



GIG  
CYMRU  
NHS  
WALES

Iechyd a Gofal  
Digidol Cymru  
Digital Health  
and Care Wales

# ANNUAL REPORT

2022-23

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lechyd a Gofal Digidol Cymru Digital Health and Care Wales



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# DELIVERING DIGITAL FOR BETTER, CONNECTED CARE

## PERFORMANCE REPORT

### FOREWORD

from Chair, Simon Jones and Chief Executive Officer and  
Accountable Officer, Helen Thomas

**Welcome to our annual report for 2022/2023.**

As we complete DHCW's second year as a Special Health Authority we would like to thank our staff for their contributions. It is a source of great pride to see the way staff adapt to new challenges and opportunities, keeping the requirements of patients and service users at the forefront of everything we do.

Digital Health and Care Wales has a unique role, providing the national digital and data systems underpinning the health and care services used by every Welsh resident at different points in their health and care journey.

The scale of our work includes digital systems, electronic health records, connectivity, integration and data analytics, all of which contribute to the transformative changes needed for sustainable health and care.

Over the past 12 months the development of major new digital services has moved ahead at pace. Developments to enhance outcomes, strengthen resilience, remove backlogs and help with access to services.

Work began on a fully digital approach to prescribing and medicines management and the NHS Wales App entered user testing. The first phase of the bi-lingual App will give people access to appointment scheduling, test results and repeat prescriptions, directly from the mobile device, or from a tablet or laptop.

With increased visibility of digital services for patient use we are working to enable digital inclusion in Wales. In September we were pleased to sign the Digital Inclusion Charter at our first Digital Summit, which brought together health, care and the voluntary sector to collaborate on how digital tools can support and enable digital inclusion.

Building on our strategic aim to expand the digital health record, the first phase of the new system to support care for cancer patients went live in November. Enhancements to the Welsh Clinical Portal – home of the single digital health record – included electronic records specifically designed for people with diabetes and those needing renal care.

As improvement never stops, roll out continued of the award-winning Welsh Nursing Care Record , which enables nurses to use modern technology to document patient care.

There is still much to do, and the health and care sector remains under intense pressure following the pandemic, which is why our focus is on productive partnerships to create meaningful systems that place user experience and patients at the centre.

A key element of our work also includes better use of data to inform how the NHS in Wales can improve health outcomes and manage the significant pressure on healthcare services as well as the challenges of an ageing population and more people with multiple conditions.

The National Data Resource Platform will bring together health and care data from across Wales making it easier to share and analyse.

This is just a snapshot of the work we do, with more details of our expanding portfolio within this report.

As a forward-thinking organisation, we were delighted to win the Best Place to Work in IT at the 2022 BCS UK Industry Awards; a real accolade for DHCW and the people who work here.

We look forward to continuing our progress over the next year, working closely with stakeholders and partners to deliver world-class digital services and consolidating digital and data as key pillars of a modern healthcare service.



**Simon Jones** **Chair** and  
**Helen Thomas** **Chief Executive Officer and Accountable Officer**

# PERFORMANCE OVERVIEW

Digital Health and Care Wales (DHCW) is a special health authority transforming the way that digital health and care services are delivered in NHS Wales.

## KEY FACTS 2022 -2023

ANNUAL BUDGET: <b>Total £151,144m funding</b>	NUMBER OF STAFF: <b>1113 permanent members of staff</b>
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### NATIONAL DIGITAL SERVICES

- Choose Pharmacy
- NHS Wales Cyber Resilience Unit
- Data Centres
- Digital Health and Care Record
- Electronic Referrals
- Electronic Transfer of Prescriptions
- eLibrary services for professionals
- ePrescribing
- GP System Services
- Microsoft 365
- National Data Resource
- NHS Wales App
- Radiology Information Management System
- Welsh Community Care Information System
- Welsh Emergency Department System
- Welsh Hospital Pharmacy Stock Management System
- Welsh Immunisation System, Welsh Pandemic Record and Covid-19 Digital Pass
- Welsh Laboratory Information Management System
- Welsh Nursing Care Record
- Welsh Patient Administration System

### WHO WE SUPPORT

- All health boards, trusts, Health Education and Improvement Wales, NHS Wales Shared Services Partnership
- GPs, community pharmacies, dentists, and prisons

### WE WORK WITH

- Further and higher education institutions
- Centre for Digital Public Services
- Other NHS Wales organisations
- General Medical Council
- Industry partners
- Life Sciences Hub
- Local Authorities
- National Cyber Security Centre
- NEL Commissioning Support Unit
- NHS England
- Office of National Statistics
- Other relevant bodies across the devolved nations
- Royal College of Physicians
- Welsh Government
- Welsh Institute of Digital Information (WIDI)
- Wales Audit Office
- Other regulatory and professional bodies

# OUR YEAR IN NUMBERS

## DIGITAL USERS

**34,955** practitioners are using the Digital Health and Care Record to gain the best possible joined-up information on patient care.

**17,410** monthly users of the Welsh Nursing Care Record: reducing duplication, increasing patient safety and releasing nurses' time to care for patients.

**18,840** users of the Welsh Community Care Information System, sharing patient data and information between health and social care for better outcomes.

**5,414** users of the Welsh Laboratory Information Management System to process and manage over **38 million** pathology tests across laboratories in Wales.

**2,484** users of the Welsh Hospital Pharmacy Stock Control System: electronic management of drugs, to reduce waste and increase safety.

**36,307** users of the Welsh Patient Administration System: digital management of hospital appointments and in-patient stays in an efficient and effective way.

## SERVICES, DOCUMENTS AND RESULTS

Over **59,000** endoscopy test results viewed by health care practitioners in the Welsh Clinical Portal: enriching the information available for better, safer care.

Over **2.5 million** results and reports generated following x-rays and other digital imaging across NHS Wales: enabling practitioners to diagnose patients and see their results and reports in the digital patient record.

The number of clinical patient documents stored digitally rose from **39 million** to over **45 million**: that's 45 million documents that no longer have to be kept on paper.

**103** digital services which underpin front line services and enable health and community practitioners' to treat and care for citizens in with the right information at their fingertips, regardless of geographic location.

**220,000** calls to our Service Desk, from simple requests to complex issues, with resolution targets to minimise disruption on the NHS.

## DIGITAL ACTIVITY

Over **259,000** consultations for common ailments across community pharmacies in Wales, releasing time for GPs to deal with more urgent patient needs.

More than **1.8 million** pain assessments, and over **394,000** assessments for pressure ulcers completed in the Welsh Nursing Care Record: supporting regular management of patients' pain during their hospital stay.

Over **55,000** Welsh residents have their GP record viewed each month in hospital settings, meaning that their practitioner can make better decisions about their care.

**9 million** COVID-19 vaccinations enabled by the Welsh Immunisation System, reducing the effect of the virus across Wales.

## OUR VISION...

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

## OUR PURPOSE...

To transform health and care for everyone in Wales.

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## WHO WE ARE AND WHAT WE DO

Digital Health and Care Wales is a Special Health Authority with a critical role in transforming the way that health and care services are delivered in NHS Wales.

Established under statute on 1st April 2021, we are funded primarily by Welsh Government and work closely and in partnership with health boards and trusts, primary care, social care, life sciences, industry and academia.

Our aims are to make it easier for staff to deliver care, to enable better patient outcomes and experiences and to help people manage their own health and care.

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## OUR ORGANISATION

As a key member of the NHS Wales family our work has demonstrable impact, as seen through the 103 operational services used daily to support health and care and to deliver the single digital health record.

We work with speed and agility to develop new products, to enhance services, and to react to unforeseen digital requirements, as well as delivering against the longer term needs of digital transformation in NHS Wales.

During the year we concluded the recruitment of our executive team and made some new Independent Member appointments to our Board, whilst continuing to refine our vision, missions and delivery portfolios through our strategic plan, which supports the priorities of the Welsh health and care system.

People are at the heart of what we do, so we were proud to win the British Computer Society's UK Best Place to Work in IT award for 2022 - an accolade for the organisation and all who work for DHCW.

Judges gave top marks for our commitment to diversity and inclusion as well as skills and career development for staff.

Our hybrid operating model means that the majority of our staff work remotely for most of the week, whilst those who prefer to work from the office can do so.

We are structured into seven directorates:

- Digital Strategy
- Operational Services
- Clinical
- Primary, Community and Mental Health Digital Services
- People and Organisational Development
- Finance and Business Assurance
- Corporate Governance and Communications

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## OUR ROLE IS TO

- [Support health and care frontline staff](#) with high-quality modern systems and secure access to information about their patients, available wherever they need it
- Deliver [new digital solutions](#) that help clinical staff care for patients, including new digital services for nurses, critical care units, hospital pharmacy, prescribing and medicines management and community care
- [Use data](#) to provide insights and improve outcomes, as well as to support how health and care services are delivered and accessed by patients
- [Help Welsh people manage their own health](#) and recovery from illness, with access to their own digital health record and apps from any device, making it easier to connect with health and care services
- **Combat cybercrime** supported by a dedicated cyber resilience unit hosted on behalf of Welsh Government
- [Use digital and data standards](#) to enable faster development and delivery of digital services
- **Protect valuable data assets** by modernising data storage and adopting a ‘cloud-first’ policy
- Provide the resilient **technical infrastructure and platform** needed, using the highest standards of security, to enable the delivery of digital and data services for health and care in Wales

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## 2022 - 23 STRATEGIC PRIORITIES

### Enabling Digital Transformation

We provide a platform for digital transformation through data protection, infrastructure and information, and by opening up the NHS Wales architecture to enable faster sharing of data with partners and suppliers, supporting joined-up consistent care.

### Delivering high quality technology, data products and services

As technology and the needs of health and care evolve, we are developing and delivering standardised services to Wales’ health and care providers, as well as rapidly providing new services to cope with unforeseen situations, whilst also supporting efficiencies and improvements in care processes.

### Expanding the content, availability and functionality of the digital health and care record

Clinical and health care information for citizens in Wales is accessible to their care providers through the digital health and care record, when and where needed, helping to improve treatment quality. Moving forward, more elements of the record will become available directly to citizens.

### Driving value and innovation for better outcomes and value-based care

The need for accurate data for insights and analytics is more important than ever to improve health and care. A data-driven system that increases value in healthcare through timely information to support decision making and better outcomes.

### Being the trusted strategic partner and a high performing, inclusive, ambitious organisation supporting our workforce and stakeholders.

Being a trusted NHS Wales organisation is key to successful delivery of the DHCW vision and achieving all that is expected of us.

# HOW WE DO IT

DHCW aims to be an excellent employer and a great place to work.

Developing our people is a key part of our strategic missions. Supporting talent development, compassionate leadership, and continuous development is a golden thread running through everything delivered this year and planned into the future.

We launched our People and Organisational Development (OD) Strategy in October 2022, providing a clear signal of the importance of the current workforce and for attracting and retaining new talent.

## Our People and OD Vision:

A great place to work where our people are fully engaged, high performing and embody our values and behaviours.

We will achieve this by joining these six themes to shape our workforce.



During 2022-2023 and we have focused on putting the following building blocks in place to support the organisation in becoming:

- an employer of choice
- a learning organisation - supporting qualifications, understanding skills gaps and investing in continuous development, improvement, and skills acquisition
- recognised for its leadership, talent development and culture
- an organisation whose workforce planning supports decision making, recruitment in the right professions, audit and risk management focus, and key skills gap investments
- an organisation committed to developing supportive new ways of working alongside up-skilling managers to work differently with the hybrid working approach, so as to get the best out of everyone's efforts and achieve high standards of performance both individually and as a team
- an organisation that invests in diverse engagement, partnership working and a culture of listening and learning
- acknowledged as an organisation which has supportive well-being initiatives for all

New workforce policies and strategies developed during the year have been formulated in true partnership with the trade unions and wider workforce, including external stakeholders and networks.

# OUR CULTURE, VALUES AND BEHAVIOURS

Being a trusted partner is an essential component for successful delivery of our vision and values and in achieving all that is expected of us.

Our leaders are challenged to be emotionally intelligent, to embrace change and seek out innovation and continuous improvement to deliver the outcomes our stakeholders value and want; inspiring and encouraging their teams to do the same.

Values have a positive impact on our identity both internally and externally and are critical to shaping our culture.

 <b>Collaboration</b>	 <b>Innovation</b>	 <b>Inclusive</b>	 <b>Excellence</b>	 <b>Compassionate</b>
Teamwork	Creative Thinking	Diversity	Empowerment	Dignity
Supporting & Challenging	Courageous	Equality	Quality	Kindness
Listening & Valuing each other	Transformational	Respect	Continuous Improvement	Empathy
Reflecting	Embracing Change	Fairness	Drive for Results	Personal Responsibility
Continuous Learning	Ambitious	Equality	Pride in what we do	Trust
		Celebrate success and achievements	Accountability	

# EQUALITY, DIVERSITY AND INCLUSION

In March 2023 we launched a new Strategic Equality Plan which incorporates organisational anti-bullying and anti-racism commitments. It underpins the importance of equality, diversity, and inclusion for DHCW and includes a range of new commitments to be delivered over the coming years.

Attract and Retain	Attract best people, new approaches  Pipeline of homegrown talent  Retain diversity - EDI Network	BS76000 re-accreditation 2023  New innovative and diverse recruitment market-campaigns  Recruitment data analysis
Anti-Racism	Embrace differences  Recognise - promote advantages  Inclusive and diverse culture	Equality, Diversity and Inclusion Network from May 2023  Equality Impact Assessments  Workforce analysis monitoring
Anti-Bullying	Compassionate culture leadership  Behaviour reflecting DHCW values  Fair, open and responsive	Zero tolerance to bullying and committed partnership approach  Staff surveys and pulse surveys  Monitoring through POD/ED/TUS
Development Opportunities	DHCW Learning Organisation  Accessible and supportive to all  Talent and succession planning	Talent/skills monitoring  Grow your own/Graduates/Apprenticeships  Strategic workforce plans/training needs analysis

Women make up 42 per cent of our employees, and 50 per cent of our Board of Independent Members and Executive Directors. [UK IT industry average of 23 per cent](#), of which only five per cent hold leadership positions, however there is more work to be done to improve diversity in technical areas, and to take account of the need for the female perspective when developing technical products within health and care.

Eight per cent of our workforce is from a black, Asian or minority ethnic community and we aim to increase this number.

Embracing difference and including everyone is a fundamental part of developing our workplace community and that means building and developing teams that are diverse and inclusive, regardless of age, gender, disability, sexual orientation, religion, or ethnicity.

We are dedicated to developing an inclusive and diverse organisational culture and a great working environment, where people feel valued, have the opportunity to develop, be heard, and have a clear understanding of the part they play in achieving our vision and outcomes - contributing to our value whilst delivering an unrivalled user experience - which is why, from April 2023 we will have a new Equality, Diversity and Inclusion (EDI) network, supporting and celebrating everyone within the workforce, providing opportunities for input and employee voice.

# STRATEGIC WORKFORCE PLANNING

Following the Welsh Government Digital Workforce Review in 2022, we will commence the work required to develop the digital profession across NHS Wales, ensuring we are building a workforce for the future.

This will support clear career pathways, consistent job roles and key investment in training and development, the upskilling and developing cutting-edge digital skills, supporting national transformation programmes from 2023 onwards.

Our partnership with the Wales Institute for Digital Information (WIDI) underpins our collaboration with the university sector. A detailed plan responding to the needs of the 2023 workforce planning cycle is being developed to target and support the digital profession across Wales, and to provide robust pipelines of new talent.

Committed to ‘growing our own’ workforce and supporting future generations, we offer learning and development for all DHCW people at all career life stages.

Our commitment to graduates and apprenticeships will further grow in 2023, with learning taken from the strategic workforce planning cycle used to inform our work with the education sector.



# WELSH LANGUAGE

The Welsh Language (Wales) Measure established a legal framework to impose duties on certain organisations to comply with standards. DHCW (as the former NHS Wales Informatics Service) was previously required to comply with these standards as a hosted body of Velindre University NHS Trust. This requirement ceased with the inception of DHCW who then, as a Special Health Authority with no standards issued, were required to develop a Welsh Language Scheme under the Welsh Language Act 1993. However, we have continued to work to the standards as we developed our Welsh Language Scheme.

During 2022-23 we worked with the Welsh Language Commissioner to agree our Welsh Language Scheme which commits us to providing a level of Welsh language services equivalent to the Welsh Language Standards being adopted by similar public organisations in Wales.

The new Welsh Language Scheme aims to:

- provide greater clarity to the organisation on its duties in relation to the Welsh language
- provide guidance for Welsh speakers about the services they can expect to receive in Welsh
- ensure the Welsh language is embedded into service delivery and development

Activities undertaken throughout the organisation to actively promote use of the Welsh language include:

- development of a multi-disciplinary team, inclusive of Welsh speakers. The team is led by the Board Secretary and Welsh Language Services Manager to ensure Welsh language requirements are considered in all existing and new developments.
- development and implementation of the DHCW Bilingual Skills Strategy
- development of the DHCW response to the More Than Just Words task and finish group 5-year plan

- maintaining a service level agreement with NHS Wales Shared Services Partnership for translation services
- setting up a service level agreement to provide interpretation at livestreamed board meetings
- supporting the Welsh Language Commissioner with investigations
- Making Welsh language courses available to all staff (from taster level to advanced residential courses)
- further development of the Welsh language SharePoint page to provide guidance for staff wishing to understand their legislative duties and explore opportunities to learn and improve Welsh language skills
- engagement with new developments such as the NHS Wales App and Maternity system

We are committed to building on our current provision of Welsh language training, and activities to promote the use of Welsh in the workplace.

96% of staff have updated their Welsh language skills on ESR

92% of staff have completed a Welsh language awareness course

Just Over 12% staff speak Welsh at level 2 or above

New and Vacant Posts. Number of Jobs were categorised as:

- Welsh Language Skills Essential = 6
- Welsh language skills need to be learnt = 0
- Welsh language skills desirable = 470
- Welsh language skills not necessary = 7

There were no Welsh language complaints during the period 2022-23

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## ANNUAL PLANNING FRAMEWORK 2022-2023

In November 2021 Welsh Government published its planning framework guidance, reverting to a three year Integrated Medium Term Plan (IMTP) to replace the annual plan arrangement of the previous year.

The [IMTP](#) was approved by our Board, submitted to Welsh Government at the end of March 2022 and accepted and noted by the Minister for Health and Social Services in July 2022. Feedback was provided by Welsh Government as a set of requirements and accountability conditions, described in our [Accountability Report](#).

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## ORGANISATIONAL RISK AND GOVERNANCE

Risk management is a key element of corporate governance that strengthens our ability to achieve our objectives.

Our Risk and Board Assurance Framework Strategy sets out the organisational approach to principal risks to strategic objectives, and how the Board will receive assurance on those principal risks.

This strategy is supported by an organisation-wide risk management system which enables and empowers staff to identify, assess, manage and where necessary escalate risks. More details of this can be found in our [Annual Governance Statement](#).

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## KEY RISKS TO OUR PLAN

- Achieving and maintaining a **sustainable financial position** is imperative for the delivery of safe, secure, accessible, and reliable digital healthcare services
- Increased **cost pressures, including digital inflation** and **technical debt**
- **Recruiting and retaining the right people** in the right roles and adapting workforce to a modern and responsive digital organisation
- Replacement of the **CaNISC system** to support palliative care and screening pathways.
- Risk of delays to implementation of the **Laboratory Information Network Cymru (LINC)** service
- DHCW requires a **clear legal basis and directive** to utilise data in the health care system
- A **sustainable infrastructure model** delivering high availability, reliability and capacity to support growing expectations
- Delivering against increasing expectations whilst growing the workforce at an accelerated rate; shared risk with suppliers and stakeholders
- Increasing **Cyber threats**, especially **ransomware** and the war in Ukraine

# OPERATING CONTEXT

Our plan and objectives are underpinned by legal and policy documents. These include:

- [A Healthier Wales](#) – the Welsh Government long-term plan for Health and Social Care
- [Digital Strategy for Wales](#) –Welsh Government’s national vision for jointly adopting a digital approach to modernise public services.

Fig 1 - DHCW missions and protfolios

## DHCW MISSIONS AND PORTFOLIOS MAPPED TO MINISTERIAL PRIORITIES AND PROGRAMME FOR GOVERNMENT

### ENABLING DIGITAL TRANSFORMATION

#### 1. INFORMATION AVAILABILITY AND FLOW:

Develop an ‘open platform’ approach to digital innovation, by responding to national standards for how data, software and technologies work together, and how external partners can work with the national digital platform and national data resource .

#### 2. PROTECTING PATIENT DATA:

Develop an Information Governance and Cyber Security framework, standards and mechanisms that prioritise patient and service user safety and confidentiality, and protect data from external and internal threats, resulting in data remaining secure and NHS Wales being trusted to host patient and service user personal information.

#### 3. SUSTAINABLE INFRASTRUCTURE:

Develop and maintain a high-quality national infrastructure, transitioning to the cloud for better availability, reliability, safety, security, speed and agility.

Our plan also represents the requirements of wider **Ministerial Priorities** and the **Programme for Government**. The following diagrams explains how DHCW’s Strategic Missions and Portfolios map to Welsh Government’s Ministerial Priorities and Programme for Government:



#### 4. DIGITAL HEALTHCARE PROFESSIONAL EMPOWERMENT:

Improving and expanding the content, availability and functionality of the Digital Health and Care Record, agnostic of health board and geographical boundaries and supporting evidence based decision making and connectivity using NHS Wales e-library and Microsoft Office 365 suite.

#### 5. DIGITAL PATIENT EMPOWERMENT:

Develop an Information Governance and Cyber Security framework, standards and mechanisms that prioritise patient and service user safety and confidentiality, and protect data from external and internal threats, resulting in data remaining secure and NHS Wales being trusted to host patient and service user personal information.

#### EXPANDING THE CONTENT, AVAILABILITY AND FUNCTIONALITY OF THE DIGITAL HEALTH AND CARE RECORD

#### DRIVING VALUE AND INNOVATION FOR BETTER OUTCOMES AND VALUE BASED CARE

#### 11. RESEARCH AND INNOVATION:

Delivering research insights and innovation for service improvement.

#### 12. VALUE FROM DATA:

Driving value from data for better patient outcomes and service planning.

A HEALTHIER WALES

SUPPORTING THE HEALTH AND CARE WORKFORCE

POPULATION HEALTH

#### 6. PUBLIC HEALTH:

Develop, operate and maintain a set of high-quality national digital services to support Public Health prevention and early intervention Programmes.

#### 7. PRIMARY, COMMUNITY AND MENTAL HEALTH:

Building digital infrastructure across primary and community care by developing, operating and maintaining a set of high-quality national digital services reflecting new models of local care, closer to home.

#### DELIVERING HIGH QUALITY TECHNOLOGY, DATA PRODUCTS AND SERVICES

#### 8. PLANNED AND UNSCHEDULED CARE:

Develop, operate and maintain a set of high-quality national digital services to enable new models of planned and unscheduled patient care and management.

#### 9. DIAGNOSTICS:

Develop, operate and maintain a set of high-quality national digital services to enable the modernisation of diagnostics.

#### 10. DIGITAL MEDICINES:

Develop, operate and maintain a set of high-quality national digital services to enable modernisation of medicines management.

COVID RESPONSE

WORKING ALONGSIDE SOCIAL CARE

MENTAL HEALTH & EMOTIONAL WELL-BEING

NHS RECOVERY

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## QUALITY OF SERVICES TO DRIVE IMPROVEMENTS IN POPULATION HEALTH AND CARE

Our contribution to population health and care comes from the digital systems we provide that transform the way health professionals work to care for patients and for people to have greater involvement in the management of their own care. We also support the Value in Health Centre through the collection of relevant data, including outcomes data, which we then combine, analyse and present in a series of condition specific dashboards (such as epilepsy, knee arthroplasty, heart failure, lung cancer). These information products support decision-making in NHS Wales and help to drive improvements in health and care.

All DHCW services are planned according to the wider context of Welsh Government priorities, which take account of trends in health and the expected improvement in patient outcomes. The quality of DHCW's digital services are monitored through a combination of:

- Service Availability, described later in this report
- Service Management Boards made up of representatives from around NHS Wales, whose role is to ensure that the availability and useability of digital services are meeting their needs
- Health Board and Trust digital leads who monitor the quality of service received in relation to the Service Level Agreements which we hold with each partner NHS Wales organisation

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## POPULATION NEEDS LINKED TO KEY NHS THEMES

The key NHS themes are described above (fig 1) as **ministerial priorities** and the diagram describes how DHCW's portfolios map to each priority. Within each of DHCW's portfolios for 2022-23, there are several initiatives, which fulfil the requirements in transforming the way that NHS Wales delivers health and care through supporting and enabling digital technology.

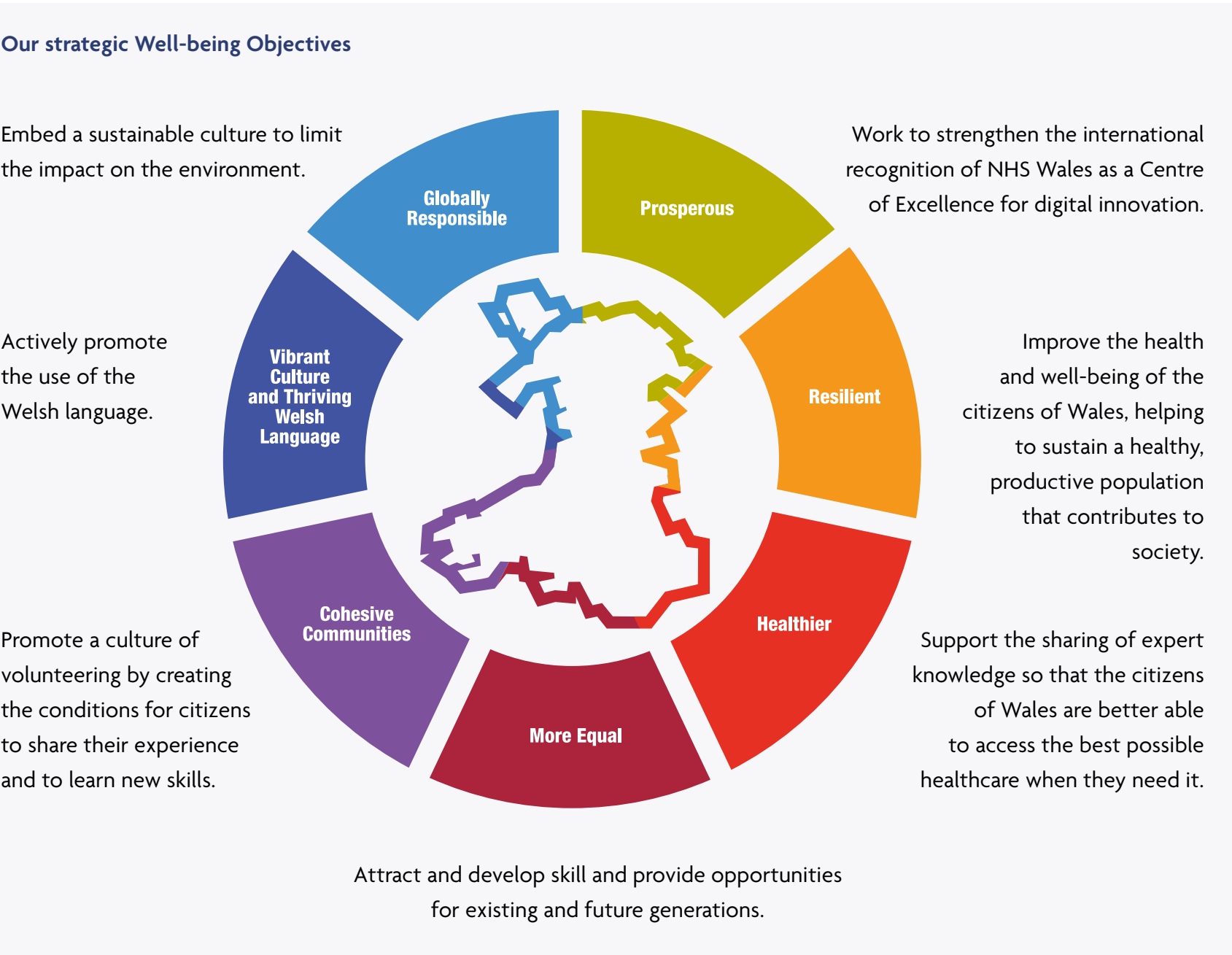
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## GOVERNANCE IN COVID-19

As pandemic restrictions eased we returned to business as usual, closing our emergency response structure. However, digital requirements for the vaccination programme continued, and Test Trace Protect contingency services are still in place to support Covid-19, should the need arise; both of these have remained a core part of our delivery for the year.

# WELLBEING OF FUTURE GENERATIONS (WALES) ACT 2015

Digital solutions and services contribute to the implementation of the [Wellbeing of Future Generations \(Wales\) Act 2015](#), which 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 address poverty, health inequalities and climate change.



DHCW will become subject to the Act on 1 April 2024. However during the year we followed our principles aligned to the Act.

Our role aligns to the digital needs of [A Healthier Wales and Welsh Government's long-term plan for Health and Social Care](#). . All seven well-being goals also resonate with our approach and will continue to be developed.

Throughout the year we have reviewed progress against activities for each objective and identified additional activities where necessary. Some of the key achievements during 2022-23 are:

<b>HEALTHIER:</b> We have accelerated the digital transformation of health and care in NHS Wales as the trusted delivery partner for digital health and care services.	<b>RESILIENT:</b> We have worked with our delivery partners on the plan for Digital Services for Patients and the Public, including the NHS Wales bi-lingual app, which will support the citizens of Wales to take a more active role in their own health and well-being.	<b>HEALTHIER:</b> We have continued to expand the content, availability and functionality of the Digital Health and Care Record so that care and treatment quality is improved.
<b>PROSPEROUS:</b> We have established a renewed focus in the areas of research and innovation.	<b>GLOBALLY RESPONSIBLE:</b> We have worked to achieve our Decarbonisation Strategic Delivery Plan roadmap for 2022-23 and gained an understanding of the way in which our digital solutions can contribute to the overall NHS Wales decarbonisation agenda.	<b>MORE EQUAL:</b> We have continued to promote and support activities that celebrate diversity and inclusion.
<b>VIBRANT CULTURE:</b> We have continued to promote and support use of the Welsh language and now have an approved Welsh Language Scheme.	<b>COHESIVE COMMUNITIES:</b> We have worked on an all-Wales basis to share best practice and embrace partnership working, including social partnerships.	<b>PROSPEROUS:</b> We have launched a dedicated Microsoft innovation hub for staff.
<b>RESILIENT:</b> We have worked with the University of Wales Trinity Saint David (UWTSD) to promote and deliver a culture of embracing change via a new qualification that upskills and empowers staff.		

# PERFORMANCE SUMMARY

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## STATEMENT FROM CHIEF EXECUTIVE OFFICER

DHCW's delivery is first and foremost our ability to enable NHS Wales to operate in a digital environment by making available where and when needed, the digital services that underpin health and care. This requires round the clock management and maintenance of services, and a swift response to incidents as they arise. In addition, our ambitious plan is in place to keep pace with technological change, as well as delivering new and improved health and care services to our stakeholders in line with Welsh Government and NHS Wales priorities; we do this hand-in-hand with colleagues across NHS Wales to fit in with their plans and constraints. We also have to deliver to our financial, statutory and other obligations, whilst balancing risk; our performance across the year is a combination of all of these elements.

During 2022-23 we have maintained a high level of service availability for our stakeholders, as well as flexing our plan to take on new requirements in-year, for example in January we took responsibility for leadership of two key diagnostics modernisation programmes. We have delivered on the key digital initiatives within our plan, whilst also working continually towards resolving the barriers that have prevented some initiatives from moving forward; these will continue to be progressed as laid out in our 2023-24 plan.

We have been successful in winning several awards, which demonstrate the calibre of our staff and our position as system leader for digital within NHS Wales.

# PERFORMANCE APPROACH

A strong operating model is an essential pre-requisite for delivering our vision and strategic objectives. This is underpinned with an effective Performance Management Framework, clear lines of responsibility and accountability at team and individual level.

DHCW’s operating model is set out in our Standing Orders and Standing Financial Instructions.

The Performance Management Framework outlines how performance is managed through a hierarchy of directorates, departments and groups, overseen by DHCW’s Management Board, and assured by the DHCW Board.

Fig 2 - Performance Management Framework Information Flow Outline

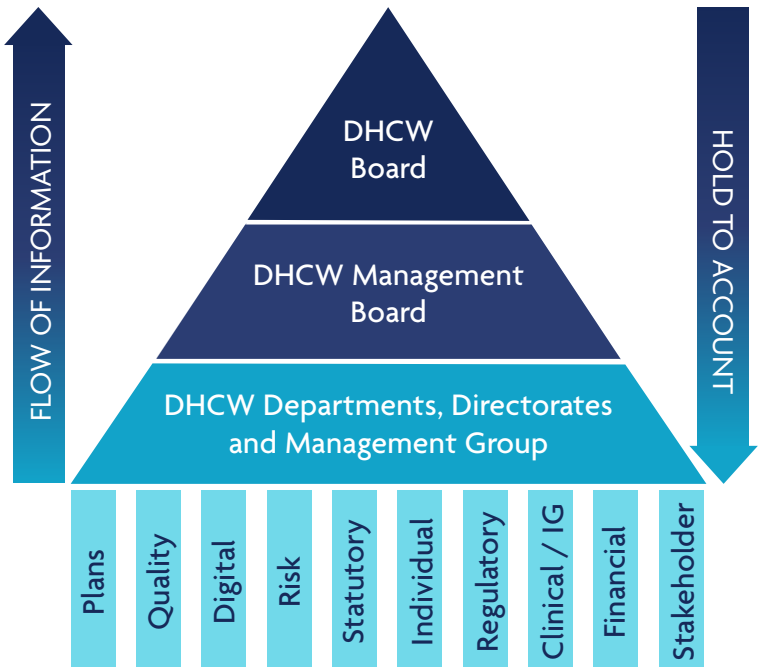


Fig 3 - Performance Framework Focus



Performance is centred on three main areas:

- **Plans** which articulate requirements and expected outcomes
- **Resources** - to deliver the plans and achieve the outcomes
- **Outcomes** of achieved plans, and how they relate to the development of the individual, team, department or organisation

# PERFORMANCE ANALYSIS

This section provides a summary of our key achievements, as well as those initiatives which require further time and/or planning to execute. The achievements cover the twelve portfolios identified within our 2022-23 plan, and thus the main body of work undertaken. Those initiatives which were not completed to plan in-year have been re-planned with stakeholders and will appear in our 2023-24 plan.

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## WHAT WE ACHIEVED IN 2022-2023

During our second year as a Special Health Authority, we strengthened partnerships with Welsh Government, health boards, NHS trusts, Health Education and Improvement Wales, NHS Wales Shared Services Partnership, primary care and other organisations, including local authorities to support the NHS Wales response to the COVID-19 pandemic. At the same time, we continued to maintain and develop core national digital infrastructure and systems, and it is this level of collaboration which we take forward into 2022-23.

We made key achievements across our 12 portfolios, taking on significant new work programmes. At the same time we continued to support NHS Wales colleagues in recovery via the digital services available to support front-line care, and in moving forward national digital transformation plans. Our annual business plan is an ambitious plan which we flex to enable take-on of additional work in-year, and we achieve this by a continuous exercise of reviewing and re-prioritising workload. Of course this means that there will be some initiatives which are slowed or paused within the period. Those initiatives are noted within their relevant following sections, alongside the achievements that we have made.

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## INFORMATION AVAILABILITY AND FLOW

Our ambition to achieve an open architecture moved forward with a strategy for the development and delivery of Architecture Building Blocks, the underlying components and interactions needed for a digital health and care record. This includes the facility for third parties to develop software in some key areas, using our API Management system.

We published the National Data Resource Data Strategy and the Advanced Analytics Strategy to enable increased capability in the transformation of health and care data. We also procured the National Data Platform, which will underpin access to the data required by the Digital Health and Care Record.

The National Audit Tool roadmap was in our plan for 2022-23, and part of the delivery has been achieved in the period, but there is still more to be done in 2023-24.

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## PROTECTING PATIENT DATA

As the digital organisation for health and care in Wales, we have a system leadership role to protect the national healthcare network, as well as the vast amount of patient information and data that is stored electronically. We work closely with the National Cyber Security Centre and NHS Wales colleagues to ensure digital systems are resilient and secure.

Working with colleagues across DHCW, our Microsoft 365 (M365) team reacted quickly to a cyber-attack which affected an NHS Wales digital supplier. The M365 team worked with our applications teams to deliver a time-critical business continuity solution to support users of the 111/GP Out of Hours service impacted by the cyber-attack on the supplier's system. Our Business Change team quickly developed training materials and worked closely with stakeholders to ensure that the business continuity solution could be adopted with minimum disruption.

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## SUSTAINABLE INFRASTRUCTURE

To ensure sustainability we will continue to adopt cloud computing services using a cloud-first approach for both new and existing products and services.

Working towards our goal of cloud-first, we have made significant progress in to optimise our cloud implementation, and within this we have made savings which will equate to almost half a million pounds per year. In addition to this, our new data centre facility (due to go live in 2024), will release further efficiencies.

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## MICROSOFT 365 CENTRE OF EXCELLENCE FOR WALES

To drive creative digital innovation across NHS Wales and support staff in using the M365 platform, we launched the NHS Wales Microsoft 365 Centre of Excellence (CoE).

Hosted within DHCW, the CoE aims to boost successful, sustainable improvement projects across NHS Wales by developing and sharing knowledge and ideas through best practice.

Alongside more familiar tools such as Teams, Word and SharePoint, the CoE supports colleagues to make use of the Microsoft Power Platform, which includes Power Apps, Power BI and Power Automate. It enables staff to build apps, aid data capture, automate processes, and report business information to meet clinical and management requirements.

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## NHS WALES APP

A new digital service that ‘puts healthcare at your fingertips’ will make it easier for the citizens of Wales to interact with health and care. The NHS Wales App went through extensive testing during the year prior to moving into a phase whereby members of the public were invited to join in testing activity in early 2023.

Available on smartphones, tablets and computers, it is a key development in the Digital Services for Patients and the Public Programme, which will help people in Wales to access better healthcare and support health providers to deliver care more efficiently.

The goal is for patients and the public to:

- personalise their health journey
- monitor health conditions more easily
- share and receive important health information
- actively participate in their own health and wellbeing

As part of initial user testing, over 500 repeat prescriptions were ordered, over 3,400 records viewed and 100 GP appointments booked.

## EXPANDING THE NHS WALES E-LIBRARY

The NHS Wales e-Library procured a new collection of 400 e-books of medical, educational and career-building reference material, providing even more evidence tools to NHS Wales and social care staff. Content was selected through collaboration with librarians across NHS Wales along with Welsh Government and provided through EBSCO Information Services and Browns Books - the UK's leading supplier of books and e-Books for schools and libraries.

**“We’re pleased to see the addition of this new collection, which will complement the printed resources available in our health libraries, enhance our provision of e-resources and open up access for users, wherever they are located,”**  
**said Nia Jenkins, Library Services Manager at Ysbyty Glan Clwyd.**

## ENHANCING THE DIGITAL HEALTH AND CARE RECORD

By the end of 2022-23, more than 35k health professionals across Wales were using the Welsh Clinical Portal. The Welsh Clinical Portal provides access to the patient electronic health record by collating patient information from several sources, supporting clinical workflow and enabling health professionals to make safer, better clinical decisions. Welsh Clinical Portal provides audited access to all blood tests, radiological imaging, referrals, outpatients letters, allergies and adverse reactions, patient warnings, discharge summaries, the GP summary records and care events. We continue to identify gaps in the electronic health record content and work to collect more patient care information to enhance the completeness of the available digital offering to health care professionals in NHS Wales.

To streamline and reduce unnecessary outpatient appointments in secondary care we introduced GP e-Advice functionality in the Welsh Patient Referral System which enables clinical advice and guidance conversations to take place between GPs and hospital doctors, often removing the need for some patients to attend hospital.

We continue to make user-designed improvements to help modernise Outpatient services – this is a core Welsh Government priority. Outpatient attendances data is now collected in NHS Wales’ Data Hub which is used to store and present key information to decision makers across NHS Wales and Welsh Government.

**Between January 2022 and January 2023, the number of clinical documents stored digitally rose from 39 million to 45 million and tests results increased from over 220 million to over 236 million.**

# MODERNISATION OF CANCER INFORMATICS

The solution to support cancer service delivery uses the Welsh Clinical Portal and the Welsh Patient Administration System (WelshPAS) and we have worked in partnership with Velindre Cancer Centre (VCC) and the cancer network as part of the modernisation of cancer services.

## VELINDRE NHS TRUST JOINS WELSHPAS

The much-anticipated implementation of Digital Health and Care Wales' WelshPAS in VCC went live in January 2023.

WelshPAS holds patient identification details, and records details of patients' hospital visits, including waiting list management, medical records, inpatient treatment, outpatient appointments and emergency visits.

Implementation of WelshPAS in VCC forms part of DHCW's wider 'Cancer Programme,' established to implement a Cancer Informatics Solution for Wales to replace the current Cancer Network Information System Cymru (Canisc).

Moving VCC onto the national architecture and aligning one of their key operational systems with the rest of Wales brings significant benefits including:

- All-Wales view of a patient's journey and facilitates more collaborative ways of working across Health Boards/Trusts
- Consistent administration process across most of NHS Wales
- Modernisation through continuous enhancement of the system to meet user and organisational needs
- The ability for VCC to better integrate with other systems / applications

This achievement was the direct result of the commitment, determination and effort from all involved, as well as collaboration and team working across the two organisations. Early feedback has been incredibly positive with users praising the improved access to clinical information that the new system provides.

# DIGITAL NURSING

DHCW is working with colleagues across NHS Wales to replace the paper documents that nurses currently use with a digital alternative. The award-winning Welsh Nursing Care Record (WNCR), which will complete roll out in 2023, is changing working practices and enabling nurses to spend more time caring for patients.

## Two years of the Welsh Nursing Care Record

The WNCR has captured more than 3.9 million inpatient nursing notes in just under two years.

The digital system has transformed the way nurses record patient information and has more than 13,000 monthly users. It has also seen 3.3 million patient risk assessments completed electronically between April 2021 and February 2023. More than 1.8 million pain assessments have been completed, with over 394,000 assessments for skin pressure ulcers and over 223,000 assessments for falls.

Rather than making notes on paper, nurses are using tablets to capture information electronically at a patient's bedside. This system designed by nurses, stores patient care information securely in the WNCR, uses standardised nursing language and improves accuracy and sharing of information between care settings. This ensures that information is collected once and used along the patient's healthcare journey supporting safer, more informed decision making no matter where that care is taking place.

This digital programme removes the need to search for paper notes or ask the patient to repeat information they have already given providing reassurance and confidence to patients along their care journey.

# DIGITAL DIABETES NOTE

An electronic record designed specifically for diabetes patients has been heralded by health professionals working with diabetes patients as “game changing”.

## DIGITAL DIABETES NOTE HERALDED BY HEALTH PROFESSIONALS

One dietitian has spoken about how the Digital Diabetes Consultation Note (DCN) is saving her time, as she no longer must write back to referring nurses or consultants.

Victoria Oldham, a diabetes specialist dietitian in Cwm Taf Morgannwg Health Board, explained: “I can update the note and know that other relevant health professionals will also have access to it. As well as being more effective because all the information is in one place, it also saves an awful lot of time.”

The note is accessed via the Welsh Clinical Portal and used to record, view and share diabetes patient information.

Dr Gautam Das, a diabetes consultant, has been using the DCN since it was trialled at Prince Charles Hospital in 2019.

He said: “It’s a game changer. It brings about a paradigm shift in the way we manage diabetes and maintain patient records.”

The DCN is available for health professionals for diabetes care including dietetics, podiatry and antenatal in hospitals in Swansea Bay, Cwm Taf Morgannwg and Hywel Dda University Health Boards.

# WELSH IMMUNISATION SYSTEM GOES BEYOND COVID-19

Continued development of the WIS included cross-border UK-wide and overseas vaccination data. These enhancements help to create a more accurate record for people who received their vaccinations outside their residential area, by including a full vaccination history which can be accessed by clinicians where required. A further release of WIS delivered both Welsh Language and two-way texting, meaning people who record Welsh as their preferred language, can receive timely and accurate information in Welsh.

## WELSH IMMUNISATION SYSTEM ADMINISTERS NEARLY 9 MILLION COVID-19 VACCINATIONS

The Welsh Immunisation System (WIS) has been used to support the administration of 8.9 million vaccinations since the beginning of the pandemic, and 1.1 million vaccinations during the 2022 winter programme from September to December.

Wales is the only part of the UK to have developed a digital vaccine management solution using an existing in-house software team.

The team from DHCW worked with partners, including Welsh Government, Health Boards and Trusts to provide the digital solution for the management, distribution, and reporting of the COVID-19 vaccination programme.

The system uses information on patient demographics, occupation groups and agreed priority levels for receiving the vaccination to schedule appointments for patients. It also tracks vaccine stock, creates appointment slots, sends out appointment letters, and records details about each vaccination for every Covid 19 vaccine administered in Wales.

# CHOOSE PHARMACY

Choose Pharmacy is a secure digital platform to support patient consultation workflow in community pharmacies. It enables the pharmacists to provide free NHS care for minor ailments, a contraception service, an emergency medicines supply, flu vaccinations, discharge medicines reviews and support for independent prescribers.

Pharmacists who are qualified as independent prescribers, can prescribe for any condition within their clinical competence and record that information on the patient’s digital Choose Pharmacy Record. This service provides access to the patient’s Welsh GP Record to support the pharmacist’s clinical decision making. In 2022-23 there were over 259,000 consultations for common ailments across community pharmacies in Wales.

The table below indicates what patients would have done, had they not gone to their community pharmacy for a consultation:

Action	Total
Made an appointment with a GP	194003
Made an appointment to attend the out of hours service	2236
Made an appointment with a nurse or health visitor	1150
Made an appointment with another healthcare professional (e.g. dentist or optometrist)	2407
Attended the accident and emergency department at hospital	168
Called NHS Direct or NHS 111 for advice	891
Bought medication from the pharmacy	52241
Done nothing	6733
Total	259829

## CHOOSE PHARMACY STTT BOOSTS INFECTION SCREENING STEWARDSHIP

Community pharmacists in Wales are using a bacterial detection service to encourage patients to screen against infections.

Choose Pharmacy’s Sore Throat Test and Treat service (STTT) promotes antimicrobial stewardship by using a stepwise approach of a clinical examination by a pharmacist and, for patients who meet the criteria, an on-the-spot sore throat swab service to screen against bacterial infections.

If bacteria are not detected, the sore throat is probably caused by a virus - meaning antibiotics will not help. Results from the throat swab are provided in minutes, and if a bacterial infection is present and the patient can be helped by antibiotics, they may be supplied by the pharmacist.

Antibiotics are only supplied after the pharmacist discusses benefits and possible harms, including antibiotic resistance.

Results are sent digitally to the patient’s GP via Choose Pharmacy, the digital infrastructure that Digital Health and Care Wales developed to support provision of services in community pharmacies in Wales.

In 2022-23 there were over 28,000 STTT consultations across community pharmacies in Wales.

## WELSH COMMUNITY CARE INFORMATION SYSTEM ROLL-OUT

The Welsh Community Care Information System (WCCIS) is a digital service for nurses, mental health teams, social workers and therapists to help them work better together. It enables access to relevant information on care provided and shows where a patient is with their treatment and care plan.

Benefits include quicker hospital discharge, fewer missed appointments, accurate records, safer care, time and cost savings, clinical safety through data sharing, decrease of record duplication, improved service delivery, reduction in unnecessary hospital admissions and improved patient experience.

WCCIS is now live in 19 organisations across Wales, with Aneurin Bevan University Health Board being the latest to join, with over 3,000 users. A pilot with a large cohort of district nursing professionals also began in Betsi Cadwaladr in 2022.

## CHILD HEALTH

During 2022-23 we expected to complete functionality enhancements for the Child Health system in line with the needs of the Healthy Child Wales programme, however, these were unable to be completed in-year and have been moved into the 2023-24 plan.

## PLANNED AND UNSCHEDULED CARE

Our 2022-23 plan included other initiatives in the Planned and Unscheduled Care portfolio, but some of these, including roll-out of the Emergency Department system, integration of Eye Care into the national architecture, and the Intensive Care system, were subject to delays. These are now part of the 2023-24 plan.

## WELSH ADMIN PORTAL AND WELSH-PATIENT ADMINISTRATION SYSTEM IN BETSI CADWALADR

DHCW’s WelshPAS is the primary source of administrative data for patients in the hospital setting. It holds patient identification details and records details of patients’ hospital visits, including waiting list management, medical records, inpatient treatment, outpatient appointments and emergency visits.

The much-anticipated migration of data from Betsi Cadwaladr University Health Board (west) Patient Information Management System into the central instance of WelshPAS successfully went live in May 2022 , with an additional 2,800 users, now totalling over 6,800 users across the single instance. This forms part of a phased programme of work to consolidate the three separate patient management systems in Betsi Cadwaladr into a single instance of WelshPAS across the health board – this is the largest implementation of a Patient Administration System in Wales since 2013.

The development of a single instance of WelshPAS in Betsi Cadwaladr will streamline the care process and enable up-to-date and accurate information to be available to clinical and clerical colleagues for service delivery across the health board.

*“WelshPAS allows us to view and amend patient information and activities, we can see this becoming a great tool for us going forward.”* Emergency Department Administrators, Ysbyty Glan Clwyd.

*“Filtering, grouping and sorting will make our jobs with waiting lists easier to manage as we can arrange by a lot of different areas.”* Ophthalmology Secretaries, Ysbyty Glan Clwyd.

*“We can see from a data quality standpoint that this will improve our processes.”* Theatre Administrators.

## DIGITAL MATERNITY

Digital Maternity Cymru was pleased to recently announce Ministerial approval and £7m of funding for a five-year work programme that will digitally transform maternity services for women and clinicians in Wales.

Health Boards currently use a combination of different digital and paper systems, however several recent reviews of maternity services in Wales and the UK have called for the creation of a unified digital system.

### DIGITAL MATERNITY SYSTEM

The new maternity system will be underpinned by a standardised clinical framework incorporating data, care pathways and women's information. It will integrate with the core Welsh NHS digital infrastructure and form part of the single clinical record for Wales.

Digital Health and Care Wales (DHCW) will procure and implement this new digital maternity system. It will enable healthcare professionals across every health board in Wales to share vital information more quickly, supporting safe, effective, and consistent maternity services wherever women choose to access care.

Women will also have digital access to their personal maternity record, where they can contribute details important to them and receive relevant health advice and reminders. They will only need to share their key information once.

## SYSTEM LEADERSHIP IN DIGITAL DIAGNOSTICS DEVELOPMENT

DHCW has taken on leadership of NHS Wales' two key new diagnostics programmes, the Laboratory Information Network Cymru (LINC) and the Radiology Informatics System Procurement (RISP), which will modernise the digitisation of diagnostics reporting. These programmes transferred to DHCW on 1st January 2023.

Transfer of the programmes and staff was an important step in aligning major new digital systems with NHS Wales national healthcare technology and data services, delivered and operated by DHCW.

The new arrangements will enable DHCW to better manage the implementation of these programmes as core business.

## ENDOSCOPY

Endoscopy results from Swansea Bay University Health Board and Powys Teaching Health Board are now available in the Welsh Clinical Portal ensuring vital endoscopy information is available across organisational and geographical boundaries. The integration of the Powys endoscopy system data was the first time a cloud-based clinical system has integrated with our results repository. Endoscopy data is also available for Cwm Taf Morgannwg and Hywel Dda University Health Boards.

Clinicians treating a patient who has had an endoscopy test in these Health Boards, can now see the result in WCP regardless of their NHS Wales organisation. This gives the clinician more clinical information to inform decisions and potentially reduces the number of duplicated tests. A total of twelve hospitals are now reporting endoscopy results across Wales, with over 59,000 endoscopy results viewed in WCP by health care practitioners, across Wales Health Board boundaries during the financial year.

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## DIGITAL MEDICINES

The Digital Medicines Transformation portfolio is delivering a fully digital prescribing approach in all care settings in Wales. The portfolio brings together four programmes to make the prescribing, dispensing and administration of medicines everywhere in Wales easier, safer, more efficient and effective.

Following an independent review into electronic prescribing in Wales, Eluned Morgan MS, Minister for Health and Social Services set out her ambition for a comprehensive digital medicines plan for Wales:

*“We want to make sure services deliver the best outcomes for citizens, and are designed around how citizens and service providers want to use and manage those services... This programme will transform prescribing in Wales, supported by a digital platform”.*

The Digital Medicines Transformation Portfolio coordinates four areas of work:

**Primary Care Electronic Prescription Service** - Electronic signing and transfer of prescriptions from GPs and non-medical prescribers to the community pharmacy or dispenser of a person's choice.

The programme engaged with key stakeholders including GP suppliers and Community Pharmacy system suppliers in August 2022 to review requirements with a 'proof of concept' launch planned for summer 2023.

**Secondary Care Electronic Prescribing and Medicines Administration** -

Implementing electronic prescribing and medicines administration (ePMA) across all of NHS Wales' hospitals. Sending outpatient prescriptions to the person's pharmacy of choice. A multi-vendor framework for e-prescribing in secondary care (ePMA) has been established by DHCW on behalf of NHS Wales health boards and Velindre University NHS Trust.

**Patient Access** - Using the NHS Wales App to share and collect medicines information, order repeat prescriptions and nominate a person's pharmacy of choice.

**Shared Medicines Record** - Building a single shared record of medicines for every patient in Wales so that all the information is in one place.

These work streams will modernise and digitise medicines management, reducing environmental waste, cost and time whilst increasing accuracy for patients and NHS staff throughout Wales.

The shared medicines record design will now be completed as part of the 2023-24 plan.

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## VALUE FROM DATA: DASHBOARDS AND HUBS

National Data Dashboards, developed with the NHS Wales Value in Health programme, combine and visualise a wide range of information relating to patient clinical outcomes, secondary care activity, case mix variables, mortality, and socio-economic factors, for many different clinical areas.

These innovative dashboards are being used by clinical teams, special interest groups, clinical networks, support functions and other stakeholders to inform better decision making.

Working in partnership with Powys County Council we brought health and social care data together in a ‘proof of concept’ data hub to apply visualisations which underpin the data requirements for A Healthier Wales.

### Secondary Care

Electronic Test Requesting (ETR) usage data

A dashboard that contains the secondary care usage data for blood science and microbiology Electronic Test Requesting (ETR) – this enables health boards to monitor the use of ETR, compared to paper test requesting, and the results are available at hospital and ward level, replacing the manual methods previously used, saving time and providing better visibility of the data.

### Pilot Result Notification Dashboard

A Result Notification dashboard is being piloted by Betsi Cadwaladr University Health Board. When the results of pathology or radiology tests are authorised, the relevant consultant is notified that the result has been authorised and that it needs to be signed off in the Welsh Clinical Portal. The new dashboard summarises the test results from the last 30 days and enables drilldown into individual records. A key benefit of the dashboard is that it enables consultants to view and sign off their patients’ test results more quickly, improving patient care and reducing the risk of potential harm from delayed review of the patient test results.

### Primary Care Information

GP Data Activity Quality Improvement Project introducing analysis of GP activity

A data extraction is enabling appointment data to be available in the Primary Care Information Portal (PCIP) for use by GP practices. It enables GPs to start their Quality Improvement (QI) process of standardisation and improved data quality.

The mapped appointment data has been analysed with visualisations and is being made available within the PCIP at the Practice, Cluster and Health Board level. This activity has supported the delivery of the Quality Assurance and Improvement Framework (QAIF) and the contractual requirements for Access Standards, and this is the first time in Wales that this type of analysis has been made available.

### National Joint Registry

A monthly data flow from the National Joint Registry, contains data on patients treated in Wales, and on Welsh residents treated in English hospitals. Views can be created to feed back to health boards and linked to data within the Knee and Hip Arthroplasty dashboards.

Phase Two of the Knee Arthroplasty Dashboard has been released to include data on Patient Reported Outcomes and further exploration into the outcomes of knee arthroplasty.

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## RESEARCH AND INNOVATION

DHCW's Board has approved a Research and Innovation strategy that builds collaboration with partner organisations across Wales in the areas of improvement, innovation and research in health and social care.

Research and innovation can increase the effectiveness and efficiency of healthcare and can support healthcare organisations and services to provide better care for people.

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## QUALITY

Quality is at the heart of what we do, in how we carry out our business, in the systems we produce and in the data we provide. Integral to this is a quality approach in the development of products, systems, and services, demonstrated through the adoption of internationally recognised and trusted standards.

We have maintained certification for the following ISO and BS Standards in 2022-23:

- ISO 9001 - QUALITY MANAGEMENT SYSTEM
- ISO 14001 - ENVIRONMENTAL MANAGEMENT SYSTEM
- ISO 20000 - IT SERVICE MANAGEMENT SYSTEMS
- ISO 27001 - INFORMATION SECURITY MANAGEMENT SYSTEMS
- BS 10008 - EVIDENTIAL WEIGHT & LEGALLY ADMISSIBLE INFORMATION MANAGEMENT SYSTEM
- BS 76000 - VALUING PEOPLE STANDARD
- BS 76005 - DIVERSITY & INCLUSION
- SDI - SERVICE DESK CERTIFICATE

We have developed a quality strategy and plan and have invested in a specialist tool to support our document management processes. DHCW is now preparing for the introduction of new regulation in relation to medical devices.

# INFORMATION GOVERNANCE

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).

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

From April 2022 to March 2023, DHCW received 51 requests under the Freedom of Information Act 2000.

98% of Freedom of Information Act requests were responded to within the statutory timeframes. One request was responded to outside of the statutory timeframe.

DHCW also received seven Subject Access Requests and three requests from police and other agencies, which were all responded to within this time period.

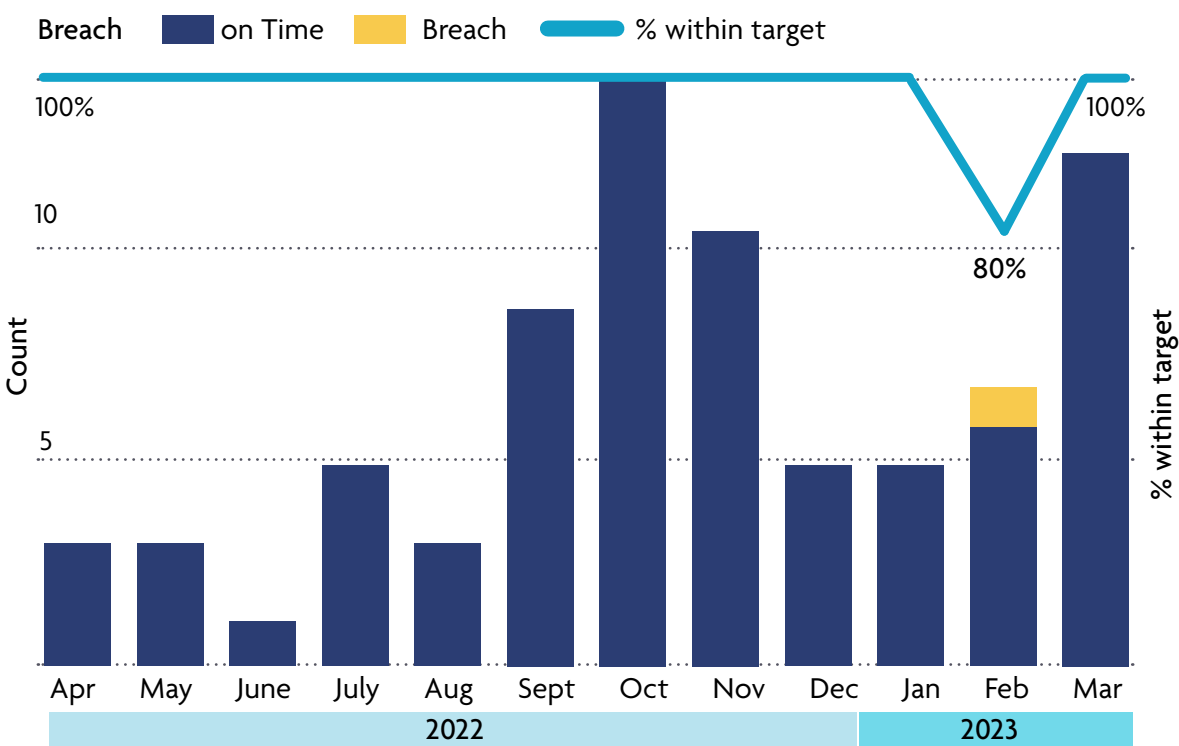


Fig 4 - Freedom of Information Requests Compliance Dashboard

# DEVELOPMENT OF THE ORGANISATION

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## ENGAGEMENT WITH STAKEHOLDERS AND RESPONDING TO FEEDBACK

### STAKEHOLDER ENGAGEMENT

As the digital systems leader for NHS Wales, it is important that our partners, service users and the people of Wales have confidence in our work. Effective engagement helps translate stakeholder and user needs into our strategy, and the development of our products and services.

### WORKING WITH NHS WALES PARTNERS

Working closely with our NHS Wales partners is vital. We engage regularly with all statutory health bodies in Wales and ensure strategic alignment through **bi-annual executive meetings** and the development of **joint delivery plans**. Through our attendance at the All-Wales Executive peer forums and the establishment and chairing of the **Independent Members All Wales Digital Network**, we support better understanding of digital across NHS Wales, as well as the future needs.

### WORKING WITH NATIONAL BODIES, INDUSTRY, AND EDUCATIONAL AND TRAINING PROVIDERS

Establishing partnerships through formal Memoranda of Understanding or Partnership Agreements, we support delivery of our ambitions and ensure a coordinated and efficient approach to health and care across Wales and the UK. These include with **NHS England, Social Care Wales, Centre for Digital Public Services, Digital Intensive Learning Academy** and with academic partners via the **WIDI**.

Through partnerships with commercial organisations such as Kainos and Google, we bring the best knowledge and expertise to our products and services and help develop skills within NHS Wales.

### ENGAGING PATIENTS AND THE PUBLIC

We've involved over 850 people and 100 GP practices in user research undertaken through user testing of the NHS Wales App. We also established the Public and Patient Assurance Group to ensure that the patient voice is included in all of our work.

### ENGAGEMENT EVENTS AND ACTIVITIES

Regular events and activities have taken place to engage stakeholders around key themes, such as the Digital Services for Patient and Public Symposium and the National Data Resource Advanced Analytics and Big Data session. Alongside this we've undertaken a range of discovery sessions and individual programme and project Lessons Learnt workshops with stakeholders to support better understanding of needs, co-development and co-delivery of the digital systems and solutions needed for the people of Wales.

### DIGITAL INCLUSION

Co-sponsoring a first Digital Summit we explored the key issues of digital inclusion in health and care and we signed the Welsh National Digital Inclusion Charter to promote the agenda through six pledges.

## COMMUNICATIONS

Communication plays a key role in raising awareness of what we do and the impact of digital on the functional delivery of healthcare services and the well-being of patients.

In an ever-evolving landscape we inform and interact with external and internal audiences through social media, video, podcasts, events, award submissions, newsletters and media.

Highlights include the first Digital Summit connecting health, care and the voluntary sectors and the growing success of our social media channels - LinkedIn, Facebook, Twitter, Instagram and YouTube.

During the year, followers on social media increased by 15% to 18,296 and our average post engagement rate has increased 16% to 5.22%.

Throughout, we have focused on creating a shared understanding of the value of digital in health and care.

Unique visitors to our website increased by 28% per cent during the course of the year, with traffic from Google up by 62%. Our social media followers increased by 15%.

## BUSINESS CHANGE

With significant change in ways of working underpinned by new digital services, we have provided support to the NHS Wales staff who are new and existing users of digital services across the wider delivery programme, working shoulder to shoulder with service users to deliver a mix of support, technical advice on system changes, training, eLearning, videos and demonstrations.

Large scale training and support implementations have taken place this year for Cancer Informatics, the Welsh Patient Administration System, the Welsh Nursing Care Record and the urgent 111 interim solution which was part of our support of GPs during the cyber security incident which affected one of our suppliers. Through regular feedback, our Business Change team has been recognised as a significant contributing factor to the success of these key NHS Wales deployments.

# CHANGE AMBASSADOR CERTIFICATE

Change ambassadors are needed at every level of an organisation to embed change in meaningful and sustainable ways. As part of the strategy to support and embed digital change across NHS Wales, we created the Change Ambassador Programme.

Accredited at Higher Education Level 6 and cited as an exemplar programme in behavioural change management by the University of Wales Trinity Saint David, the Change Ambassador Programme supports organisations by creating change ambassadors who promote a culture of embracing and supporting change.

## FEEDBACK

*I have thoroughly enjoyed this programme: the facilitation, content and meeting and learning from others' experiences has been fantastic. Thank you so much for making it an amazing learning experience.*

Lindsay Lowe (Cardiff and Vale UHB – CAMHS)

*The most engaging course I've done throughout my career. Easy to apply to real life situations unlike other courses. Likewise, the way it's been delivered has been refreshing. 4-hour sessions seemed daunting at first but it's been a nice break from the day to day, and I've remained captivated and motivated throughout due to the upbeat and positive atmosphere.*

Rhian Davies (Welsh Ambulance Service NHS Trust)

*This was one of the most inclusive courses I have done in the 30 yrs NHS service well-done all.*

Robert Lynch (DHCW Quality Assurance & Regulatory)

*I had lots of experience of change and had learned over the years how to best manage it. This course has helped me recognise the skills that I had been using in an academic context which has led me to learn more about myself and others experiencing change.*

James Fletcher (NHS Wales General Management Graduate Trainee)

*Challenged to change, challenged to lead on change, challenged to grow and challenged to be different and accept difference.*

Emyr Adlam (VUNHST – Digital Services)

# OPERATIONAL SERVICE DELIVERY

## SERVICE AVAILABILITY

Health professionals are dependent on the technology and services we provide and expect them to be as readily available as utility supplies such as gas and electricity. In response we work proactively to maximise reliability, availability and to prevent problems from occurring.

We are pleased to note that the delivery performance of our operational services during the year was good with an average availability of 99.977% including a total of 45 incidents which we categorise as major; we saw an improvement in overall availability as well as experiencing fewer major IT Incidents.

Major IT incidents are those that affect a large number of users and may include issues such as delays in processing test results, downtime for a service or partial disruption to a service. Some of these incidents were the result of problems with third party suppliers or problems with infrastructure running in health board premises. Of these major IT incidents 96% were fixed within their target fix-times.

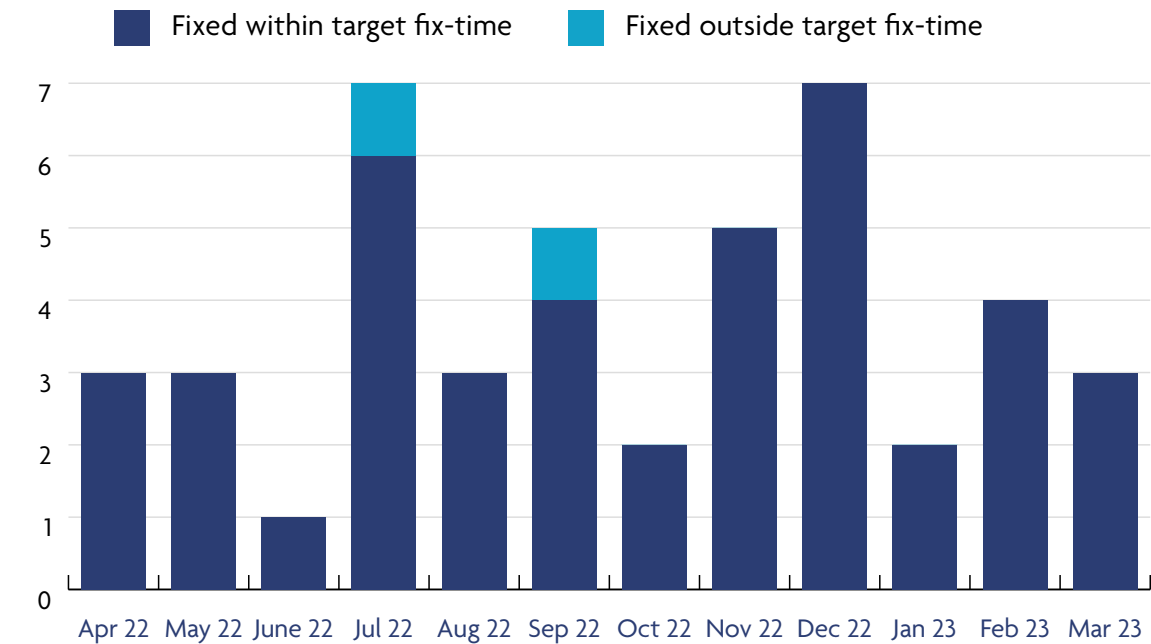


Fig 5 - Significant IT Service Incidents

## CYBER CRIME

Cyber security continues to be a key focus. Widespread cyber-crime and cyber insecurity is a new entrant into the top 10 rankings of the most severe risks over the next decade, published in the World Economic Forum Global Risk Report.

DHCW has developed a 3-year Cyber improvement plan which has been agreed by our Board and we also host a Cyber Resilience Unit, commissioned by the Welsh Government to review and assist each of the Operators of Essential Services (OES) across NHS Wales to evaluate their level of cyber security and resilience, based upon the requirements of the NIS (Network and Information Systems) Regulations.

# SERVICE DESK

Our award-winning IT Service Desk provides a single point of direct support for over 16,000 staff in GP Practices, the NHS Wales Shared Services Partnership, Digital Health and Care Wales, as well as some other national organisations. The team is also the point of escalation for all NHS Wales organisations’ local service desks, helping resolve issues and requests raised by health boards and trusts.

Following a successful audit in December 2022, the DHCW service desk retained its Service Desk Institute 3-star accreditation as a customer led service desk. In a year of adjustment the Service Desk refocused following a reduction in Test Trace Protect (Covid-19) support activity:

This year the Service Desk fulfilled over 220,000 support tickets from across NHS Wales

On average, the Service Desk succeeded in answering 94.3% of calls (i.e. abandoned call rate is average 5.7% across the year).

Our Service Desk collects feedback on quality of service and based on the responses received, has maintained a customer satisfaction rate of 95%+.

Fig 6 - Incidents and Services Requests Received

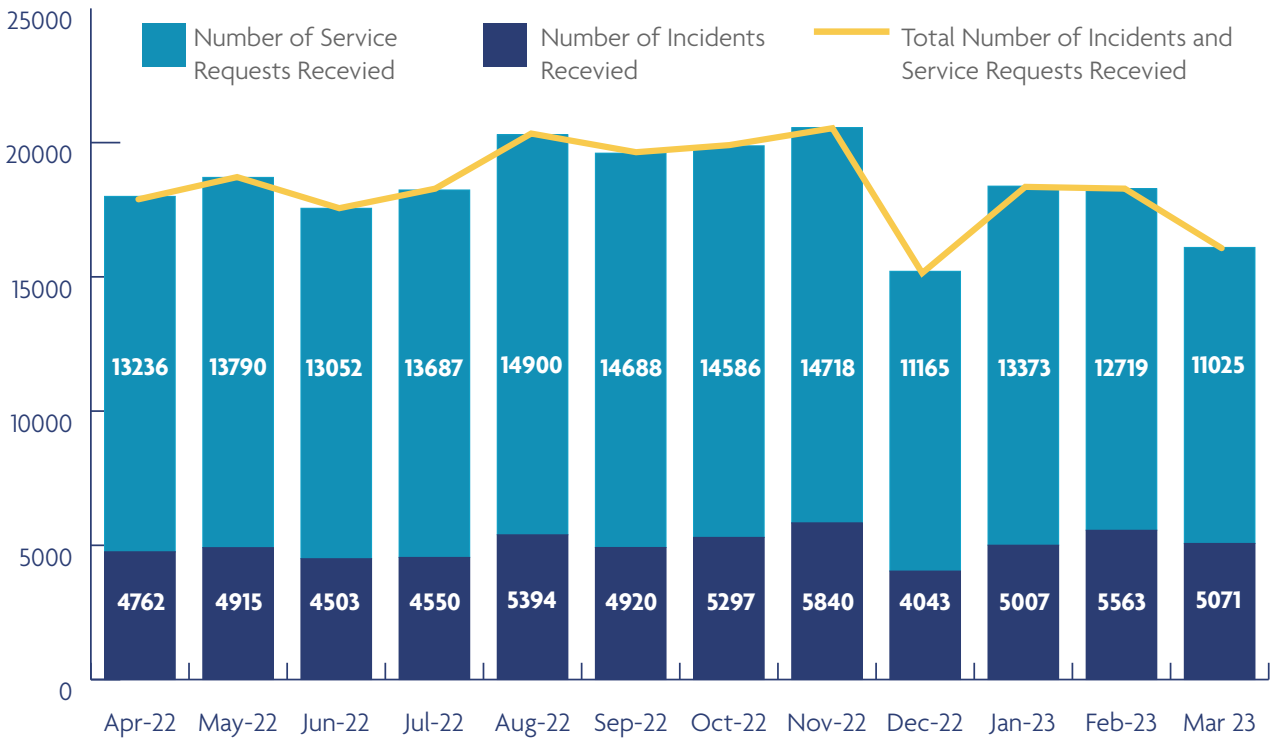
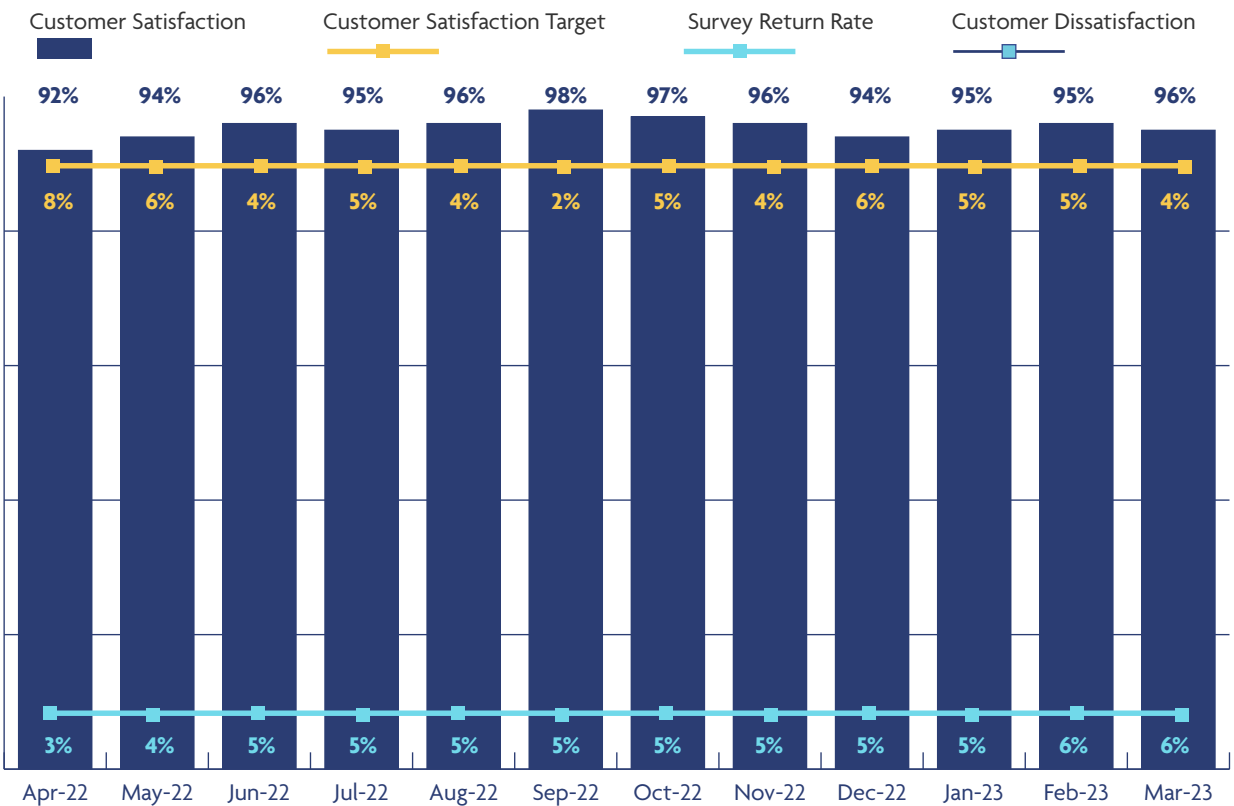


Fig 7 - Customer Satisfaction



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## AWARDS AND ACCOLADES

In 2022-23 DHCW was recognised for the following awards and accolades.

### [DHCW wins ‘Best Place to Work in IT’ 2022](#)

Recognised by the British Computer Society as the best place to work for IT professionals in the UK.

### [SAIL winners at Swansea University’s Research and Innovation Awards](#)

Recognition for an outstanding contribution to research and innovation.

### [DHCW’s Director of Finance wins Finance Leader of the Year at national awards](#)

### [DHCW highly commended at Go Awards Wales](#)

The DHCW procurement team were highly commended at the Go Awards in the collaborative procurement category for their work on the All Wales Microsoft Enterprise Agreement.

### [Nursing records go digital and win at MediWales awards](#)

The impact of the Welsh Nursing Care Record (WNCR) for adult in-patients was recognised at the MediWales Awards 2022, winning the judges health and care award.

### [DHCW’s Independent Board member commended for contributions to race equality and inclusion](#)

Marilyn Bryan-Jones, recently appointment as an Independent Board Member at DHCW, won an award at the Black History Wales National Community Awards for Wales 2022 for her contributions to race equality and inclusion.

### [NHS Wales library collaboration win coveted ‘Team of the Year’ award for national training programme](#)

A collaboration between NHS Wales Library and Knowledge Services (NHSWLKS) and the NHS Wales e-Library won the CILIP Cymru Wales ‘Welsh Library Team of the Year Award 2022’ for producing an innovative programme of live and pre-recorded library-user training delivered to NHS staff across Wales.

PERFORMANCE IN LINE WITH NHS WALES DELIVERY FRAMEWORK 2022-23 (PRIORITY MEASURES PHASE 1)

ASSESSMENT OF SERVICE PROVISION  
AND KEY NHS MEASURES

As a Special Health Authority, DHCW’s delivery role centres on digital programmes and operational IT services to support the care of patients and to populate patient data into the digital health care record. Therefore, the majority of the NHS Wales Delivery Framework measures do not apply to DHCW. Those applicable are detailed below:

WORKFORCE
<p><b>DELIVERY MEASURE 23</b></p> <p><b>Agency Spend as a percentage of total pay bill.</b></p> <p>Target – 12- month reduction trend. Monthly reporting via the Financial Monitoring Returns.</p> <p>Outcome: Please see <a href="#">Finance Section</a></p> <p>Please note the context of DHCW agency spend differs from that of wider NHS Wales hospitals which is primarily linked to bank staffing levels. Within our organisation it is reflective of the time limited nature of digital investment and development initiatives which are supplemented via flexible agency/3rd party staffing.</p>
<p><b>DELIVERY MEASURE 26</b></p> <p><b>Percentage compliance for all completed level 1 competencies for the Core skills and Training Framework.</b></p> <p>Target – 85%. Reported monthly via Electronic Staff Record (ESR).</p> <p>Outcome – 91.8%</p>
<p><b>DELIVERY MEASURE 27</b></p> <p><b>Percentage of sickness rate of staff</b></p> <p>Target – 12 month reduction trend. Reported monthly via ESR.</p> <p>Outcome – Average percentage of sickness rate for staff is 3%</p>
<p><b>Delivery MEASURE 28</b></p> <p><b>Percentage headcount who have had a Personal Appraisal and Development Review (PADR) / medical appraisal in the previous 12 months.</b></p> <p>Target – 85%. Reported monthly via Electronic Staff Record (ESR) /MARS.</p> <p>Outcome - 84%</p>

ECONOMY AND ENVIRONMENT	
<p><b>DELIVERY MEASURE 32</b></p> <p><b>Emissions reported in line with the Welsh Public Sector Net Zero Carbon Reporting Approach.</b></p> <p>Target – 16% reduction in carbon emissions by 2025 against the 2018/19 NHS Wales baseline position. Annual reporting via Organisation Level Emission Return.</p> <p>Outcome - Please see <a href="#">Our Carbon Footprint Section</a></p>	<p><b>DELIVERY MEASURE 33</b></p> <p><b>Qualitative report detailing the progress of NHS Wales’ contribution to decarbonisation outlined in the organisation’s plan.</b></p> <p>Target – evidence of improvement. Six monthly Organisational Qualitative Monitoring Return</p> <p>Outcome - We provide a six-monthly report to Welsh Government, which is included in their publication of NHS Wales Measures</p>
<p><b>DELIVERY MEASURE 34</b></p> <p><b>Qualitative report detailing evidence of NHS Wales advancing its understanding and role within the Foundational Economy via the delivery of the Foundational Economy in Health and Social Services Programme.</b></p> <p>Target – delivery of Foundational Economy initiatives and/or evidence of improvements in decision making process. Six monthly Organisational Qualitative Monitoring Return</p> <p>Outcome – We provide a six-monthly report to Welsh Government, which is included in their publication of NHS Wales Measures</p>	

WELSH LANGUAGE
<p><b>DELIVERY MEASURE 50</b></p> <p><b>Qualitative report providing evidence of implementing actions to deliver the Welsh Language objectives as defined in More Than Just Words Action Plan.</b></p> <p>Target – MThJW Monitoring Return</p> <p>Outcome - Please see <a href="#">Welsh Language Section</a></p>

COMPLAINTS
<p><b>DELIVERY MEASURE 59</b></p> <p><b>Percentage of complaints that have received a final reply (under regulation 24 or an interim reply (under regulation 26) up to and including 30 working days from the date the complaint was first received by the organisation.</b></p> <p>Target – 75%</p> <p>Outcome - Please see <a href="#">Complaints Section</a></p>

# DETAILED SOCIAL STATEMENT

## BEST PRACTICE DISCLOSURE

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

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

## LAPSES IN INFORMATION /DATA SECURITY

Data protection legislation requires that where personal data breaches meet a certain set criterion, they be notified to the Information Commissioner's Office (ICO) as the statutory body for data protection in the UK. Information governance incidents are assessed against the threshold for notification by our Information Governance team.

Incident reports which include data breaches are submitted to the Information Governance Group for scrutiny. For the year 2022-2023, there were no personal data breaches notified to the ICO.

As of the end of March 2023, staff compliance with the Information Governance training in the NHS Wales Core Skills Training Framework stood at 88.6% against a target of 85%.

## EMERGENCY PREPAREDNESS

The NHS in Wales needs to plan for and respond to a wide range of emergency incidents that could affect health or patient care. Although NHS Wales Special Health Authorities are not currently covered by the provisions of the Civil Contingencies Act 2004, Welsh Government expects DHCW's continued engagement and participation in emergency and contingency planning for Wales.

As such DHCW has been formally directed (under the powers of the NHS Wales Act 2006) to continue 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.

Since operating in business continuity mode during the response to the Covid-19 pandemic, DHCW has continued its collaborative approach to business continuity and emergency planning through the active membership of a number of planning groups across Wales.

Our business continuity arrangements are working effectively and are continuing to improve with additional resource and focus on business continuity and emergency planning.

We will continue to develop our emergency preparedness through inclusion in multi-agency emergency preparedness response and recovery frameworks.

## PUBLIC SECTOR EQUALITY DUTY

We seek the views of our people, potential staff, partners and community to make data driven decisions, and we partner with innovators to drive continuous improvement towards inclusion, diversity and equality, striving to become an exemplar in the sector. We recognise that inclusion is everyone's responsibility and through facilitation, training, support and performance management we will embed a culture that is inclusive and anti-discriminatory, demonstrating the core values and behaviours so that DHCW is known as a role model and a great place to work

During the year, we developed our [Strategic Equality Plan 2023-2027](#) and we were assessed by an external accreditation body which led to

- Retaining our certification to BS76000 Valuing People Standard
- Achieving re-certification to the BS 76005 Valuing People through Diversity Inclusion Standard

A systematic approach to Equality Impact Assessments helps us to place equality, diversity, cohesion and integration at the heart of everything we do and our strategies, policies, services and functions do what they are intended, for everybody.

DHCW's Sustainability Strategy is the highest level of documented information which provides overall direction of the environmental aspects of the Integrated Management System (IMS).

We established a Sustainability Strategy based on combining current DHCW processes with ISO 14001:2015 Environmental Management System requirements, as a structured and systematic tool to deliver our mandate to protect the environment and its natural resources.

It is the guiding principle to establish, implement, maintain and continually improve our performance in managing environmental aspects and compliance obligations, in order to control the risk of threats and opportunities, and to satisfy the needs and expectations of interested parties.

At DHCW, we acknowledge the potential impact that we may have on the environment and we are fully committed to reducing this impact across the scope of our operations services. By improving, increasing our communication and placing a greater focus on how we are disposing of our waste, we have become more environmentally aware. We are actively making efforts to measure and reduce our carbon footprint to boost sustainability. While there are many activities that can reduce the total number of greenhouse gases that we emit as an organisation, we believe they must be undertaken as part of a coordinated and coherent programme to ensure a complete transformation. Crucially, our approach is underpinned by the belief that any steps taken must consider not only how to address generated CO2 emissions, but also how we can become carbon efficient.

Examples of our progression during the year include:

- Undertaking actions set out for the year within our Decarbonisation roadmap in our Strategic Delivery Plan, which was developed to drive forward our part in Welsh Government's plans for Net Zero.
- Joining the NHS Wales Shared Services Partnership Sustainability Group and being an active member of a number of All Wales Climate Change forums.
- Forming our own Decarbonisation Group to work through our Decarbonisation Actions and ensure best practice.
- Responding to the Auditor General's Five Calls to Action
- Increasing the number of electric fleet vehicles at DHCW
- Increasing EV Charging points at our offices
- Hybrid working following the model developed during Covid-19, enabling estates rationalisation which will result in a reduced carbon footprint
- Achieving a "substantial" assurance rating for our Waste Management processes.
- Continuing to monitor utility, waste and paper usage.

# ENVIRONMENTAL STATEMENT

## DECARBONISATION ACTION PLAN

Delivery against the 2022-23 decarbonisation action plan is 100% complete. Our environment annual trend is positive, with operational emissions currently showing a reduction of 39% (1090tCO<sub>2</sub>e) for 2022-23, compared to our baseline year of 2019-20.



We continue to measure emissions across several categories to ensure a comprehensive approach is in place to reduce CO<sub>2</sub> levels.

The NHS Wales Decarbonisation Strategic Delivery Plan demonstrates how NHS Wales can contribute to recovery and the Wellbeing of Future Generations (Wales) Act 2015, which addresses long-term persistent challenges such as poverty, health inequity, and climate change.

We recognise the climate emergency and the need for all those in the public sector to contribute to the ambitious net zero carbon by 2050 goal for Wales set by Welsh Government.

In late 2021 we developed the DHCW Decarbonisation Strategic Delivery Plan and have made significant progress. However, there is more to do. This delivery plan takes 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.

As a digital organisation, we are in a unique position to contribute towards reducing carbon emissions across the wider NHS by providing and improving digital solutions, such as those enabling for digital transfer and storing of information and solutions that enable remote consultation.

# OUR CARBON FOOTPRINT

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

DHCW first measured emissions in 2019-20 (as its predecessor organisation the NHS Wales Informatics Service). This is known as our baseline year. Most of our operational carbon footprint during this year was attributed to electricity (80%) and gas (18%). Operational emissions during 2019-20 totalled 2748 MtCO2e (Metric Tons of Carbon Dioxide equivalent).

Year 2 (2020-21) saw an overall decrease in emissions of 27% to 2011 MtCO2e which is very positive, electricity emissions saw a significant decrease due to a change to a renewable energy supplier.

Remote working also contributed to a decrease of building emissions but has been accounted for in a different manner to reflect home working emissions.

During Year 3 (2021-22), we saw a further decrease in our emissions (37% from our baseline year) to 1719 MtCO2e due to a range of measures including utility contract reviews and starting the move to an EV fleet. The majority of staff continued to work remotely throughout the year.

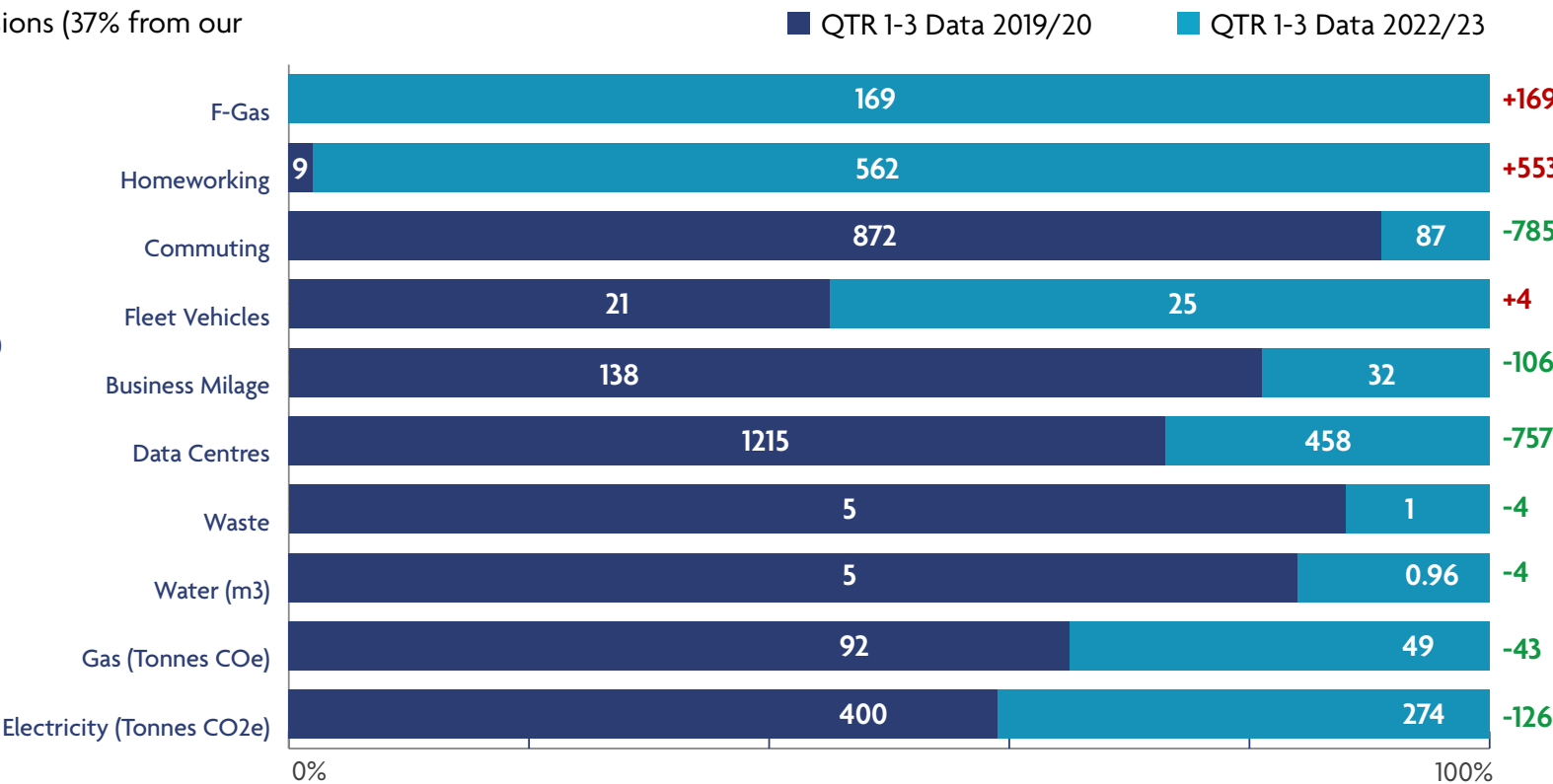
Fig 8 - Operational Emissions Comparison 2022/23 vs 2019/20

Notes on increased categories:

- F-Gas is a new reporting category
- Homeworking increase is to be expected as per or current ways of working. This is offset by commuting seeing substantial reductions.
- Fleet Vehicles - due to Client Services project workloads/ increased service provisions.

In Year 4, our current reporting year (2022-23) operational emissions have continued to decrease to 1658 MtCOO2e and we are now reporting a 39% decrease against our baseline year. A new reporting category has been introduced relating to F-Gas associated with air conditioning systems. We anticipate that our operational carbon footprint will decrease further in 2023-24 with estate rationalisation (one site to be closed) taking place and the completion of a project to replace original lighting with LED lighting in two large sites at the end of 2022/23.

Operational Emissions	2021-22	2022-23
Datacentres	660	458
Homeworking	601	562
Building Electricity	292	274
Commuting	70	87
Building Gas	58	49
Fleet	25	25
Business Travel	11	32
Water	1	1
Waste	1	1
Total	1719	1489
NEW		
F-Gas	n/a	169
TOTAL	1719	1658



# FINANCIAL ACCOUNTABILITY REPORT

DHCW has completed its second full year of operation since transitioning from being a hosted body within Velindre NHS Trust to its own statutory Special Health Authority status.

We have continued to strengthen financial systems, controls, governance and reporting required to meet both statutory requirements and business need within the challenging context of NHS finances and implementation of new investments.

Digital solutions supporting the ongoing Covid-19 response (including Welsh Government's Test Trace Protect and Mass Immunisation scheduling systems), resulted in an additional requirement of £9.128m revenue. Funding from Welsh Government was secured in order to ensure that there was no additional organisational financial impact upon our ability to break even. We also lead the delivery of a number of digital initiatives supported by Welsh Government's Digital Priorities Investment Fund. For 2022-23 DHCW received £31.4m in revenue funding and £9.3 in capital. The future focus will remain on providing first class digital information and solutions to support effective patient care and citizen services. Some will require shifts in technology (such as transition to cloud first services) which will require adjustments to sustainable funding models in order for DHCW to meet financial targets.

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## FINANCIAL TARGETS

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

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## 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. 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. Revenue and Capital resource allocations were issued to DHCW for the period 1st April 2022 to 31st March 2023 and will form the basis of assessment of the First Financial Duty in the statutory accounts.

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## 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.

DHCW responded to the Welsh Government's published NHS Wales Planning Framework 2022-2025 with a three-year Integrated Medium Term Plan (IMTP), which was submitted to Welsh Government in March 2022. This was not a statutory requirement for Special Health Authorities, and under the NHS Finance (Wales) Act 2014 the plan did not require Ministerial approval; however, it was accepted and noted by the Minister for Health and Social Services in July 2022.

# FINANCIAL PERFORMANCE

## FINANCIAL PERFORMANCE SUMMARY

DHCW is reporting the achievement all financial targets set

- Break even duty - DHCW has an annual requirement to achieve a balanced year end position against the Resource and Capital limits set for the year. We reported a revenue surplus of £0.204m and capital underspend of £0.088m for the financial year therefore achieving our statutory financial duty to achieve financial break even.
- DHCW produced an Annual Plan for the period 2022-2023 in line with the requirements of the NHS Wales Planning Framework.
- Creditor payments – DHCW 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). WE have met this target, paying 98% of invoices within the required timeframe.

## FEES AND CHARGES – AUDITOR REMUNERATION

Fees paid to the Audit Wales for their statutory audit and performance audit work were £197,039.

## CONCERNS AND COMPLAINTS HANDLING

Our Handling Concerns and Complaints policy focuses on swift resolution, outlining target timeframes for responses, as well as having an emphasis on organisational learning to inform service improvement.

A total of three complaints and no concerns were received during 2022-23. All were resolved within the times outlined in our policy.

Special Health Authorities do not currently sit within legislation relating to the NHS complaints policy ‘Putting Things Right’, which is aimed at patient facing organisations.

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## LESSONS LEARNT

As an organisation in our second year, we continued to set ambitious targets, whilst adapting to new challenges and stepping into the system leadership role to be NHS Wales' digital organisation. Our Incident Review and Learning Group have implemented several improvements as a result of lessons learnt throughout the period, key aspects of which are:

**Improvement of the Service Desk Communications** process, documentation and tools. The review resulted in more consistency in communications from the Service Desk, with simplified language for end users, and better flow of information across teams.

**Improvement of Major IT Service Incident Management** process, documentation, resourcing and training. A working group reviewed all aspects of Major incident management and carried out a series of improvements to make the previously complex process easier to navigate for those involved.

Improvements to the incident review process using the Yorkshire Contributory Factors Framework to develop a more sophisticated understanding of the factors that cause incidents.

**Improvement to the technical Change Management** process to ensure increased consistency of approach by change managers and change advisory boards.

Implemented changes have deeper scrutiny by change advisory boards, and better linkages to post-change incidents exist, providing learning which feeds back into the process for further refinement.

**Workforce and culture lessons** resulting from staff surveys and other records. The lessons learned have influenced the new Vision and Values, as well as workforce policies, and processes for starters and leavers.

**Improved promotion and communication** of Lessons Learned to promote IT Service Management best practice and shared learning with colleagues across the sector.

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## CONCLUSION AND FORWARD LOOK

In our second year we saw significant growth, challenge and change, as we embedded the organisation within the NHS Wales family. What we deliver matters to health professionals and to the people of Wales, and the higher the quality of our delivery, the better chance of a positive outcome.

Our IT Services are the bedrock of NHS Wales' digital capability, and maintenance of service availability at 99.977% has ensured that technological disruptions have been kept to a minimum, underpinned by additional refinement and management of systems, including our cyber security approach, going forward.

We are proud to support our NHS Wales colleagues, providing the digital services now so essential for efficient and effective patient care, and we are looking forward to meeting the challenges and embracing the opportunities of the coming year.

Flexibility in the delivery of our plan is essential to ensure that we are delivering the right things at the right time; we will continue to build on this approach, taking account of stakeholder needs and the clearly stated ministerial priorities which inform what we do.

Looking ahead we will continue to support NHS Wales staff with modern systems and data solutions to provide insights and to deliver the App which will enable the citizens of Wales to better manage their own health.

Key areas include moving forward with new systems for critical care and emergency care and further development of citizen-facing services to transform care pathways, as well as maintaining the strong focus on developing our organisation through growth in skills, capacity and culture.

As a forward-thinking organisation, we will continue to work with our stakeholders and partners to ensure that our digital solutions make life easier for all, make a real impact, and place health data and quality at the core of all we do.

Our stretching objectives are set out in our latest [Integrated Medium Term Plan 2023-2026](#)

# THE ACCOUNTABILITY REPORT AND ACCOUNTS

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## 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 2022/23. It includes:

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## THE ANNUAL GOVERNANCE STATEMENT

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

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## 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.

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## STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES AS ACCOUNTABLE OFFICER FOR THE SHA

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. I am responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

# ANNUAL GOVERNANCE STATEMENT

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## SCOPE OF RESPONSIBILITIES

The Board of Digital Health and Care Wales, is accountable for:

- setting the strategic direction
- the governance framework
- organisational tone and culture
- steering the risk appetite and overseeing strategic risks
- developing strong relationships with key stakeholders and partners
- successful creation and delivery of the organisations Long Term Strategy

The Board is accountable for Governance, Risk Management and Internal Control. As Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The annual report outlines the different ways the organisation has worked internally and with partners during 2022/23. It explains arrangements for ensuring standards of governance are maintained, risks identified and mitigated, and assurance has been sought and provided. Where necessary additional information is provided in the Governance Statement (GS), however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

This Governance Statement explains the composition and organisation of DHCW's governance structures and how they support the achievement of our objectives. The background to DHCW, its functions and plans are set out in the Performance Report.

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

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## OPENNESS AND TRANSPARENCY

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 and in addition to DHCW being committed to ensure we are being as open and transparent we are:

- Live streaming and recording our Public Board meetings and posting them to our website within 3 working days of the meeting being held
- Recording our Committee meetings and posting them to our website within 3 working days of the meeting being held
- Advising stakeholders of our intention to hold Board meetings 10 days before Board and Committee meetings
- Sharing papers with members 7 days before, and publishing public papers to our website 7 days before Board and Committee meetings
- Providing a highlight report of all Committee and Advisory Group meetings, covering any agenda items discussed in public to the Board and publishing these to our website

The Remuneration and Terms of Service Committee is a private Committee of the Board, in addition the singular advisory group, the Local Partnership Forum (LPF) is currently private, but to commit to openness and transparency, a highlight report from both meetings is shared at each Public Board meeting.

The reporting period for this Annual Governance Statement is primarily focussed on the financial year 1 April 2022 to 31 March 2023.

During 2022/23, the Health and Social Care Committee and the Public Accounts and Public Administration Committee agreed to work together to scrutinize DHCW. The [terms of reference and evidence collated by the Committees were published](#), in addition we attended an [oral session on 26 October 2022](#).

DHCW also supported the Equality and Social Justice Committee [one day inquiry on data justice and the use of personal data on the NHS](#). DHCW Representatives attended the [inquiry on 27 March 2023](#).

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## OUR GOVERNANCE FRAMEWORK AND ASSURANCE SYSTEM

DHCW's [standing orders](#) are designed to translate the statutory requirements set out in the DHCW (Establishment and Constitution) Order 2020 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved to the Board; a scheme of delegation to officers and others; and standing financial instructions, they provide the regulatory framework for the business conduct of DHCW and define its 'ways of working'. These documents, together with the range of corporate policies, including the Standards of Behaviour Policy set by the Board, make up the Governance Framework.

The Board reviewed and approved [DHCW's standing orders](#) in March 2023, in addition, the Board received an update on [DHCW's compliance with standing orders during 2022-23 in March 2023](#).

The Board reviewed and approved the [DHCW Governance Assurance Framework](#) in March 2023. The framework describes the governance structure and decision-making process applicable to DHCW.

In accordance with DHCW's standing orders and scheme of delegation, the following [policies](#) were approved by the Board and its Committees (Digital Governance and Safety and Audit and Assurance) during 2022/23:

- POL-CG-016 Water Safety Policy
- POL-CG-005-DHCW Health and Safety Welfare Policy Procedure
- POL-CG-007 Handling Concerns and Complaints
- DHCW-POL-10 DHCW Validation Policy
- POL-CG-003-Policy on Policies
- WFOD-POL-016 Appraisal and Development Review
- NEW Hybrid Working Policy
- POL-CG-019 Waste Management Policy

The command structure was utilised in the first quarter of 2022/23 in the DHCW response to the Covid-19 pandemic, however I informed the Board at our Public Board Meeting in May 2022 that DHCW had stood down its emergency response structure, in-line with national strategy move beyond the emergency phase of the response to Covid-19.

As Accountable Officer, I ensured our new ways of working arrangements for the organisation were monitored through reporting to Management Board and shared with the Local Partnership Forum for staff input and discussion.

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## BUSINESS CONTINUITY

The NHS needs to plan for and respond to a wide range of emergency incidences that could affect health or patient care. It has been confirmed that while NHS Wales Special Health Authorities are not currently covered by the provisions of the Civil Contingencies Act 2004, that Welsh Government expects Digital Health Care Wales (DHCW) continued engagement and participation in emergency and contingency planning for Wales. As such DHCW have been formally directed (under the powers of the NHS Wales Act 2006) to continue to:

- Undertake risk assessments.
- Maintain and regularly test emergency response and business continuity management arrangements in line with relevant standards
- Collaborate with other organisations on emergency preparedness and response arrangements.

To co-ordinate Emergency Planning and Business Continuity within DHCW, a new post of Emergency Planning Lead was developed and recruited into during 2022.

Internally, the DHCW Business Continuity Planning Group (BCPG) has continued to work with all departments to establish Departmental Business Continuity Plans to support the overarching DHCW Business Continuity Plan and to evaluate and mitigate identifiable risks on National and Regional Risk Registers and self-assessed risks that may impact DHCW.

The IT Systems Resilience Programme has been established within DHCW to record and report business assurance and compliance for Digital Resilience documentation and testing.

Since operating in business continuity mode during the response to the Covid-19 Pandemic, DHCW has continued its collaborative approach to business continuity and emergency planning through the active membership of Planning groups:

- The Welsh Health Emergency Planning Advisory Group.
- Welsh Health and Social Services Planning Group.

DHCW has raised the application of the Civil Contingencies Act to DHCW activities with the Welsh Government with the aim of a legally binding inclusion into the national emergency planning forums i.e., LRFs, under the Civil Contingencies Act.

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## THE ROLE OF THE BOARD

The Board has been constituted to comply with the Digital Health and Care Wales (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 [Board Champion Annual Report](#) was shared at our Board Meeting in January 2023.

[The Board](#) is made up of Independent Members and Executive Directors

Throughout the year a number of changes took place, in collaboration with the Public Bodies Unit in Welsh Government [Marilyn Bryan Jones, Independent Member](#) was appointed in July 2022 and [Alistair Klaas Neill, Independent Member](#) was appointed in August 2022.

At the start of the year there were two vacancies as outlined in the Executive structure proposal presented by the Chief Executive Officer. The Executive Director of Operations, voting member of the Board and the Director of Primary, Community and Mental Health Digital Services, non-voting member of the Board.

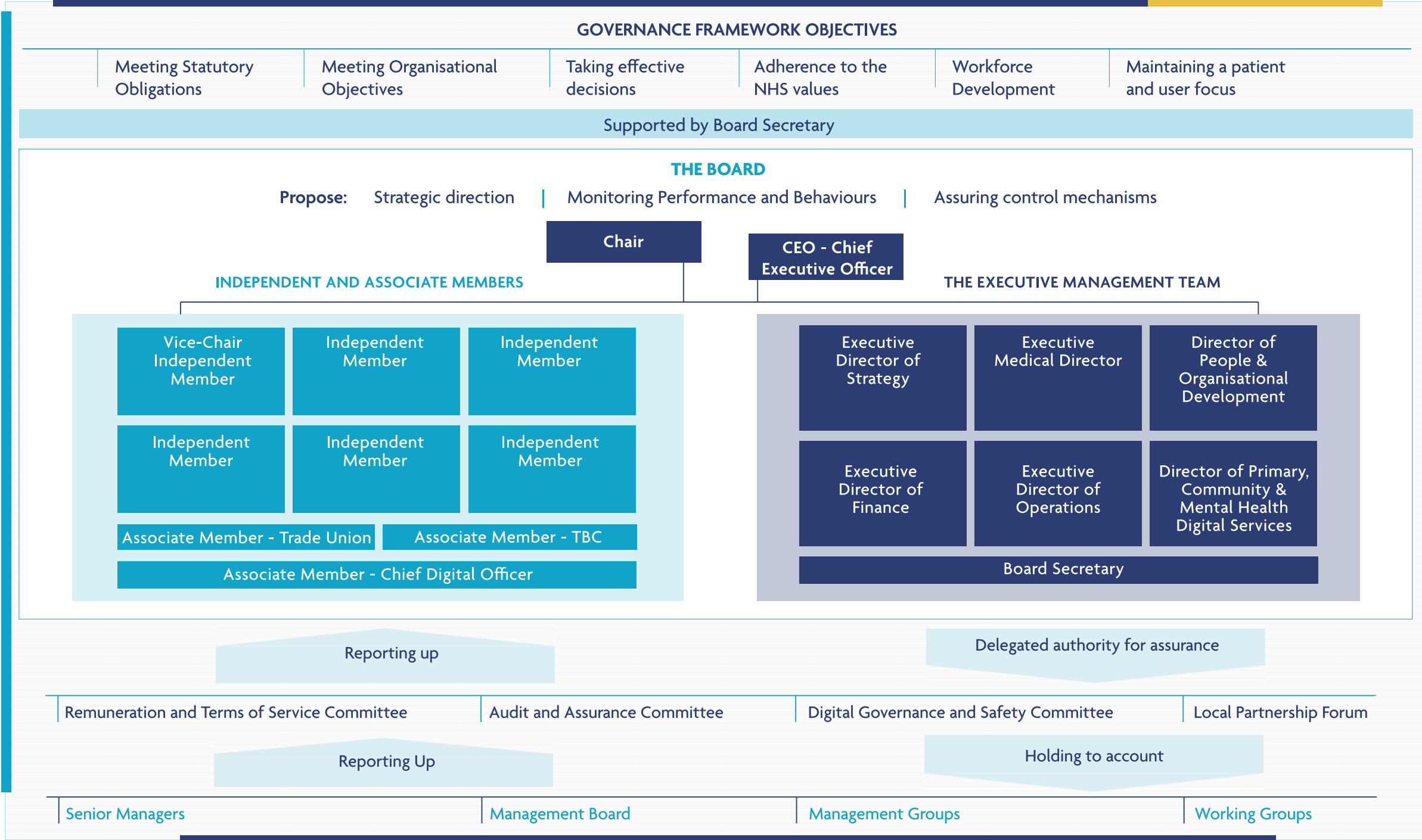
[Sam Hall](#) was appointed the Director of Primary, Community and Mental Health Digital Services in August 2022 to start in November 2022. This position has a standing invitation to Board meetings where they can contribute to discussions, however, it does not have voting rights as this position is not an Executive Director.

[Sam Lloyd](#) was appointed the Executive Director of Operations in September 2022 to start in January. Gareth Davis was appointed as Interim Executive Director of Operations in April 2022, this interim arrangement ceased on 17 October 2022, with Carwyn Lloyd-Jones appointed as Interim Executive Director of Operations from 17 October 2022 to 15 January 2023.

During 2022/23 Board development and briefing sessions took place that included a focus on the following elements of governance:

- Centre for Digital Public Services – User Centre Design
- Collaboration and Learning with NHS Digital
- Board Assurance Framework
- Finance Overview
- Welsh Government Digital Strategy
- Welsh Clinical Community Information System Review Outcomes
- Health and Social Care and Public Administration and Public Accounts Committee Joint Review into DHCW
- IMTP 2022-25 Welsh Government Feedback and Accountability Conditions
- IMTP 2023-26
- Research and Innovation Strategy
- People and Organisational Development Strategy
- Welsh Language Scheme
- Digital Medicines Transformation Portfolio
- Board Decision Making Assessment
- Quality and Engagement 2020 Act
- Estates Plan
- Structured Assessment Feedback
- Value from Data
- Product Approach
- Board Forward Work Plan and Associated Cycles of Businesses
- LINC and RISP Programme Briefing
- Risk Appetite Domains and Board Assurance Framework

FIG 8 - DHCW BOARD STRUCTURE



The following training session was undertaken by the Board in 22/23:

- Information Governance Training

In January 2023, the Board became fully established with a full complement of executive and independent members. We recognised that the Board had not had the opportunity to engage in a Board Development Programme as a full Board. As a result, work was carried out in 2022-23 to tender for an organisation to partner with DHCW to provide a Board Development programme bespoke to the DHCW Board and our needs, building on the good work in establishing robust governance systems and processes and the focus of the work being on leadership, and the people side of governance development. DHCW partnered with Deloitte as our Board Development partner and Board held the following workshops with Deloitte during the later part of the year:

- Feedback from Board OD Diagnostic Phase including 360 appraisals
- Business Chemistry – Board Members Styles and Preferences
- Effective Scrutiny and Challenge

We are looking forward to continuing this work in 2023-24.

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. There was no instruction from the Welsh Government or proposals by the Board to introduce further Committees or advisory groups during 2022/23

The Board provides leadership and direction to the organisation and has a key role in ensuring the organisation has sound governance arrangements in place. The Board also seeks to ensure the organisation has an open culture and high standards when conducting its work. Together, Board members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation. All Board meetings during 2022/23 were appropriately constituted with a quorum. The key business and risk matters considered by the Board during 22/23 are outlined in this statement and further information can be obtained from meeting papers available on our website.

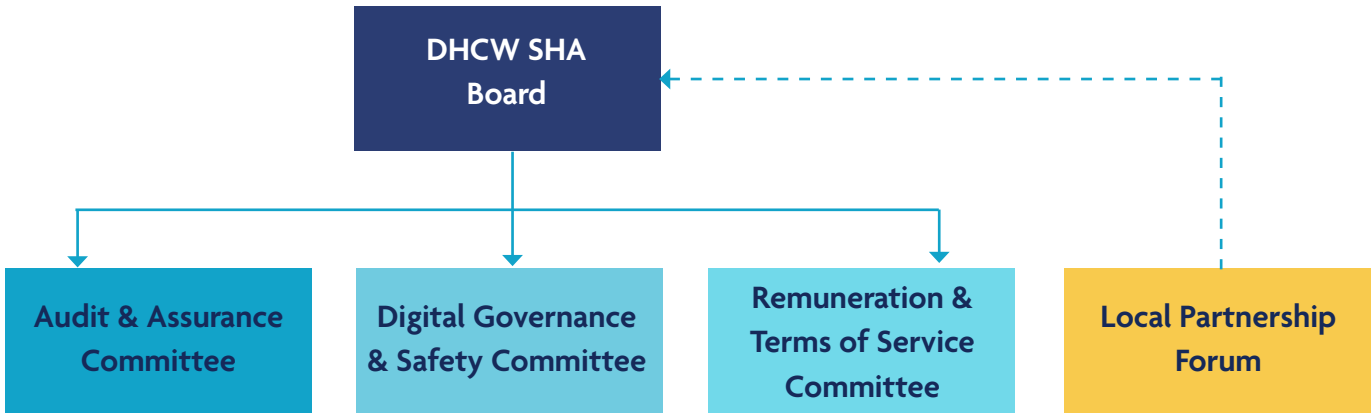


Fig 9 - Board and Committee Structure

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## ROLE OF THE COMMITTEES

The Board has three committees, the Audit and Assurance Committee, Remuneration and Terms of Service Committee and the Digital Governance and Safety Committee. These committees are chaired by the Chair or Independent Members of the Board and have key roles in relation to the system of governance and assurance, decision making, scrutiny and in assessing current risks. The committees provide assurance and key issue reports to each Board meeting to contribute to the Board's assessment of assurance and to provide scrutiny on the delivery of objectives.

The Board is responsible for keeping the committee structure under review and reviews its standing orders on an annual basis. The Board will consider whether any changes are needed during 2023/24 in line with the Board's governance framework and priorities of the Integrated Medium-Term Plan. DHCW is committed to openness and transparency with regard to the way in which it conducts its committee business. The DHCW Board and its committees aim to undertake the minimum of its business in closed sessions and ensure wherever possible business is considered in public with open session papers published on DHCW's [website](#).

Information received in closed session meetings are undertaken because of the confidential nature of the business. Such confidential issues may include commercially sensitive issues, matters relating to personal issues or discussing plans in their formative stages. In addition, the Annual Committee and Advisory Group Annual Reports give an overview of the activity undertaken across the year and can be found here:

- [Audit & Assurance Committee](#)
- [Digital Governance & Safety Committee](#)
- [Remuneration & Terms of Service Committee](#)
- [Local Partnership Forum](#)

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## AUDIT AND ASSURANCE COMMITTEE

An important Committee of the Board in relation to this Annual Governance Statement is the Audit and Assurance Committee. The Committee keeps under review the design and adequacy of DHCW's governance and assurance arrangements and its system of internal control. During 2022/23, key issues considered by the Audit and Assurance Committee relating to the overall governance of the organisation included:

- Revisiting its terms of reference, which will be kept under regular review
- Approving the Internal Audit Plan for 2022/23 and keeping under review the resulting Internal Audit Reports. Noting key areas of risk and tracking the management responses made to improve systems and organisational policies
- Ensuring effective financial systems and controls procedures are in place
- Monitoring the risk management systems
- Monitoring standards of behaviour, including declarations of interests, gifts, hospitality and sponsorship
- Developing arrangements to work with Audit Wales (AW), and considering, the [2022 Structured Assessment](#) and AW's 2022-23 Audit Plan
- Monitoring progress on the development of the [Welsh Language Scheme for DHCW](#)
- Approving and reviewing [DHCW's Legislative Assurance Framework](#)
- Developing and endorsing new policies, strategies and framework in support of good governance and appropriate control.

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## REMUNERATION AND TERMS OF SERVICE COMMITTEE

The Remuneration and Terms of Service Committee considers and recommends salaries, pay awards and terms and conditions of employment for the Executive Team and other key senior staff. During 2022/23 key issues considered by the Remuneration and Terms of Service Committee included:

- Performance of Executive Directors against individual objectives
- Executive Team structure
- Ratification of Executive Team posts
- Associate Board Member Trade Union Tenure Extension
- Review of DHCW leavers data

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## DIGITAL GOVERNANCE AND SAFETY COMMITTEE

The Digital Governance and Safety Committee advises and assures the Board with regard to the quality and integrity, safety, security and appropriate use of information and data to support health and care delivery and service improvement and the provision of high-quality digital health and care. Key issues considered by the Committee in 22/23 relating to their remit included:

- Revisiting ITS terms of reference, which will be kept under regular review
- Cyber Security arrangements
- Incident review and organisational learning
- Information Governance
- Information Services Assurance
- Informatics Assurance
- Research and Innovation Assurance
- Major national digital Programmes and Projects Assurance Dashboard

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## EFFECTIVENESS SELF-ASSESSMENT

The Board and all committees of the Board undertook a self-assessment for 2022/23 between January and March 2023 and the findings were discussed at the relevant committee meeting and [reported to the SHA Board](#).

The Audit and Assurance Committee questionnaire was based on the Audit Committee Handbook and circulated to Committee members and attendees.

The Digital Governance and Safety Committee and Remuneration and Terms of Service Committee questionnaires were based on the composition, establishment and duties, then Committee leadership and support questions of the Audit and Assurance Committee.

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## MEMBERSHIP OF THE BOARD AND IT'S COMMITTEES

[Appendix 1](#) outlines the membership and attendance of the Board and its Committees for the period 1 April 2022 to 31 March 2023. Members undertake a range of other activities on behalf of the Board including Board Development and Briefing Sessions, and a range of internal and external meetings.

Any proposed changes to the structure and membership of Board committees requires Board approval. The Audit and Assurance Committee, together with the Digital Governance and Safety Committee, has considered its own terms of reference and recommended changes to the Board. The Board will ensure that terms of reference for each committee are reviewed annually to ensure the work of committees clearly reflects any governance requirements, changes to delegation arrangements or areas of responsibility. All committees and advisory groups of the Board have developed annual reports of their business and activities which were received and noted in March 2023. The lead officers are included in [Appendix 2](#) and the schedule of Board and Committee meetings 22/23 is included in [Appendix 3](#).

# LOCAL PARTNERSHIP FORUM

The DHCW Local Partnership Forum (LPF) provides the formal mechanism for social partnership within DHCW as well as providing a vehicle for engagement, consultation, negotiation and communication between trade unions and DHCW management. During 2022/23, the LPF has met bi-monthly and focussed on both

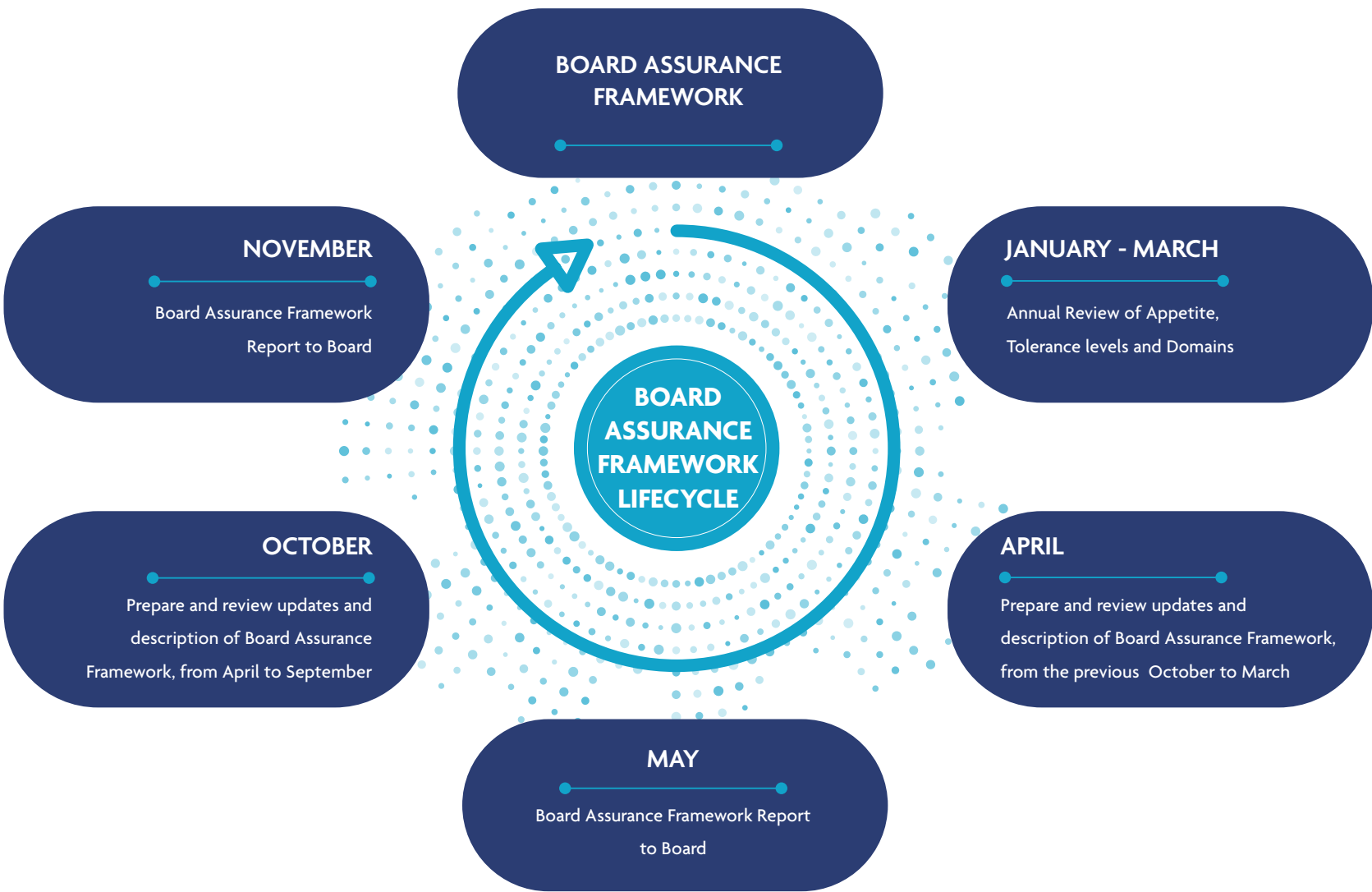
strategic and practical issues including culture, values & behaviours, staff recognition, wellbeing, new ways of working & welfare, organisational development, employment policies and equality and diversity.

# THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

DHCW’s Board system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks, this has been articulated in DHCW’s risk appetite statement. It can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the policies, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

The Board Assurance Framework was reviewed and approved by the Board in [May 2022](#). The Board Assurance Framework identifies all the key controls and lines of assurance to be reported to the Board. Our Board Assurance Framework annual reporting cycle can be seen to the right.



We use the BAF system and process to monitor, seek assurance and ensure that shortfalls are addressed through the scrutiny of the Board and its Committees. Oversight of our Corporate Risk Register system is provided through the scrutiny and monitoring of the Board and its Committees.

Key controls are defined as those controls and systems in place to assist in securing the delivery of the Board's strategic objective. The effectiveness of the system of internal control is assessed by our internal and external auditors.



Fig 10 - Board Control Framework

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## CAPACITY TO HANDLE RISK

The Chief Executive/Accountable Officer, has overall responsibility for the management of risk but the SHA's lead for risk is the Board Secretary. This means leading on the design, development and implementation of the Risks Management and Board Assurance Framework Strategy and Board Assurance Framework.

DHCW's risk appetite statement, set out below, describes DHCW's approach to risk management and the risks it is prepared to accept or tolerate in the pursuit of its strategic goals:

- DHCW must take risks to achieve its strategic aims and deliver beneficial outcomes to stakeholders
- Risks will be taken in a considered and controlled manner
- Exposure to risks will be kept to a level of impact deemed acceptable by the Board
- The acceptable level may vary from time to time and will therefore be subject to at least annual review and revision
- Any risk outside our agreed appetite may be accepted and will be subject to a governance process to ensure visibility and management
- Some particular risks above the agreed risk appetite may be accepted because:
  - the likelihood of them occurring is deemed to be sufficiently low
  - they have the potential to enable realisation of considerable reward/benefit
  - they are considered too costly to control given other priorities
  - the cost of controlling them would be greater than the cost of the impact should they materialise
  - there is only a short period of exposure to them
  - mitigating action is required by an external party

DHCW's risk appetite considers its capacity for risk, which is the amount of risk it is willing to accept in pursuit of its objectives having regard to its financial and other resources, before a breach in statutory obligations and duties occurs.

The risk tolerance gives guidance regarding escalation for risks across its activities, the below infographic provides details on the risk domains identified and agreed by the DHCW Board, associate appetite, tolerance levels and sets the expectation of the Board regarding the number of key controls when reviewing Corporate Risks in those categories in the Board Assurance Report.

All risks will be clearly linked to organisational objectives with a line of sight to the Board Assurance Framework. Our [Board Assurance Framework](#) has five principal risks, these were discussed in detail with the Board and approved in May 2022. In addition, in July 2022, the Board approved DHCW's risk appetite for each principal risk. Work was undertaken by the Board throughout the year to define the principal risks to the strategic objectives, DHCW organisational risk domains, risk appetite and tolerances were reviewed by the Board via a development session in February 2023 and these will be reviewed on an annual basis.

Fig 11 - Risk Impact Domain, associated risk appetites and level of associated control

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

# CURRENT PRINCIPAL RISKS AGAINST OUR STRATEGIC MISSIONS

STRATEGIC OBJECTIVE	PRINCIPAL RISKS
1. Enabling digital transformation supporting joined up, consistent care	IF we do not co-design services with users supported by common standards and collaborative ways of working THEN our development may not meet user needs and there will be complexity and silos across our systems RESULTING IN not being able to transform at pace.
2. Delivering high quality technology, data products and services to support efficiencies and improvements in care processes	IF we do not deliver secure, accessible, resilient products and services of high quality THEN the ability of health and care partners to deliver and modernise services is compromised RESULTING IN less effective, less sustainable care that could cause harm and would not meet the expectations of patients or professionals.
3. Expanding the content, availability and functionality of the digital health and care record so that care and treatment quality is improved	IF we fail to expand the content, availability and functionality of the Digital Health and Care Record at the required pace THEN information could be incomplete, inconsistent, or held in different places RESULTING IN a reduced ability to use information to inform care and empower citizens, leading to better outcomes.
4. Driving Value and innovation for better outcomes and value-based care	IF we do not focus making use of data and innovation to improve outcomes THEN we may not be optimising value for citizens RESULTING IN less sustainable health and care services and reduced or delayed benefit for the public and patients.
5. Becoming the trusted strategic partner and a high performing, inclusive, ambitious organisation supporting our workforce and stakeholders	IF we do not become a trusted partner and a high performing inclusive organisation THEN people will not want to work with and for us RESULTING IN a failure to achieve our strategic ambition of delivering world leading digital services.

During the COVID-19 recovery period and subsequent economic crisis the financial risk profile of DHCW has seen a significant increase in risks identified that have the potential to impact our achievement of objectives and deliverables across the last year and potential to impact greatly on our achievement of objectives in the next financial period. These range from core funding for services to staffing levels, we have also identified further considerations in our Service Level agreements and cross charging across Health Bodies for live services that require further development in line with our ever-evolving digital environment to ensure our products and services provide quality, assurance, and safety to the Consumer organisations and wider public.

A competitive workplace market along with evolving hybrid working options have also posed a risk to the organisation across the last 12 months and will continue to

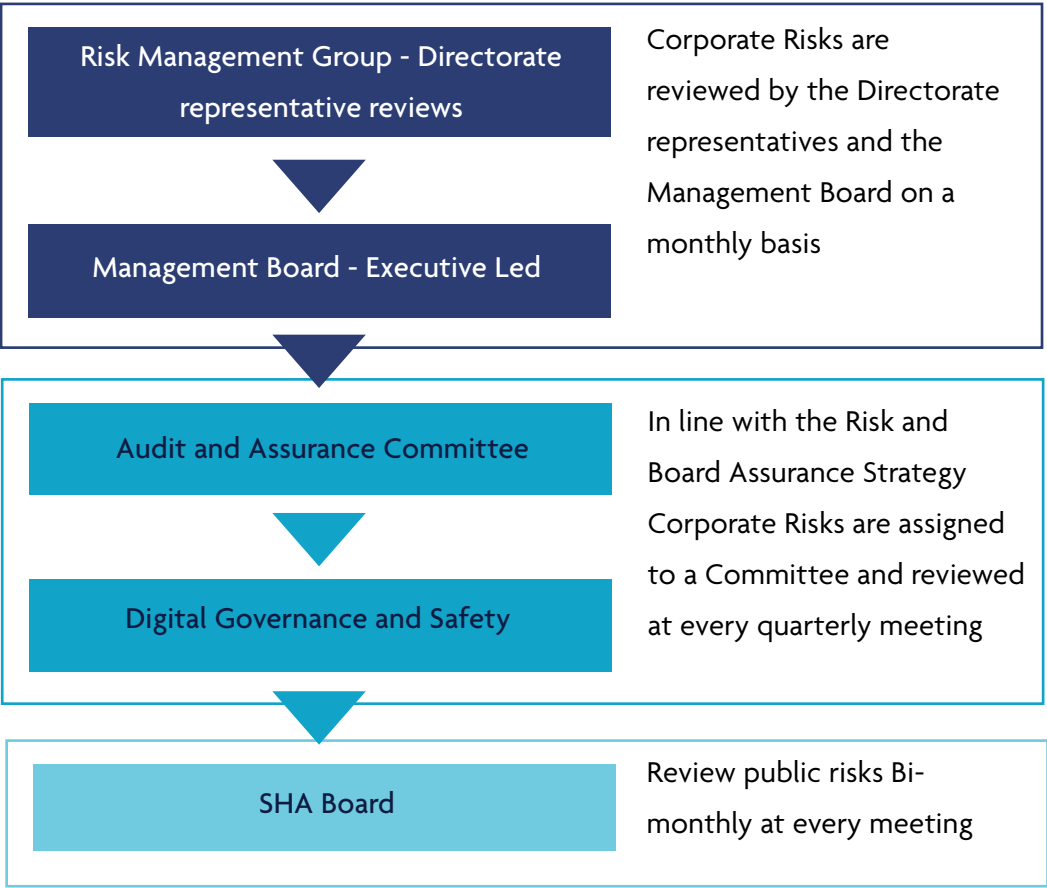
do so for the foreseeable future. Our workforce team have provided mitigation to this by increasing their network of resources and adapting our hybrid working policy to enable engagement with resources outside of our immediate community, further work is required to ensure we have a rich and diverse knowledge and skillset amongst our workforce and continue to develop the talent pool currently in place.

During 2022-23 there has been an increased risk and threat of Cyber-attack. Whereas an organisation we recognise this will be a long-term risk and emerging threats will continue to increase in intensity and intelligence; we have as an organisation undertaken extensive evaluation of our current risks, key controls and assurances to identify a significant Service Improvement Plan offering assurance and protection to both our organisation and also the wider NHS Wales Domain.

# RISK MANAGEMENT FRAMEWORK

The Board sees active and integrated risk management as key elements of all aspects of our functions and responsibilities to support the successful delivery of our business. The Board and its Committees identify and monitor risks within the organisation.

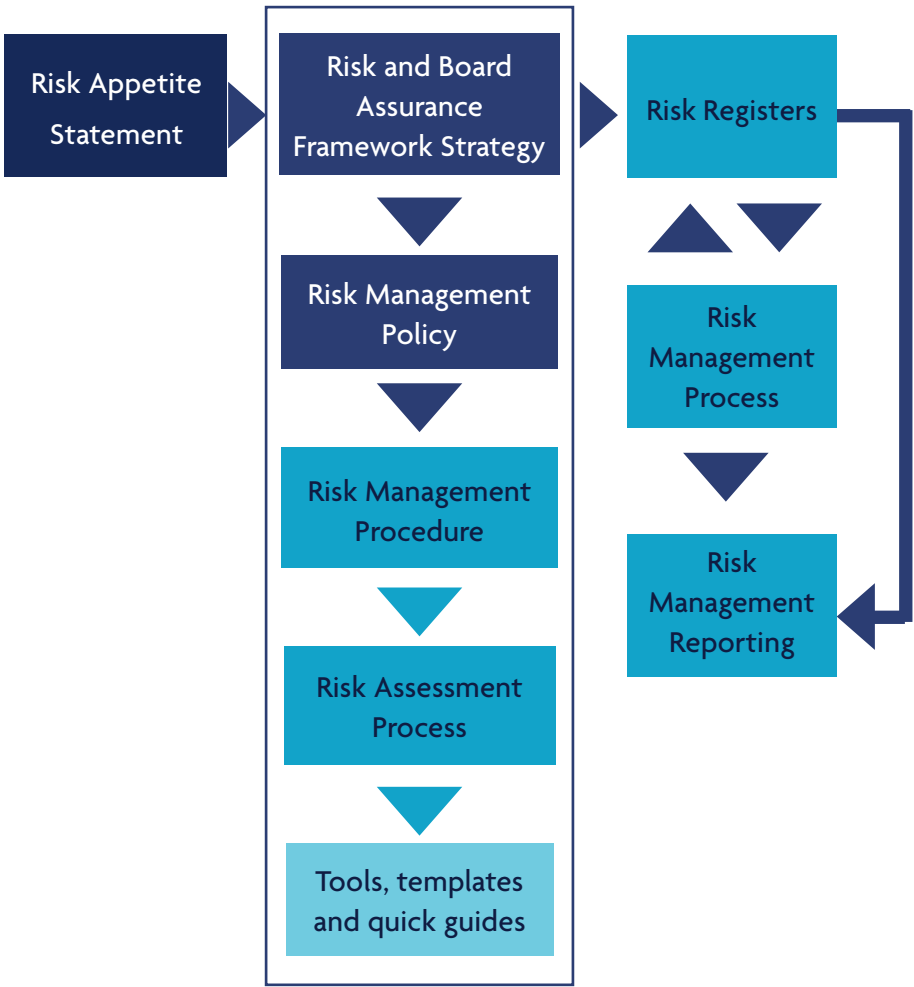
Fig 12 - Corporate Risk Register Review Flow Chart



Risks are escalated to the Board as appropriate. At an operational level Executive Directors are responsible for regularly reviewing their Directorate Risk Registers and for ensuring that effective controls and action plans are in place and monitoring progress.

The framework includes strategy to operational tools and provides the working context for the staff in the organisation with regard to the management of risk from identification and scoring through to monitoring.

Fig 13 - DHCW Risk Management Framework



# EMBEDDING EFFECTIVE RISK MANAGEMENT

Members of DHCW’s corporate governance team provide risk management training, support and advice to the organisation. Full training is also provided on our Risk Information Management System before access is granted, to ensure a consistent approach to writing risks, mitigation action plans and mapping of dependencies:

**INTRODUCTION TO RISK MANAGEMENT**  
This training provides an overview of how to identify, score, write, monitor, and escalate a risk.

**RISK MANAGEMENT FOR RISK OWNERS AND HANDLERS**  
This training provides detailed information regarding how to use the organisations risk management system and re-validates the risk assessment and management process with a focus on the control and assurance elements of risk.

**RISK AND BOARD ASSURANCE FRAMEWORK**  
This training targets expanding the knowledge of strategic risk and the approach outlined in the Risk and Board Assurance Framework Strategy. It focuses on the difference between the BAF and the Corporate Risk Register.

Overall risk performance has met expectations over the last 12 months with the [revised risk management policy](#) becoming embedded across the organisation and aligned with our Board Assurance Framework.

Significant progress has been made in [embedding the Risk Management and Board Assurance Framework Strategy](#) (the ‘Strategy’) during 2022/23

The Strategy, policy, and associate policies and procedures have been communicated across the organisation with training provided. New processes have been rolled out to all staff and data cleansing activities have greatly improved data quality regarding our risk profile position.

A new internal risk management page has been developed to assist staff in positive risk management, quick guides are available alongside the policies and procedures to enable staff to be more pragmatic in scoring and proactive with the management of their risks in accordance with policy. Staff are more empowered to identify risks in a clear and consistent manner and escalate where appropriate for decision making and mitigation. Risk registers are available to staff through this secure mechanism for openness, transparency and allowing a collaborative approach to risk identification and management.

All risks are fully aligned to our strategic missions and clearly mapped against their primary risk domain and dependencies. In depth risk reviews have assisted in the identification of risks that are not DHCW’s to own or mitigate and work has been underway through the Governance structures and Clinical risk reviews to identify and share these risks for correct ownership and accountability. As a direct result of this DHCW’s risk profile is now becoming more streamlined and accurate allowing the focus on critical risks and identification of emerging risks to the organisation.

To ensure appropriate focus is provided on our [corporate level risks \(March 2023\)](#), our Board Committees periodically undertake deep dives into specific areas. During 2022/23, the following deep dives were held:

RISK	ASSIGNED COMMITTEE
Digital Inflation	Audit and Assurance Committee
Increasing Utility Costs	Audit and Assurance Committee
National Insurance Variation	Audit and Assurance Committee
Recruitment	Audit and Assurance Committee
Demand on Resources	Digital Governance & Safety Committee
Cancer Informatics	Digital Governance & Safety Committee
Private Risk	Digital Governance & Safety Committee
Private Risk	Digital Governance & Safety Committee
Private Risk	Digital Governance & Safety Committee

An analysis of [corporate risks including the movement in corporate risks](#) since the establishment of DHCW, from 1 April 2021 to 30 September 2022, was undertaken during the year and presented to our Board in November 2022.

A recent [internal NWSSP audit](#) undertaken from 25th January to 23rd February 2023 to provide an opinion over the arrangement in place to ensure that risk is being appropriately managed to enable the delivery of DHCW’s key objectives identified **substantial assurance**, this audit was based on submitted evidence of proactive risk engagement, documentation and sample risk records demonstrating escalation and de-escalation of risks, record keeping and scoring mechanisms in place.

A National Risk Management Framework has been drafted and subsequently approved by Directors of Digital to aid in the identification, appropriate management, and escalation of “National” risks where mitigation is required by a number of Health Bodies across NHS Wales. This document has been widely shared and discussed in the Governing structures for live Services to provide members of Health Boards and Trusts the opportunity to provide comments, feedback and ultimately obtain support for the process.

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## THE CONTROL FRAMEWORK

NHS Wales organisations are not required to comply with all elements of the corporate governance code for central government departments.

The information provided in this governance statement provides an assessment of how we comply with the main principles of the code as they relate to DHCW as an NHS public sector organisation. DHCW is following the spirit of the code to good effect and is conducting its business openly and in line with the code. The Board recognises that not all reporting elements of the code are outlined in this governance statement but are reported more fully in the organisation's wider annual report. There have been no reported departures from the corporate governance code.

DHCW's risk management framework complies materially with the Orange Book Management of Risk principles taking into account the organisation's size, structure and needs.

There have been no reported departures from the Orange Book.

The orange book can be accessed at [gov.uk](https://www.gov.uk).

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## HEALTH AND CARE STANDARDS

The health and care standards set out the requirement for the delivery of health care in Wales. As digital developer with no direct contact to patients, our focus in respect of the health care standards relate to staff and resources. Improvements to these areas are captured in our performance report. An annual review against the standards is undertaken by the relevant senior leaders in the organisation, the findings are reported to the Audit and Assurance Committee and the Digital Governance and Safety Committee to ensure oversight and scrutiny in the relevant areas.

A [Health and Care Standards Annual Report](#) was reported to the Board at the end of 2022/23. The Health and Care Standards will be replaced by the [Duty of Quality](#) in 2023-24.

## OTHER CONTROL FRAMEWORK ELEMENTS

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### QUALITY AND DUTY OF CANDOUR

The new Duty of Quality and the new Duty of Candour are due to come into legal force in April 2023, in line with the Health and Social Care (Quality and Engagement) (Wales)(Act) 2020. The new Duties will require the Special Health Authority to report annually on compliance with those duties and to publish their reports in the annual accounts and performance report. These new reporting requirements will therefore be captured in the reporting period 2023/24.

In 2022/23 we have contributed to Welsh Government led workstream 2 for quality reporting requirements, Duties of Candour and Quality Implementation Board and Duty of Quality Implementation group, the latter has developed a roadmap in conjunction with Welsh Government. This roadmap has formed the basis of the DHCW Duty of Quality Implementation plan, this plan covers all aspects of the roadmap with specific inferences for DHCW requirements under the duty. Included as part of this plan, DHCW held a board development session in 2022-23 in partnership with Welsh Government colleagues to provide the board with an understanding of the requirements of the duty. In the meantime, quality reporting requirements are embedded in the Performance Section of this Annual Report, specifically in the [‘Quality’](#) section.

In addition, in 2022/23 there has been a non-statutory implementation period during the Autumn/Winter 2022 regarding the Duty of Candour. This has allowed NHS bodies, including primary care providers to prepare for the new reporting requirements under the Duty of Candour and also undertake and roll out training and awareness sessions.

### INFORMATION GOVERNANCE ARRANGEMENTS

DHCW is responsible for the Information Governance Framework (see Fig 14), which helps monitor and improve Information Governance understanding and responsibility in Wales. Without a framework, the challenge of making information available to services providing Health & Care becomes far more difficult construct.

The framework is key to DHCW’s Information Governance Strategy, which is in the process of being updated to reflect the progress, achievements and developments to the framework. The framework is highlighted by five core elements:

**Framework for Sharing** – DHCW provides the central support function of the Wales Accord on the Sharing of Personal Information (WASPI) framework. The WASPI framework helps organisations, that provide services to the public to share information effectively and lawfully through sign up to the Accord and information sharing agreement templates. An overview of WASPI is provided on the following page (see fig 14). Over the past year, WASPI has focused on creating a WASPI Code of Conduct, which cumulated in a Welsh Government promoted consultation, which occurred from February 2023 to the end of April 2023.

**Framework for Assurance** – The Welsh Information Governance Toolkit (IG Toolkit) is a self-assessment tool enabling organisations to measure their level of compliance against national Information Governance standards and legislation. The annual assessment helps organisations identify areas of improvement which can assist in organisations Information Governance improvement and action plans. All Welsh Health Boards, Trusts, Special Health Authorities and GMPs complete the IG Toolkit, including DHCW (see Welsh Information Governance Toolkit section Page 69). A new technical platform for the IG Toolkit is being implemented for the financial year 2023/2024. The new platform will allow DHCW to expand from those organisations that currently use the existing platform to a wider set of stakeholders who need to provide IG assurance.

**Framework for Advice** – The Data Protection Officer Support Service (“the Service”) provides dedicated advice and assistance to General Medical Practitioners on a subscription basis, by providing the functions of the statutory role, the Data Protection Officer. The Service provides a range of functions including training and awareness raising, auditing of the annual IG Toolkit submissions and providing a range of guidance, templates and other documentation. 84.77% of GP practices in Wales are subscribers to this service. Through the service, subscribers are supported on all Information Governance and data protection matters, giving them the knowledge and the confidence to keep patient information safe within their practice.

**Framework for Access** – The National Intelligent Integrated Audit Solution (NIIAS) is a proactive monitoring tool, which identifies potentially inappropriate access to clinical records for many national systems. National systems such as the Welsh Clinical Portal, the Welsh Patient Administration System and the Welsh Demographic Service have large amounts of users accessing information on a daily basis. Whilst health and care staff are aware of their responsibilities not to access any information not relevant to them, NIIAS is in place to identify instances of potential inappropriate use. NIIAS sits behind a number of national systems to flag instances of potential inappropriate access to alert NHS Wales Health Boards and Trusts with daily notification reports of user access.


**Framework for Training** – The UK GDPR outlines seven key principles that should be considered when processing personal data. The seventh principle, Accountability requires organisations to take responsibility for what they do with personal data and how to comply with the other principles. Organisations must have appropriate measures and records in place to be able to demonstrate compliance. One way of achieving this is ensuring that all staff processing personal data understand the confidentiality of personal information and their roles and responsibilities regarding Information Governance. All NHS Wales staff have to complete statutory and mandatory Information Governance training in employment and every two years thereafter. This training has recently been reviewed.

DHCW’s Information Governance responsibilities are monitored by the Digital Governance and Safety Committee via the standing Information Governance Assurance Report.



Fig 14 - IG Framework components

Fig 15 - WASPI - Current Position and Growth

750+ Organisations committed to WASPI		WASPI Growth since last funding review
	34 Health Boards & Local Authorities	750 organisations now signing up to the Accord.
	270 GP Practices	250+ Approved Information Sharing Protocols are now published on the WASPI website.
	11 Police and Fire services	Introduction of 5 regional quality assurance groups, which are all now supported by the WASPI Team and have their own Chair appointed.
	218 Education Providers	WASPI's importance as the <b>information sharing framework in Wales</b> , recognised by Welsh Government and other stakeholders, following work and support in particular areas including during the pandemic and as part of the Ukrainian Refuree Scheme.
	145 Charities and Voluntary organisations	No equivalent framework in UK.
	34 Housing organisations	
	42 Other partners	

## WELSH INFORMATION GOVERNANCE TOOLKIT

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 the 2021/22 submission of the IG Toolkit was 31st March 2022. This was the first IG Toolkit year measuring DHCW's compliance (the previous years submissions were before NHS Wales Informatics Service transitioned to DHCW on 1st April 2022). DHCW achieved a 98% score in the 2021/22 submission, which was up 4% from 2020/21. DHCW's submission scored a high level of compliance. Please note, the IG Toolkit only recongises that there has been an input of evidence, it did not recognise the quality of the evidence provided. Therefore, scoring should only be used as a guide of the organisations Information Governance compliance.

Organisations are not expected to attain 100% compliance, and DHCW scoring does not indicate that the organisation does not meet the legal requirements, more so, it identifies where these areas can be improved.

An Information Governance action plan was established, which also took into consideration the Information Commissioner's Office (ICO) Accountability Toolkit. Key actions from the plan were shared and monitored through the Digital Governance and Safety Committee.

Work is underway to complete the 2022/23 IG Toolkit by the submission date of 30th June 2023. This is the first year on the new technical platform and contains a revised question set, which has been compared to NHS England's English Data Security and Protection Toolkit.

# LINKED STRATEGIES AND PROGRAMMES

DHCW responsibilities have expanded over time to support information sharing and assurance for its own internal strategies and programmes as well as those being delivered by other organisations – These include:

- Single Patient Record
- National Data Resource (NDR)
- Data Promise
- Digital Services for Patients and the Public (DSPP)
- Strategic Programme for Primary Care
- Medicines Management
- Wales Community Care Information System

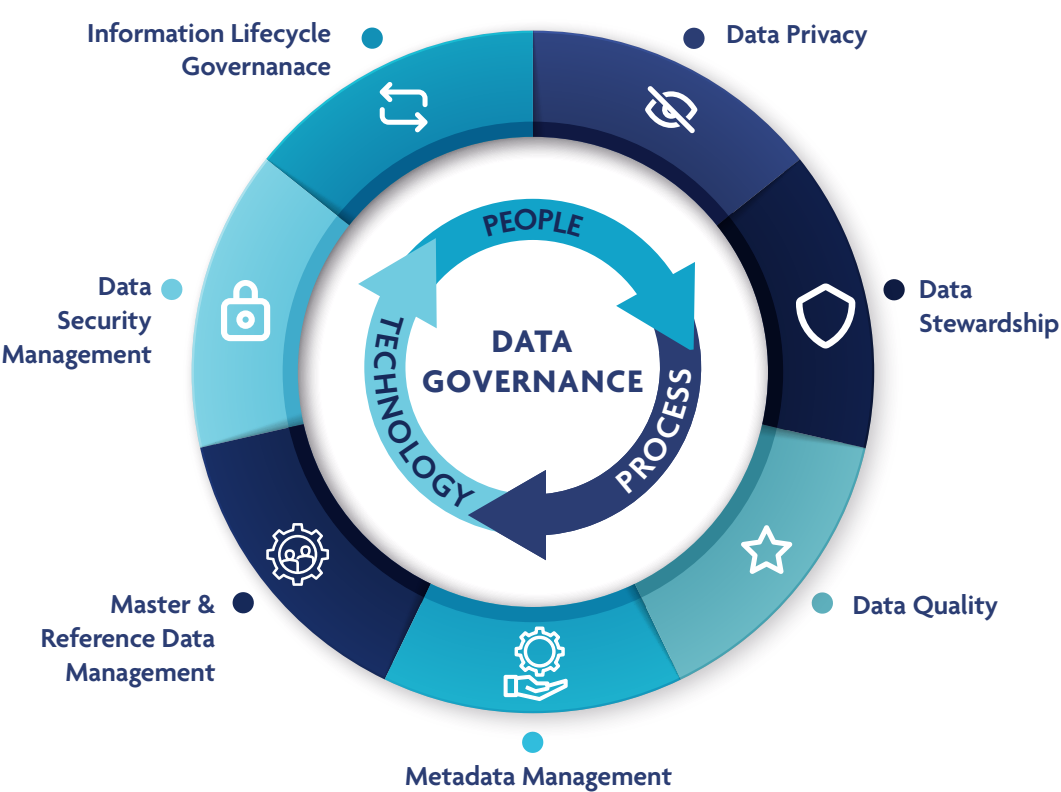


Fig 16 - Data Governance

# 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 2022/23 which was approved by the Audit and Assurance Committee in May 2022. Updates on delivering against this work plan have been provided to the Audit and Assurance Committee during 2022/23.

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## COMPLIANCE WITH EQUALITY, DIVERSITY, AND HUMAN RIGHTS LEGISLATION

DHCW is committed to putting people at the centre of everything it does. The vision is to create an accessible and inclusive organisational culture and environment for everyone that complies with the provision of the Equality Act 2010. Our [Equality and Diversity policy](#) is published on our website and is based on the following guiding principles:

- Digital Health and Care Wales will seek to employ a workforce that is representative of all sections of society within the communities from which it is provides its services.
- Every employee should feel respected and able to be their authentic self and give their best to their roles.
- Employees will be supported and encouraged to develop their full potential and their talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation. Individual differences will be recognised and valued and no form of intimidation, bullying or harassment will be tolerated.
- Staff will be supported where they feel they are being unfairly treated and encouraged to report any incidents of hate crimes against them or people around them.
- All of the Digital Health and Care Wales employment policies and practices and service developments will be equality impact assessed to avoid discrimination and to ensure mitigation where protected groups could be adversely affected under the Equality Act 2010.

An overview of actions in relation to equality and diversity can be seen in our Staff Remuneration Report

In addition, the Board approved [DHCW's Strategic Equality Plan](#) which in 2022-23 which is now being implemented across the organisation.

## MODERN SLAVERY ACT 2015 – TRANSPARENCY IN SUPPLY CHAINS

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was introduced to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the United Kingdom and overseas.

DHCW is committed to embedding the principles and requirements of the Code and the Modern Slavery Act 2015.

In doing so it is demonstrating the commitment to our role as a public sector employer, to eradicate unlawful and unethical employment practices, such as:

- inequality
- modern Slavery and Human rights abuses
- false self-employment
- unfair use of umbrella schemes and zero hours contracts; and
- not paying the Living Wage

During 2022/23 took the following actions:

- It paid the governments living wage rate on its lowest pay scale, which is at Agenda for change pay band 3 and no longer recruits to bands 1 or 2 as band 3 is now our entry grade
- It has a Raising Concerns (Whistle blowing) Policy, which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice, by staff, suppliers or contractors working on DHCW premises and supports the no detriment is regards to anyone raising a concern.

- It has robust IR35 processes, which ensures that there is no unfair use of false self-employed workers or workers being engaged under umbrella schemes. These processes also ensure the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions. It also ensures that no worker is unduly disadvantaged in terms of pay, rights or substantive employment opportunities.
- It does not engage or employ staff or workers on zero-hour contracts
- It has an open and robust Recruitment and Selection Policy and Procedure, which ensures a fair and transparent process. Specific commitments to support equality is to: advertise opportunities to join the organisation in wider and diverse communities. The organisation has developed and implemented new values, a new strategic equality plan, anti-racism, and anti-bullying plan. A new equality, diversity, and inclusion (EDI) network commences in April 2023.
  - It has a target in place to pay our suppliers within 30 days of receipt of a valid invoice
  - Has worked closely in partnership with the trade unions, employee assistance provider and wider networks to support employees
  - Supporting digital inclusion through a variety of commitments
  - The organisation has an Equality and Diversity Policy, which ensures that no potential applicant, employee or worker engaged by DHCW is in any way unduly disadvantaged. This relates to pay, employment rights, employment, training and development or career opportunities. A gender pay report was provided to the DHCW Board in March 2023.
- In accordance with the Transfer of Undertaking (Protection of Employment) Regulations any DHCW staff that may be required to transfer to a third-party organisation, will retain their NHS pay and Terms and Conditions of Service.

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## 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.

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## 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.

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## CARBON REDUCTION DELIVERY PLAN

The DHCW Board approved the Decarbonisation Strategic Delivery Plan 2021-2030 at the March 2022 Board, details on the delivery plan can be found in the Performance Report. The plan has been developed to support the ambitions set out within the NHS Wales Decarbonisation Strategic Delivery Plan which outlines how NHS Wales can contribute to the recovery 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.

DHCW have made significant progress in decarbonising our estate in 2022/23. However, we recognise there is more to do.

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## 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 (as defined by the act) are considered a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data.

Personal data breaches 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 and are reported to the Digital Governance and Safety Committee. Where appropriate or mandated, Welsh Government are informed as part of a no surprises report.

During 2022/23, we recorded a total of 5 incidents on the Datix system which resulted in potential personal data breaches. Of these incidents, none met the assessment criteria for reporting to the ICO.

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## 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 Health and social care. Details of the ministerial direction received and their applicability to DHCW as at year end 31 March 2023 are included at [Appendix 4](#).

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## PLANNING ARRANGEMENTS

The Welsh Government planning framework guidance was published in Nov 2021. The requirement reverted back to a three year Integrated Medium Term Plan (IMTP) rather than the annual plan arrangement of the previous year. The original proposed deadline of end Jan 2022 was further extended (on 21 Dec 2021) to end Mar 2022, again due to uncertainty and pressures felt by the service in recovering from the Covid-19 pandemic. The IMTP was submitted to the SHA Board and finally Welsh Government at the end of March 2022. The plan was subsequently accepted and noted by the Minister for Health and Social Services in July 2022 and feedback was provided by the Welsh Government as requirements and accountability conditions. These included quarterly reporting requirements.

Accountability conditions were called out around the delivery of the Cancer system, capital investment, workforce, digital priorities and collaboration.

DHCW Accountability conditions 2022-23, are listed below:

- 5 Ways of Working / Wellbeing of Future Generations
- Public Plan on Public Website
- Quarterly Plan Reporting
- Minimum Data Set
- Digital Priorities
- Centre for Digital Public Services
- Cancer
- Capital Investment
- Workforce
- Collaboration

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## REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board and its Committees rely on several sources of internal and external assurances which demonstrate the effectiveness of the Special Health Authority's system of internal control and advise where there are areas of improvement. These elements are detailed above in the diagram of the DHCW [Board Control Framework](#).

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

- Board and committee oversight of internal and external sources of assurance and holding to account Executive Directors and Senior Managers
- Executive Directors and Senior Managers who have responsibility for development, implementation and maintenance of the internal control framework and the continuing improvement in effectiveness within the organisation
- The oversight of operational risk through the Board and its Committees
- Oversight of fraud risk through the Cardiff and Vale Local Counter Fraud team
- The monitoring of the implementation of recommendations through the audit tracker overseen by the Audit and Assurance Committee
- Audit and Assurance Committee oversight of audit, risk management and assurance arrangements

All Committees of the Board provided an annual report to the March 2023 Board detailing the work undertaken by the relevant Committee within the year and the key decisions taken.

I am satisfied that generally the mechanisms in place to assess the effectiveness of the system of internal control are working well and that the Special Health Authority has the right balance between the level of assurance I receive from my Executives, Board and Board Committee arrangements and DHCW Internal Audit Services.

# INTERNAL AUDIT INCLUDING HEAD OF INTERNAL AUDIT CONCLUSION

Internal Audit provide me as Accountable Officer and the Board through the Audit and Assurance Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership.

The scope of this work is agreed with the Audit and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

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

The programme has been delivered substantially in accordance with the agreed schedule and changes required during the year have been approved by the Audit & Assurance Committee, in addition, regular audit progress reports have been submitted to the Committee. Although minor changes have been made to the plan during the year, the Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of all the audits carried out, summarised in the table opposite.

**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 arrangement operating in some areas.

From the opinions issued during the year, five were allocated Substantial Assurance, eleven were allocated Reasonable Assurance. No reports were allocated a ‘no assurance’ opinion.

Name of Audit	Date received by the Audit Committee	Assurance Rating
Data Centre Transition	03/05/2022	Substantial
Governance Arrangements (Part 2)	03/05/2022	Reasonable
System Development	03/05/2022	Reasonable
Core Financial Systems	03/05/2022	Reasonable
Workforce	04/07/2022	Reasonable
Directorate Review	04/07/2022	Reasonable
Recommendation Tracker	18/10/2022	Reasonable
Decarbonisation	18/10/2022	No rating: Agreed at All-Wales level
ICT Stock Management	18/10/2022	No rating: Additional review to the 2022/23 Internal Audit Plan
Financial Sustainability	14/02/2023	Reasonable
Embedding the External Stakeholder Engagement Strategy	14/02/2023	Reasonable
Performance Management	14/02/2023	Reasonable
Switching Services	14/02/2023	Reasonable
Technical Resilience	14/02/2023	Substantial
Corporate Governance	18/04/2023	Substantial
Estates Compliance – Waste Management	18/04/2023	Substantial
Risk Management	18/04/2023	Substantial
Workforce Planning: PADR	18/04/2023	Reasonable
Cyber Security Improvement Plan	03/07/2023	Substantial
Centre of Excellence	03/07/2023	Reasonable

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## AUDIT WALES STRUCTURED ASSESSMENT

The aim of this work is designed to help discharge the Auditor General's statutory requirement to be satisfied that DHCW has made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources under section 61 of the Public Audit (Wales) Act 2004.

The work specifically focussed on DHCW's arrangements in relation to governance; strategic planning; financial management; and managing the workforce, digital assets, the estate and other physical assets,

The overall [Structured Assessment 2022](#) conclusion found: *"DHCW is embedding good governance arrangements, and must now seek to further develop its role as a trusted digital partner to exploit digitally enabled service opportunities across Wales"*

The recommendations from Audit Wales together with management's response are recorded and this will be received at every Audit and Assurance Committee meeting along with a Structured Assessment Opportunities for Learning report.

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## AUDIT WALES PRIMARY CARE GMS DIGITAL PROGRAMME BOARD GOVERNANCE AND FINANCIAL MANAGEMENT REVIEW

During 2022-23, Audit Wales undertook a local piece of work reviewing DHCW's General Medical Services (GMS) Programme Board Governance Arrangements, which oversees new and existing digital services to GP Practices alongside financial expenditure and service management to support existing operational services and new programmes of work. At the time of writing this report, the report had not been finalised and submitted to the Audit and Assurance Committee.

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## 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 Integrated Performance Report during the year to provide further clarity.

## CONCLUSION

As indicated throughout this statement and the Annual Report the need to plan and respond to the COVID-19 pandemic, along with other competing priorities has had an ongoing impact on the organisation, wider NHS and society as a whole. This has required a dynamic response which has presented several opportunities in addition to a number of risks. I will continue to ensure our Governance Framework considers and responds as required. During the period 1 April 2022–30 March 2023 there have been no significant internal control or governance issues identified. This is due to the establishment and ongoing development of sound systems of internal control that are in place. It is important we communicate widely with staff on an ongoing basis to further embed these arrangements. One area that I felt required additional exploration related to the governance arrangements for DHCW Nationally Hosted Programmes, an Independent Review was commissioned working with Welsh Government and the recommendations will be considered and taken forward between DHCW and Welsh Government.

Signed by Helen Thomas

Chief Executive:



Date: 27th July 2023

# DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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 2022/23. 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 [DHCW website under key documents](#). A hard copy can be obtained from the Board Secretary on [request](#).

## PERSONAL DATA RELATED INCIDENTS

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

# THE STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

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.

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.

Chief Executive and Accountable Officer:

Helen Thomas



Date: 27th July 2023

# 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



Simon Jones

Chair:

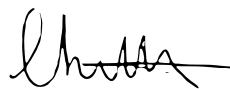
Date: 27th July 2023



Helen Thomas

Chief Executive and Accountable Officer:

Date: 27th July 2023



Claire Osmundsen-Little

Director of Finance:

Date: 27th July 2023

# REMUNERATION AND STAFF REPORT

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## 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 the table below.

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 2023 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 – a guide to Tackling Unfair Employment Practices and False Self-Employment can be found on [gov.wales](https://gov.wales).

## 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](#).

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## SALARY AND PENSION DISCLOSURES

### SALARY AND PENSION DISCLOSURE TABLES – 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 2022/23 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 Board Secretary.

TABLE 1 - SINGLE TOTAL FIGURE OF REMUNERATION 2022/23

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
<b>Executive and Senior Management</b>					
Helen Thomas	150 - 155	-	-	0	150 - 155
Claire Osmundsen-Little	125 - 130	-	-	30	155 - 160
Chris Darling	100 - 105	-	-	88	190 - 195
Rhidian Hurle	155 - 160	-	-	76	230 - 235
Carwyn Lloyd-Jones (1)	30 - 35	-	-	8	35 - 40
Sarah-Jane Taylor (2)	105 - 110	-	-	N/A	105 - 110
Samantha Hall (3)	45 - 50	-	-	11	55 - 60
Sam Lloyd (4)	25 - 30	-	-	6	30 - 35
Gareth Davis (5)	60 - 65	-	-	N/A	60 - 65
Ifan Evans (6)	120 - 125	-	-	97	215 - 220

(1) Carwyn Lloyd-Jones performed Interim Executive Director of Operations between 17th October 2022 and 15th January 2023 (91 Days) - Full year equivalent salary is £120K-£125K

(2) Sarah-Jane Taylor commenced 2nd May 2022 – Full year equivalent salary is £115K-£120K

(3) Samantha Hall commenced 1st November 2022 – Full year equivalent salary is £115K-£120K

(4) Sam Lloyd commenced 16th January 2023 – Full year equivalent salary is £120K-£125K

(5) Gareth Davis Left 23rd October 2022 – Full year equivalent is £120K-£125K

(6) Ifan Evans was seconded from Welsh Government for the entire year

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
<b>Non-Executive Directors</b>					
Simon Jones	40 - 45	-	-	-	40 - 45
Marian Jones	5 - 10	-	-	-	5 - 10
Ruth Glazzard	20 - 25	-	-	-	20 - 25
David Selway	5 - 10	-	-	-	5 - 10
Rowan Gardener	5 - 10	-	-	-	5 - 10
Grace Quantock (7)	0 - 5	-	-	-	0 - 5
Marilyn Bryan-Jones (8)	5 - 10	-	-	-	5 - 10
Alastair Klaas Neill (9)	5 - 10	-	-	-	5 - 10

(7) Grace Quantock left 17th June 2022– Full year equivalent is £5K-£10K

(8) Marilyn Bryan-Jones commenced 15th July 2022– Full year equivalent is £5K-£10K

(9) Alistair Klaas Neill commenced 8th August 2022– Full year equivalent is £5K-£10K

TABLE 2 - SINGLE TOTAL FIGURE OF REMUNERATION 2021/22

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
<b>Executive and Senior Management</b>					
Helen Thomas	150 - 155	-	-	***	150 - 155
Claire Osmundsen-Little	120 - 125	-	-	***	120 - 125
Chris Darling	75-80	-	-	***	75-80
Rhidian Hurle	155 - 160	-	-	***	230 - 235
Michelle Sell	90-95	-	-	***	90-95
Carwyn Lloyd-Jones (1)	105 - 110	-	-	***	105-110
Gary Bullock(1)	25-30	-	-	***	25-30
Meirion George (2)	95-100	-	-	***	95-100

(1) Gary Bullock retired 30th June 2021 – Full year equivalent salary is £105K-£110K

(2) Meirion George commenced 5th May 2021 – Full year equivalent salary is £90K-£95K

\*\*\* Prior year figures required for this calculation are not available

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
<b>Non-Executive Directors</b>					
Simon Jones (3)	20 - 25	-	-	-	20 - 25
Robert Hudson (4)	20-25	-	-	-	20-25
Marian Jones	5 - 10	-	-	-	5 - 10
Sian Doyle (5)	5-10	-	-	-	5-10
Ruth Glazzard	20 - 25	-	-	-	20 - 25
David Selway	5 - 10	-	-	-	5 - 10
Rowan Gardener	5 - 10	-	-	-	5 - 10
Grace Quantock	5 - 10	-	-	-	5 -10

(3) Simon Jones commenced 1st October 2021 – Full year equivalent salary is £40K-£45K

(5) Sian Doyle left 30th November 2021 – Full year equivalent salary is £5K-£10K

(4) Robert Hudson left 30th September 2021 – Full year equivalent salary is £40K-£45K

## 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.

TABLE 3 - SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION Pension Benefits 2022-23

Name and Title	(a) Accrued pension at pension age as at 31/03/23 and related lump sum (bands of £5,000) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500) £000	(c) Cash Equivalent Transfer Value at 31/3/23 to the nearest £1,000 £000	(d) Cash Equivalent Transfer Value at 31/3/22 to the nearest £1,000 £000	(e) Real increase in Cash Equivalent Transfer Value to the nearest £1,000 £000
Ms Helen Thomas Chief Executive Officer	55-60 plus lump sum of 120-125	0	1,090	1,052	0
Ms Claire Osmundsen-Little Executive Director of Finance	10-15	0-2.5	168	132	16
Mr Chris Darling Board Secretary	25-30 plus lump sum of 40-45	12.5-15	344	265	57
Mr Rhidian Hurle Executive Medical Director	60-65 plus lump sum of 115-120	10-12.5	1,121	989	75
Dr. Carwyn Lloyd-Jones, Interim Executive Director of Operations	5-10 plus lump sum of 10-15	0-2.5	520	465	27
Mrs. Samantha Hall, Director of Primary Care and Mental Health	0-5	0-2.5	11	0	5
Mr. Sam Lloyd, Executive Director of Operations	5-10 plus lump sum of 25-30	0-2.5	168	0	5
Mr. Ifan Evans, Executive Director of Strategy	35-40	5-7.5	553	447	63

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

**TABLE 4 - SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION Pension Benefits 2021-22**

Name and Title	(a) Real increase in pension at pension age (bands of £2,500) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500) £000	(c) Total accrued pension at pension age at 31 March 2022 (bands of £5,000) £000	(d) Lump sum at pension age related to accrued pension at 31 March (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 1 April 2021 £000	(f) Cash Equivalent Transfer Value at 31 March 2022 £000	(g) Real increase in Cash Equivalent Transfer Value £000	(h) Employer's contribution to stakeholder pension £000
Mrs. Helen Thomas, Chief Executive Officer	***	***	55-60	125-130	***	1,052	***	***
Mrs. Claire Osmundsen-Little, Executive Director of Finance	***	***	10-15	0	***	132	***	***
Mr. Chris Darling, Board Secretary (1)	***	***	20-25	30-35	***	265	***	***
Mr. Rhidian Hurle, Executive Medical Director	***	***	50-55	105-110	***	989	***	***
Mrs. Michelle Sell, Chief Operating Officer	***	***	30-35	60-65	***	564	***	***
Dr. Carwyn Lloyd-Jones, Director of ICT	***	***	25-30	45-50	***	465	***	***
Mr. Gary Bullock, Director of ICT	***	***	45-50	135-140	***	0	***	***
Mr. Meirion George, Assistant Director of ADS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\*\* Prior year figures required for this calculation are not available

(1) Chris Darling's CETV has been restated

# REMUNERATION RELATIONSHIP

The details of the Remuneration Relationship are reported later in the [Accountability Report](#) and note 9.6.1 of the Annual Accounts.

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 - THE ALL STAFF RANGE INCLUDES DIRECTORS (including the highest paid director) and excludes pension benefits of all employees.

	2022 -2023	2022 -2023	2022 -2023
	£000	£000	£000
Total pay and benefits	Chief Executive	Employee	Ratio
25th percentile pay ratio	152.5	33.7	4.5:1
Median pay	152.5	41.8	3.6:1
75th percentile pay ratio	152.5	49.9	3.1:1
Salary component of total pay and benefits			
25th percentile pay ratio	152.5	33.4	
Median pay	152.5	41.2	
75th percentile pay ratio	152.5	49.3	

Total pay and benefits	Highest Paid Director	Employee	Ratio
25th percentile pay ratio	157.5	33.7	4.7:1
Median pay	157.5	41.8	3.8:1
75th percentile pay ratio	157.5	49.9	3.2:1
Salary component of total pay and benefits			
25th percentile pay ratio	157.5	33.4	
Median pay	157.5	41.2	
75th percentile pay ratio	157.5	49.3	

In the 2022-23, operational period 0 employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,055 to £158,526.

2021 -2022	2021 -2022	2021 -2022
£000	£000	£000
Chief Executive	Employee	Ratio
152.5	28.9	5.3:1
152.5	38.5	4.0:1
152.5	46.9	3.3:1
152.5	27.8	
152.5	34.2	
152.5	45.8	

Highest Paid Director	Employee	Ratio
157.5	28.9	5.4:1
157.5	38.5	4.1:1
157.5	46.9	3.4:1
157.5	27.8	
157.5	34.2	
157.5	45.8	

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 2023, there were 15 members of the Board, of which five were Executive Directors, three Directors and seven Independent Members including DHCW Chair and Vice Chair.

There was movement within the year which is detailed in [Appendix 1](#).

## AVERAGE OF STAFF NUMBERS AND COMPOSITION FOR 2021-22 & 2022-23

TABLE 6 - BREAKDOWN OF NUMBER OF STAFF BY GROUP

Staff Group	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total	Financial Year
Administrative, Clerical and Board Members	1016	5	9	0	0	1030	2022-23
Administrative, Clerical and Board Members	878	4	8	0	0	890	2021-22

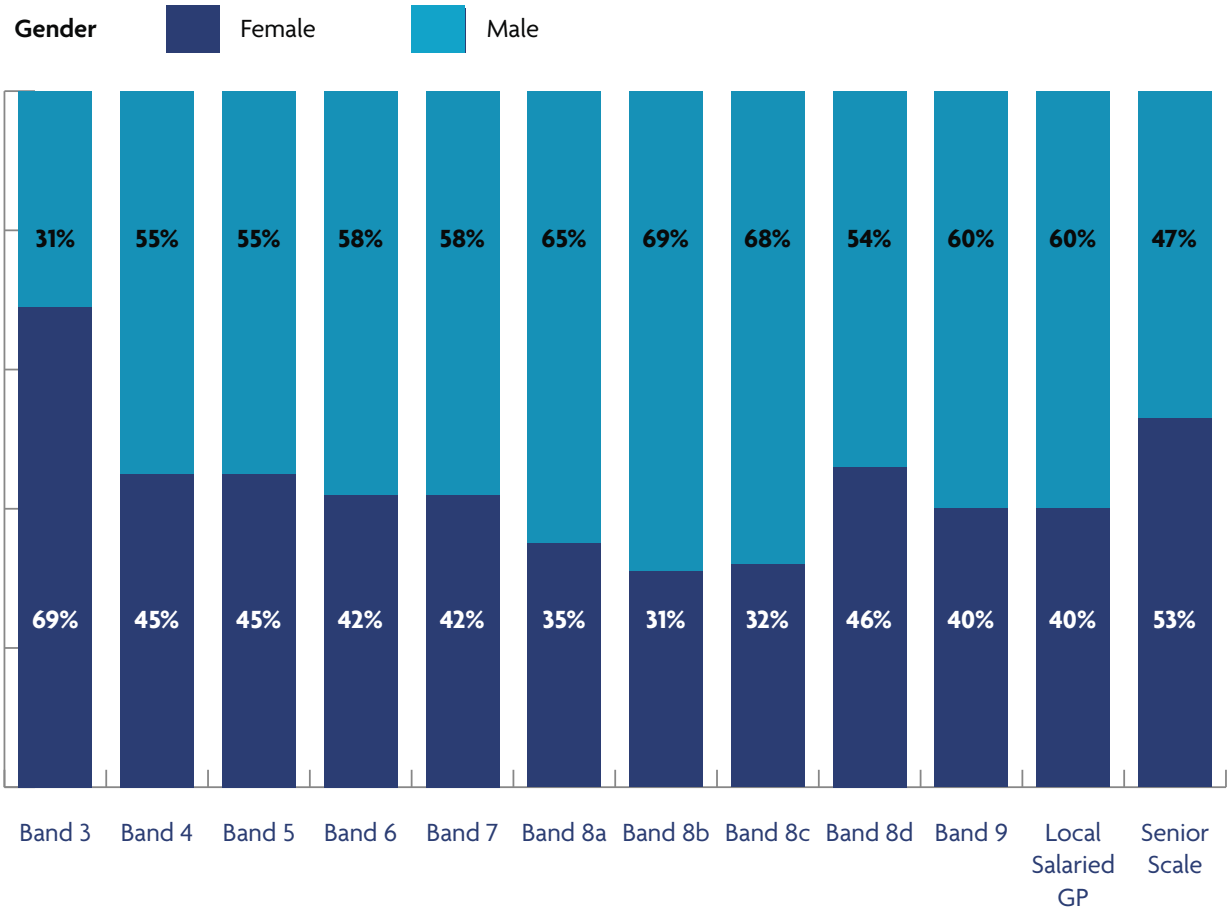
TABLE 7 - GENDER BREAKDOWN OF THE BOARD AND DIRECTORS- UPDATED AS OF 31/03/23

Position	Female	Male	Total
Chair		1	1
Chief Executive Officer	1		1
Executive Director of Finance & Deputy Chief Executive Officer	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	8	7	15

TABLE 8 -GENDER BREAKDOWN BY EXECUTIVE TEAM AND OTHER EMPLOYEES

Staff Composition at 31/3/22 (headcount)	Female	Male
Senior Staff (Executive Team, Directors, IMs)	8	7
Other Employees	458	649
Temporary Staff	5	6
All Staff	471	662
% All Staff	42%	58%

TABLE 9 - BREAKDOWN BY GENDER AND BY BAND



# SICKNESS ABSENCE DATA

The People and Organisation Development Team works with the Directorates to support and manage the wellbeing of staff and sickness absence. Monthly performance reports are developed for Directorates and Executive colleagues to monitor sickness. Interventions to support managers are aligned to stated sickness reasons to ensure timely and effective interventions to support staff.

DHCW offers and provides staff with access to an Occupational Health Service and access to an Employee Assistance Programme, which family members can also access for free. The top reasons for sickness absence across the organisation during 2022/2023 were chest and respiratory problems (Covid-19). DHCW’s Health and Well-Being Group meet on a bi-monthly basis to ensure that we are continuously reviewing our well-being support offering for our staff. The table 9 opposite shows the sickness absence levels during 2022/23.

The current rate as at 31st March is 3.00% which benchmarks very favourably across NHS Wales.

TABLE 10 - SICKNESS ABSENCE LEVELS DURING 2022/23

	2022-23	2021-22
Days Lost (Long Term)	6459	5426
Days Lost (Short Term)	4540	3258
Total Days Lost	10999	8684
Average Working Days Lost	10	9
Total Staff Employed in a period (Headcount)	1133	964
Absence (Headcount)	610	444
% Of Staff with no Sick Leave	46.16%	53.90%

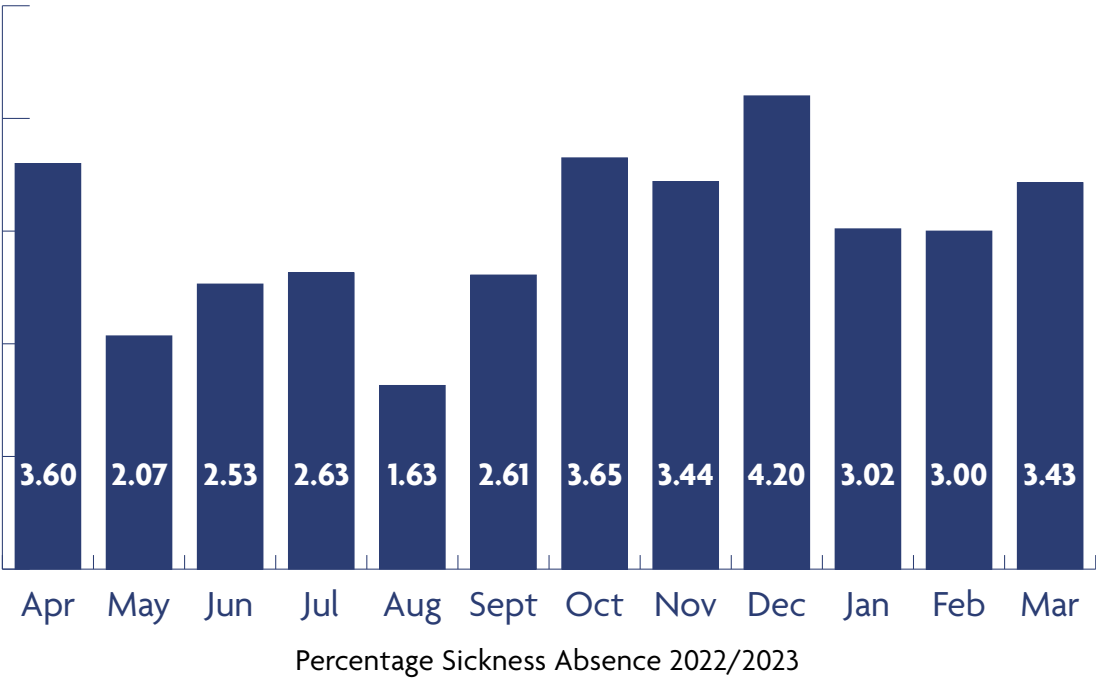


FIG 17 - SICKNESS ABSENCE

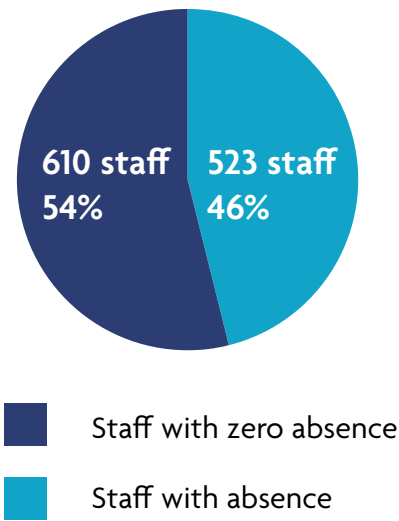
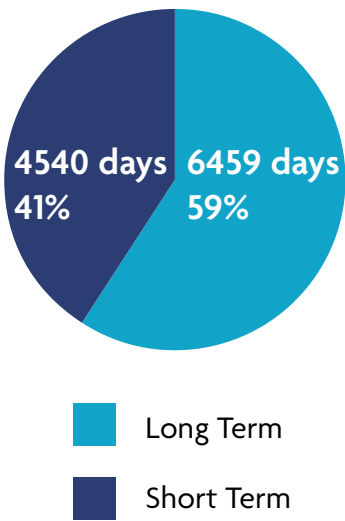


FIG 18 - NUMBER OF DAYS LOST TO SICKNESS



# POLICIES APPLIED DURING THE FINANCIAL YEAR

All SHA policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work in the SHA or are employed by the SHA. All policies and procedures are available to access via the [DHCW website](#).

Additional policies were adopted and implemented throughout the year; they are as follows:

- Health and Safety Welfare Policy Procedure
- Handling Concerns and Complaints
- Validation Policy
- Policy on Policies
- Appraisal and Development Review
- Waste Management Policy
- Hybrid Working Policy
- Disaster Recovery Policy
- Water Safety Policy

# HEALTH & WELLBEING, EQUALITY, DIVERSITY AND INCLUSION

The new [Strategic Equality Plan \(SEP\)](#), which incorporated organisational anti-bullying and anti-racism commitments was developed in partnership with Staff Side Representatives, DHCW Staff and key external stakeholders and approved by the Board in March 2023. This provided a key signal of the importance of equality, diversity, and inclusion for DHCW. The plan included a range of new commitments to be delivered over the coming years. As part of the SEP, EDI network will be established in May 2023 which will provide a new outlet for input and a voice for employees. DHCW have a published Equality & Diversity Policy. The key commitments are detailed below:

Attract and Retain	Attract best people, new approaches Pipeline of homegrown talent Retain diversity - EDI Network	BS76000 re-accreditation 2023 New innovative and diverse recruitment market-campaigns Recruitment data analysis
Anti-Racism	Embrace differences Recognise - promote advantages Inclusive and diverse culture	Equality, Diversity and Inclusion Network from May 2023 Equality Impact Assessments Workforce analysis monitoring
Anti-Bullying	Compassionate culture leadership Behaviour reflecting DHCW values Fair, open and responsive	Zero tolerance to bullying and committed partnership approach Staff surveys and pulse surveys Monitoring through People & Organisation Development/ Equality, Diversity and Inclusion/ Trade Union Partnership
Development Opportunities	DHCW Learning Organisation Accessible and supportive to all Talent and succession planning	Talent/skills Gap - monitoring Grow your own/Graduates/Apprenticeships Strategic Workforce Plans/Training Needs Analysis

The health and wellbeing of our people continues to be paramount. In 2022/23, we successfully maintained the Gold Corporate Health Standard and have our Enhanced Status Check visit taking place on 29th April 2023 for re-accreditation for this year. We also retained our certification for the BS76000 Valuing People and BS76005 Valuing People through Diversity and Inclusion Standards in October 2022.

During 2022/23, particular focus was on Financial Wellbeing where a dedicated space was created on SharePoint to signpost staff on various support features available, this jointly developed with trade unions. This was done in support of the cost-of-living challenges felt throughout 2022.

The organisation also took the opportunity during the DHCW Staff Conference in April 2022 to highlight external support such as Money and Pensions Service as well as compassionate leadership. Further resources were also made available to staff on a range of topics:

- Home working advice / Hybrid working toolkit
- Virtual Wellbeing Room
- Financial support features
- TENTALKS
- Staff Briefings led by the Chief Executive supported by the Director of People and OD
- Wellbeing Video Series
- Cycle to Work scheme
- Alcohol Awareness
- Domestic Abuse
- Leisure and Fitness information
- Substance misuse awareness
- Quit Smoking
- Yammer communities
- Too Good to Go app
- Welsh Language promotion

National Resources/Sharing best practice:

- Bereavement support
- Support for those experiencing isolation and loneliness
- SilverCloud / Canopi (for mental wellbeing support)
- Information and Resources specific to BAME staff
- Links to Trade Unions and other Professional Organisations
- General Health and Wellbeing
- Wellbeing Conversation Guide
- Helplines

DHCW also promoted and actively participated in a number of national campaigns, these are listed below:

- International Men’s Day
- International Women’s Day
- Pensions
- Menopause
- LGBTQ+ History Month
- PRIDE
- Time to Talk Day (MIND)
- Brew Monday
- Stoptober
- Change4Life
- Time to Change
- National Day of Reflection

Across Digital Health and Care Wales, several trained Mental Health First Aiders are available to talk to staff in confidence.

In 2022 DHCW was proud to be a finalist in the Mental Health & Wellbeing at Work Wales awards in the category of Workplace Wellbeing.

## REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2022/23 exit packages were approved for 1 staff with a value of £36,848 the exit costs were paid in 2022/2023 the year of departure. These packages were paid in accordance with recognised NHS terms and conditions of service/SHA Policy. None of the exit packages reported related to senior officers.

## EXPENDITURE ON CONSULTANCY SERVICES

During 2022/2023 the SHA spent £0.742m of its revenue funding on external consultancy services. There is a small reduction in spend from £0.903m in 2021/2022.

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 2022/2023 the SHA spent £1.290m of its revenue funding on temporary staff. This includes Temporary (agency) workers, Interim managers and Specialist Contractors. There is a reduction in spend from 2021/2022 is due to the use of an agency staff in the Datacentre Migration project in 2021/2022.

## 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 2023 for those earning more than £245 per day for the core SHA and any hosted organisations.

**TABLE 11 - HIGHLY PAID OFF-PAYROLL ENGAGEMENTS AS OF 31 MARCH 2023, EARNING £245 PER DAY OR GREATER.**

No. of existing engagements as of 31 March 2023	23
Of which, the number that have existed :	10
for between one and two years	11
for between two and three years	2
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 2023, EARNING £245 PER DAY OR GREATER

No. of temporary off-payroll workers engaged during the year ended 31 March 2023	10
Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	10
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 2022 AND 31 MARCH 2023

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

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*

Helen Thomas  
Chief Executive and Accountable Officer, Digital Health and Care Wales  
27th July 2023



# SENEDD CYMRU/WELSH PARLIAMENTARY ACCOUNTABILITY & AUDIT

## REPORT

FOR THE YEAR ENDED 31 MARCH 2023

### 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.

During 2022/23, DHCW expenditure has been regular.

### 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 2023.

	2022- 2023
Guarantees	Nil
Indemnities	Nil

# THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENEDD

## OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of Digital Health and Care Wales Special Health Authority for the period ended 31 March 2023 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 significant 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 Special Health Authority as at 31 March 2023 and of its net operating costs for the period then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

## 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 OF OPINIONS

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

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

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## 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 Special Health Authority 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 Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report or the Annual Governance Statement.

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

- 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 Special Health Authority'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 area: expenditure recognition and management override of controls;
- Obtaining an understanding of Digital Health and Care Wales Special Health Authority's framework of authority as well as other legal and regulatory frameworks that Digital Health and Care Wales Special Health 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 Special Health Authority;
- Obtaining an understanding of related party relationships.

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

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

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 Health 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor’s report.

## OTHER AUDITOR’S RESPONSIBILITIES

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

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

## REPORT

I have no observations to make on these financial statements.

Adrian Crompton  
Auditor General for Wales  
28th July 2023

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

# FINANCIAL STATEMENTS AND NOTES 2022/23

## FOREWORD

These accounts have been prepared by Digital Health and Care Wales, a Welsh Special Health Authority under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed. These accounts cover the period 1 April 2022 to 31 March 2023.

## 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.

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.

During the year the Laboratory Informatics Network Cymru (LINC) and Radiology Informatics System Procurement Programme (RISP) transferred to DHCW management arrangements on 1st January 2023, resulting in a capital asset additions of £3,638.

## 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.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE PERIOD  
ENDED 31 MARCH 2023

		2022-23 £000	30 December 2020 to 31 March 2022 £000
	<b>Note</b>		
General Medical Services	3.1	16,066	17,654
Other Operating Expenditure	3.2	<b>134,794</b>	113,048
		<b>150,860</b>	130,720
Less: Miscellaneous Income	4	<b>(46,162)</b>	<b>(42,777)</b>
<b>Net operating costs before interest and other gains and losses</b>		<b>104,698</b>	87,925
Investment Revenue	5	<b>0</b>	<b>(3)</b>
Other (Gains) / Losses	6	<b>0</b>	0
Finance costs	7	<b>79</b>	0
<b>Net operating costs for the financial period</b>		<b>104,777</b>	87,922

[See note 2](#) on page 116 for details of performance against Revenue and Capital allocations.

[The notes](#) on pages 105 to 166 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		31 March 2023 £000	31 March 2022 £000
<b>Non-current assets</b>	<b>Note</b>		
Property, plant and equipment	11	<b>10,356</b>	12,170
Right of Use Assets	11.3	<b>2,237</b>	
Intangible assets	12	<b>22,607</b>	17,763
Trade and other receivables	15	<b>405</b>	371
Other financial assets	16	<b>0</b>	0
<b>Total non-current assets</b>		<b>35,605</b>	30,304
<b>Current assets</b>			
Inventories	14	<b>109</b>	0
Trade and other receivables	15	<b>21,273</b>	13,707
Other financial assets	16	<b>0</b>	0
Cash and cash equivalents	17	<b>1,130</b>	1,546
		<b>22,512</b>	15,253

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023  
(CONTINUED)

Non-current assets classified as “Held for Sale”	11.2	0	0
<b>Total current assets</b>		<b>22,512</b>	15,253
<b>Total assets</b>		<b>58,117</b>	45,557
<b>Current liabilities</b>			
<b>Trade and other payables</b>	18	<b>(17,537)</b>	<b>(15,677)</b>
Other financial liabilities	19	0	0
Provisions	20	<b>(9,702)</b>	<b>(267)</b>
<b>Total current liabilities</b>		<b>(27,239)</b>	<b>(15,944)</b>
<b>Net current assets/ (liabilities)</b>		<b>(4,727)</b>	<b>(691)</b>
<b>Non-current liabilities</b>			
Trade and other payables	18	<b>(1,339)</b>	0
Other financial liabilities	19	0	0
Provisions	20	0	0
<b>Total non-current liabilities</b>		<b>(1,339)</b>	0
<b>Total assets employed</b>		<b>29,539</b>	26,613

Financed by :

Taxpayers’ equity

General Fund	29,478	29,580
Revaluation reserve	61	33
<b>Total taxpayers’ equity</b>	<b>29,539</b>	29,613

The financial statements on pages 99 to 104 were approved by the Board on 27.07.2023.



Helen Thomas

Chief Executive and Accountable Officer, Digital Health and Care Wales -27th July 2023

[The notes](#) on pages 105 to 166 form part of these accounts.

OTHER COMPREHENSIVE NET EXPENDITURE

	2022-23 £000	30 December 2020 to 31 March 2022 £000
Net (gain) / loss on revaluation of property, plant and equipment	(28)	33
Net (gain) / loss on revaluation of right of use assets	0	
Net (gain) / loss on revaluation of intangibles	0	0
<b>(Gain) / loss on other reserves</b>	<b>0</b>	<b>0</b>
Net (gain) / loss on revaluation of available for sale financial assets	0	0
Impairment and reversals	0	0
Other comprehensive net expenditure for the period	(28)	33
<b>Total comprehensive net expenditure for the period</b>	<b>104,749</b>	<b>87,955</b>

[The notes](#) on pages 105 to 166 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity</b>			
Balance b/f as at 31 March	29,580	33	29,613
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
<b>Balance at 1 April 2022</b>	29,580	33	29,613
Net operating cost for the period	(104,777)		(104,777)
Net gain/(loss) on revaluation of property, plant and equipment	0	28	28
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from (please specify)	0	0	0
<b>Total recognised income and expense for period</b>	(104,777)	28	(104,749)
Net Welsh Government funding	102,272		102,272
Welsh Government notional funding	2,403		2,403
<b>Balance at 31 March 2023</b>	29,478	61	29,539

[The notes](#) on pages 105 to 166 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity</b>			
Balance at 30 December 2020	0	0	0
NHS Wales Transfer	37,705	0	37,705
RoU Asset Transitioning Adjustment	0	0	0
<b>Balance at 1 April 2021</b>	37,705	0	37,705
Net operating cost for the period	(87,922)		(87,922)
Net gain/(loss) on revaluation of property, plant and equipment	0	33	33
Net gain/(loss) on revaluation of right of use assets			
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from (please specify)	(37,705)	0	(37,705)
<b>Total recognised income and expense for period</b>	(125,627)	33	(125,594)
Net Welsh Government funding	115,500		115,500
Welsh Government notional funding	2,002		2,002
<b>Balance at 31 March 2022</b>	29,580	33	29,613

[The notes](#) on pages 105 to 166 form part of these accounts.

STATEMENT OF CASH FLOWS FOR PERIOD ENDED  
31 MARCH 2023

		2022-23 £000	30 December 2020 to 31 March 2022 £000
Cash Flows from operating activities	<b>Note</b>		
Net operating cost for the financial period		(104,777)	(87,922)
Movements in Working Capital	27	(5,805)	(1,196)
Other cash flow adjustments	28	22,350	21,037
<b>Provisions utilised</b>	20	(50)	0
Net cash outflow from operating activities		(88,282)	(68,081)

		2022-23 £000	30 December 2020 to 31 March 2022 £000
Cash Flows from investing activities	<b>Note</b>		
Purchase of property, plant and equipment		(1,742)	(3,425)
Proceeds from disposal of property, plant and equipment		0	0
Purchase of intangible assets		(10,994)	(4,743)
<b>Proceeds from disposal of intangible assets</b>		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		(12,736)	(8,168)
Net cash inflow/(outflow) before financing		(101,018)	(76,249)

[The notes](#) on pages 105 to 166 form part of these accounts.

# NOTES TO THE ACCOUNTS

## 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Special Health Authorities (SHAs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2022/23 Manual for Accounts. The accounting policies contained in that manual follow the 2022/23 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 latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019/20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts.

Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 34.1 within these accounts.

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

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

### 1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

## 1.5. Other expenses

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

## 1.6. Property, plant and equipment

### 1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

### 1.6.2. Valuation

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

At the Statement of Financial Position date the building asset held by DHCW relates solely to expenditure on leasehold improvements, which is carried at depreciated cost.

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

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non specialised buildings market value for existing use
- Specialised buildings depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

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

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

Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

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

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (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 so identified are then charged to operating expenses.

## 1.7. Intangible assets

### 1.7.1. Recognition

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

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

## Measurement

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

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

### 1.8. Depreciation, amortisation and impairments

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

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

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

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

### 1.9. Research and Development

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

### 1.10 Non-current assets held for sale

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

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

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

### 1.11 Leases

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

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

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

On initial application 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

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

DHCW is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. There are currently no such arrangements in place.

DHCW is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value. There are currently no such arrangements in place.

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

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

### 1.11.1 The entity as lessee

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

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

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

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

Where there is a change in a lease term or an option to purchase the underlying asset 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 DHCW.

### 1.11.2 DHCW as lessor

DHCW does not lease out and 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 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

### 1.14. Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

#### 1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22, although no costs were apportioned to the SHA during the year. The WRP is hosted by Velindre NHS Trust.

### 1.15 Discount Rates

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

## 1.16. Financial Instruments

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

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

## 1.17. Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the 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 NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

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

## **1.18. Financial liabilities**

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

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

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

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

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

### **1.18.3. Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

## **1.19. Value Added Tax (VAT)**

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## **1.20. Foreign currencies**

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

### **1.21. Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. 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 NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRP).

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

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

## 1.23. Pooled budget

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

DHCW SHA has not entered into any pooled budget arrangements,

## 1.24. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

## 1.25. Key sources of estimation uncertainty

There are no estimation uncertainties at the SoFP date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 1.26 Private Finance Initiative (PFI) transactions

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

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

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

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

1.28. Absorption accounting

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

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

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

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

IFRS14 Regulatory Deferral Accounts.

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

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30. Accounting standards issued that have been adopted early

During 2022-2023 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

DHCW 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 2022-23
	£000
Net operating costs for the period	104,777
Less general ophthalmic services expenditure and other non-cash limited expenditure	0
Less revenue consequences of bringing PFI schemes onto SoFP	0
Less unfunded revenue consequences of bringing RoU Leases onto SoFP	0
Total operating expenses	104,777
Revenue Resource Allocation	104,981
Under /(over) spend against Allocation	204

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

2.2 CAPITAL RESOURCE PERFORMANCE

	Financial performance 2022-23
	£000
Gross capital expenditure	11,701
Add: Losses on disposal of donated assets	0
Less: NBV of property, plant and equipment and intangible assets disposed	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	11,701
Capital Resource Allocation	11,789
(Over) / Underspend against Capital Resource Allocation	88

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

2.3 Duty to prepare a 1 year plan

The NHS Wales Planning Framework 2022-2025 issued to SHA (Special Health Authority) placed a requirement upon them to prepare and submit an annual plan for 2022-23 to the Welsh Government.

SHA has submitted an annual plan for the period 2022-23 in accordance with NHS Wales Planning Framework, which required 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:

	2022-23	2021-22
Total number of non-NHS bills paid	4,074	2,995
Total number of non-NHS bills paid within target	4,006	2,908
Percentage of non-NHS bills paid within target	98.3%	97.1%

DHCW SHA has met the target.

3. Analysis of gross operating costs

3.1 General Medical Services

	2022-23	30 December 2020 to 31 March 2022
	£000	£'000
IT Support and Refresh	4,001	3,294
Public Sector Broadband Aggregation	651	2,398
Systems & Services Contract	5,253	6,307
Licences	3,046	2,710
Data Quality System Audit	442	472
Primary Care Services	2,281	2,199
Other Expenditure	392	274
Total	16,006	17,654

### 3.2 Other Operating Expenditure

	2022-23 £000	30 December 2020 to 31 March 2022 £000
Local Health Boards	7,231	4,830
Welsh NHS Trusts	2,071	1,315
Welsh Special Health Authorities	3	10
Goods and services from other NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	1,012	19
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	0	6
Other NHS Trusts	0	0
Directors' costs	1,369	1,208
Operational Staff costs	50,328	40,124
Supplies and services - clinical	0	0
Supplies and services - general	3,783	4,092
Consultancy Services	742	903
Establishment	1,990	6,829
Transport	52	15
Premises	43,789	38,324
External Contractors	11,596	6,191
Depreciation	3,781	3,648
Depreciation (RoU Asset)	1,765	
Amortisation	4,911	5,288
Fixed asset impairments and reversals (Property, plant & equipment)	6	0
Fixed asset impairments and reversals (RoU Assets)	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	197	216
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	133	15

Research and Development	0	0
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	
Other operating costs	35	15
<b>Total</b>	<b>134,794</b>	<b>113,048</b>

### 3.3 Losses, special payments and irrecoverable debts:

#### charges to operating expenses

	2022-23 £000	30 December 2020 to 31 March 2022 £000
Increase/(decrease) in provision for future payments: Clinical negligence;		
Secondary care	0	0
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Personal injury	0	0
All other losses and special payments	50	1,173
Defence legal fees and other administrative costs	0	0
Gross increase/(decrease) in provision for future payments	50	1,173
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	96	0
<b>Less: income received/due from Welsh Risk Pool</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>146</b>	<b>1,173</b>

13k (2022: £1,158k) of losses and special payments is disclosed within Note 3.1 under heading IT Support and Refresh (2022 under heading Systems & Services Contract) and therefore is not disclosed under Losses, special payments and irrecoverable debts heading within Note 3.2

	2022-23 £	2021-22 £
Permanent injury included within personal injury £:	0	0

#### 4. Miscellaneous Income

	2022-23 £000	30 December 2020 to 31 March 2022 £000
Local Health Boards	36,915	30,806
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	205	202
NHS trusts	7,228	5,714
Welsh Special Health Authorities	685	3,524
Foundation Trusts	0	0
Other NHS England bodies	0	12
Other NHS Bodies	114	4
Local authorities	114	1,568
Welsh Government	84	65
Welsh Government Hosted Bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	0	0
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other income from activities	817	882
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	
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	
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
<b>Total</b>	<b>46,162</b>	<b>42,777</b>

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

	2022-23 %	2021-22 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	0.00	0.00

## 5. Investment Revenue

	2022-23 £000	30 December 2020 to 31 March 2022 £'000
<b>Rental revenue:</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue:</b>		
Bank accounts	0	3
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>3</b>

## 6. Other gains and losses

	£000	£000
Gain/(loss) on disposal of property, plant and equipment	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
<b>Total</b>	<b>0</b>	<b>0</b>

## 7. Finance costs

	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	79	
Interest on obligations under PFI contracts		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>79</b>	<b>0</b>
Provisions unwinding of discount	0	0
Other finance costs	0	0
<b>Total</b>	<b>79</b>	<b>0</b>

8. Future change to SoCNE/Operating Leases

SHA as lessee

As at 31st March 2023 DHCW SHA had 1 operating lease agreement in place for the leases of premises, 9 arrangements in respect of equipment and 11 in respect of vehicles, with no premises, no equipment and no vehicle leases having expired in year.

	Post Implementation of IFRS 16		Pre Implementation of IFRS 16
Payments recognised as an expense	Low Value & Short Term	Other	
	2022-23	2022-23	2021-22
	£000	£000	£000
Minimum lease payments	63	0	2,296
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	63	0	2,296
Total future minimum lease payments			
Payable	£000	£000	£000
Not later than one year	31	0	2,363
Between one and five years	0	0	0
After 5 years	0	0	0
Total	31	0	5,931

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. Previously reported Expenditure £2,246,465 and Minimum lease Payments of £5,891,038 transitioned to the balance sheet as right of use assets

SHA as lessor

	Post Implementation of IFRS 16	Pre Implementation of IFRS 16
Rental revenue	2022-23	2021-22
	£000	£000
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0
Total future minimum lease payments	2022-23	2021-22
	£000	£000
Receivable		
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total revenue rental	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 2022-23	Total 2021-22
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	42,672	593	544	0	0	43,809	35,860
Social security costs	4,631	0	0	0	0	4,631	3,678
Employer contributions to NHS Pension Scheme	7,821	0	0	0	0	7,821	6,467
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
<b>Total Employee costs</b>	<b>55,124</b>	<b>593</b>	<b>544</b>	<b>0</b>	<b>0</b>	<b>56,261</b>	<b>46,005</b>

<b>Charged to capital</b>	<b>1,525</b>	1,905
Charged to revenue	54,736	44,100
	<b>56,261</b>	<b>46,005</b>
Net movement in accrued employee benefits (untaken staff leave)	(456)	708
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		182
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		526

9.2 Average number of employees

	Permanent Staff	Staff on inward secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total 2022-23	Total 2021-22
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	1,016	5	9	0	0	1,030	890
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 Ancilliary	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Total Employee costs	1,016	5	9	0	0	1,030	890

The average number of employees are calculated from 1 April 2022 to 31 March 2023.

9.3. Retirements due to ill-health

	2022-23	2021-22
Number	1	0
Estimated additional pension costs £	99,478	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

Exit packages cost band (including any special payment element)	2022 -2023		2021 -2022	
	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0
£10,000 to £25,000	0	0	0	1
£25,000 to £50,000	0	0	0	0
£50,000 to £100,000	0	0	0	0
£100,000 to £150,000	0	0	0	0
£150,000 to £200,000	0	0	0	0
more than £200,000	0	0	0	0
Total	0	0	0	1

Exit packages cost band (including any special payment element)	2022 -2023			2021 -2022	
	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	14,422
£25,000 to £50,000	0	36,848	36,848	1	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>36,848</b>	<b>36,848</b>	<b>0</b>	<b>14,422</b>

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2022-23	2021-22
	£	£
Exit costs paid in year	36,848	0
<b>Total</b>	<b>36,848</b>	<b>0</b>

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

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

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

	2022 -2023	2022 -2023	2022 -2023	2021 -2022	2021 -2022	2021 -2022
	£000	£000	£000	£000	£000	£000
Total pay and benefits	Chief Executive	Employee	Ratio	Chief Executive	Employee	Ratio
25th percentile pay ratio	152.5	33.7	4.5:1	152.5	28.9	5.3:1
Median pay	152.5	41.8	3.6:1	152.5	38.5	4.0:1
75th percentile pay ratio	152.5	49.9	3.1:1	152.5	46.9	3.3:1
Salary component of total pay and benefits						
25th percentile pay ratio	152.5	33.4		152.5	27.8	
Median pay	152.5	41.2		152.5	34.2	
75th percentile pay ratio	152.5	49.3		152.5	45.8	
Total pay and benefits	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
25th percentile pay ratio	157.5	33.7	4.7:1	157.5	28.9	5.4:1
Median pay	157.5	41.8	3.8:1	157.5	38.5	4.1:1
75th percentile pay ratio	157.5	49.9	3.2:1	157.5	46.9	3.4:1
Salary component of total pay and benefits						
25th percentile pay ratio	157.5	33.4		157.5	27.8	
Median pay	157.5	41.2		157.5	34.2	
75th percentile pay ratio	157.5	49.3		157.5	45.8	

In 2022-23, 0 (2021-22, 0) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £22,055 to £158,526 (2021-22, £20,330 to £155,403). The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Financial year summary

Between 2021/22 and 2022/23 the median ratio of the workforce and the Chief Executive decreased from 4.0:1 to 3.6:1 and the ratio of the highest paid director decreased from 4.1:1 to 3.8:1. The median for salary component of total pay and benefits is £41,196.82 (£41,805.64 for total pay and benefits) which is top of a band 6 on the agenda for change pay scales.

There were 137 additional staff members in the year, of which 54 were below the median, and 82 above the median which will cause the ratio to decrease.

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. In addition, during the year all staff were awarded a 1.5% non-consolidated pay award, which is included in the values in notes 9.6.1 and 9.6.2.

9.6.2 Percentage Changes

	2021-22 to 2022-23	2020-21 to 2021-22
% Change from previous financial year	%	%
in respect of Chief Executive		
Salary and allowances	0	
Performance pay and bonuses	0	
% Change from previous financial year		
in respect of highest paid director		
Salary and allowances	0	
Performance pay and bonuses	0	

9.7 Pension Costs

PENSION COSTS

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

#### **b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

#### **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 2022 -2023 tax year (2021-2022 £6,240 and £50,000).

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.

	2022-23	2022-23	2022-23	2022-23
	Number	£000	Number	£000
<b>NHS</b>				
Total bills paid	728	15,137	450	5,727
Total bills paid within target	693	14,142	371	4,658
Percentage of bills paid within target	95.2%	93.4%	82.4%	81.3%
<b>Non-NHS</b>				
Total bills paid	4,074	107,563	2,995	83,024
Total bills paid within target	4,006	102,689	2,908	79,793
Percentage of bills paid within target	98.3%	95.5%	97.1%	96.1%
<b>Total</b>				
Total bills paid	4,802	122,700	3,445	88,751
Total bills paid within target	4,699	116,831	3,279	84,751
Percentage of bills paid within target	97.9%	95.2%	95.2%	95.2%

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

	2022-23	2021-22
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 11. Property, plant and equipment

	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 2022	0	1,450	0	1,986	201	0	21,511	0	25,148
Indexation	0	68	0	0	0	0	0	0	68
Additions									
- purchased	0	79	0	1,261	(5)	0	458	0	1,793
- 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	(1,959)	0	0	2,111	0	152
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	(7)	0	(7)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	(2,289)	0	(2,289)
<b>At 31 March 2023</b>	<b>0</b>	<b>1,597</b>	<b>0</b>	<b>1,288</b>	<b>196</b>	<b>0</b>	<b>21,784</b>	<b>0</b>	<b>24,865</b>

	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
Depreciation at 31 March bf	0	868	0	0	69	0	12,041	0	12,978
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at at 1 April 2022	0	868	0	0	69	0	12,041	0	12,978
Indexation	0	40	0	0	0	0	0	0	40
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	(1)	0	(1)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	(2,289)	0	(2,289)
Provided during the period	0	160	0	0	40	0	3,581	0	3,781
<b>At 31 March 2023</b>	<b>0</b>	<b>1,068</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>0</b>	<b>13,332</b>	<b>0</b>	<b>14,509</b>
<b>Net book value at 1 April 2022</b>	<b>0</b>	<b>582</b>	<b>0</b>	<b>1,986</b>	<b>132</b>	<b>0</b>	<b>9,470</b>	<b>0</b>	<b>12,170</b>
<b>Net book value at 31 March 2023</b>	<b>0</b>	<b>529</b>	<b>0</b>	<b>1,288</b>	<b>87</b>	<b>0</b>	<b>8,452</b>	<b>0</b>	<b>10,356</b>
<b>Net book value at 31 March 2023 - comprises :</b>									
Purchased	0	529	0	1,288	87	0	8,452	0	10,356
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2023</b>	<b>0</b>	<b>529</b>	<b>0</b>	<b>1,288</b>	<b>87</b>	<b>0</b>	<b>8,452</b>	<b>0</b>	<b>10,356</b>

Net book value at 31 March 2023 - Asset financing :

Owned	0	529	0	1,288	87	0	8,452	0	10,356
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	529	0	1,288	87	0	8,452	0	10,356

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	529
	529

There is a negative £5k Plant & machinery additions purchased during the year relating to a retrospective VAT reclaim.

## 11.1 Property, plant and equipment

	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 2021	0	1,428	0	29	172	0	23,047	0	24,676
Indexation	0	64	0	0	0	0	0	0	64
Additions									
- purchased	0	2	0	1,957	29	0	1,900	0	3,888
- 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	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	(44)	0	0	0	0	(3,436)	0	(3,480)
<b>At 31 March 2022</b>	<b>0</b>	<b>1,450</b>	<b>0</b>	<b>1,986</b>	<b>201</b>	<b>0</b>	<b>25,511</b>	<b>0</b>	<b>25,148</b>

	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
Depreciation at at 1 April 2021	0	729	0	0	34	0	12,016	0	12,779
Indexation	0	31	0	0	0	0	0	0	31
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	(44)	0	0	0	0	(3,436)	0	(3,480)
Provided during the period	0	152	0	0	35	0	3,461	0	3,480
<b>At 31 March 2023</b>	0	868	0	0	69	0	12,041	0	12,978
<b>Net book value at 1 April 2022</b>	0	699	0	29	138	0	11,031	0	11,897
<b>Net book value at 31 March 2023</b>	0	582	0	1,986	132	0	9,470	0	12,170
<b>Net book value at 31 March 2022 - comprises :</b>									
Purchased	0	582	0	1,986	132	0	9,470	0	12,170
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2022</b>	0	582	0	1,986	132	0	9,470	0	12,170

Net book value at 31 March 2022 - Asset financing :

Owned	0	582	0	1,986	132	0	9,470	0	12,170
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	582	0	1,986	132	0	9,470	0	12,170

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	582
	582

Additional disclosures re Property, Plant and Equipment Disclosures:

i) Donated Assets

DHCW SHA has not received any donated assets during the year.

ii) Valuations

The SHA is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

iii) Asset Lives

Depreciated as follows:

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

iv) Compensation

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

v) Write Downs

There have not been write downs of assets during the year.

vi) The SHA does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are no assets held for sale or sold in the period.

11.2 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
<b>Balance at 1 April 2022</b>	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
<b>Balance carried forward 31 March 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 1 April 2021</b>	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
<b>Balance carried forward 31 March 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 2022-23.

### 11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. All are individually insignificant.

2022 - 23	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 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	1,853	0	0	0	0	2,149	0	4,002
<b>Cost or valuation at 1 April</b>	<b>0</b>	<b>1,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,149</b>	<b>0</b>	<b>4,002</b>
Additions	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	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
<b>At 31 March</b>	<b>0</b>	<b>1,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,149</b>	<b>0</b>	<b>4,002</b>

	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
<b>Depreciation at at 31 March</b>	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April</b>	0	0	0	0	0	0	0	0	0
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
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	541	0	0	0	0	1,224	0	1,765
<b>At 31 March</b>	0	541	0	0	0	0	1,224	0	1,765
<b>Net book value at 1 April</b>	0	1,853	0	0	0	0	2,149	0	4,002
<b>Net book value at 31 March</b>	0	1,312	0	0	0	0	925	0	2,237

	Land £000	Land and Buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>RoU Asset Total Value Split by Lessor</b>									
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	4	0	0	0	0	0	0	4
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	1,308	0	0	0	0	925	0	2,233
<b>Total</b>	0	1,312	0	0	0	0	925	0	2,237

Quantitative disclosures

Maturity analysis

Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	1,044
2-5 years	1,200
> 5 years	219
Total	2,463

Lease Liabilities (net of irrecoverable VAT)	£000
Current	1,044
Non-Current	1,419
Total	2,463

Amounts Recognised in Statement of Comprehensive Net Expenditure	£000
Depreciation	1,765
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	0
Sub-leasing income	0
Expense related to short-term leases	0
Expense related to low-value asset leases (excluding short-term leases)	0

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )	£000
Interest expense	79
Repayments of principal on leases	1,670
Total	1,749

DHCW does not own any buildings. All 7 buildings that DHCW currently occupies are leased. All the leases relating to these buildings are disclosed in the land and buildings section of this note. DHCW also leases racks in two Data Centres. These leases are shown in the Information Technology section of this note.

One of our Data Centre leases expires on 30th June 2023. We are currently negotiating leasing racks in a new area of the Data Centre for a further 5 years from 1st July 2023.

There are a number of other future cashflows that DHCW is exposed to regarding leases that are due to expire that are not currently reflected in the measurement of lease liabilities.

Our lease extension at the National Imaging Academy in Pencoed expires on 30th September 2023. We are currently paying £10 k a year rent for the premises. If the lease on the property is renewed we expect a similar per annum rent to be agreed.

The lease on the Mamhilad site expires on 28th July 2023. DHCW is not planning on renewing this lease.

All other leases are set to continue for the remainder of 2023-24 but there will be future cashflow implications in 2024-25 and beyond for these other leases if or when they are renewed.

There are no restrictions or covenants imposed by any of the leases that require disclosure. DHCW is not currently involved in any sale and leaseback arrangements.

## 12. Intangible non-current assets

2022-23	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 2022	25,834	4,723	3,151	0	0	5,673	39,381
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	1,723	0	0	0	(1,875)	(152)
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	3,638	3,638
Additions- internally generated	0	1,515	0	0	0	4,754	6,269
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(2,163)	(123)	(111)	0	0	0	(2,397)
Gross cost at 31 March 2023	23,671	7,838	3,040	0	0	12,190	46,739

<b>Amortisation at 1 April 2022</b>	<b>16,217</b>	<b>2,339</b>	<b>3,062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,618</b>
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	3,671	1,151	89	0	0	0	4,911
Reclassified as held for sale	0	1,515	0	0	0	4,754	6,269
Transfers	0	0	0	0	0	0	0
Disposals	(2,163)	(123)	(111)	0	0	0	(2,397)
<b>Amortisation at 31 March 2023</b>	<b>17,725</b>	<b>3,367</b>	<b>3,040</b>	<b>0</b>	<b>0</b>	<b>12,190</b>	<b>24,132</b>
<b>Net book value at 1 April 2022</b>	<b>9,617</b>	<b>2,384</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>5,673</b>	<b>17,763</b>
<b>Net book value at 31 March 2023</b>	<b>5,946</b>	<b>4,471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,190</b>	<b>22,607</b>

#### At 31 March 2023

Purchased	5,946	0	0	0	0	6,537	12,483
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	4,471	0	0	0	5,653	10,124
<b>Total at 31 March 2023</b>	<b>5,946</b>	<b>4,471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,190</b>	<b>22,607</b>

## 12.1 Intangible non-current assets

2021-22	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 2021	37,352	4,183	3,319	0	0	0	44,854
Revaluation	0	0	0	0	0	0	0
Reclassifications	(77)	(148)	0	0	0	225	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	884	0	0	0	0	2,674	3,558
Additions- internally generated	0	743	0	0	0	2,774	3,517
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(12,325)	(55)	(168)	0	0	0	(12,548)
Gross cost at 31 March 2022	25,834	4,723	3,151	0	0	5,673	39,381
Amortisation at 1 April 2021	24,344	1,528	3,006	0	0	0	28,878
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	4,198	866	224	0	0	0	5,288
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(12,325)	(55)	(168)	0	0	0	(12,548)
Amortisation at 31 March 2022	16,217	2,339	3,062	0	0	0	21,618
Net book value at 1 April 2021	13,008	2,655	313	0	0	0	15,976
Net book value at 31 March 2022	9,617	2,384	89	0	0	5,673	17,763

At 31 March 2022

Purchased	9,617	0	89	0	0	2,899	12,605
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	2,384	0	0	0	2,774	5,158
<b>Total at 31 March 2023</b>	<b>9,617</b>	<b>2,384</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>5,673</b>	<b>17,763</b>

13 . Impairments

	2022-23			30 December 2020 to 31 March 2022		
	Property, plant & equipment £000	Rights of Use Assets £000	Intangible assets £000	Property, plant and equipment £000	Rights of Use Assets £000	Intangible assets £000
Impairments arising from	0	0	0	0		0
Loss or damage from normal operations	0	0	0	0		0
Abandonment in the course of construction	0	0	0	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	0	0	0	0		0
Others (specify)	6	0	0	0		0
Reversal of impairments	0	0	0	0		0
<b>Total of all impairments</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

Analysis of impairments charged to reserves in period :

Charged to the Statement of Comprehensive Net Expenditure	6	0	0	0		0
Charged to Revaluation Reserve	0	0	0	0		0
	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

The impairment shown under other relates to loss of IT Equipment.

14 Inventories

	31 March 2023 £000	30 December 2020 to 31 March 2022 £000
Drugs	0	0
Consumables	109	0
Energy	0	0
Work in progress	0	0
Other	0	0
<b>Total</b>	<b>109</b>	<b>0</b>
Of which held at realisable value	0	0

14.1 Inventories recognised in expenses

	31 March 2023 £000	30 December 2020 to 31 March 2022 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 15. Trade and other Receivables

Current	31 March 2023 £000	31 March 2022 £000	Non-current	31 March 2023 £000	31 March 2022 £000
Welsh Government	87	0	Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	2	Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	962	645	Welsh Health Boards	0	0
Welsh NHS Trusts	2,617	213	Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	6	Welsh Special Health Authorities	0	0
Non - Welsh Trusts	340	276	Non - Welsh Trusts	0	0
Other NHS	0	8	Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim Reimbursement;			Welsh Risk Pool Claim Reimbursement;		
NHS Wales Secondary Health Sector	0	0	NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0	NHS Wales Redress	0	0
Other	0	0	Other	0	0
Local Authorities	53	40	Local Authorities	0	0
Capital debtors - Tangibles	0	62	Capital debtors - Tangibles	0	0
Capital debtors - Intangibles	0	0	Capital debtors - Intangibles	0	0
Other debtors	3,124	1,113	Other debtors	0	0
Provision for irrecoverable debts	(96)	0	Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0	Pension Prepayments NHS Pensions	0	0
Other prepayments	14,186	11,342	Other prepayments	1405	371
Other accrued income	0	0	Other accrued income	0	0
<b>Sub total</b>	<b>21,273</b>	<b>13,707</b>	<b>Sub total</b>	<b>21,678</b>	<b>14,078</b>

Receivables past their due date but not impaired	31 March 2023 £000	31 March 2022 £000
By up to three months	314	347
By three to six months	4	41
By more than six months	5	47
	<b>323</b>	435

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

Balance at 1 April	0	0
Transfer to other NHS Wales body	0	0
Amount written off during the period	0	0
Amount recovered during the period	0	0
(Increase) / decrease in receivables impaired	(96)	0
ECL/Bad debts recovered during period	0	0
Balance at 31 March	<b>(96)</b>	0

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	33	114
Other	0	0
Total	<b>33</b>	114

16. Other Financial Assets

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
<b>Financial assets</b>				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0		0	
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

17. Cash and cash equivalents

	31 March 2023 £000	31 March 2022 £000
Opening Balance	1,546	0
Net change in cash and cash equivalent balances	(416)	1,546
Balance at 31 March	1,130	1,546
Made up of:		
Cash held at Government Banking Service (GBS)	1,130	1,546
Commercial banks	0	0
Cash in hand	0	0
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>1,130</b>	<b>1,546</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>1,130</b>	<b>1,546</b>

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

Lease Liabilities £1,749k

PFI liabilities £0k

The movement relates to cash, no comparative information is required by IAS 7 in 2022-23.

## 18. Trade and other Receivables

Current	31 March 2023 £000	31 March 2022 £000	Deferred Income:		
Welsh Government	70	51	Deferred Income brought forward	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0	Deferred Income Additions	0	0
Welsh Health Boards	861	1,413	Transfer to / from current/non current deferred income	0	0
Welsh NHS Trusts	784	115	Released to SoCNE	0	0
Welsh Special Health Authorities	3	0	Other creditors	0	1
Other NHS	136	74	PFI assets –deferred credits	0	0
Taxation and social security payable / refunds	(3)	382	Payments on account	0	0
Refunds of taxation by HMRC	0	(8)	<b>Sub total</b>	<b>17,537</b>	<b>15,677</b>
VAT payable to HMRC	0	0			
Other taxes payable to HMRC	0	0			
NI contributions payable to HMRC	0	581			
Non-NHS trade payables - revenue	3,316	2,558			
Local Authorities	215	1			
Capital payables-Tangible	514	525			
Capital payables- Intangible	1,245	2,332			
Overdraft	0	0			
Rentals due under operating leases	0	0			
RoU Lease Liability	992				
Obligations under finance leases, HP contracts		0			
Imputed finance lease element of on SoFP PFI contracts	0	0			
Pensions: staff	19	697			
Non NHS Accruals	9,376	6,995			

Non-current	31 March 2023 £000	31 March 2022 £000	Deferred Income:		
Welsh Government	0	0	Deferred Income brought forward	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0	Deferred Income Additions	0	0
Welsh Health Boards	0	0	Transfer to / from current/non current deferred income	0	0
Welsh NHS Trusts	0	0	Released to SoCNE	0	0
Welsh Special Health Authorities	0	0	Other creditors	0	1
Other NHS	0	0	PFI assets –deferred credits	0	0
Taxation and social security payable / refunds	0	0	Payments on account	0	0
Refunds of taxation by HMRC	0	0	<b>Sub total</b>	<b>1,339</b>	<b>0</b>
VAT payable to HMRC	0	0	<b>Total</b>	<b>18,876</b>	<b>15,677</b>
Other taxes payable to HMRC	0	0	It is intended to pay all invoices within the 30 day period directed by the Welsh Government.		
NI contributions payable to HMRC	0	0	<b>RoU Lease Liability Transitioning &amp; Transferring</b>	<b>£000</b>	
Non-NHS trade payables - revenue	0	0	RoU liability as at 31 March 2022	0	
Local Authorities	0	0	Transfer of Finance Leases from PPE Note	0	
Capital payables-Tangible	0	0	Operating Leases Transitioning	4,002	
Capital payables- Intangible	0	0	RoU Lease liability as at 1 April 2022	4,002	
Overdraft	0	0			
Rentals due under operating leases	0	0	<b>Amounts falling due more than one year are expected to be settled as follows:</b>	<b>2022-23 £000</b>	<b>2021-22 £000</b>
RoU Lease Liability	1,339		Between one and two years	314	0
Obligations under finance leases, HP contracts		0	Between two and five years	197	0
Imputed finance lease element of on SoFP PFI contracts	0	0	In five years or more	139	0
Pensions: staff	0	0	Sub-total	<b>1,339</b>	<b>0</b>
Non NHS Accruals	0	0			

19. Other Financial liabilities

	Current		Non-cuurent	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £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

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the period	Utilised during the period	Reversed unused	Unwinding of discount	At 31 March 2023
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
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	50	(50)	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	267		0	0	9,637	0	(202)		9,702
Total	267	0	0	0	9,687	(50)	(202)	0	9,702

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the period	Utilised during the period	Reversed unused	Unwinding of discount	At 31 March 2023
Non-current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the period	Utilised during the period	Reversed unused	Unwinding of discount	At 31 March 2023
Total	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
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	50	(50)	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	267		0	0	9,637	0	(202)		9,702
Total	267	0	0	0	9,687	(50)	(202)	0	9,702

Expected timing of cash flows:

	in year to 31 March 2024	Between 1 April 2024 31 March 2028	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0
Secondary care	0	0	0	0
Primary care	0	0	0	0
Redress Secondary care	0	0	0	0
Redress Primary care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	0	0	0	0
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	9,702	0	0	9,702
Total	9,702	0	0	9,702

The provision of £267k held on the balance sheet at 31st March 2022 reflects ongoing contract price negotiations related to software services delivered. This has been reduced to £65K for the same period with an additional £71K arising for 22/23. A further provision has arisen in year in regards to the treatment of recovery of VAT which has yet to be concluded.

	At 1 April 2021	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 2022
Total	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	267	0	0		267
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>267</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>267</b>

	At 1 April 2021	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 2022
Non-current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	0	0	0	0	0	0	0	0	0

	At 1 April 2021	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 2022
Total	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	0	0	0	0	0	0	0	0	0

21. Contingencies

21.1 Contingent liabilities

Provisions have not been made in these accounts for the following amounts :	31 March 2023 £000	31 March 2022 £000
Legal claims for alleged medical or employer negligence	0	0
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	7,425	0
Total value of disputed claims	7,425	0
Amounts recovered in the event of claims being successful	0	0
Net contingent liability	7,425	0

As at 31st March 2023 DHCW have identified a potential contingent liability that may arise in the future. The potential liability of DHCW includes recovery of VAT of an estimated £7.425m to be returned to Welsh NHS organisations in the event that DHCW VAT recovery claim to HMRC is successful.

21.2 Remote Contingent liabilities

Please disclose the values of the following categories of remote contingent liabilities :	31 March 2023 £000	31 March 2022 £000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets

	31 March 2023 £000	31 March 2022 £000
	0	0
	0	0
	0	0
Total	0	0

The Special Health Authority did not hold any contingent assets at the balance sheet date.

22 Capital commitments

Contracted capital commitments

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	488	27
Right of Use Assets	0	
Intangible assets	6,118	6,224
Total	6,606	6,251

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 this note is prepared on a cash basis.

Number of cases and associated amounts paid out during the financial year	Amounts paid out during period to 31 March 2023	
	Number	£
Clinical negligence	0	0
Personal injury	0	0
All other losses and special payments	2	50,124
Total	2	50,124

Analysis of cases in excess of £300,000

	Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
		Number	£	Number	£
Cases in excess of £300,000:		0	0	1	1,158,400
Sub-total		0	0	1	1,158,400
All other cases		2	50,124	3	65,416
Total cases		2	50,124	4	1,223,816

24. Right of Use / Finance leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset / finance leases:

Land	Post Implementation of IFRS 16 (RoU) 31 March 2023 £000	Pre implementation of IFRS 16 (FL) 31 March 2022 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

Amounts payable under right of use asset / finance leases:

<b>Buildings</b>	<b>Post Implementation of IFRS 16 (RoU) 31 March 2023 £000</b>	<b>Pre implementation of IFRS 16 (FL) 31 March 2022 £000</b>
<b>Minimum lease payments</b>		
Within one year	547	0
Between one and five years	760	0
After five years	219	0
Less finance charges allocated to future periods	(123)	0
Minimum lease payments	1,403	0
Included in:		
Current borrowings	500	0
Non-current borrowings	903	0
	1,403	0
<b>Present value of minimum lease payments</b>		
Within one year	500	0
Between one and five years	695	0
After five years	208	0
Present value of minimum lease payments	1,403	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

<b>Other - Non Property</b>	<b>Post Implementation of IFRS 16 (RoU) 31 March 2023 £000</b>	<b>Pre implementation of IFRS 16 (FL) 31 March 2022 £000</b>
<b>Minimum lease payments</b>		
Within one year	497	0
Between one and five years	440	0
After five years	0	0
Less finance charges allocated to future periods	(9)	0
Minimum lease payments	928	0
Included in:		
Current borrowings	492	0
Non-current borrowings	436	0
	928	0
<b>Present value of minimum lease payments</b>		
Within one year	492	0
Between one and five years	436	0
After five years	0	0
Present value of minimum lease payments	928	0
Included in:		
Current borrowings	492	0
Non-current borrowings	436	0
	928	0

24.2 Right of Use Assets / Finance lease receivables (as lessor)

The SHA has no Right of Use assets or Finance Leases receivable as a lessor.

Amounts receivable under right of use assets / finance leases:	Post Implementation of IFRS 16 (RoU) 31 March 2023 £000	Pre implementation of IFRS 16 (FL) 31 March 2022 £000
<strong>Gross Investment in leases</strong>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
<strong>Present value of minimum lease payments</strong>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The SHA has no PFI schemes which are deemed to be on or off the statement of financial position.

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The SHA is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The SHA has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the SHA in undertaking its activities.

**Currency risk** - The SHA is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The SHA has no overseas operations and therefore has low exposure to currency rate fluctuations.

**Interest rate risk** - The SHA is not permitted to borrow. The SHA therefore has low exposure to interest rate fluctuations.

**Credit risk** - Because the majority of the SHA funding derives from funds voted by the Welsh Government the SHA has low exposure to credit risk.

**Liquidity risk** - The SHA is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The SHA is not, therefore, exposed to significant liquidity risks.

## 27. Movements in working capital

Amounts receivable under right of use assets / finance leases:	2022-23 £000	30 December 2020 to 31 March 2022 £000
(Increase)/decrease in inventories	(109)	0
(Increase)/decrease in trade and other receivables - non-current	(34)	(371)
(Increase)/decrease in trade and other receivables - current	(7,566)	(13,707)
Increase/(decrease) in trade and other payables - non-current	1,339	0
Increase/(decrease) in trade and other payables - current	1,860	15,677
<b>Total</b>	<b>(4,510)</b>	<b>1,599</b>
Adjustment for accrual movements in fixed assets - creditors	1,098	(2,857)
Adjustment for accrual movements in fixed assets - debtors	(62)	62
Other adjustments	(2,331)	0
	<b>(5,805)</b>	<b>(1,196)</b>

## 28. Other cash flow adjustments

	2022-23 £000	30 December 2020 to 31 March 2022 £000
Depreciation	5,546	3,648
Amortisation	4,911	5,288
(Gains)/Loss on Disposal	0	0
Impairments and reversals	6	0
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	
Non-cash movements in provisions	9,485	267
Other movements	2,402	11,834
<b>Total</b>	<b>22,350</b>	<b>21,037</b>

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xxx 2023; post the date the financial statements were certified by the Auditor General for Wales.

NHS Wales bodies were notified in a pay circular letter issued on 25th May 2023 by the Welsh Government, of the additional pay arrangements for employees covered by the Agenda for Change terms and conditions in Wales for 2022-23, which will be funded by the Welsh Government.

NHS Wales bodies will make a one off non-consolidated, prorated “recovery payment” for staff employed on the Agenda for Change terms and conditions (this includes most NHS staff including nursing staff but excludes medical staff).

These costs have not been recognised in the 2022-23 financial statements because the obligating event was the publication of the offer agreed with the Minister on 20 April 2023 and therefore post 31st March 2023. The costs will be accounted for in the 2023-24 Annual Accounts of NHS Wales bodies. The estimated cost is £1,115k.

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:

Related Party	Expenditure to related party £000	Amounts owed from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Please list all related party transactions to include:				
Welsh Government	287	102,394	79	87
Aneurin Bevan Local Health Board	1,068	6,156	231	67
Betsi Cadwaladr University Local Health Board	1,709	8,341	11	112
Cardiff And Vale University Local Health Board	1,093	5,397	197	81
Cwm Taf Morgannwg Local Health Board	1,406	5,004	31	61
Hywel Dda Local Health Board	667	5,033	210	55
Powys Teaching Local Health Board	524	1,746	27	533
Swansea Bay University Local Health Board	1,153	5,228	184	54
Public Health Wales NHS Trust	4,180	3,016	304	687
Velindre NHS Trust	1,520	4,874	449	1,930
Welsh Ambulance Services NHS Trust	149	1,081	125	0
Health Education and Improvement Wales (HEIW)	3	685	3	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	205	0	0
Local Authorities	1,330	114	215	53
	15,098	149,274	2,066	3,720
Welsh Government (Included in above figures)	287	102,394	79	87
Bangor University	6	0	0	0
Centre for Digital Public Services	356	0	141	0
	649	102,394	220	87
Grace Quantock, Independent Member, is a Senior Independent Panel Member at Welsh Government. Ruth Glazzard is a Director of Centre for Digital Public Services, with a 2 day commitment per month. Marian Wyn Jones, Independent Member, is the Chair of Council at Bangor University.				

31. Third Party assets

The SHA does not hold cash on behalf of third parties.

32. Pooled budgets

The SHA does not does not operate any pooled budgets.

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.  
The SHA is deemed to operate as one segment.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The notional transactions are based on estimated costs for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions as at month eleven and the actual employer staff payments for month 12.  
Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

Statement of Comprehensive Net Expenditure for the period ended 31 March 2023	2022-23 £000	2021-22 £000
General Medical Services	0	0
Other Operating Expenditure	2,403	2,002

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2023	2022-23 £000	2021-22 £000
Net operating cost for the year	(2,403)	(2,002)
Notional Welsh Government Funding	2,403	2,002

Statement of Cash Flows for period ended 31 March 2023	31 March 2023	31 March 2022
Net operating cost for the financial year	(104,777)	(87,922)
Other cash flow adjustments	2,403	2,002

2.1 Revenue Resource Performance

Revenue Resource Allocation	2,403	2,002
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3. Analysis of gross operating costs

3.1 General Medical Services

	2022-23 £000	2021-22 £000
General Medical Services	0	0

3.2 Other Operating Expenditure

Directors' costs	41	45
Staff costs	2,362	1,957

9.1 Employee costs

Permanent Staff

Employer contributions to NHS Pension Scheme	2,403	2,002
Charged to capital	0	0
Charged to revenue	2,403	2,002

18. Trade and other payables

Current

Pensions: staff	0	0
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28. Other cash flow adjustments

Other movements	2,403	2,002
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34.2 Other Information

Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

Capital	2022-23	2021-22
	£000	£000
Capital Funding Field Hospitals and Equipment		0
Capital Funding Equipment		0
Capital Funding other (Specify)	0	865
Welsh Government Covid 19 Capital Funding	0	865

Revenue

Stability Funding	0	-46
Covid Recovery	0	0
Cleaning Standards	0	0
PPE (including All Wales Equipment via NWSSP)	0	0
Testing / TTP- Testing & Sampling - Pay & Non Pay	0	0
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	3,603	5,958
Extended Flu Vaccination / Vaccination - Extended Flu Programme	0	0
Mass Covid-19 Vaccination / Vaccination - COVID-19	5,525	5,550
Annual Leave Accrual - Increase due to Covid		0
Urgent & Emergency Care	0	30
Private Providers Adult Care / Support for Adult Social Care Providers	0	0
Hospices	0	0
Other Mental Health / Mental Health		0
Other Primary Care		0
Social Care		0
Dental Patient charges	0	
Nosocomial C19 Funding	0	
Other	0	0

Welsh Government Covid 19 Revenue Funding	9,128	11,492
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2021-22 Other includes -	STI
2022-23 Other/Miscellaneous includes -	National Antiviral Service, Covid Recovery App - Long Covid, C19 Long Covid 19.

**THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY  
WELSH MINISTERS IN ACCORDANCE WITH PARAGRAPH 3(1) OF SCHEDULE 9  
TO THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE  
APPROVAL OF TREASURY**

**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

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## UNAUDITED FINANCIAL ACCOUNTABILITY REPORT

The SHA has completed its second year of operation since transitioning from being a hosted body within Velindre NHS Trust to its own statutory Special Health Authority and consequently is required to prepare accounts for the financial period April 1st 2022 to 31 March 2023 and subsequent financial years.

During this time, the organisation has embedded the financial systems, controls, governance and reporting required to meet both statutory requirements and business need within the challenging context of the COVID-19 pandemic. Digital solutions supporting the pandemic response (Test, Trace & Protect and Mass Immunisation scheduling systems) resulted in an additional requirements of £9.128m revenue. Funding from Welsh Government was secured in order to ensure that there was no additional organisational financial impact upon its ability to breakeven.

DHCW also leads the delivery of a number of digital initiatives supported by the Welsh Governments Digital Priority Investment Fund. For 2022/23 the SHA received £31.057m in revenue funding and £9.407m in capital. During the year the Laboratory Informatics Network Cymru (LINC) and Radiology Informatics System Procurement Programme (RISP) transfer to DHCW management arrangements. The financial impact amounted to a capital asset transfer £3.448m for LINC and £0.191m for RISP. From revenue perspective the organisation received DPIP funding of £0.169m (supplemented by NHS contributions totalling £0.294m) and RISP £0.025m (supplemented by contributions of £0.097m from NHS organisation).

The future focus will remain on providing first class digital information and solutions to support effective patient care and citizen services, some will require shifts in technology (such as transition to cloud first services) which will require additional revenue funding for the organisation to meet its financial targets.

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## 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. The entity was dormant for the purposes of accounting, with expenditure incurred by predecessor entities for service provision to the date of transfer, or by Welsh Government for establishment costs. Revenue and Capital resource allocations were issued to DHCW for the period 1 April 2022 to 31 March 2023 and formed the basis of the statutory accounts and comparator/baseline for trend analysis in 2023/24.

### 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. DHCW must prepare a one-year plan, however, Ministerial approval is not required for this.

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## 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 £0.204m (0.14% of total allocation) and capital underspend of £0.088m (0.75% of total allocation) for the financial year therefore achieving its statutory financial duty to achieve financial breakeven.
- The SHA submitted an Annual Plan for the period 2022/2023 in accordance with the NHS Wales Planning Framework.
- Creditor payments - The SHA 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 98% of invoices within the required timeframe.

## APPENDIX 1 - BOARD AND COMMITTEE MEMBERSHIP AND ATTENDANCE 1 APRIL 2022 TO 31 MARCH 2023

Name	Position	Area of Expertise/Interest Role	Board/Committee Membership	Meeting Attendance	Champion Roles
Simon Jones	Chair	<ul style="list-style-type: none"> <li>Board cohesion and oversight</li> <li>Partnership working across the system</li> </ul>	Board RATS Committee (Chair)	8/8 6/6	N/A
Ruth Glazzard	Vice-Chair	<ul style="list-style-type: none"> <li>Contribution to Strategy Development</li> <li>Contribution to Board Oversight and Governance</li> <li>Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>DHCW Ambassador internally and externally</li> <li>Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee (Vice Chair) Audit and Assurance Committee	7/8 6/6 6/6	<ul style="list-style-type: none"> <li>Mental health</li> <li>Children and Young People</li> <li>Older Persons</li> </ul>
Rowan Gardner	Independent Member	<ul style="list-style-type: none"> <li>Contribution to Strategy Development</li> <li>Contribution to Board Oversight and Governance</li> <li>Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>DHCW Ambassador internally and externally</li> <li>Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee Digital Governance and Safety Committee (Chair)	7/8 5/6 4/4	<ul style="list-style-type: none"> <li>Infection prevention and control</li> <li>Research</li> <li>Armed forces and veterans</li> </ul>
David Selway	Independent Member	<ul style="list-style-type: none"> <li>Contribution to Strategy Development</li> <li>Contribution to Board Oversight and Governance</li> <li>Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>DHCW Ambassador internally and externally</li> <li>Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee (Vice Chair) Audit and Assurance Committee (Stepped down Sept 2022) Digital Governance and Safety Committee (Vice Chair)	7/8 6/6 4/4 4/4	<ul style="list-style-type: none"> <li>Putting Things Right</li> </ul>
Marian Wyn Jones	Independent Member	<ul style="list-style-type: none"> <li>Contribution to Strategy Development</li> <li>Contribution to Board Oversight and Governance</li> <li>Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>DHCW Ambassador internally and externally</li> <li>Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee Audit and Assurance Committee (Chair)	7/8 5/6 6/6	<ul style="list-style-type: none"> <li>Raising concerns (staff)</li> <li>Welsh Language</li> </ul>

Name	Position	Area of Expertise/Interest Role	Board/Committee Membership	Meeting Attendance	Champion Roles
Alistair Klaas Neill*	Independent Member	<ul style="list-style-type: none"> <li>• Contribution to Strategy Development</li> <li>• Contribution to Board Oversight and Governance</li> <li>• Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>• DHCW Ambassador internally and externally</li> <li>• Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee Audit and Assurance Committee	5/5 1/3 2/2	N/A
Marilyn Bryan Jones*	Independent Member	<ul style="list-style-type: none"> <li>• Contribution to Strategy Development</li> <li>• Contribution to Board Oversight and Governance</li> <li>• Contribute to Upholding the Highest Values and Standards of Behaviour</li> <li>• DHCW Ambassador internally and externally</li> <li>• Support the Executive Team in delivering the annual plan commitments as needed</li> </ul>	Board RATS Committee Audit and Assurance Committee Digital Governance and Safety Committee	4/5 3/3 2/2 2/2	<ul style="list-style-type: none"> <li>• Equality</li> </ul>
Grace Quantock*			Board Audit and Assurance Committee	1 1	
Helen Thomas	Chief Executive	N/A	Board	8/8	N/A
Claire Osmundsen-Little	Deputy Chief Executive/Director of Finance	N/A	Board	8/8	<ul style="list-style-type: none"> <li>• Fire Safety</li> <li>• Infection Prevention and Control</li> </ul>
Rhidian Hurle	Executive Medical Director	N/A	Board	7/8	<ul style="list-style-type: none"> <li>• Caldicott</li> <li>• Mental Health</li> <li>• Children and Young People</li> <li>• Putting Things Right</li> <li>• Older Persons</li> <li>• Research</li> </ul>
Chris Darling	Board Secretary	N/A	Board	8/8	<ul style="list-style-type: none"> <li>• Raising Concerns (Staff)</li> </ul>

(\*) 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.

Name	Position	Area of Expertise/Interest Role	Board/Committee Membership	Meeting Attendance	Champion Roles
Ifan Evans	Executive Director of Digital Strategy	N/A	Board	7/8	<ul style="list-style-type: none"> <li>Emergency Planning</li> <li>Welsh Language</li> </ul>
Gareth Davis*	Interim Executive Director of Operations	N/A	Board	4/4	N/A
Carwyn Lloyd Jones*	Interim Executive Director of Operations	N/A	Board	4/4	N/A
Sarah-Jane Taylor	Director of People and Organisational Development	N/A	Board	8/8	<ul style="list-style-type: none"> <li>Violence and Aggression</li> <li>Armed Forces and Veterans</li> <li>Equality</li> </ul>
Sam Hall*	Director of Primary, Community and Mental Health Digital Services	N/A	Board	3/3	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Sam Lloyd*	Executive Director of Operations	N/A	Board	2/2	<ul style="list-style-type: none"> <li>N/A</li> </ul>

(\*) 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.

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

APPENDIX 3 - SCHEDULE OF BOARD, COMMITTEE AND ADVISORY GROUP MEETINGS 2022/23

Board/ Committee	April	May	June	July	August	September	October	November	December	January	February	March
DHCW SHA Board		26/05/2022		28/07/2022		29/09/2022		24/11/2022		26/01/2023		30/03/2023
Audit and Assurance Committee		03 and 24/05/2022	14/06/2022	04/07/2022			18/10/2022				14/02/2022	
Remuneration and Terms of Service		19/05/2022		21/07/2022		08/09/2022		10/11/2022		19/01/2023		
Digital Governance and Safety Committee		12/05/2022			04/08/2022			03/11/2022			02/02/2022	
Local Partnership Forum	05/04/2022		07/06/2022		09/08/2022		04/10/2022		06/12/2022		07/02/2023	

## APPENDIX 4 – MINISTERIAL DIRECTIONS

[Health circulars](#) | [GOV.WALES](#)

Ministerial Directions (MDs)	Date Issued	Applicable/ Not applicable	Date/Year of Adoption if relevant	Action to demonstrate implementation/response
WHC/2022/002 NHS Wales National Clinical Audit and Outcome Review Plan Annual Rolling Programme for 2022/23	14/06/2022	Applicable		The WHC was consistent with DHCW's recent arrangements. DHCW would liaise with HQIP on the consumption of certain dataset which would help drive the Value in Health Programme via Dr Sally Lewis.
WHC/2022/003 Guidance for the provision of continence containment products for adults in Wales 2022	21/10/2022	Not applicable		No implications for DHCW.
WHC/2022/004 Guidance for the care of children and young people with continence problems	21/10/2022	Not applicable		No implications for DHCW.
WHC/2022/005 Welsh Value in Health Care – Data Requirements	24/03/2022	Applicable		DHCW will support data requirements where we can through the appropriate governance.
WHC/2022/006 Direct Paramedic Referral to Same Day Emergency Care: All Wales Policy	21/04/22	Not applicable		For information only.
WHC/2022/007 The Recording of Dementia READ Codes	15/02/2022	Not applicable		No implications for DHCW.
WHC/2022/009 Prioritisation of Covid 19 patient episodes by NHS Wales Clinical Coding Departments	14/04/2022	Not applicable		No implications for DHCW.
WHC/2022/010 Reimbursable vaccines and eligible cohorts	29/03/2022	Not applicable		No implications for DHCW.
WHC/2022/011 Patient Testing Framework – updated guidance	24/03/2022	Applicable		Reviewed at Weekly Executive Directors and confirmed no action required.
WHC/2022/013 2022/23 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance	26/04/2022	Applicable		The Executive Director of Finance noted the content and actions required and ensured they were taken forward by the finance team.
WHC/2022/014 AMR & HCAI Improvement Goals for 2021-23	1/03/2022	Not applicable		No implications for DHCW.
WHC/2022/015 Changes to the vaccine for the HPV immunisation programme	25/04/2022	Applicable		Agreed that no direct action for DHCW but it would be shared with the DHCW vaccine team for awareness.
WHC/2022/016 The National Influenza Immunisation Programme 2022-23	01/06/2022	Applicable		Patient cohort eligibility confirmed for 2022/23. Shared with Chair of Audit and colleagues for information.

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WHC/2022/019 Non-Specialised Paediatric Orthopaedic Services	21/06/2022	Not applicable		No implications for DHCW.
WHC/2022/021 National Optimal Pathways for Cancer	28/07/2022	Applicable		Action to ensure the Cancer pathway requirements are built into the functionality of the system.
WHC/2022/022 The Role of the Community Dental Service	22/08/2022	Not applicable		No implications for DHCW.
WHC/2022/023 Changes to the vaccine for the HPV Immunisation Programme	09/09/2022	Applicable		No action for DHCW as no change to eligibility.
WHC/2022/025 Prescribing Intervals	22/12/2022	Not applicable		No implications or actions for DHCW.
WHC/2022/026 Approach for Respiratory Viruses – Technical Guidance for Healthcare Planning	11/10/2022	Not applicable		No implications for DHCW.
WHC/2022/027 Urgent Polio catch up programme for children under 5	24/10/2022	Applicable		Clarity required on whether DHCW were being asked to identify under 5's. A further update was received on 22nd November extending the deadline to 31st March 2023.
WHC/2022/028 More than just words Welsh Language awareness course	10/11/2022	Applicable		Board Secretary linked in with Welsh Language Manager and OD and this was being progressed.
WHC/2022/029 Urgent Polio catch up programme for children under 5 – follow extension of deadline	22/11/2022	Applicable		See WHC/2022/027
WHC/2022/031 Reimbursable vaccines and eligible cohorts for the 2023/24 NHS Seasonal influenza (Flu) vaccination	08/12/2022	Not applicable		No implications for DHCW.
WHC/2022/032 Further extending the use of Blueteq in secondary care	21/03/2022	Not applicable		No implications for DHCW
WHC/2022/034 NHS Allocation	22/12/2022	Applicable		No issues for DHCW
WHC/2022/035 Influenza (flu) vaccination programme deployment 'mop up' 2022-23	22/12/2022	Applicable		DHCW need to ensure the system change request is logged with the current suppliers.
WHC/2023/001 Eliminating Hepatitis B&C as a public health threat in Wales - Actions for 2022-23 and 2023-24	13/01/2023	Not applicable		No implications for DHCW.

Ministerial Directions (MDs)	Date Issued	Applicable/ Not applicable	Date/Year of Adoption if relevant	Action to demonstrate implementation/response
WHC/2023/002 New Lower Gastrointestinal 'FIT' National Optimal Pathway	30/01/2023	Not applicable		No implications for DHCW
WHC/2023/004 COVID-19 Spring booster vaccination programme 2023.	08/03/2023	Applicable		The spring booster campaign will soon commence. Actions have already been put in place to facilitate where needed.
WHC/2023/006 Commencement of the Health and Social Care (Quality Engagement) (Wales) Act 2020	31/03/2023	Applicable		The actions around the Duty of Candour and Duty of Quality have been progressed.
WHC/2023/007 Patient Testing Framework – updated Guidance	30/03/2023	Applicable		WHC shared with vaccine teams for information and awareness.
WHC/2023/009 Covid-19 Vaccination of children aged 6 months to 4 years in a clinical risk group	06/04/2023	Applicable		The implications for DHCW have been addressed by the ADS team.
WHC/2023/011 NICE Guidance on Self Harm: Assessment, management and preventing recurrence	21/04/2023	Not applicable		No Implications for DHCW
WHC/2023/012 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance	26/04/2023	Applicable		Executive Director of Finance to take forward
WHC/MD/2023/001 COVID-19 Study – Instruction from WG to share community COVID-19 treatment data with SAIL	15/03/2023	Applicable		Executive Medical Director to take forward.