025/001 NHS Wales Sustainability Conference and Awards	05/03/2025			DHCW submitted an award
WHC/2025/002 Timelines and Responsibilities for the implementation of Early Warning Scores (EWS) to identify Acute Deterioration	27/02/2025	Not Applicable		
WHC/2025/004 NHS Wales National Clinical Audit and Outcome Review Plan Annual Rolling Programme	14/04/2025	Applicable		Table describing what DHCW's data controllership is was produced and reviewed by Executives.
WHC/2025/005 Climate Emergency Spread & Scale Leadership Day & Adaptation	07/03/2025	Applicable		Approach to the organisation's sustainability goals reviewed at Management Board.
WHC/2025/006 Recording of Mental Health Outcome Measures	06/05/2025	Not Applicable		
WHC/2025/007 Amendments following interim review to the Model Standing Order for Local Health Boards, NHS Trusts and SHA in Wales	07/03/2025	Applicable		Taken forward.
WHC/2025/008 Part 4 of the Public Health Wales Act 2017: Introduction of a National Mandatory Licensing Scheme for Special Procedures in Wales.	25/06/2025	Not Applicable		
WHC/2025/010 Arrangements for the prescribing of antiviral and neutralising monoclonal antibody treatments for COVID-19	11/04/2025	Not Applicable		

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2025/011 Introduction of the NHS Wales Digital Health Identify Standard for Primary Care (NHS login)	11/04/2025	Applicable		WIVS process launched late April and announced by Minister early May, currently running at circa 150 new patients who are verifying identity through WIVS weekly, against the WHC identification standard.
WHC/2025/012 Interim Amendments to the Model Standing Financial Instructions Chapter 11 for Local Health Boards and NHS Trusts in Wales, and Chapter 12 for Health Education and Improvement Wales (HEIW) and Digital Health and Care Wales (DHCW)	29/05/2025	Applicable		The actions were taken forward by Executive Director of Finance and the Finance Directorate.
WHC/2025/013 2025/26 NHS Wales Financial Monitoring Return Guidance	24/04/2025	Applicable		The actions were taken forward by Executive Director of Finance and the Finance Directorate.
WHC/2025/016 Update on NHS Wales vaccination programme against respiratory syncytial virus (RSV)	06/05/2025	Not Applicable		
WHC/2025/017 Tranexamic Acid use: Recommendation 7a of the Infected Blood Inquiry (IBI)	06/05/2025	Not Applicable		
WHC/2025/018 Tirzepatide (Monjour®) for the management of obesity and overweight	09/05/2025	Not Applicable		

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2025/019 Changes to the routine childhood vaccination schedule and to the selective hepatitis B vaccination programme from 01 July 2025	12/05/2025	Not Applicable		
WHC/2025/020 The National Influenza Immunisation Programme 2025-26	05/06/2025	Applicable		The WHC was reviewed by the relevant team and the guidelines were accepted.
WHC/2025/021 Introduction of routine vaccination programmes for the prevention of mpox and gonorrhoea	02/06/2025	Applicable		The WHC was reviewed by the Executives and taken forward by the Director of Primary, Community and Mental Health.
WHC/2025/022 The National COVID-19 Vaccination Programme Autumn 2025	25/06/2025	Applicable		The WHC was reviewed by the Executives and taken forward by the Director of Primary, Community and Mental Health.
WHC/2025/023 PPE stockpile volumes in Wales	13/06/2025	Not Applicable		
WHC/2025/025 Overseas Visitors' Eligibility to Receive Free Primary Care	10/07/2025	Not Applicable		
WHC/2025/026 The safe and responsible adoption of ambient voice technologies ('AI Scribes') in clinical and practice settings	04/08/2025	Applicable		Actions broken down and tracked. Updates to be provided.
WHC/2025/026 Changes to supply of Gluten Free Foods in Wales; All-Wales Gluten Free Subsidy Card Scheme	16/07/2025	Not Applicable		
WHC/2025/028 Expansion of the shingles immunisation programme for severely immunosuppressed individuals aged 18-49	09/07/2025	Not Applicable		Nothing for DHCW but expect this to be requested in WIS from next year.

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2025/029: Introduction of Nirsevimab passive immunisation against Respiratory Syncytial Virus (RSV) in at risk infants for upcoming 2025/26 RSV Season	14/07/2025	Not Applicable		
WHC/2025/031 3Ps Waiting Well single point of contact (SPOC) activity and outcomes data reporting.	26/09/2025	Applicable		All actions that need to be undertaken by DHCW were actioned.
WHC/2025/034 Implementation of the Planned Care Referrals DSCN (DSCN 2024/11	25/09/2025	Applicable		Actions from WHC tracked and monitored – update awaited.
WHC/2025/037 Infected Blood Inquiry: Implementation of Recommendation 7e: Implementing SHOT reports	25/09/2025	Not Applicable		
WHC/2025/038 All-Wales NHS Accessible Communication and Information Standards	22/09/2025	Applicable		Actions taken forward.
WHC/2025/039 AMR & HCAI IMPROVEMENT GOALS FOR 2025-2027	27/10/2025	Not Applicable		
WHC/2025/041 Directions to apply the Code of Practice on Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services - February 2026	05/02/2026	Not Applicable		
WHC/2025/043 New clinical pathway for treating and managing obesity	23/10/2025	Not Applicable		
WHC/2025/045 Revisions to the Standing Orders for the NHS Wales Joint Commissioning Committee	28/10/2025	Not Applicable		

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2025/046 The introduction of a routine NHS varicella (chickenpox) vaccination programme for young children in Wales from 1 January 2026	31/10/2025	Applicable		The WHC was cascaded to the relevant team.
WHC/2025/049 Patient Travel Policy	15/12/2025	Not Applicable		
WHC/2025/051 Safety netting discharge leaflets for adults and children	08/12/2025	Not Applicable		
WHC/2025/052 COVID-19 spring vaccination programme 2026	15/01/2026	Applicable		DHCW not listed on address list despite being essential for delivery.
WHC/2025/053 Expansion of RSV vaccine eligibility to adults aged 80+ and residents in a care home for older adults	02/02/2026	Applicable		No items requiring escalation. The team would review the material and progress any associated actions as required.
WHC/2025/054 A change of vaccine product for the routine adult pneumococcal vaccination programme, and those with certain clinical risk conditions.	17/12/2025	Not Applicable		
WHC/2025/055 2026/27 Health Board Allocation	23/12/2025	Not Applicable		
WHC/2026/001 Timelines and responsibilities for implementing the patient and family-initiated escalation approach, Call4Concern	08/01/2026	Not Applicable		
WHC/2026/002 MODS Phase 2 Planned Care Activity DSCN	03/03/2026	Not Applicable		

Name	Date Issued	Applicable/ Not Applicable	Date of Adoption if relevant	Action to demonstrate implementation/response
WHC/2026/004 Refreshed Intellectual Property (IP) guidance and policies for NHS Wales organisations	26/03/2026	Not Applicable		
WHC/2026/006 Listening to People: The amended NHS Wales complaints, incidents and redress process	30/03/2026	Applicable		Taken forward by Corporate Governance.