

## Annex 1 – Draft Public Health Wales Directors’ Report 2018-19

In accordance with the Financial Reporting Manual (FReM), the Directors’ Report must include the following, unless disclosed elsewhere in the Annual Report and Accounts in which case a cross-reference is provided:

Requirement	Cross-Reference
1. The names of the Chair and Chief Executive, and the names of any individuals who were directors of the entity at any point in the financial year and up to the date the ARA was approved.	See Annex 1 in the Annual Governance Statement.
2. The composition of the management board (including advisory and non-executive members) having authority or responsibility for directing or controlling the major activities of the entity during the year.	See Annex 1 in the Annual Governance Statement.
3. The names of the directors forming an audit committee or committees.	See Annex 1 in the Annual Governance Statement.
4. Details of company directorships and other significant interests held by members of the management board which may conflict with their management responsibilities. Where a Register of Interests is available online, a web link may be provided instead of a detailed disclosure in the annual report.	See the <a href="#">Register of Interests 2018/19</a> .
5. Information on personal data related incidents where these have been formally reported to the information commissioner’s office. Reporting of personal data related incidents including “serious untoward incidents” involving data loss or confidentiality breaches and details of how the risks to information are managed and controlled.	See Page 45 in the Annual Governance Statement.
6. Information on environmental, social and community issues.	See the Annual Sustainability Report 2018/19 of information on environmental issues.

	See the Annual Report and Wellbeing of Future Generations report for information on Social and Community issues
7. As a public sector information holder, Public Health Wales has complied with the cost allocation and charging requirements set out in HM Treasury guidance.	

## **Annex 2 Statement of Accountable Officer's Responsibilities**

- 3.1 The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

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.

- 3.2 As Accountable Officer I confirm that, as far as I am aware, there is no relevant audit information of which the entity's auditors are unaware, and I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and that the Trust's auditors are aware of that information.
- 3.3 As Accountable Officer I confirm that the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

**Signed:**

Chief Executive

\_\_\_\_\_

Date: 30 May 2019

### **Annex 3 Statement of Directors' Responsibilities in Respect of the Accounts**

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

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

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

#### **By Order of the Board**

##### **Signed:**

Chair \_\_\_\_\_ Date: 30 May 2019

Chief Executive \_\_\_\_\_ Date: 30 May 2019

Director of Finance \_\_\_\_\_ Date: 30 May 2019



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Wales

# Annual Governance Statement 2018/19

## **Purpose and Summary of Document:**

Public Health Wales is required to provide an Annual Governance Statement as part of the Accountability Report, which is part of the Annual Report and Accounts 2017/18. The information provided in this Statement has been compiled using assurance information and documentation collated throughout the year financial year. The Welsh Government issued guidance in the Manual for Accounts. The Financial Reporting Manual (FReM), issued by Her Majesty's Treasury, has also been used to help shape the final Statement.

The draft was approved for submission by the Audit and Corporate Governance Committee (subject to agreed changes) at its meeting on 1 May 2019.

This final version was presented to the Committee for recommendation to the Board for approval on 30 May 2019. The Board approved this Statement for submission to Welsh Government at a Board meeting on 31 May 2019.

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## **1.Scope of Responsibility**

As the national Public Health Institute in Wales, our vision is *Working to achieve a healthier future for Wales*. This annual governance statement reflects the first full year of implementation of our new Long Term Strategy that was approved in 2017/2018.

The Board is accountable for setting the strategic direction, ensuring that effective governance and risk management arrangements are in place and holding the Executives to account in the effective delivery of the strategic plan for the organisation. As Chief Executive of Public Health Wales, I have responsibility for ensuring that we have effective and robust governance arrangements in place as well as a sound system of internal control that supports the achievement of the organisation's purpose and strategic priorities, whilst safeguarding the public funds and the organisation's assets. These are carried out in accordance with my Accountable Officer responsibilities allocated by the Director General for Health and Social Services in the Welsh Government.

I have personal overall responsibility for the management and staffing of the organisation. I am required to assure myself, and therefore the Board, that the organisation's executive management arrangements are fit for purpose and enable effective leadership. The following statement demonstrates the mechanisms and methods used to enable me to gain that assurance.

## **2.Governance Framework**

We have continued to evolve and mature our governance arrangements across the organisation.

The Board functions as a corporate decision-making body, with Executive Directors and Non-Executive Directors being full and equal members and sharing corporate responsibility for all the decisions of the Board.

In particular, the Board has responsibility for setting the strategic direction, governance framework, organisational culture and development, developing strong relationships with key stakeholders and partners, and the successful delivery of Public Health Wales' aims and objectives. In addition, Executive Directors have board-level responsibility for effectively discharging our functions. The Board is supported by the Board Secretary and Head of the Board Business Unit.

A review of the organisational structure took place as part of the implementation of the new Long Term Strategy. This has resulted in the establishment of the World Health Organization Collaborating Centre, the new Knowledge Directorate and the move to a more integrated governance model incorporating clinical, corporate and information governance led and enabled through the Quality, Nursing and Allied Health Professions Directorate to commence in 2019/2020.

The organisational committee structure was also revised in 2018/19 to reflect the new Long Term Strategy 2018-2030. The review ensured that the Standing Orders were appropriately reflected. It also strengthened the alignment of the respective scrutiny responsibilities of each committee to the strategic priorities, strategic objectives and strategic risks within the Board Assurance Framework.

Since its introduction in 2016, the development of an integrated Risk Management Framework and Board Assurance Framework (BAF) also brings advantages for the Board and its committees, including the management and oversight of strategic risks. A full review of the Board Assurance Framework was undertaken following the approval of the Integrated Medium Term Plan 2018/19 – 2020/21 and the agreement of the strategic priorities. The review was developed in consultation with the Board through Board Development Sessions. The Executive Team considered the revised BAF at Executive Team meetings. The Executive Leads for each priority also provided input to the BAF.

We have adopted the model Standing Orders and Reservation and Delegation of Powers for the regulation of proceedings and business.<sup>1</sup> They are designed to translate the statutory requirements set out in the *Public Health Wales NHS Trust (Membership and Procedures) Regulations 2009* (as amended) into day-to-day operating practice. Together with the adoption of a scheme of decisions reserved for the Board, a scheme of delegations to officers and others, and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the organisation. These documents, together with the range of corporate policies set by the Board, contribute to the Governance Framework.

## **2.1 Improvements to the Governance Framework**

During the year, work has been ongoing to further strengthen the governance framework for the organisation and test its robustness. This included the following main areas:

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<sup>1</sup> Public Health Wales has fully adopted the model Standing Orders, with one amendment to Section 6.4.3: changing the circulation of agenda and supporting papers to Board/Committee members from 10 to 7 calendar days before a meeting.

### **2.1.1 Review of the Standing Orders and Scheme of Delegation**

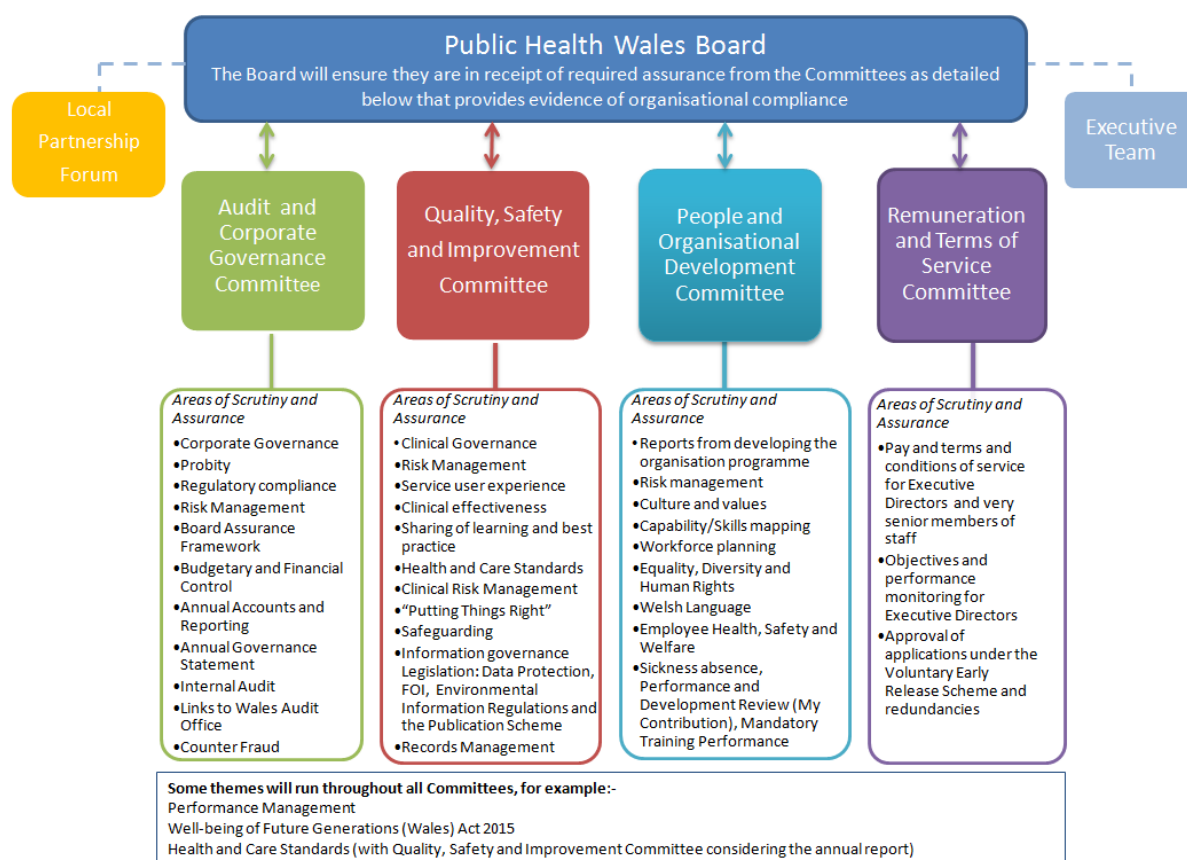
Following the full review of the Reservation of Powers and Scheme of Delegation in 2017/18 some further areas were identified for improvement. Amendments were made during 2018/19 and approved by the Audit and Corporate Governance Committee in January 2019, in line with the delegated authority granted by the Board. The decision was subsequently reported to the Board in the Committee Chair's report in March 2019. The review in 2017/18 resulted in an interactive, more accessible scheme being made available to staff. This has been in use throughout the year and positive feedback has been received. The Scheme will continue to be monitored and reviewed on an annual basis to ensure it remains accurate and reflects changing delegations as the organisation moves forward.

### **2.1.2 Review of the Board Committee structure**

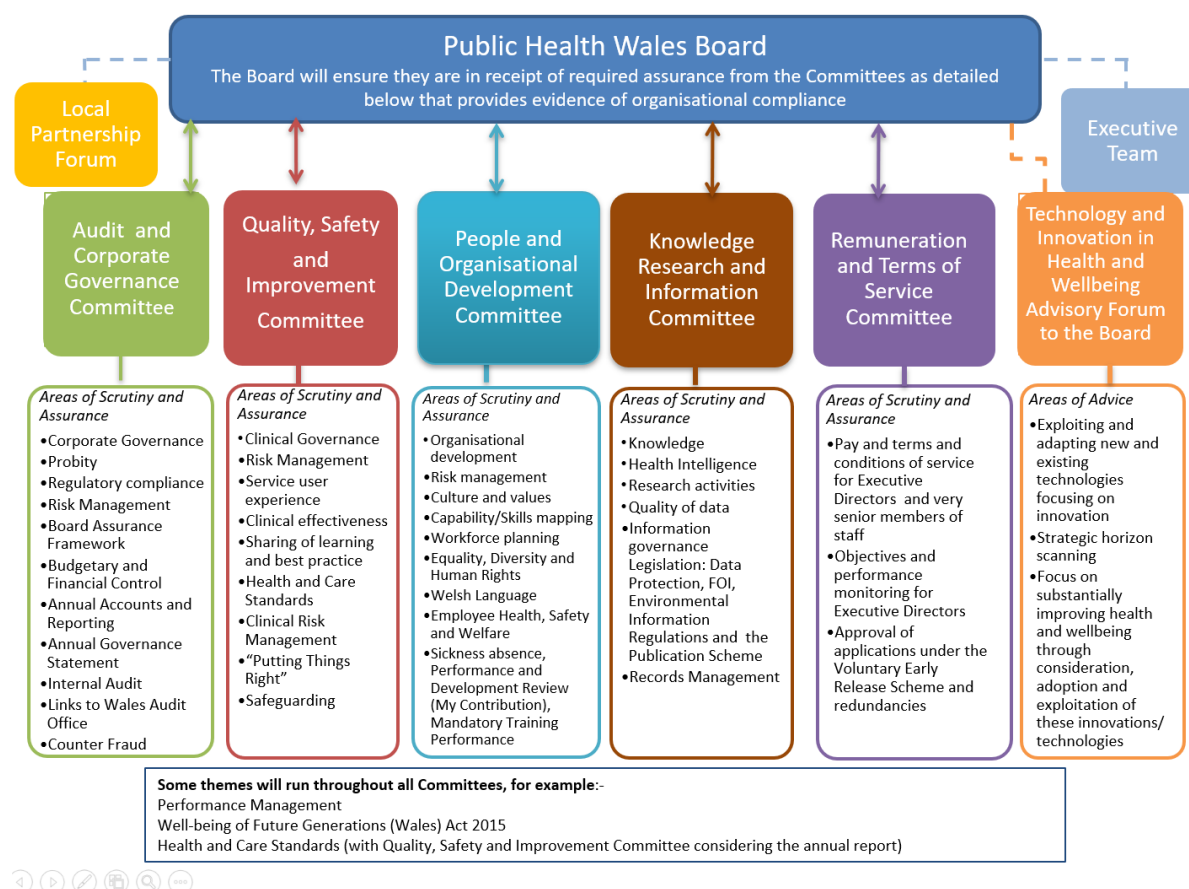
The Board Committee structure was reviewed and revised in 2018/19 to reflect the new Strategy 2018-2030. In light of the new Long Term Strategy, 2018-2030, the Board considered how it could best assure itself of the effective delivery of the strategy and its associated new strategic priorities. It also considered whether there were any gaps in the Board mechanism that could enable it to be more fit for purpose in its strategic decision-making in relation to embracing innovation and new technologies. As a result it identified the need to establish a new Board Committee to focus on *Knowledge, Research and Information* and an Advisory Forum to the Board focused on *Technology and Innovation in Health and Well-being*. The Board agreed that the requirement for the organisation to have an information governance committee would be discharged by the new Knowledge, Research and Information Committee instead of the Quality, Safety and Improvement Committee. The new Committee was operational from 1 April 2019 and the Advisory Forum will come into effect during 2019/20.

Figure 1.1 displays the Board and Committee structure that was in operation during 2018/19 and details the relationship between the Board and its committees, together with the Executive Team. Figure 1.2 displays the revised Board and Committee structure approved by the Board in July 2018 and operational from 1 April 2019.

**Figure 1.1 Board and Committee Structure in operation during 2018/19**



**Figure 1.2 Board and Committee structure approved by Board in July 2018 and operational from 1 April 2019**

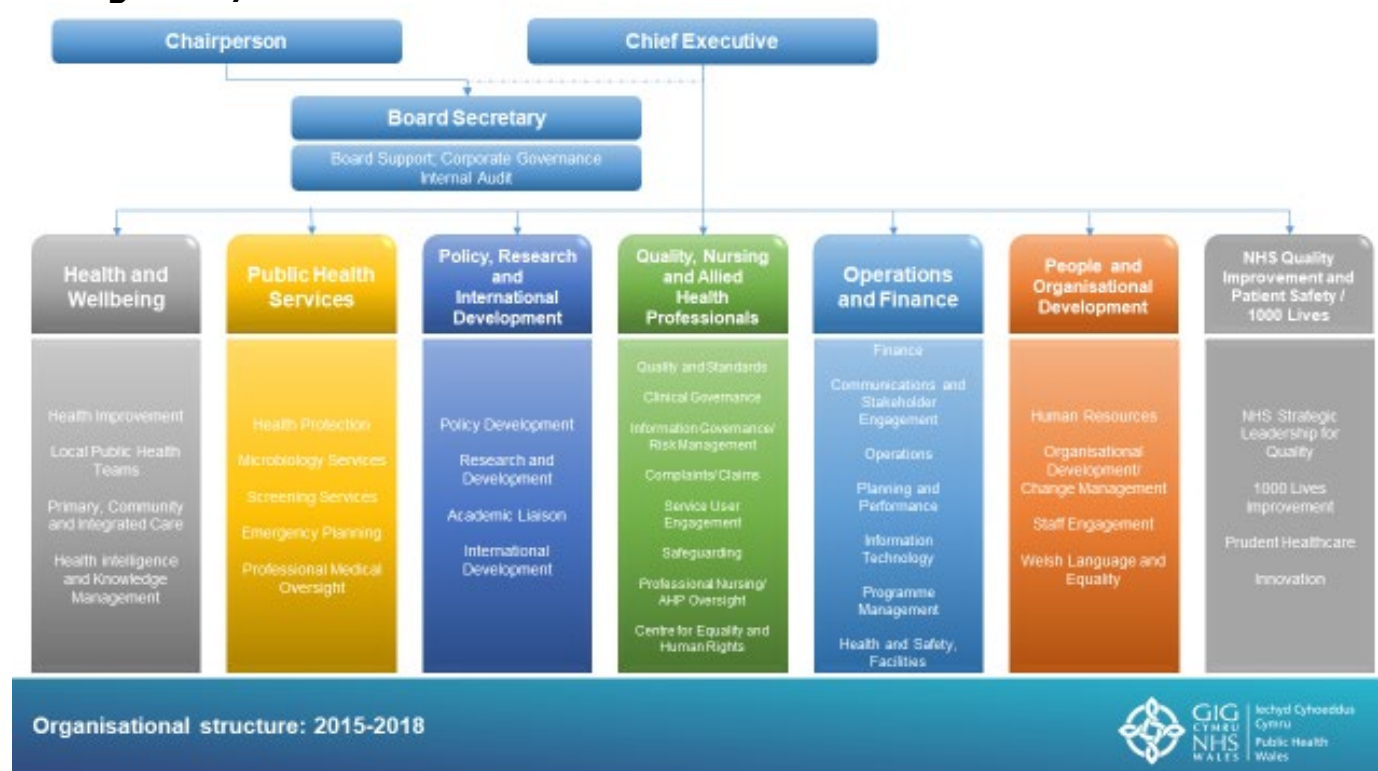


Furthermore, during the year a number of improvements have been made to further strengthen the corporate infrastructure, while providing a stronger focus on quality, risk management and governance (see corresponding sections later in this report).

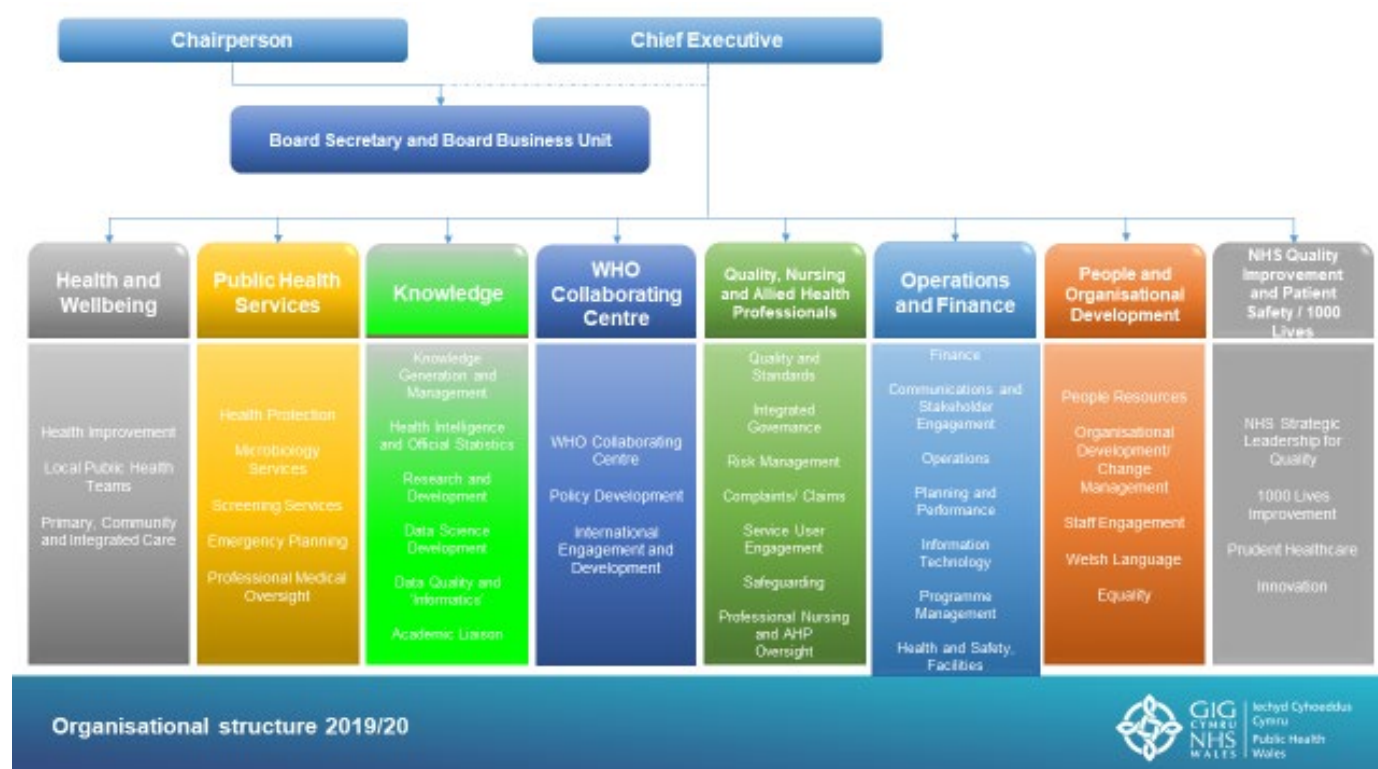
### 2.1.3 Executive Team and Directorate Structure

The Executive Team, which is made up of the Chief Executive and Directors (some of whom are Executive Directors) is responsible for the leadership and operational management of the organisation. Figure 2.1 shows the Executive Team and Directorate Structure in operation during 2018/19 and figure 2.2 shows the structure in operation from 1 April 2019 following the organisational changes.

**Figure 2.1: Executive Team and Directorate Structure in operation during 2018/19**



**Figure 2.2: Executive Team and Directorate Structure in operation from 1 April 2019**



Financial performance, quality and risk management, workforce information and delivery against the organisation's strategic and operational plans are scrutinised at meetings of the Board, Board Committees, Executive Team meetings and at various operational team meetings across the organisation. During the year, the Board has concluded that, while the information they received was acceptable, there is the potential for some improvement in particular the Board suggested the integrated performance report would benefit from more evaluation, impact and measurement. This will be developed further during Board development sessions in 2019/20.

The Board has considered its effectiveness and ongoing development throughout 2018/19. During the year, the Board undertook a number of development sessions which covered topics such as risk management and appetite, collaborative governance and the development of a decision-making framework. The Board was also central to the development of the new Long Term Strategy and the organisation's associated strategic risks during the year.

The Board has sought to increase its visibility and promote even greater transparency during the year, with all public meetings being live streamed via social media and a question and answer session where members of the public can submit questions for the Board to answer. We will continue to develop and promote this during 2019/20.

## **2.2 Key issues considered by the Board**

During the year, the Board has considered a number of key issues and taken action where appropriate. These are elaborated on below.

### **2.2.1 Decision making framework**

The Board approved a decision making framework in May 2018. The framework provides guidance to those developing decision making proposals and to identify the wide range of evidence that should be considered when receiving a decision for approval. The framework was developed in collaboration between the Executive Team and Board through Board development sessions.

### **2.2.2 International Association of National Public Health Institutes (IANPHI) Peer review**

The Board received a report and recommendations from the peer review of Public Health Wales undertaken by the IANPHI. The review allowed Public Health Wales to showcase Wales as a nation and aspects of the work of

Public Health Wales. The report identified five key themes to underpin a formal action plan: these were the:

- clarification of Public Health Wales' system leadership; role
- exploitation of technology;
- sustainability of cross-sectoral partnership;
- strategic and comprehensive approach to research;
- alignment of resources to focused areas.

Public Health Wales clearly emerged from the review as the Public Health Institute for Wales with significant opportunities to position the organisation as a key source of expert advice and support across the public policy spectrum. The Board received regular updates on the progress being made against the areas identified for action.

The Chief Executive chaired the panel for the peer review of Santé Publique France (Public Health France), working with fellow Chief Executives (and other senior Directors) from National Public Health Institutes in Quebec, England, Poland, United States Centre for Disease Control and Prevention and Italy. The peer review provided an excellent opportunity for Public Health Wales to learn from the strong work of Santé Publique France and consider how we can apply learning to our work.

### **2.2.3 Position Statement on speed limits**

The Board adopted the position that Public Health Wales believes that lowering the default speed limit to 20 mph could have substantial public health benefits.

### **2.2.4 Impact of leaving the European Union**

The Board regularly received assurance on the work being completed as part of the organisation's preparedness for the UK's withdrawal from the European Union. The programme was delivered through four work streams including business continuity, wider public health impacts, health security and Public Health Wales' people and resources.

In preparing for the UK to exit the European Union, Public Health Wales has worked closely with colleagues from Welsh Government, NHS, local resilience fora, Five Nations colleagues, and other international partners to ensure cross-border arrangements are in place.

### **2.2.5 Strategic Planning**

The Board has played a central and active role in developing Public Health Wales' Long Term Strategy, with responsibility for setting the strategic

direction. Detailed Board discussions to support development have taken place as part of our strategic 'look back and forward' process, which we undertake annually. This examined the strategic and operational factors that may impact upon our priorities, along with reviewing progress and performance. See section on Long Term Strategy for further details.

Our strategic plan (Integrated Medium Term Plan) (IMTP) details the action we will take over the second year of the three year Long-Term Strategy. This was approved by the Board in January 2019. Alongside the Board-approved IMTP a one year operational plan was approved in March 2019.

## **2.2.6 Collaborative Governance**

The Board continued to support and promote partnership collaborative working during the year, receiving regular progress updates from the Chief Executive with regard to the Cymru Well Wales Partnership. Cymru Well Wales is a membership forum with all members being equal.

An approach to joint working with Sport Wales and Natural Resources Wales to deliver increased levels of physical activity was approved by the Board in May 2018. This was further formalised through the approval of a Memorandum of Understanding between Public Health Wales and Natural Resources Wales in March 2019.

## **2.2.7 Public Health (Wales) Act 2017**

The Public Health (Wales) Act 2017 became law on 3 July 2017.

The Board received assurance on Public Health Wales' response to the Act. Discussions and work with Welsh Government in support of the Act have continued to include the:

- role of Public Health Wales (and more specifically the Wales Health Impact Assessment Support Unit (WHIASU)) in supporting the development of the statutory Health Impact Assessment (HIA) regulations.
- specialist public health support required for an Obesity Prevention and Reduction Strategy.
- Supporting work on stakeholder engagement with practitioners carrying out special procedures; expert advice on blood borne viruses; reviewing current industry guidance; and sharing learning.
- Supporting Welsh Government in introducing pharmaceutical needs assessments.
- Supporting the implementation of provision to restate and extend restrictions on tobacco control.

## **2.2.8 Working nationally and internationally**

As the Public Health Institute for Wales, engagement with, and learning from international partners has continued to be strengthened allowing Public Health Wales to gain a leading role in the global health and sustainable development agenda. Examples of which include

- The World Health Organization (WHO) Collaborating Centre on Investment for Health and Well-being has marked a major step in an ongoing long-term partnership with the WHO
- The Executive Team continued to hold twice yearly Executive-to-Executive meetings with Public Health England, forging close working relationships between the two organisations.
- Hosted the European Programme for Intervention Epidemiology Training Vaccinology Module (EPITET) which is a network of highly trained field epidemiologists in the European Union. The network aims to strengthen the response to infectious diseases in countries and across borders.
- The Chief Executive attended the InterAction Council sub-group on Collaborative Action, a group of former Heads of Government from around the world who consider global issues and make recommendations for action. This represents a continued close relationship in participating in global collaboration and showcasing innovation happening in Wales and Public Health Wales.

## **2.3 Board and Executive Team Membership**

The Board has been constituted to comply with the *Public Health Wales National Health Service Trust (Membership and Procedure) Regulations 2009 (as amended)*. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors (see Annex 1). As previously indicated the Board is made up of Non-Executive and Executive Directors.

In addition to the executive directors appointed in accordance with the *Regulations*, individuals have also been appointed to other director positions. They, together, with executive directors, are members of the Executive Team. They have a standing invitation to Board meetings where they can contribute to discussions but do not have voting rights.

### **2.3.1 Departure and appointment of Non-Executive Directors**

Terence Rose CBE, Non-Executive Director completed his final term of office on 31 October 2018. A recruitment process was undertaken during the summer of 2018 to fill the position left vacant by Professor Simon Smail in October 2017 and the fill Terence Rose's vacancy. Having reviewed the skills mix of the Board it was agreed that these positions should be role specific and gaps were identified in life sciences and finance.

Unfortunately, after two unsuccessful rounds of recruitment, the positions remain vacant. An interim solution was put in place whereby Dyfed Edwards, appointed to a job share local authority role with Alison Ward, agreed to take up the full time independent position on an interim basis from 1 July 2018. Professor Stephen Palmer has also been appointed on an interim basis from 1 November 2018. These interim arrangements will remain in place until such time as a successful appointment can be made to the two vacant positions. With Dyfed having taken on the full time role, there is currently a job-share vacancy for the local authority role.

### **2.3.2 Succession Planning for 2018-19**

Kate Eden (Vice Chair) was reappointed for a further 3 years on 31 December 2018 taking her term of office until 31 March 2022.

### **2.3.3 Senior Staff Appointments and Departures**

The current Executive Team structure has been in place since 1 April 2015. There have been the following changes in post holders during the year:

#### **Executive Director of Quality, Nursing and Allied Health Professionals**

Síân Bolton was Acting Director of Quality, Nursing and Allied Health Professionals during 2018/19 covering the secondment of Rhiannon Beaumont-Wood to Powys Teaching Health Board and latterly the World Health Organization during the year. Rhiannon returned to her substantive post on 4 February 2019.

#### **Executive Director of Health and Well-being**

Dr Chrissie Pickin retired from her role as Executive Director of Health and Well-being on 24 February 2019. Jyoti Atri was appointed interim Executive Director of Health and Well-being from 25 February 2019 for a 6 month period pending recruitment of a new permanent Executive Director for this position. However, due to Chrissie's planned leave at the beginning of the year, Jyoti took up the position from 1 January 2019.e

#### **Director of NHS Quality Improvement and Patient Safety / Director of the 1000 Lives Improvement Service**

Dr Aidan Fowler left his role as Director of NHS Quality Improvement and Patient Safety / Director of the 1000 Lives Improvement Service on 15 July 2018. Dr John Boulton took up the position in an interim basis on a 12 month secondment from 1 August 2018.

## **Board Secretary and Head of Corporate Governance**

Melanie Westlake left her role as Board Secretary and Head of Corporate Governance on 11 July 2019. Cathie Steele took up the position as Acting Board Secretary and Head of Corporate Governance from 12 July 2018 to 31 January 2019. Eleanor Higgins was Acting Board Secretary and Head of Corporate Governance from 1 February 2019 to 10 March 2019. A recruitment exercise was completed during 2018/19 to appoint to the position of Board Secretary and Head of the Board Business Unit (a revised job title). Helen Bushell took up this position on 11 March 2019 on a permanent basis.

### **2.3.4 Organisational redesign**

When the Board approved the Long Term Strategy it set out seven strategic priorities that focus our work more sharply to deliver our vision of *Working to achieve a healthier future for Wales*. In addition, Public Health Wales received the designation as a World Health Organization (WHO) Collaborating Centre on investment for health and well-being. To ensure the organisation is aligned to deliver the strategy, the following changes were agreed by the Board and will come into effect on the 1 April 2019:

- WHO Collaborating Centre on Investment for Health and Well-being has been established as a specific entity within the organisation, with the Policy and international Health Team forming the Collaborating Centre.
- A new Knowledge Directorate has been formed and will comprise all of the health intelligence, research and evaluation functions across the organisation. Siân Bolton has been appointed as the Transition Director to establish and lead the Directorate prior to a permanent Director of Knowledge being appointed.
- A new integrated governance model will be developed and set up within the Quality, Nursing and Allied Health Professionals Directorate. A new position of Assistant Director of Governance will be established with an additional Governance Support Officer established within the Division. Broader corporate governance functions from the Board Secretary will also transfer into the Directorate
- The role of Board Secretary and Head of Corporate Governance was changed to become the Board Secretary and Head of Board Business Unit with a Board Business Unit to support them.

### **2.3.5 Staff Representation at Board and Committee Meetings**

Stephanie Wilkins, lead UNITE Representative and Secretary of Public Health Wales Staffside; Claire Lewis, Steward, Royal College of Nursing;

and Roger Richards, Vice Chair, Staff Side Committee have attended and contributed to Board and committee meetings as a non-voting member throughout 2018/19. This has been in their capacity as representatives from the Local Partnership Forum. Dr Michael Thomas, BMA representative will begin attending Board meetings during 2019/20.

We have continued to engage with Unions and representatives on the Staff Partnership Forum to encourage greater staff representation on board and committee meetings.

### **2.3.6 Board Diversity**

At March 2019, 70 per cent of Board members are female (with two vacancies), with 20 per cent from Black and Ethnic Minority backgrounds.

One Board member is a fluent Welsh speaker and another is an advanced learner. The Board has undertaken Welsh language awareness sessions and has been offered support as Welsh learners.

## **2.4 Board Committees**

During 2018/19 four standing Board Committees were in operation, chaired by non-executive directors, that have key roles in relation to the system of governance and assurance, decision-making, scrutiny, development discussions, an assessment of current risks and performance monitoring. The Knowledge, Research and Information Committee was established by the Board during 2018/19, but did not meet until the first quarter of 2019/20. With the exception of the Remuneration and Terms of Service Committee, papers and minutes for each meeting were published on the Public Health Wales [website](#). Private sessions of committees are held as required to receive and discuss sensitive or protected information. Chairs of the committees provide reports to the Board meeting following each committee meeting. Minutes of committee meetings were also presented once approved by the relevant committee. Each committee also produces an annual report, which provides a summary of business undertaken during the year. The committee annual reports provide the Board with assurance that they are working effectively and contribute to the overall assessment of board effectiveness. They also provide an additional opportunity to raise to the Boards attention any areas that require attention.

During the year the Committee chairs began reporting to the Board through a composite Chair's report, providing an overview of items considered by the Committee and highlighting any cross-committee issues / themes or items needing to be brought to the Board's attention.

The Chairs of each of the Committees, along with the Executive Leads have completed a series of development sessions. This has provided an

opportunity to reflect on how the Committees work in practice and how we can continually develop their effectiveness. A key aspects of discussion has been the balance of committee agendas and the role in providing assurance to the Board, both of which create time for the Board to spend greater time on strategic work areas and other significant matters.

There is common membership between the committees to ensure integration with each other in relevant areas. As previously noted, the review and subsequent revision of the committee structure in 2018/19 resulted in the introduction of new terms of reference.

Public Health Wales has not established a Charitable Funds Committee as it does not have its own charity. It does have access to a fund administered by Velindre NHS Trust and the Executive Director of Finance has delegated authority to manage this fund.





The following paragraphs provide highlights of reports received by committees throughout the year. These highlights provide evidence of the governance framework working in practice.

#### 2.4.1 Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee met five times during 2018/19 and was quorate on all five occasions. The Committee provides advice and assurance to the Board on the systems of internal control, governance and efficient and effective use of resources by overseeing and monitoring a programme of internal and external audit.

During the year, the Committee received and discussed a number of reports produced by Internal Audit. These are listed in Figure 3 below, together with the assurance rating provided:

**Figure 3: Internal Audit Reports Assurance ratings 2018/19**

Report	Level of assurance provided			
	No assurance 	Limited assurance 	Reasonable assurance 	Substantial assurance 
Annual Quality Statement				✓
Environmental Sustainability reporting				✓
Cyber Security (Follow up)			✓	

General Data Protection Regulation (GDPR)			✓	
Raising Concerns (Follow Up)			✓	
Welsh Risk Pool claims				✓
Clinical Networks Governance (Follow Up)			✓	
Clinical Governance			✓	
Directorate Review			✓	
Risk Management			✓	
Absence Management			✓	
Long Term Strategy- Stakeholder Engagement				✓
Core financial systems			✓	
Health and Care Standards				✓

In 2017/18 three limited assurance reports were received for Raising Concerns (Whistleblowing), Cyber Security and Clinical Networks Governance. The Committee tracked the progress against the agreed management action plans during 2018/19. Follow up internal audits of the respective areas during 2018/19 subsequently resulted in reasonable assurance ratings. The Committee will continue to monitor outstanding actions relating to these audits during 2019/20.

Wales Audit Office (WAO) provided the Committee with regular progress reports on external audits and monitored progress against recommendations.

The Committee continued to monitor progress against recommendations to the WAO report for the NHS Consultant Contract follow up, and WAO review of Collaborative Arrangements for Managing Local Public Health Resources received in 2017/18. Whilst the management actions were closed in September 2018/19, oversight of organisational wide staff related issues

were remitted to the People and Organisational Development Committee for continued review.

In February 2019, the Committee undertook the self-assessment for 2018/19. An online questionnaire, based on guidance in the *NHS Wales Audit Committee Handbook*, was developed and circulated to committee members and attendees. Respondents included representative responses from Wales Audit Office and NHS (Internal) Audit and Assurance Services. The Committee will consider the results and report at an informal workshop in Quarter 1, 2019/20. If required, an action plan will be developed.

NHS Wales Shared Services Partnership carried out a number of functions on behalf of Public Health Wales. The Audit and Corporate Governance Committee received reports from the internal audit function, which provide it with assurance that these functions are efficient and cost effective. Public Health Wales also has representation on the NHS Wales Shared Services Partnership Committee where any issues, which have been identified, are shared and fed back to the Committee.

The Committee received the Counter Fraud Authority Qualitative Assessment 2017/18 report, and considered the results of the organisations fraud awareness survey results 2018. The Committee received assurance that gaps in staff awareness would be raised via the organisation's induction and refresher process. The Committee approved the Counter Fraud and Corruption policy and procedure.

The Committee also approved the Recovery of Salary Overpayment and Underpayments policy and procedure; the Disposal of Obsolete and surplus equipment and consumables procedure; and the adoption of the All Wales policy on Insurance, NHS Indemnity and related risk management for potential losses and special payments policy.

The Committee received the Board Assurance Framework (BAF) at each meeting and has oversight of those elements of the BAF which apply to the risks falling under the remit of the Committee. It also received the BAF and Corporate Risk Register in its entirety in order to seek assurances that the risks are being effectively managed and that the controls which are in place are adequate and fit for purpose. The Committee discharged its role to challenge the executive on the management of the risks, in particular to test the efficacy of the controls and to make recommendations to strengthen the control environment where necessary.

The Committee received briefing on the impact of leaving the European Union on the organisation, and the preparedness work to mitigate potential business continuity / and or emergency planning incidents that may occur. The Committee reviewed the priority areas of work, and received assurance that individual risks would be managed via the organisation's risk register.

## **2.4.2 Quality, Safety and Improvement Committee**

The Quality, Safety and Improvement Committee met four times during 2018/19 and was quorate on all four occasions.

The Quality, Safety and Improvement Committee assists the Board in discharging its functions in meeting its responsibilities with regard to quality and safety. The Committee is responsible for seeking assurances on all aspects of quality of services and clinical care, governance systems including risk for clinical, corporate and regulatory standards for quality and safety.

At the beginning of each meeting, the Committee received a story from the perspective of service users or a member of staff. The stories included lessons learnt and action taken in response to the key messages from the story. This ensured the Committee brings scrutiny and emphasis on placing service users at the centre of improving, developing and planning services.

In July 2019 the Committee approved the Quality and Clinical Audit Plan 2018/19. Individual audits would be subject to 'deep dives' as required. This plan was also received by the Audit and Corporate Governance Committee for information. An update to the plan was received in January 2019 whereby it was noted that an Internal Audit of Clinical Governance had received reasonable assurance.

The Committee undertook further scrutiny of the following areas during 2018/19:

- An overview of the 1000 Lives Improvement Programme. This included details of the lifecycle of the programmes, how quality and impact were being reported and measured.
- A deep dive and progress update on the Quality and Impact Framework Implementation Plan.
- A deep dive on Diabetic Eye Screening Wales and Breast Test Wales services, which focused on their key achievements, challenges and future progression.
- The Microbiology stabilisation plan, risk assessment and future operational model reports.
- A report outlining the establishment and governance arrangements of the World Health Organization Collaborating Centre on Investment for Health and Well-being.
- An appraisal summary of how evaluation is carried out across the organisation
- A progress update on the implementation of the ICNet infection control system across NHS health boards in Wales.

- the framework for assuring service user experience, noting that following revision to core questions outlined in a Welsh Health Circular, a new iteration of the report would commence in April 2019.
- Background and purpose of the Official Statistics formal sub group. The Committee approved the Terms of Reference for the group and noted that governance arrangements would transfer to the Knowledge, Research and Information Committee.

The Committee also received the following standing items on a quarterly basis:

- Putting Things Right Report - an analysis of incidents, complaints, claims and compliments to identify trends, themes and lessons learnt. An update on claims was received in private sessions of the Committee due to the sensitivity of the information.
- Information Governance Consolidated Performance Report – a consolidated view of the performance of the Information Governance (IG) Management System. The report also summarised the organisation wide high and extreme Information Governance risks. This report enabled the Committee to strengthen its scrutiny of information governance issues. A revised report was received in January 2019 to reflect the breadth and depth of information governance issues across the organisation. It was agreed that future reports would be remitted to the Knowledge, Research and Information Committee.

The Committee received annual reports covering the following areas: Corporate Safeguarding; Research and Development; Putting Things Right, Infection, Prevention and Control. The Committee also received the Healthcare Inspectorate Wales annual report, referring to the specific section for Public Health Wales.

All serious incidents reported within Public Health Wales were reviewed by the Committee. For each serious incident the Committee queried what lessons had been learnt and reviewed the action plan which detailed the improvements made as a consequence. Details of serious incidents are provided later in this report.

The Committee approved the following policies: Putting Things Right policy and procedure, Safeguarding policy and procedures, Alerts, Safety Notices and NICE guidelines policy and procedure, the Medical Devices and Equipment Management and adopted the All Wales IT policies.

The Committee received the relevant extract of Board Assurance Framework (BAF) at each meeting in addition to the relevant extract of the Corporate Risk Register, which included Information Governance risks. The Committee recognised the importance of the BAF and agreed that it would

be reviewed at the start of each meeting in order that members could highlight any areas that require additional information in order to gain appropriate assurance.

### **2.4.3 People and Organisational Development Committee**

The People and Organisational Development Committee met four times during 2018/19 and was quorate on all four occasions.

At the beginning of each meeting the Committee received a story from the perspective of a member of staff. The stories included lessons learnt and action taken in response to the key messages from the story. This ensured that the Committee was engaged fully with staff and brings scrutiny and emphasis on placing staff at the centre of improving, developing and planning the workforce.

Some of the key items received by the Committee in 2018/19 included:

- Progress updates on staff engagement and an action plan of priority areas in response to the 2016 and 2018 Staff Survey.
- Progress updates on Public Health Wales approach to external engagement, including approval of the 'Our Approach to Engagement: Supporting Guidance'.
- Deep dives into sickness absence management and turnover rates. The Committee also received an update on strategic workforce planning and the development of a workforce planning tool kit to help managers achieve the plans that deliver against the directorate annual plan and long term strategic aims.
- Support for higher-level learning and the Quality and Career Framework for health care support workers. The Committee received assurance on the variety of training options for new and existing staff and that learning and development of staff was a priority.
- The awarding of the silver Health, Well-being and Corporate Health Standard and progress against the actions developed to achieve the Gold Corporate Health Standard.
- Update on the Time to Move initiative
- Update on the Microbiology stabilisation plan, which focused on the recruitment of hard to fill roles.

During 2017/18, it was determined that the Committee would receive broad People and Organisational Development updates from each directorate. The Quality, Nursing and Allied Health Professional directorate updated the Committee on the shared learning from the away day, which focused on the results of the staff survey. The 1000 Lives Directorate announced their focus on team building and staff development in response to the staff survey.

At the request of the Audit and Corporate Governance Committee in September 2018, the Committee resolved to adopt future oversight of people related activity from the Wales Audit Office review into Collaborative Arrangements for Managing Local Public Health Resources. The Committee has also agreed to consider the workforce related issues identified in both the Wales Audit Office review into Consultant Contracts, and the Internal Audit Directorate review respectively.

The Committee also received the following standing items on a quarterly basis:

- Health and Safety Update Report – the Committee regularly received an update from the Health and Safety Group and received assurance on progress against the Health and Safety NHS Executive Action Plan. This report is supplemented by the Health and Safety Risk Register. The Committee received the Health and Safety annual report 2017/18.
- Welsh Language Standards (Healthcare) update – this update focused on implementation progress against the standards (see Welsh Language section later in this report).

The Committee has also discharged its responsibilities with regard to equality, diversity and inclusion. The Committee reviewed progress against the Implementation Plan for the Public Health Wales Strategic Equality Plan (approved by Committee, July 2017) and approved the Strategic Equality annual report 2017/18. The Committee also considered improvements to Public Health Wales Stonewall Equality Index. A detailed deep dive on equality, diversity and inclusion at every meeting, spanning the breadth of diversity and gender balance, and outlined the engagement, coaching and mentoring taking place within the organisation. This included:

- Staff experience stories were received from an LGTB member on diversity and inclusivity in employment and the Committee also received a presentation from the Chairs of the diversity networks for: women; LGTB+, Carers and single parents.
- A presentation from Dr Justin Varney, Consultant in Public Health, Public Health England who reflected on his experience of inclusion and diversity within the NHS, and recommended areas of focus for the organisation

Further information on equality is provided later in this report.

The Committee approved or adopted the following policies and procedures during 2018/19: Recruitment; My Contribution; Prevention of Stress and Management of Mental Well-being; Capability, Maternity, Adoption, Parental Support and Shared Parental Leave and IVF; Support for Learning and Development; Radiation, Registration and Validation of Healthcare Professionals and Managing attendance at work.

Following the approval of the Disciplinary Policy in 2017/18, the Committee received an update on disciplinary cases and the lessons learnt during private sessions of the Committee.

The Committee received annual reports covering: Registration of Public Health Wales Nurses; and Medical Revalidation of Appraisal of Public Health Wales; and Infection, Prevention and Control.

The Committee received the relevant extract of Board Assurance Framework (BAF) at each meeting in addition to the Corporate Risk Register.

#### **2.4.4 Establishment of a new Knowledge, Research and Information Board Committee and Technology and Innovation in Health and Well-being Advisory Forum**

In order to effectively discharge its responsibilities in overseeing the implementation of the new Long Term Strategy, 2018 – 2030 (and associated new strategic priorities), the Board agreed the establishment of a new Knowledge, Research and Information Committee. The new Knowledge Directorate was established from 1 April 2019, therefore, the Board agreed that the new Committee would be operational from 1 April 2019.

##### **Knowledge, Research and Information Board Committee**

This Committee will provide advice and assurance to the Board in relation to the quality and impact of our knowledge, health intelligence and research activities and also the data quality and information governance arrangements in the organisation. This will therefore take over the scrutiny and assurance of the information governance aspects that have previously been received in the Quality, Safety and Improvement Committee.

##### **Technology and Innovation in Health and Well-being Advisory Forum to the Board.**

The Technology and Innovation in Health and Well-being Advisory Forum established with the purpose of focusing on new thinking and new ways of doing things which are focused on exploiting and adopting new and existing technologies with the main focus on innovation. It will do this through a strategic and horizon scanning focus to consider new and existing innovation and technologies, in Wales and worldwide, that have the potential to substantially improve health and well-being through their consideration, adoption and exploitation.

## 2.4.5 Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee met eight times during 2018/19 and was quorate on each occasion.

The matters approved by the Committee were ratified by the full Board. The Remuneration Report provides further information regarding the matters considered by the Committee during 2018/19.

## 2.4.6 Board and Committee meetings held during 2018/19

Figure 4 outlines the dates of Board and Committee meetings held during 2018/19.

All of the Public Health Wales Board and Committee meetings were quorate during this period. Escalation arrangements are in place to ensure that, in the event of a committee not being quorate, any matters of significant concern would be brought to the attention of the Chair of the Board.

**Figure 4: Board and Committee Meetings 2018/19**

<b>Board/ Committee</b>								
Board	30 May	31 May*	26 Jul	27 Sept	29 Nov	31 Jan	28 Mar	
Audit and Corporate Governance	2 May	30 May	06 Sept	23 Jan	14 Mar			
Quality, Safety and Improvement	10 Apr	10 Jul	04 Oct	15 Jan				
People and Organisational Development	24 Apr	23 Jul	24 Oct	10 Jan				
Remuneration and Terms of Service	26 July	06 Aug	28 Aug	18 Sept	25 Oct	29 Nov	24 Jan	28 Mar

\* Extra-ordinary meeting held to approve the Annual Report and Accounts.

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

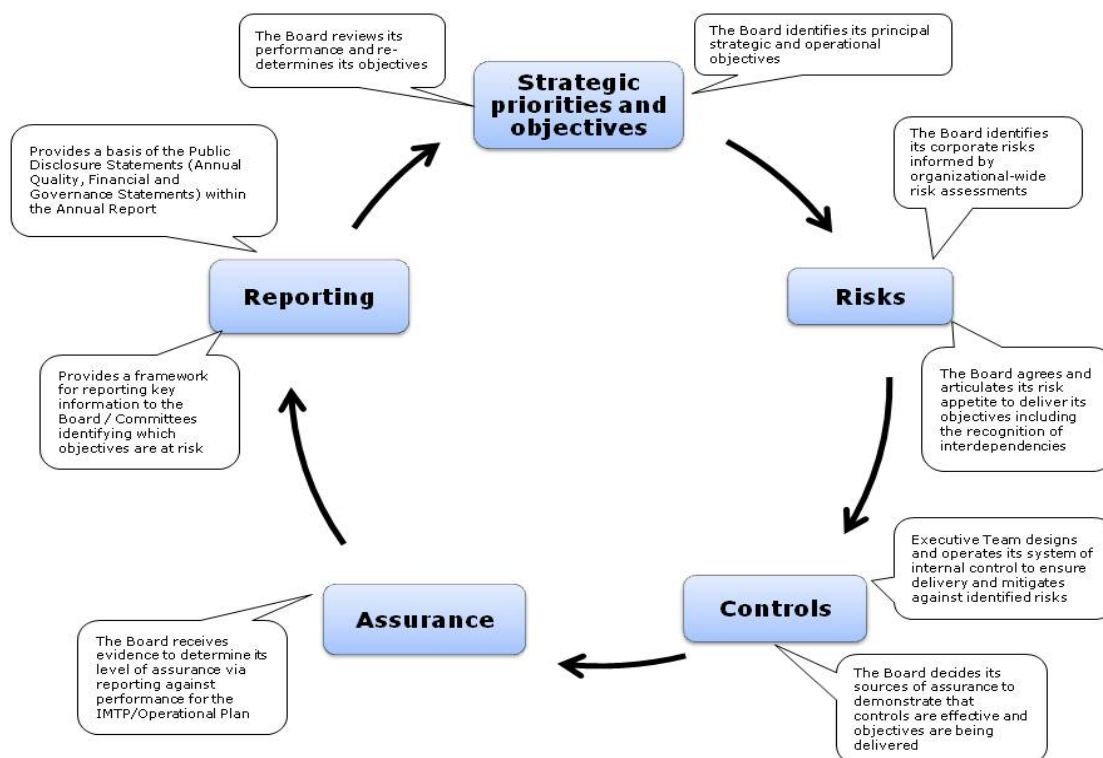
The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risks. It can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ending 31 March 2019 and up to the date of approval of the annual report and accounts.

We use a Board Assurance Framework (BAF) system and process to monitor, seek assurance and ensure shortfalls are addressed through the scrutiny of the Board and its committees.

This is illustrated in Figure 5.

**Figure 5: Board Assurance Framework System**



Key controls are defined as those controls and systems in place to assist in securing the delivery of the Board's strategic objectives. Examples of key controls include:

- Schemes of delegation
- Policies and procedures
- Performance data
- Financial management information
- Quality and Safety processes

The effectiveness of the system of internal control is assessed by our internal and external auditors.

## 4 Capacity to Handle Risk

As part of the planning process and development of the Long Term Strategy, which included full engagement with stakeholders, seven strategic risks were identified. Stakeholders will continue to be engaged in managing these risks through performance review meetings with Welsh Government and Executive to Executive meetings with Public Health Wales and health boards. In March 2017, the Board approved the strategic risks that faced the organisation for 2018/19.

The Board approved the Risk Management Policy in June 2017 and a supporting Risk Management Procedure in March 2018, which includes the requirement for an Annual Statement of Risk Appetite. The Statement for Risk Appetite was included in the [Annual Plan](#) for 2018-19.

Figure 6 outlines the key strategic risks together with the assessed risk scores (once existing risk control measures have been taken into account.)

**Figure 6: Public Health Wales Key Strategic Risks 2018/19**

Strategic Risk	Risk Score *
There is a risk that Public Health Wales will find itself without the workforce it requires to deliver on its strategic priorities.	8
There is a risk that Public Health Wales will fail to effectively respond to new and emerging Government priorities brought about by a dynamic and evolving political agenda	8
There is a risk that Public Health Wales will fail to achieve population health gains through ineffective organisational and system leadership (including poor alignment with the Well-being of Future Generations (Wales) Act 2015)	12
There is a risk that Public Health Wales will fail to fulfil its statutory functions as laid down in the Public Health Wales NHS Trust (Establishment) Order 2009, to the required quality, performance and compliance standards.	10

There is a risk that Public Health Wales will not comply with its statutory and regulatory obligations to such a degree that it fails to achieve its strategic priorities	16
There is a risk that Public Health Wales will fail to influence key partners to the depth required to enable it to provide the required leadership to progress essential cross sector work	8
There is a risk that Public Health Wales will find itself without the financial resources required to deliver on its strategic priorities	5

\* Public Health Wales utilises a 5 x 5 matrix to calculate the risk score. This method is widely used within the NHS. Likelihood and Impact of the risk occurring are assessed on a scale of 1 to 5, and then the two scores are multiplied to arrive at the final risk score (between 1 and 25 with 1 being the lowest). Further information can be found in the Public Health Wales [Risk Management Procedure](#).

The Board received updates on each risk and the respective actions at Board meetings throughout the year in the form of the Board Assurance Framework (BAF). It approved any amendments to the BAF, including the extension of individual action due dates.

There are now in excess of 100 Risk Handlers trained across the organisation whose role is to support directors and other Risk Owners, and training is offered to all senior managers who are expected to take on the responsibilities of risk owners. Guidance documents, nominated Risk Handlers, and a submission form available on the web-based incident reporting and risk management software, Datix, all provided staff with support for reporting risks across the organisation. This makes the identification, reporting and management of risks more streamlined and effective.

At an operational level, Executive/Divisional directors are responsible for regularly reviewing their Directorate/Divisional Risk Registers, and for ensuring that effective controls and action plans are in place and monitoring progress. Directorate Risk Registers receive scrutiny at the Senior Leadership Team meetings every month.

The Executive Team review the Corporate Risk Register at their regular business meeting, and the Board Assurance Framework (BAF) is also reviewed bi-monthly in readiness for consideration at formal Board meetings.

The BAF is published on the Public Health Wales [website](#) with the Board papers for board meetings. The BAF has been presented at all formal board meetings since its adoption in June 2016.

In January 2019 Public Health Wales received a reasonable assurance report from internal audit following an audit of the risk management system.

## **5 Quality Governance Arrangements**

The following arrangements are in place for assessing the quality of Public Health Wales' work.

### **5.1 Quality, Nursing and Allied Health Professionals Directorate**

The Quality, Nursing and Allied Health Professionals (AHP) Directorate, is responsible for the following functions:

- Quality and Standards
- Risk Management and Information Governance
- Putting Things Right (incidents, complaints and claims)
- Service User Engagement
- Infection, Prevention and Control (internal-facing)
- Safeguarding (internal facing)
- National Safeguarding Team (external-facing)
- NHS Wales Centre for Equality and Human Rights
- Professional Oversight for Nursing and Allied Health Professionals (including Biomedical Scientists).

The Executive Director for Quality, Nursing and Allied Health Professionals (AHP) has overall accountability for quality across the organisation and is professionally accountable for nurses and midwives in addition to Allied Health Professionals which includes biomedical scientists. The Executive Director is a member of the Executive Team which is collectively accountable for the operational management of the organisation and the delivery of the corporate objectives.

The Executive Director for Quality, Nursing and Allied Health Professionals has shared responsibility with the Executive Director of Public Health Services/Medical Director for clinical governance across the organisation.

We continue to embed quality improvement approaches in addition to other methods, to support the realisation of our strategic aims and optimise the quality of our services and programme delivery.

In November 2016, the Board approved the Quality and Impact Framework. The Framework sets out the vision to be a quality and impact focused organisation, including the various components that we will use to

demonstrate and measure against. During 2018/19, all Directorates have reported on their specific quality and impact indicators which were monitored by the Board Committees as part of the performance management framework.

There are a number of existing corporate groups that support the work of the Quality, Safety and Improvement Committee which assists the Board in discharging its functions in meeting its responsibilities with regard to quality and safety (see page 24). These include:

- Service User Experience and Learning Panel
- Safeguarding Group
- Information Governance Working Group
- Infection, Prevention and Control Group

The Annual Quality Statement (AQS) is produced for the public and provides information about the work, function and progress of Public Health Wales. It is developed with involvement from service users and existing third sector networks that represent the public. The 2018/19 AQS will be published on the Public Health Wales [website](#) no later than 31 May 2019.

For the second year running we have supported the publication of a young person's AQS which led to the organisation holding a number of young person's residential events. The organisation also extended its support for the Youth Summit by introducing a north Wales event. The North and South Wales Youth Summits were held on the 24 November and 1 December and attracted over 160 young people aged between 11 to 23 years. The geographic representation included the following areas, Cardiff, Vale of Glamorgan, Newport, Merthyr Tydfil, Caerphilly, Neath and Port Talbot, Swansea, Carmarthenshire, Pembrokeshire, Powys, Wrexham, Conway and Flintshire. Further work was undertaken to support seldom heard young people to attend and representation included young people from the following groups, LGBT, young carers, Learning disability, Looked after children and asylum seekers and refugees.

The Youth Summit offered the young people an opportunity to support developments with ACEs (resilience) and Cymru Well Wales. They also, in partnership started development work around the Public Health Wales Young ambassador's program, which is due to be launched in 2019.

We also acknowledge that the quality agenda is interdependent with our corporate governance, information governance and risk management arrangements.

## **5.2 Information Governance**

We have well established arrangements for information governance to ensure that information is managed in line with relevant information governance law, regulations and Information Commissioner's Office guidance. During 2018/19 the Quality, Safety and Improvement Committee provided oversight, advice and assurance to the Board with regard to information governance issues. From 1 April 2019, the Knowledge, Research and Information Committee will take on oversights of information governance issues.

The Caldicott Guardian is the responsible person for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing. The Executive Director of Public Health Services/Medical Director performs this role.

The Senior Information Risk Office (SIRO) is the Executive Director for Quality, Nursing and Allied Health Professional. The role of the SIRO is that of the advocate for information risk on the Board. The SIRO is responsible for setting up an accountability framework within the organisations to achieve a consistent and comprehensive approach to information risk assessment.

The Chief Risk Officer is also the Head of Information Governance and holds the formal position of Data Protection Officer as required by the General Data Protection Regulation 2016 (GDPR). He is responsible for implementing the management system which delivers our Information Governance requirements, and for ensuring compliance with all relevant legislation and regulation.

Due to the all-Wales remit of Public Health Wales, along with the diverse services it provides, it is acknowledged that the Caldicott Guardian requires the support of appropriate delegates to enable the duties of the role, as set out above, to be fulfilled. Caldicott delegates have been identified and are required, along with the Caldicott Guardian and SIRO, to undertake the agreed Caldicott Guardian/SIRO training on an annual basis, as a requirement of the role.

We have made great strides towards compliance with the requirements of the GDPR, which came into effect in the UK in May 2018 along with the new Data Protection Act 2018. In December 2018, Public Health Wales received a substantial assurance report from internal audit following an audit of our Information Governance Management System and our GDPR compliance.

## **6 Health and Care Standards for Health Services in Wales**

The Health and Care Standards set out the requirements for the delivery of health care in Wales at every level and in every setting.

The onus is on Public Health Wales to demonstrate that the standards are being used and are met on a continuous basis. To achieve this directorates and divisions undertaken a self-assessment against each of the standards to determine what areas are doing well and identify areas where improvements may be required. The peer review process enables scrutiny of divisional/directorate self-assessments. Representatives of Internal Audit attended this event to observe the process being followed as part of their audit of the arrangements for Healthcare Standards.

A collective organisational self-assessment report based on returns from the seven Directorates along with their self-assessment reports were presented to the Executive Team. Overall the organisational position for 2018/19 has remained the same as that from the previous year. Although total compliance scores have improved compared to the previous year in Public Health Services, Policy Research and International Development and People and Organisational Development. Internal audit determined the adequacy of the systems and controls in place for the completion of the self-assessments and substantial assurance was obtained.

The improvement actions identified by directorates as part of the self - assessment process are incorporated within the performance monitoring framework which is completed quarterly, and monitored by the Executive Team.

## **7 Health and Safety**

The Health and Safety Group is a sub-group of the People and Organisational Development Committee. The group has reviewed its terms of reference and moved to a single estates and health and safety report, with divisions reporting on exception basis. Therefore enabling the group to concentrate on key issues or challenges and to identify any organisational risks that require escalating to the Corporate Health and Safety Risk Register.

To strengthen the governance of health and safety issues, the following actions were taken:

- The responsibility for oversight of health and safety is undertaken by the People and Organisational Development Committee.

- A single Health and Safety Action Plan is in place and is regularly reviewed by the Health and Safety group and shared with the People and Organisational Development Committee, the Plan had clear links to Health and Care Standards, appropriate prioritisation, timescales and accountabilities, and formal reporting mechanisms between the Directorates and the Group. Progress on the plan is reviewed on a quarterly basis.
- The Health and Safety Risk Register has been continuously monitored to ensure all risks on the register are reviewed and updated.
- An estates compliance register has been established detailing key compliance for; asbestos; gas safety; legionella; fire and fixed wiring (5 yearly certificate).
- An alerts catalogue has been established to capture alerts and notices relating to estates, safety and facilities to allow for monitoring of required action where appropriate.
- Capital funding was secured to improve microbiology laboratory environments, providing better welfare facilities for staff.

Executive oversight is the responsibility of the Deputy Chief Executive/Executive Director of Finance and Operations. At an operational level, the Head of Estates (Facilities) and Health and Safety continues to build a positive health and safety framework and culture.

The Board approved the revised Health and Safety Policy in March 2018. Sub-policies and a suite of detailed procedures and control documents support the policy.

## **8 Long Term Strategy**

In summer 2018 we launched our Long Term Strategy, *Working to achieve a healthier future for Wales*. Significant work was undertaken during 2017-2018, to develop our new long-term strategy that covers the years 2018 to 2030, to allow us to focus on how we can best work with our partners to have the greatest effect on improving health and well-being and reducing health inequalities in Wales.

To achieve the types of transformational improvement in population health and well-being that we need in Wales, we recognised we needed to move away from short-term thinking and have a longer term strategic approach to how we will tackle public health issues effectively.

Our longer term approach will help us:

- Deliver the most we can for the people of Wales
- Meet and exceed the requirements of Well-being of Future Generations (Wales) Act

- Collaborate with our partners in the areas of most need (topic areas)
- Understand the challenges facing us as we advance towards an ageing population with greater and more complex health challenges

We drew on various sources of information to develop the strategy, including more than 1,000 hours of staff and stakeholder feedback and a public survey 'Stay Well in Wales', which produced very useful information. Relevant law, regulations, research and reports also influenced our approach.

During 2018, we have since commenced work to deliver on the seven priorities that emerged from the feedback and the survey. These priorities provide the basis for our Strategic Plan. Each priority is supported by a number of objectives that set out what we will do over the next three years. Each of these objectives is in turn supported by detailed plans, which we monitor through our Annual Plan. To support the development of these plans, we adopted a new approach to planning, involving staff from across the organisation by encouraging them to contribute to our plans. We held a planning session for each priority so that staff could get involved, and this also helped to further shape our objectives.

Following the launch of our long-term strategy, we also put in place new arrangements for managing our priorities. These arrangements are currently being developed and build on our previous planning, and make sure the priorities are promoted from across the relevant parts of the organisation. The new arrangements include responsibility for governing, and delegating our main priorities from our Executive Team to the strategic priority groups, to make sure we stay on track to deliver the long-strategy and plan for the future.

For more information, go to <http://www.wales.nhs.uk/sitesplus/888/page/96924>

Welsh – <http://www.wales.nhs.uk/sitesplus/888/tudalen/97089>

## **9 Our Strategic Plan (Integrated Medium Term Plan)**

Our Strategic Plan (also known as our Integrated Medium Term Plan) (IMTP) was approved by the Cabinet Secretary for Health and Social Services in June 2018. This plan detailed the action we would take over the first three years of our new Long Term Strategy.

In January 2019, the Board approved our Integrated Medium Term Plan 2019/22. The Plan was subsequently approved by the Cabinet Secretary Health and Social Services in March 2019, therefore satisfying the statutory duty for Public Health Wales to have an approved plan in place. Our

refreshed plan is the second three-year plan to deliver our new Long Term Strategy, which spans from 2018 to 2030. Building on a successful first year, it details the actions we will take over the next three years to continue our work towards the delivery of our new Long Term Strategy and how we intend to achieve our purpose of '*Working to achieve a healthier future for Wales*'. It demonstrates how we will focus our efforts, through the delivery of our seven strategic priorities, on making the maximum difference to the health and well-being of our present and future generations.

Financial performance was in line with the approved IMTP and Public Health Wales NHS Trust has continued to meet its statutory financial duty to break-even over the three years 2016-17 to 2018-19.

Our Strategic Plan is refreshed on an annual basis through our business and strategic planning processes. Following the launch of our Long Term Strategy, new governance arrangements for managing our strategic priorities have been established. This includes responsibility for governing and leading priorities being delegated from the Executive Team to ensure we remain on track with delivering our Long Term Strategy and planning for the future. Terms of reference for each priority group have been developed and are currently being refined as the role and remit of each group matures.

Draft versions of the three year Strategic Plan were discussed with the Executive Team and Board as part of the development process. The Executive Team and Strategic Priority groups undertook look back, look forward exercises. This examined the strategic and operational factors that may impact upon our priorities, along with reviewing progress and performance. The Board also considered the financial position and budget strategy and reviewed the organisations strategic risks at a Board development session in December 2019. The Strategic Plan was formally approved by the Board in January 2019.

The Board actively managed our progress in delivering our plans as part of our performance management arrangements. During 2018/19, we continued to develop our integrated performance report which provides key information on our operational, people, quality and financial performance. Our integrated performance report is scrutinised by our Executive team on a monthly basis and by Board on a bi-monthly basis at each formal Board meeting. The information included in these reports enable our Board to receive assurance on the services that we deliver and that progress was being made against actions included in the Integrated Medium Term Plan. Further assurance has been gained through the Joint Executive Team meeting between Public Health Wales and Welsh Government and quarterly Quality and Delivery meetings.

A revised Performance Management Framework is currently under development and will be implemented during 2019/20, which aims to

further strengthen our performance management and reporting arrangements. This will focus on aligning current performance with agreed outcome measures and also aim to develop the role of Committees in performance management.

The aims and purpose of our performance arrangements is to ensure that:

- A culture of performance improvement is embedded across the organisation
- Clear lines of accountability are in place as part of our governance and assurance framework
- Information is provided in a timely manner that promotes and informs action to address areas of underperformance
- Relevant information on our key services and functions is provided to support decision making
- Information is provided as part of an integrated approach to provide a comprehensive overview of the organisation's performance
- Significant risks to delivery of agreed targets are identified and managed proactively and effectively
- Resources are allocated effectively in line with our strategy and priorities.

As part of taking forward our strategy a number of areas were identified including governance, planning, performance management, communication and engagement and organisational design. Based on the early work to progress these themes we recognised that this 'transition' year is moving us towards a programme of transformation. This will be a key element of our work for 2019/20.

## **10 Continuous Improvement and Strategic Reviews**

We are constantly striving to improve the services that it provides. During the year the following reviews were undertaken:

### **10.1 Microbiology stabilisation and modernisation**

The Board and its Committees have taken a particular interest in the Microbiology stabilisation and modernisation programme during the year. A report was presented to the Board in March 2018 outlining the difficulties facing the microbiology service in Public Health Wales. These were themed into four areas:

- Workforce – numbers, profile, training and development
- Meeting the needs of the health boards in Wales

- Environment and estates – suboptimal space, layout and fabric
- Support services – engagement and quantum.

The Quality Safety and Improvement Committee and People and Organisational Development Committee have further scrutinised the work to stabilise and transform the Microbiology Services during the year and the Board received and further update on the progress to date at its meeting in March 2019. It has been agreed that the Quality, Safety and Improvement Committee will retain oversight arrangements for the microbiology services with other Committees reserving the right to undertake a deep dive if necessary.

## **10.2 Our Response to the Wales Audit Office's report on the Collaborative Arrangements for managing Local Public Health Resources**

The Wales Audit Office published its review into the 'Collaborative Arrangements for managing Local Public Health Resources' in October 2017. A management response containing 15 actions was developed by Public Health Wales in collaboration with Health Board Executive Directors of Public Health (DsPH). It required a number of key deliverables to be created, agreed and signed-off at various points between December 2017 and end of April 2018. Delivery of the actions was attributable to Welsh Government, Public Health Wales and the DsPH. The actions focused on the following areas:

- Clarifying the Public Health system leadership arrangements in Wales
- Improving the governance and accountability arrangements between PHW for the local public health resource
- Identifying joint priorities for Health Improvement (HI) between PHW and LHBs and clarifying the roles and responsibilities for HI between PHW central and local public health teams
- Aligning the joint priorities to the PHW long term strategy
- Reaching agreement on what constitutes Healthcare Public Health and how this can be adopted more fully in Wales
- Improving communication and information sharing between the central and local teams
- Creating a more transparent and fairer system for the distribution of PHW resources to the local public health teams
- Establishing a joined up approach to workforce planning and skills development

A programme management arrangement was established to plan, monitor and report on progress against the actions contained in the management response. The programme was divided into 3 work streams that focused on the:

- roles, responsibilities and accountability
- relationships
- system capacity and capability.

Executive level sponsorship for delivery of the programme was provided and the key outputs co-ordinated by a Programme Manager who was supported by Project Leads for each of the work streams.

Working collaboratively with Welsh Government officials and DsPH the following outputs were delivered during the course of the programme:

- Clarity from Welsh Government on the Public Health system leadership in Wales
- Synergy between Health Improvement and the PHW Long Term Strategy
- Agreed joint priorities between PHW and health boards for Health Improvement
- Subject to further refinement, a new Governance and Accountability Framework to be inserted into MoUs
- Agreement on a fairer allocation of the Local Public Health Team (LPHT) resource between Health Boards and a phased implementation plan
- Bi-annual meetings between PHW and Executive DsPH agreed
- Shared commitment to improve communication and information sharing
- Proposal on a way forward for a Value for Money review for further discussion between PHW and Executive DsPH
- Agreement to use the NHS Workforce Planning Framework and align timescales
- Increased staff awareness of personal and professional development suite
- PHW Director of People and OD individual meetings with Executive DsPH and LPHT staff on workforce matters

The programme closure [report](#) provides an overview of how the programme operated, the progress made against each of the actions in the management response and what changes have been made since the WAO reported in October 2017. It was reported to Public Health Wales' Quality, Safety and Improvement and People and Organisational Development Board Committees and Health Board's respective Audit Committees.

## **11 Mandatory Disclosures**

### **11.1 Equality, Diversity and Human Rights**

We are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties (2011). Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Work is underway to fulfil the equality objectives set out in our revised Strategic Equality Plan 2016 - 2020 which was published in March 2016. As an organisation we are also particularly keen to promote equality through positive action ensuring that what we do as part of our everyday business is fair, fully accessible and inclusive to all populations and individuals, including those who are protected from discrimination under the Equality Act 2010.

Supporting the revised Strategic Equality Plan, an implementation plan has been developed to progress the equality work stream. While corporately, the governance arrangements for equality are managed through the People and Organisation Development Committee, further work is required to ensure that governance arrangements to measure progress against the equality action plan are in place. Progress against the actions in the Strategic Equality Plan are reported to the People and Organisational Development Committee on a quarterly basis. In delivering against this plan a firm commitment has been made by all parts and levels of the organisation to consider equality as part of the work they are doing. In line with the public sector reporting duties, the organisation published its 2017-18 report highlighting its progress so far. This also included information on our Gender Pay Gap, which has also been reported on the Government portal. We have also reported on our employment, training and equality data.

Further work to implement the organisation's firm commitment to undertaking Equality Health Impact Assessments (EHIA) has been undertaken. All new and revised policies and strategies are subject to an Equality Health Impact Assessment as are other aspects of the work being undertaken by the organisation. Training plans and supporting resources are being finalised so staff involved in undertaking EHIA understand how to undertake high quality impact assessments. Governance and scrutiny arrangements for EHIAs have now been incorporated into the template for presenting papers to the Executive Team, Board and Committees, with the requirement to attach the EHIA to the paper, or to justify why this has not been completed.

Public Health Wales recognises that more needs to be done to ensure that the services we deliver are inclusive and that the workforce we have is

diverse. As equality is integral to every part of our business, services areas, departments and teams are being encouraged to consider the impacts of what they are doing in relation to equality. More work is also necessary to reduce inequalities. They are engaging more with people from protected communities to inform their work. In adopting this practice Public Health Wales will develop strong partnerships with people from protected communities and learn from them and with them. The organisation is committed to a number of workforce related initiatives for example Disability Confident, Time for Change and the Working Forwards pledge to support pregnant employees and new parents in the workplace. The organisation is also become a member of the Stonewall Diversity Champion Scheme, and was placed 173<sup>rd</sup> out of 445 organisations taking part in the Workplace Equality Index; an increase of 165 places from our position last year. This has shown extensive improvement, with further work planned to continue on our journey of inclusivity. Supporting such initiatives will move us forward as an organisation in terms of workforce diversity.

However, by implementing our actions in line with the Strategic Equality Plan, this work will make a significant contribution to Public Health Wales in delivering its vision for Wales.

## **11.2 Welsh Language**

Public Health Wales acknowledges that care provision and language go hand in hand. The quality of care provision, patient safety, dignity and respect can be compromised by the failure to communicate with patients and service users in their first language. Many people can only communicate and participate in their care as equal partners effectively through the medium of Welsh. We are committed to meeting the Welsh language needs and preferences of our service users.

Since 2010, Public Health Wales has been implementing its Welsh Language Scheme and, more recently, the Welsh Government's strategic framework for Welsh language services in health, social services and social care: *'More Than Just Words'*. Work has been done to improve the availability, accessibility, quality and equality of our Welsh medium services. However, monitoring activities have led to the conclusion that there is still much to do to ensure that service users can access a full range of Welsh medium services without delay wherever they live in Wales.

The Board's People and Organisational Development Committee receives regular reports on Welsh language matters. With regard to the Welsh Language Scheme, Public Health Wales prepares an annual report in accordance with the Welsh Language Commissioner's reporting framework. The People and Organisational Development Committee considers the report and approves its submission to the Welsh Language Commissioner.

With regard to the implementation of *More Than Just Words*, the Executive Team and Welsh Government's Department of Health and Social Services receives an annual report. Additionally, as part of the NHS Delivery Framework, Public Health Wales must report on progress against *More Than Just Words* to Welsh Government on a bi-annual basis.

The Public Health Wales Welsh Language Group, comprising representatives from all directorates, meets on a quarterly basis. Meetings have, primarily, a strategic and focus. Additionally, directorates have nominated 'Welsh Language Champions' to coordinate and progress Welsh language matters in their areas.

Public Health Wales will be subject to Welsh Language Standards (No. 7) Regulations from 30 May 2019. The standards replace the Welsh Language Scheme. Action plans have been developed for implementation by the whole organisation. Over the next two years there will be sustained focus and momentum with regard to achieving our Welsh language obligations and the Welsh Language Group, Executive Team and People and Organisational Development Committee will receive regular progress reports. Annual monitoring reports will continue to be presented to the Board via the People and Organisational Development Committee and will be available on the Public Health Wales website.

### **11.3 Handling Complaints and Concerns**

Public Health Wales has arrangements in place to enable it to manage and respond to complaints and concerns in order to meet the requirements of the [NHS \(Concerns, Complaints and Redress Arrangements\) \(Wales\) Regulations 2011](#) and the [All Wales Policy Guidance for Putting Things Right](#). The Quality, Safety and improvement Committee has oversight of complaints and concerns (see page 24-26).

In 2018/19 a total of 7 Serious Incidents were reported to the Welsh Government, 6 in screening and 1 in Microbiology. In addition, 59 formal complaints were received for the period.

A review of the claims reimbursement process within Public Health Wales was also undertaken by Internal Audit in line with the 2018-19 Internal Audit Plan, for which a substantial assurance rating was provided. See page 21 for further details.

### **11.4 Freedom of Information Requests**

The Freedom of Information Act (FOIA) 2000 gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. In

2018/19, Public Health Wales received 94 requests for information by the end of March 2019.

87 of these were answered within the 20-day target, with only 3 being responded to outside of the deadline. This was due to a delay in receiving the information from the service/department that held it.

There are also 5 FOI requests still open from 2018-19 that will be answered during April.

## **11.5 Subject Access Requests**

In 2018/19, Public Health Wales received 14 requests for information by the end of March 2019. 1 of which is still open.

10 of these were answered within the 20-day target, with only 3 being responded to outside of the deadline. This was due to Public Health Wales not having received requested information within the required deadline.

## **11.6 Sustainability and Carbon Reduction Delivery Plan**

Public Health Wales fully supports proposals detailed in various Welsh Government consultation documents to embed sustainable development as the central organising principle of public sector bodies in Wales by ensuring a clear focus on outcomes and that strategic decisions are informed by consideration of the wider determinants of health and well-being. Public Health Wales recognises that sustainable development and public health are intrinsically linked and that complementary and coordinated actions are necessary to address the key challenges facing Wales in relation to both.

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act 2008 and the Adaptation Reporting requirements are complied with.

There are a number of UK and EU legislative drivers for decarbonisation. First among them was the UK Climate Change Act 2008, and in 2010 the Welsh Government published 'One Wales: One Planet', their first climate change strategy. In Wales two specific pieces of legislation are used to drive decarbonisation activity; the 'Environment (Wales) Act 2016' and the 'Well-being of Future Generations (Wales) Act 2015'.

The Environment Act commits the Welsh Government to reducing Wales' carbon emissions by at least 80% by 2050, against a 1990 baseline. We monitor the organisation's carbon footprint using 2016/17 as a baseline

figure and we have adopted the Welsh Government initiative of ensuring sustainability is embedded in everything we do.

Public Health Wales have committed to match the targets set down by Welsh Government in the Climate Change Strategy, who have set a 3% year on year reduction target in greenhouse gas emissions and an overall emissions target of 40% by 2020. Public Health Wales are on target to achieve this having reduced greenhouse gas emissions by 5% in 2016/17 and a further 17.14% in 2017/18.

The annual internal audit review of the Environmental Sustainability Report for 2017/18 was undertaken in line with the Internal Audit Plan, for which a substantial assurance rating was provided.

## **11.7 Emergency Planning/Civil Contingencies**

Public Health Wales is responsible for providing public health emergency preparedness, resilience and response leadership, and scientific and technical advice at all organisational levels, working in partnership with other organisations to protect the health of the public within Wales.

The *Civil Contingencies Act (2004)* places a number of civil protection duties on Public Health Wales in respect of:

- Risk assessment
- Emergency plans
- Warning and Informing
- Sharing of information
- Cooperation with local responders

To effectively deliver the duties (that need to be developed in a multi-agency environment), Public Health Wales has representation on all four Local Resilience Forums in Wales. This allows the establishment and maintenance of effective multi-agency arrangements to respond to a major emergency.

The organisation regularly collaborates with partner agencies to develop flexible plans to enable a joint effective response to an incident, in order to establish resilience in the face of a broad range of disruptive challenges.

As a Category 1 responder Public Health Wales is required under the Civil Contingencies Act (2004) to maintain and develop plans to ensure that if an emergency occurs or is likely to occur, the organisation can deliver its functions so far as necessary or desirable for the purpose of preventing the emergency, reducing, controlling or mitigating its effects, or taking other action in connection with it. The Emergency Response Plan was reviewed and agreed by the Board in September 2018.

The Public Health Wales Emergency Response Plan details the organisation's response arrangements to any emergency, incident or outbreak that impacts on or requires the mobilisation of public health resources and capabilities beyond normal operations.

Public Health Wales continues to engage in training and exercises both internally and externally. The organisation continues to conduct a live exercise every three years, a table-top exercise and physical setting-up of the control centre annually and a test of communications cascades every six months as required by the *NHS Wales Emergency Planning Public Core Guidance*.

Public Health Wales has an Emergency Planning and Business Continuity Group to co-ordinate emergency planning activity within the organisation.

Work to strengthen the organisation's Emergency Planning function is underway and an Emergency Planning and Business Continuity work plan has been developed. This aims to drive further improvements for planning focused on risk assessment and lessons identified. The Plan will be presented to the Emergency Planning and Business Continuity Group in July 2019.

A copy of the Public Health Wales Emergency Plan as well as additional information on Emergency Planning, Resilience and Response can be found [here](#).

## **11.8 Business Continuity**

The NHS needs to be able to plan and respond to a wide range of incidents and emergencies. Public Health Wales therefore need to ensure key services are maintained when faced with disruption.

The Public Health Wales Business Continuity Framework provides the principles, approach and assumptions that drive the development, implementation and ongoing maintenance of business continuity arrangements within the organisation. This framework sets the business continuity objectives of the organisation and is a formal commitment to deliver the business continuity management programme and continual improvement.

The Business Continuity Framework sits alongside a Business Continuity Incident Management Process and is underpinned by individual business continuity Directorate/Divisional plans. These outline the specific actions and processes for invoking plans, roles and responsibilities and how the impact of the risks will be managed. This is to ensure that critical activities can be recovered in appropriate time scales. The plans take direction from

risk assessment to identify hazards and threats in which the organisation needs to plan, within the context of critical activities.

There are many risks that can threaten the normal operation of Public Health Wales' critical functions. However, the impacts from all risks can be categorised into one of three different generic impacts including: denial of access, interruption to key service(s) and unavailability of personnel. The business continuity planning process is structured to reflect these generic impacts and action is taken to mitigate these impacts accordingly.

During 2018/19, table top exercises and tactical lead training sessions were undertaken to test divisional business continuity plans and identify areas for further development and strengthening.

The Incident Management Plan outlines and clearly defines a documented plan of action for use at the time of an incident. Throughout 2018/2019 the plan was activated a number of times, notably in response to an IT outage and severe weather impacting on a number of services.

To further develop and strengthen our business continuity arrangements, an Emergency Planning and Business Continuity work plan continues to be implemented and developed. The work plan includes actions and lessons identified through the testing and learning from incidents. The implementation of the work plan is overseen by the Emergency Planning and Business Continuity Group, which includes representation from all services in Public Health Wales.

A copy of the organisations Business Continuity Framework and Incident Management Process can be found [here](#).

## **11.9 Data Breaches**

Information governance incidents and 'near misses' are reported through the organisation's incident management system. Since May 2018 personal data breaches (as defined in GDPR) are required to be risk assessed and in the most serious cases reported to the Information Commissioner's Office (ICO). All data breaches were reported quarterly to the Quality, Safety and Improvement Committee during 2018/19 and will be reported to the Knowledge, Research and Innovation Committee from 1 April 2019. Where appropriate they are reported to the Welsh Government and full incident investigations are undertaken.

During 2018/2019, Public Health Wales recorded a total of 1 data breaches, with one requiring reporting to the ICO and Welsh Government.

## **11.10 UK Corporate Governance Code**

We are required to comply with the *UK Corporate Governance Code: corporate governance in central government departments: code of good practice 2017*. 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 an NHS public sector organisation in Wales. This assessment has been informed by the organisation's self-assessment against the Governance, Leadership and Accountability Standard (as part of the Health and Care Standards), and supported by evidence from internal and external audits. Public Health Wales 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.

## **11.11 NHS Pensions 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 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. Note 11 to the accounts provides details of the scheme, how it operates and the entitlement of employees.

## **11.12 Ministerial Directions**

Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to Public Health Wales. Ministerial Directions issued throughout the year are listed on the [Welsh Government website](#).

During 2018/19 six Ministerial Directions (Non-Statutory Instruments) were issued by the Welsh Government but were aimed specifically at services delivered by Local Health Boards (LHBs), so no action was required by Public Health Wales.

Public Health Wales has acted upon, and responded to all [Welsh Health Circulars](#) (WHCs) issued during 2018/19 which were applicable to Public Health Wales. Of the 45 issued, 26 of these were applicable to Public Health Wales. 17 required action.

## **12 Hosted Bodies**

Public Health Wales has hosted two bodies during 2018/19:

### **12.1 NHS Wales Health Collaborative**

The NHS Wales Health Collaborative was established in 2015 at the request of NHS Wales Chief Executives to improve the level of joint working between NHS Wales' bodies, NHS Wales and its stakeholders. The Collaborative's work supports improving the quality of care for patients and, ultimately, improving NHS services Wales-wide.

The Collaborative's core functions are the:

- Planning of services across organisational boundaries to support strategic goals
- Management of clinical networks, strategic programmes and projects across organisational boundaries
- Co-ordination of activities and teams across NHS Wales with a view to simplifying existing processes.

The Collaborative is hosted by Public Health Wales, on behalf of NHS Wales, under a formal hosting agreement, which is signed by the ten NHS Wales Chief Executives of health boards and NHS trusts and the Director of the Collaborative. The Collaborative has a clear reporting line upwards to the Collaborative Executive Group (Chief Executives meeting monthly) and, ultimately, to the Collaborative Leadership Forum (Chairs and Chief Executives meeting approximately quarterly). The Collaborative Executive Group and Collaborative Leadership Forum sign off the Collaborative's work plan annually.

The initial one-year hosting agreement ceased on 31 March 2016. A revised hosting agreement for 2016-19 was approved by the Public Health Wales Board in April 2016. The Board approved a further one year extension to the hosting agreement on 28 March 2019. It provides details of the responsibilities of the Public Health Wales Board and the hosted body. The Board receives assurance on compliance with the terms of the agreement through the production of an Annual Compliance Statement and Report from the Collaborative. The Report for 2018/19 was received by the Audit and Corporate Governance Committee and Board in March 2019.

The Collaborative has its own risk management process (that is compliant with the relevant Public Health Wales policy and procedures) and risks from their Corporate Risk Register are to be escalated to this Board as appropriate.

On behalf of Public Health Wales, and as part of the routine audit programme, the NHS Wales Shared Services Partnership Audit and

Assurance Services (internal audit) conducted an audit of Clinical Networks Governance within the Collaborative Team. The audit was undertaken in late 2017 and the report issued in February 2018, which included the management response from the Collaborative Team to each of the recommendations. The level of assurance given as to the effectiveness of internal control in place to manage the risks associated with the networks was limited assurance. This was reported to Collaborative Executive Group in April 2018 and work has taken place since that time to address the action plan.

Internal Audit has now undertaken a follow up review in line with the 2018/19 Internal Audit Plan. Their final report indicates that the Collaborative has made significant progress against the original recommendations and that the Public Health Wales Trust Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively.

## **12.2 Finance Delivery Unit**

The Finance Delivery Unit (the Unit) was formally established in January 2018, following an announcement by the Cabinet Secretary for Health and Social Services.

The purpose of the Unit is to enhance the capacity to:

- Monitor and manage financial risk in NHS Wales and to respond at pace where organisations are demonstrating evidence of potential financial failure; and
- To accelerate the uptake across Wales of best practice in financial management and technical and allocative efficiency.

The Unit is hosted by Public Health Wales under a formal hosting agreement signed by Public Health Wales, the Director of the Finance Delivery Unit and the Director of Finance, Health and Social Services Group, Welsh Government. The Unit is accountable to the Director of Finance, Health and Social Services Group at Welsh Government and the annual work programme is agreed and monitored through regular meetings with Welsh Government.

The Board receives assurance on compliance with the terms of the hosting agreement through the production of an Annual Assurance Statement and Report from the Unit. The Report for 2018/19 was received by the Audit and Corporate Governance Committee and Board in March 2019.

## **13 Staff and Staff Engagement**

We engage with our staff in a number of ways which are part of the checks and balances we undertake to enable good governance.

In support of the Board and Executive we have one formal advisory group - the Local Partnership Forum, formally the Joint Negotiating Committee (JNC). The terms of reference for the Local Partnership Forum are under review and will be presented to the Board for approval in 2018/19. The JNC met three times during 2017/18 until it was re-constituted as the Local Partnership Forum from January 2018.

We also have a well-established Joint Medical and Dental Negotiating Group. The organisation's Nursing Senedd advises and provides updates on professional issues relating to Nursing and Midwifery professionals. These fora provide mechanisms which allow for feedback to senior management on organisational performance or any other issues that staff wish to raise, which aids transparency. In addition to these formal mechanisms, we have a consultation process open to all staff for all new and revised organisational policies, a staff conference, staff engagement events, all of which are fully exploited and used to engage in conversations with staff at individual and group levels. These mechanisms are used in parallel with an open blog, a web forum and other virtual ways for staff to share their work and opinions. During the year, we have run engagement events with staff to share the IMTP and to generate discussion about the values and what they mean to all staff across the organisation.

The NHS Wales staff survey 2018 provided a full analysis of workforce engagement and organisational climate. Our response rate to the survey was 56%. Since publication of the results, Public Health Wales has held focus groups across Wales, providing an opportunity for people to clarify any ambiguous results, to celebrate positive results, to provide specific examples of concerns, as well as good practice and to suggest recommendations for change and improvement which will have the most impact. The outputs from the focus groups have led to the development of a set of organisational actions.

## **14 Review of Effectiveness**

As Chief Executive and Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, 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 Committees have reviewed the effectiveness of the system of internal control in respect of the assurances received. The Board Assurance Framework is the mechanism for close monitoring of strategic risks and is scrutinised at each Board and Committee meeting. On reviewing the system of internal control, I can confirm that it is effective in providing the necessary assurance to the Board and Committees.

Each Committee undertook a self-assessment during 2018/19. The Quality Safety and Improvement Committee and People and Organisational Development Committees have considered the outcomes of their self-assessments and agreed action plans for 2019/20. The Audit and Corporate Governance Committee has completed a self-assessment questionnaire and will be considering the findings further at a workshop scheduled for May 2019, where the Committee will also be reviewing its role and purpose of the Committee alongside the Strategic Priorities.

From November 2017, post-meeting surveys were introduced to enable the Board to continuously self-assess effectiveness. The outcomes of each survey were considered by the Public Health Wales Chair and Chief Executive and were used to inform improvements to meeting administration and agenda planning. The Board will continue to consider how it assesses its effectiveness in 2019/20.

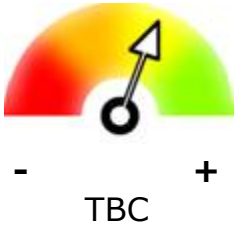
## **14.1 Internal Audit**

Internal audit provides the Accountable Officer, and the Board through the Audit and Corporate Governance Committee, with a flow of assurance on the system of internal control. As Chief Executive, I have commissioned a programme of audit work which has been delivered in accordance with the Public Sector Internal Audit Standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit and Corporate Governance 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 Head of Internal Audit has concluded:

*"In my opinion...."*

<b>Assurance Rating</b>		<p>The Board can take <b>reasonable assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit and Corporate Governance Committee throughout the year. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.
- The results of any audit work related to the Health and Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability module.
- Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Trust.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited assurance was reported. Where changes are made to the audit plan then the reasons are presented to the Audit and Corporate Governance Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review, the Head of Internal Audit considers the impact of changes made to the plan when forming their overall opinion.

In reaching this opinion the Head of Internal Audit has identified that all reviews during the year concluded positively with robust control arrangements operating in some areas. Follow up reviews were completed during the year into report which received limited assurance during 2017/18. For each of these areas: raising concerns, cyber security and Clinical Networks governance; the follow up reports concluded that the majority of actions had been completed giving reasonable assurance in

each of these areas. Outstanding actions continue to be monitored by the Audit and Corporate Governance Committee.

Action Plans have been put in place in response to the report recommendations for all reports. The Audit and Corporate Governance Committee tracks all recommendations made by the Head of Internal Audit and ensures that they are addressed within the organisation.

For further details of the reports received see the Audit and Corporate Governance Committee section earlier in this report.

## **14.2 Counter Fraud**

Cardiff and Vale Counter Fraud Service provides a service to Public Health Wales. Their work plan for 2018/19 was completed and covered all the requirements under Welsh Government directions. The Counter Fraud Service provides regular reports and updates to members of the Executive Team and directly to the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee received the Counter Fraud and Corruption Annual Report for 2018/19. A Self Risk Assessment was undertaken against the NHS Protect Standards for Providers – Fraud, Bribery and Corruption/NHS Standard Contract. Public Health Wales achieved a 'green' rating was issued for three of the standards and a 'red' rating for one of the standards, providing an overall 'amber' rating. The 'red' standard related to 'inform and involve (developing an anti-fraud culture) and was due to the counter fraud team being unable to undertake a full programme of fraud awareness sessions during the financial year due to staff changes and sickness absence. Arrangements have been put in place to ensure these awareness sessions are completed in 2019/20.

## **14.3 External Audit – Wales Audit Office (WAO)**

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. The WAO undertakes the external auditor role for Public Health Wales on behalf of the Auditor General. The WAO completed the Structured Assessment for 2018 and overall concluded that the organisation is generally well led and well governed but could improve the breadth of information presented to the Board; It was noted that there is a cohesive and well aligned planning framework with changes to performance reporting underway to better assess progress against strategic priorities and the value and impact delivered; and the organisation generally manages its workforce, finance and physical assets well day to day with good support available to managers and budget holders, but it could improve aspects of procurement, financial reporting and workforce performance.

Specifically, the report concluded that:

- The Board continues to operate effectively, although there are on-going challenges with the recruitment of non-executive directors
- The Trust has a well-developed board assurance framework (BAF) supported by an effective risk management system
- The Trust's system of assurance is generally robust nevertheless there is still scope to improve the information reported to the Board on the breadth of the Trust's business
- The Audit and Corporate Governance Committee's approach for tracking progress against internal and external audit recommendations continues to work well
- Organisation and committee structures are changing to further improve oversight and scrutiny of statutory functions and delivery of strategic priorities
- There is a cohesive and well aligned planning framework with changes to performance reporting underway to better assess progress against strategic priorities and the value and impact delivered
- There is a cohesive approach to strategic planning and the Trust is working to align workforce plans more effectively
- Arrangements for monitoring and reporting on the annual plan are largely unchanged, and progress is now reported more frequently
- The Trust generally manages its workforce, finance and physical assets well day to day with good support available to managers and budget holders, but it could improve aspects of procurement, financial reporting and workforce performance
- The Trust's arrangements and support for managing and developing the workforce continue to improve with improvements reflected in some key performance measures
- The Trust's arrangements for financial management continue to work well with good support for budget holders but there is scope to improve aspects of financial reporting and compliance with procurement processes.

The recommended the following:

#### Procurement

The number of single tender actions and single quote actions appears to be growing and the narrative set out in procurement reports indicates that controls could be further strengthened. The Trust should:

- establish a system to monitor and report on trends in STAs and SQAs
- consider reintroducing information on the total number and value of competitive tenders and quotes to provide context against which to assess the number and value of STAs and SQAs

- provide the Audit and Corporate Governance Committee with information on the effectiveness of actions to ensure compliance with procurement policies and procedures.

#### **14.4 Quality of Data**

The Board felt that the information it and its key committees had received during 2018/19 generally supported effective scrutiny and assurance, although there were gaps in some areas. For example the:

- Board requested the integrated performance report would benefit from more evaluation, impact and measurement. The action has been implemented and presented to the Board in March 2019. The Board welcomed the progress made.
- People and Organisational Development Committee completed a self-assessment during the year, where Committee members indicated that some data received by the Committee raised more questions and resulted in requests for further information. The Committee commented that the quality had improved during the year and have an action plan in place to ensure this improvement continues.

### **15 Conclusion**

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.

This Annual Governance Statement confirms that Public Health Wales has continued to mature as an organisation and no significant internal control or governance issues have been identified. The organisation will continue to address key risks and embed good governance and appropriate controls throughout the organisation.

I can confirm that the Board and the Executive Team has had in place a sound and effective system of internal control which provides regular assurance aligned to the organisation's strategic objectives and strategic risks.

**Signed:** \_\_\_\_\_

**Dr Tracey Cooper**  
**Chief Executive and Accountable Officer, Public Health Wales**

## Annex 1: Board and Committee Membership/Attendance 2018/19

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2018/19***	CHAMPION ROLES +
Janice Williams OBE	Chair	<ul style="list-style-type: none"> <li>(Chair) Board</li> <li>(Chair) Remuneration and Terms of Service Committee</li> </ul>	6/6 5/7	Veterans
Tracey Cooper	Chief Executive	<ul style="list-style-type: none"> <li>Board</li> <li>Remuneration and Terms of Service Committee**</li> <li>Audit and Corporate Governance Committee**</li> </ul> <p>Note: the Chief Executive (CE) has a standing invite to all Committees of the Board but is only a regular attendee of the Remuneration and Terms of Service Committee. The CE has to attend one meeting of the Audit and Corporate Governance Committee per year.</p>	6/6 5/7 2/5	
Dr Jyoti Atri	Acting Executive Director of Health and Well-being (Acting up from 1 January 2019)	<ul style="list-style-type: none"> <li>Board</li> <li>Quality, Safety and Improvement Committee**</li> </ul>	2/2 1/1	
Rhiannon Beaumont-Wood	Executive Director of Quality, Nursing and Allied Health Professionals  (on secondment from until 4 February 2019)	<ul style="list-style-type: none"> <li>Board*</li> <li>Quality, Safety and Improvement Committee**</li> <li>Audit and Corporate Governance Committee**</li> <li>People and Organisational Development Committee**</li> </ul>	1/1 0/0 0/1 0/0	
Professor Mark Bellis OBE	Director of Policy, Research and International Development	<ul style="list-style-type: none"> <li>Board*</li> <li>Quality, Safety and Improvement Committee**</li> </ul>	3/6 0/4	
Sian Bolton	Acting Executive Director of Quality,	<ul style="list-style-type: none"> <li>Board</li> <li>Quality, Safety and Improvement Committee**</li> </ul>	5/6 3/4	

	Nursing and Allied Health Professionals (until 31 January 2019) Interim Director of Knowledge (from 1 February 2019)	<ul style="list-style-type: none"> <li>Audit and Corporate Governance Committee**</li> </ul>	4/4	
Dr John Boulton	Director for NHS Quality Improvement and Patient Safety/ Director 1000 Lives Improvement Service (from August 2018)	<ul style="list-style-type: none"> <li>Board*</li> </ul>	2/4	
Philip Bushby	Director of People and Organisational Development	<ul style="list-style-type: none"> <li>Board*</li> <li>Remuneration and Terms of Service Committee**</li> <li>People and Organisational Development Committee**</li> </ul>	6/6 7/7 4/4	Welsh Language
Helen Bushell	Board Secretary and Head of Board Business Unit (from 11 March 2019)	<ul style="list-style-type: none"> <li>Board*</li> <li>Remuneration and Terms of Service Committee**</li> <li>Audit and Corporate Governance Committee</li> <li>Quality, Safety and Improvement Committee**</li> <li>People and Organisational Development Committee**</li> </ul>	1/1 1/1 1/1 0/0 0/0	
Kate Eden	Vice Chair And Non-Executive Director	<ul style="list-style-type: none"> <li>Board</li> <li>Remuneration and Terms of Service Committee</li> <li>(Chair) Audit and Corporate Governance Committee (until September 2018)</li> <li>(Chair from October 2018) Quality, Safety and Improvement Committee</li> </ul>	6/6 5/7 2/2  4/4	Mental Health
Dyfed Edwards	Non-Executive Director	<ul style="list-style-type: none"> <li>Board</li> <li>Remuneration and Terms of Service Committee</li> <li>(Chair from October 2018) Audit and Corporate Governance Committee</li> </ul>	6/6 4/7 5/5	

Dr Aidan Fowler	Director of NHS Quality Improvement and Patient Safety/Director 1000 Lives Improvement Service (until August 2018)	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Quality, Safety and Improvement Committee**</li> </ul>	1/1 0/2	
Huw George	Executive Director of Operations and Finance/ Deputy Chief Executive	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee**</li> <li>• Audit and Corporate Governance Committee**</li> <li>• People and Organisational Development Committee**</li> </ul>	6/6 6/7 5/5 2/4	Fire Safety
Eleanor Higgins	Acting Board Secretary and Head of Corporate Governance (from 1 February 2019 to 10 March 2019)	<ul style="list-style-type: none"> <li>• Board**</li> <li>• Remuneration and Terms of Service Committee**</li> <li>• Audit and Corporate Governance Committee**</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• People and Organisational Development Committee**</li> </ul>	0/0 0/0 0/0 0/0 0/0	
Professor Shantini Paranjothy	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service</li> <li>• Quality, Safety and Improvement Committee</li> <li>• People and Organisational Development Committee</li> </ul>	6/6 5/7 3/4 4/4	Service user experience
Stephen Palmer	Non-Executive Director (from 1 September 2018)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Quality, Safety and Improvement Committee</li> <li>• People and Organisational Development Committee</li> </ul>	3/3 2/2 1/1 1/1	
Dr Christine Pickin	Executive Director of Health and Well-being  (On planned annual leave from 1 January 2019, and	<ul style="list-style-type: none"> <li>• Board</li> <li>• Quality, Safety and Improvement Committee**</li> </ul>	4/4 3/3	

	left organisation on 24 February 2019			
Judith Rhys	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Audit and Corporate Governance Committee</li> <li>• People and Organisational Committee</li> </ul>	6/6 7/7 5/5 4/4	Equality  Older persons  Raising concerns (staff) (from October 2018)
Terence Rose CBE	Non-Executive Director  (until 30 October 2018)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service</li> <li>• Quality, Safety and Improvement Committee</li> <li>• (Chair) People and Organisational Development Committee</li> </ul> Audit and Corporate Governance Committee	3/3 4/4 2/2 3/3 3/3	Raising concerns (staff) (until October 2018)
Dr Quentin Sandifer	Executive Director of Public Health Services	<ul style="list-style-type: none"> <li>• Board</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• People and Organisational Development Committee</li> </ul>	6/6 3/4 2/4	<i>Caldicott guardian</i>  <i>Emergency planning</i>
Catherine Steele	Acting Board Secretary (from 12 July 2018 to 31 January 2019)	<ul style="list-style-type: none"> <li>• Board**</li> <li>• Remuneration and Terms of Service Committee**</li> <li>• People and Organisational Development Committee**</li> <li>• Quality, Safety and Improvement Committee**</li> </ul>	5/5 3/7 3/4 1/2	
Alison Ward	Non-Executive Director (from 1 April 2018)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Quality, Safety and Improvement Committee</li> </ul>	4/6 3/7 3/4	
Melanie Westlake	Board Secretary and Head of	<ul style="list-style-type: none"> <li>• Board**</li> <li>• Remuneration and Terms of Service Committee**</li> </ul>	1/1 1/1	

	Corporate Governance (until 11 July 2018)	<ul style="list-style-type: none"> <li>• Audit and Corporate Governance Committee**</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• People and Organisational Development Committee**</li> </ul>	2/2 1/2 1/1	
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\* Attend Board meetings, but are not members of the Board and therefore do not have voting rights.

\*\* Attend Committee meetings, but are not members of the Committee and therefore do not have voting rights.

\*\*\* The actual number of meetings attended/the number of meetings which it was possible to attend. This varies from individual to individual as some joined the Committee partway through the year.

+ The allocation of champion roles is under review, awaiting confirmation from Welsh Government.

# Remuneration & Staff Report

- 1.1 The information contained in this report relates to the remuneration of the senior managers employed by Public Health Wales and other people related matters.
- 1.2 The Pay Policy Statement (Annex 3) relates to Public Health Wales strategic stance on senior manager remuneration and to provide a clear statement of the principles underpinning decisions on the use of public funds.
- 1.3 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.’*
- 1.4 For Public Health Wales, the senior managers are considered to be the regular attendees of the Trust Board meetings, i.e. the executive directors, the non-executive directors and the remaining board-level directors. Collectively the executive and board-level directors are known as the Executive Team

## 2. Remuneration and Terms of Service Committee

- 2.1 The Public Health Wales Remuneration and Terms of Service Committee considers and approves salaries, pay awards and terms and conditions of employment for the Executive Team and other key senior staff.
- 2.2 The Remuneration and Terms of Service Committee also considers and approves applications relating to the Voluntary Early Release Scheme, redundancy payments and early retirements.
- 2.3 All Executive Directors’ pay and terms and conditions have been, and will be, determined by the Remuneration and Terms of Service Committee within the Framework set by the Welsh Government.
- 2.4 During 2018/19 the Public Health Wales Remuneration and Terms of Service Committee consisted of the following Members:
  - Jan Williams (Chair)
  - Judi Rhys (Non-Executive Director)
  - Professor Shantini Paranjothy (Non-Executive Director)
  - Kate Eden (Vice Chair and Non-Executive Director)
  - Alison Ward (Non-Executive Director)
  - Dyfed Edwards (Non-Executive Director)
  - Terence Rose (Non-Executive Director) (until 31 October 2018)
  - Professor Stephen Palmer (Non-Executive Director) (from 1 September 2018)

- 2.5 Performance of Executive Directors is assessed against individual objectives and the overall performance of Public Health Wales. Public Health Wales does not make bonus payments of any kind.
- 2.6 All payments are against the pay envelope in the annual letter from the Chief Executive of NHS Wales on this matter. The senior managers to receive pay-awards have been those remunerated on medical and dental or Agenda for Change pay scales and those in Executive and Senior Posts.
- 2.7 During 2018/19, the Remuneration and Terms of Service Committee approved the following (in consultation with Welsh Government where appropriate):
- 26 July 2018 – approved the appointment of Dr John Boulton as Interim Director of Quality Improvement and Patient Safety/ Director of 1000 Lives Improvement Service for a secondment of 12 months
  - 25 October 2018 – approved the appointment of Dr Jyoti Atri as Interim Executive Director of Health and Wellbeing from 1 January – 1 June 2019, or until such time as a permanent appointment is made. Dr Chrissie Pickin had planned leave at the beginning of the year, which finished on 24 February when she left the organisation.
  - 24 January 2019– approved the appointment of Sian Bolton as Interim Transition Director from 04 February 2019 for an initial period of 6 months.
  - A single issue was considered at meetings held on 6 August, 28 August and 18 September, where the Committee recommended that Chair's action be taken to approve a special severance payment of £65,651.
  - The position of Board Secretary supports the work of the Executive Team and Board but is not formally a member of the Executive Team. There have been several changes of person filling this position during the course of the year and although these changes were not considered by the Committee, they are highlighted in the table in Annex 1a.

Voluntary Early Release and Settlement agreements:

- Approval of one application, totalling £43,772 under the Voluntary Early Release Scheme.
- Approval of four other settlements totalling £10,878

### **3. Salary and Pension Disclosures**

- 3.1 Details of salaries and pension benefits for senior managers captured within this report given in Annexes 1 and 2.
- 3.2 The single figure of remuneration (Annex 1) is intended to be a comprehensive figure that includes all types of reward received by senior managers in the period being reported on, including fixed and variable elements as well as pension provision.
- 3.3 The single figure includes the following:
- Salary and fees both pensionable and non pensionable elements.
  - benefits in kind (taxable, total to the nearest £100)
  - pension related benefits - those benefits accruing to senior managers from membership of a participating defined benefit pension scheme.
- 3.4 There are no annual or long-term performance related bonuses.
- 3.5 Annual salary figures are shown prior to any reduction as a result of any salary sacrifice scheme.
- 3.6 The value of pension related benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
- 3.7 The pension benefit figure is calculated on the basis of an increase in the value over the financial year. Where staff have joined the organisation or the Board during the period prior-year comparative information is not available. This can result in the calculated increase in the benefit figure being artificially high. Where this is the case this figure is not reported in Annex 1a (Single Figure of Remuneration) nor Annex 2 (Pension Benefits) from 2018/19. Where these figures were reported in previous years this can result in a negative value in 2018/19.
- 3.8 Annex 2 gives the total pension benefits for all senior managers. The inflationary rate applied to the 2017/18 figure is 3% as set out by the 2018/19 Greenbury guidance.

### **4. Remuneration Relationship**

- 4.1 NHS Bodies in Wales are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. This information is provided in note 10.6 to the Financial Statements.

### **5. 2018/19 Staff Report**

## 5.1 Number of senior staff

As of 31 March 2019 there were nine senior staff that made up the Executive Team; they were also Board members or regular attendees. Their pay bands are broken down as follows:

Consultant (Medical and Dental): 1  
Executive and Senior Posts Pay scale: 6  
Agenda for Change Wales Band 9: 2

## 5.2 Staff Numbers

The following table shows the average number of staff employed by Public Health Wales NHS Trust, by group as defined in the annual accounts.

	Permanently Employed (inc Fixed Term) WTE	Agency Staff WTE	Staff on inward secondment WTE	2018/19 Total WTE	2017/18 Total WTE
Administrative, clerical and board members	875	26	39	940	900
Medical and dental	75	0	30	105	100
Nursing, midwifery registered	58	0	0	58	57
Professional, scientific and technical staff	481	8	0	489	515
Allied Health Professionals	57	1	1	59	1 <sup>1</sup>
<b>Total</b>	<b>1,546</b>	<b>35</b>	<b>70</b>	<b>1,651</b>	<b>1,502</b>

1. There is a difference from 2018/19 to 2017/18 as there has been a change in the classification and method of reporting

## 5.3 Staff Composition

The gender breakdown of the Executive Team and other employees as of 31 March 2019 was as follows:

	Male	Female
Senior Staff (Exec Team)	5	4
Other employees	416 (22%)	1402 (78%)

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6th April 2017, which requires employers in England with 250 or more employees to publish statutory calculations every year showing the pay gap between their male and female employees.

- mean gender pay gap in hourly pay;

- median gender pay gap in hourly pay;
- proportion of males and females in each pay quartile.

In Public Health Wales, the mean and median hourly rate by Gender as of 31 March 2018 is as follows:

Gender	Mean. Hourly Rate (£)	Median Hourly Rate (£)
Male	22.42	18.19
Female	17.52	14.70
Difference	4.90	3.49
Pay Gap %	21.84	19.20

The figures highlight a gap between the pay for men and women in the organisation. This is attributable to the high proportion of women in some of the lower grades, as well as a high proportion of men in certain senior grades, where staff numbers are not so large. We will review the gender profile of our workforce across service areas, identifying whether there are any barriers to recruitment and progression and taking necessary steps to address this, with targeted interventions to support women balancing domestic commitments and a career.

#### 5.4 **Sickness Absence data**

The following table provides information on the number of days lost due to sickness during 2017/18 and 2018/19:

	2018-2019 Number	2017-2018 Number
Days lost (long term)	15,469.86	15,039.98
Days lost (short term)	6,823.87	7,055.57
Total days lost	22,293.73	22,095.55
Total staff years	1586	1,518.51
Average working days lost	880.08	909.72
Total staff employed in period (headcount)	1786	1,712
Total staff employed in period with no absence (headcount)	837	765
Percentage staff with no sick leave	46.27%	44.68%

Sickness absence has improved across Public Health Wales over 2018/2019 with sickness absence rates for February 2019 being the lowest for that period in six years. Although there has been a slight increase in the total number of days lost to sickness absence, there has been a reduction in the days lost to short term absence and an increased percentage of staff with no sickness absence.

In 2018/2019 Internal Audit carried out an audit looking at sickness absence and leave. The results of this audit provided a 'reasonable assurance', with only minor improvements identified in relation to manager accuracy of date recording and completion of documentation. An action plan developed as a result of this focussed on additional communication of processes to managers.

A new All Wales Managing Attendance at Work policy was ratified in September 2018 and adopted by Public Health Wales in December 2018. This policy has a focus on managers knowing their staff and ensuring reasonable adjustments are considered to support staff in the workplace. Following the introduction of this policy, an All Wales training pack was developed and the HR team tailored it to meet the needs of managers across Public Health Wales. All managers need to undertake the training within two years of the introduction of the policy, and a training schedule has been developed and advertised on the intranet. The introduction of the new policy has received positive feedback, with managers pleased with the control and empowerment the policy provides in enabling them to support their staff.

## **5.5 Staff policies applied during the financial year**

Public Health Wales' workforce policies cover all aspects of employment, from recruitment and selection, training and development to terms and conditions of service and termination of employment. They also set out the guiding principles that influence the way that Public Health Wales carries out its employment based activities and the expectations of all staff. Some of these policies were developed with other NHS organisations on an "all Wales" basis and their adoption was mandatory. Public Health Wales also has a range of policies which enable people with a protected characteristic (including disability) to gain employment with the Trust, and remain in employment where appropriate, should they become covered by a protected characteristic during their employment. We have flexible working arrangements for staff to enable them to accommodate their domestic situations and personal requirements, as well as Occupational Health who can advise on reasonable adjustments for those who require them. Our Recruitment Policy and candidate information has been updated to ensure language used is inclusive and welcoming, and to advise candidates that we will make reasonable adjustments to the process as required. We also have guidance for staff who are Transitioning in the workplace, to help individuals and managers through the process.

Public Health Wales' Recruitment Policy makes reference to eliminating all forms of discrimination in accordance with the Equality Act 2010. Public

Health Wales operates the “Two Ticks” standard for recruitment whereby disabled applicants are guaranteed an interview if they meet the essential requirements of the person specification for the post they are applying for. When invited to interview, all applicants are asked if any special adjustments are required to enable them to attend.

Where a disabled candidate is appointed, Public Health Wales is responsible for carrying out any reasonable adaptations to the workplace or supplying additional equipment to assist the new employee in their role. This usually follows assessment, advice and support from the Trust’s Occupational Health Service.

The All Wales Sickness Absence Policy was reviewed on an All Wales basis and a new policy produced, Managing Attendance at Work. The new policy was ratified on the 28 September 2018 and adopted by Public Health Wales on the 7 December 2018. The new policy has a focus on managers knowing their staff and working in partnership to support individuals in the workplace. The policy has an emphasis on wellbeing rather than managing absence, it is designed to support individuals to remain in the workplaces. The policy retains mechanisms for phased return to work, with no loss of pay and makes enhancements in support for appointments linked to underlying health concerns and disabilities. There is a greater emphasis on access to advice and support (Occupational Health, GP, Physiotherapy, Counselling, etc.) to enable the organisation to facilitate more rapid return to the workplace along with greater support to remain in the workplace. Where a return to an individual’s role is not possible, redeployment to a suitable alternative role is still provided for in the new policy, this provision is enhanced with an expectation that the redeployment process will be supported across all NHS organisations, not just within Public Health Wales. A further emphasis is also made on temporary redeployment to an alternative role, which helps an individual to return to the workplace earlier, where they are currently not fit to return to their substantive role.

There are also a number of policies, procedures and guidelines that support staff health and well-being such as the Flexible Working Policy and Toolkit, Career Break Scheme, Annual Leave Purchase Scheme, Prevention of Stress and Management of Mental Health and Well-Being Policy.

Public Health Wales is committed to providing a working environment free from harassment and bullying and ensuring all staff are treated, and treat others, with dignity and respect. Our Dignity at Work Process promotes dignity and respect at work and supports and helps employees who may be experiencing bullying, harassment and/or victimisation.

All staff have equal access to appraisal, via Public Health Wales’ ‘My Contribution’ process, training opportunities and career development. They are expected to undertake statutory and mandatory training applicable to their post.

In relation to staff organisational change and restructuring of services Public Health Wales has adopted the All Wales Organisational Change Policy and has in place a Redundancy Policy and Voluntary Early Release Scheme.

All workforce policies are reviewed and developed jointly with the recognised trade unions, in accordance with an agreed review and development schedule.

Policies are published on the Public Health Wales website at <http://www.wales.nhs.uk/sitesplus/888/page/46724>

## **5.6 Other Employee Matters**

Our Staff Diversity Networks continue to grow and embed themselves within the organisation.

Various awareness raising activities have been undertaken throughout the year, with Public Health Wales making it's first attendance at Pride in Cardiff last August, and undertaking "Diversity and Inclusion Week" in January, which involved a range of speakers, Intranet articles and opportunities for staff to celebrate difference.

We also participated in the Stonewall Workplace Equality Index for the second time, and were placed 173<sup>rd</sup> out of 445 organisations taking part. This is a increase of 165 places from the previous year and clearly shows the improvements made towards creating an inclusive culture and bringing our organisation's values to life

## **5.7 Expenditure on Consultancy**

For the purposes of the statutory accounts Consultancy is defined as time limited/ad-hoc assignments that are not considered to be related to the day-to-day activities of the Trust. This can include expenditure on services such as:

- General Management Consultancy
- Legal
- Human Resources
- Financial
- IT Consultancy
- Property Services/Estates
- Marketing & Communication
- Programme & Project Management

During 2018/19, Public Health Wales' expenditure on consultancy was £359k compared to £322k in 2017/18.

## **5.8 Tax Assurance for Off-Payroll Engagements**

Public Health Wales is required to disclose any arrangements it has whereby individuals are paid through their own companies or off-payroll. Where off-

payroll payments have been made, Public Health Wales has sought assurance from all relevant parties that the appropriate tax arrangements are in place. Full details of these arrangements are published on the Public Health Wales website at <http://www.wales.nhs.uk/sitesplus/888/page/44934>

## 5.9 Exit Packages

The figures disclosed in this note relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data is therefore presented on a different basis to other staff cost and expenditure notes in the accounts.

<b>Table 1</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Exit packages cost band (including any special payment element)</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures</b>	<b>Total number of exit packages</b>	<b>Number of departures where special payments have been made</b>	<b>Total number of exit packages</b>
less than £10,000	3	1	4	1	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	1	1	0	1
£50,000 to £100,000	0	1	1	1	2
£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>3</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>4</b>
	<b>2018-19</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Exit packages cost band (including any special payment element)</b>	<b>Cost of compulsory redundancies</b>	<b>Cost of other departures</b>	<b>Total cost of exit packages</b>	<b>Cost of special element included in exit packages</b>	<b>Total cost of exit packages</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
less than £10,000	6,389	4,489	10,878	4,489	8,500
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	43,772	43,772	0	25,072
£50,000 to £100,000	0	65,651	65,651	65,651	154,800
£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>6,389</b>	<b>113,912</b>	<b>120,301</b>	<b>70,140</b>	<b>188,372</b>

## **6. Statement of Assurance**

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

Signed: \_\_\_\_\_

Date: 30 May 2019

**Dr Tracey Cooper**  
**Chief Executive and Accountable Officer, Public Health Wales**

## Annex 1a - Single Figure of Remuneration (2018/19)

<b>Name and Title</b>	<b>Salary (bands of £5k)</b>	<b>Other (bands of £5,000)</b>	<b>Benefits in kind (taxable to nearest £100)</b>	<b>Pension benefit (to nearest £1,000)</b>	<b>Total (to nearest bands of £5k)</b>
Dr Tracey Cooper, Chief Executive	150 - 155	-	-	37	<b>190 – 195</b>
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance	125 - 130	-	-	25	<b>150 – 155</b>
Dr Quentin Sandifer, Executive Director of Public Health Services <sup>1</sup>	160 - 165	-	-	21	<b>180 – 185</b>
Rhiannon Beaumont-Wood, Executive Director of Nursing and Quality <sup>2</sup>	15 - 20	-	-	11	<b>25 – 30</b>
Dr Christine Pickin, Executive Director of Health and Wellbeing <sup>3</sup>	120 - 125	65 - 70	-	28	<b>210 – 215</b>
Dr Jyoti Atri, Acting Executive Director of Health and Wellbeing <sup>4</sup>	30 - 35	-	-	6	<b>35 – 40</b>
Dr Aidan Fowler, Director of Patient Safety and Healthcare Quality <sup>5</sup>	40 - 45	-	-	26	<b>65 – 70</b>
Prof. Mark Bellis, Director of Policy Research and International Development	120 - 125	-	-	25	<b>145 – 150</b>
Dr John Boulton, Interim Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives <sup>6</sup>	60 - 65	-	-	***	<b>60 – 65</b>
Philip Bushby, Director of People and Organisational Development <sup>1</sup>	100 - 105	-	-	25	<b>125 – 130</b>
Sian Bolton, Acting Executive Director of Nursing and Quality <sup>7</sup>	85 - 90	-	-	129	<b>215 – 220</b>
Sian Bolton, Transition Director, Knowledge Directorate <sup>7</sup>	15 - 20	-	-	25	<b>40 - 45</b>
Helen Bushell, Board Secretary <sup>8</sup>	0 - 5	-	-	0	<b>0 – 5</b>
Eleanor Higgins, Acting Board Secretary <sup>9</sup>	0 - 5	-	-	2	<b>5 – 10</b>
Catherine Steele, Acting Board Secretary <sup>10</sup>	20 - 25	-	-	***	<b>20 – 25</b>
Melanie Westlake, Board Secretary <sup>11</sup>	20 - 25	-	-	10	<b>30 – 35</b>

<b>Non Executive Directors:</b>					
Janice Williams	40 - 45	-	-	0	<b>40 - 45</b>
Terence Rose <sup>12</sup>	5 - 10	-	-	0	<b>5 - 10</b>
Kate Eden	15 - 20	-	-	0	<b>15 - 20</b>
Judith Rhys	5 - 10	-	-	0	<b>5 - 10</b>
Professor Shantini Paranjothy	5 - 10	-	-	0	<b>5 - 10</b>
Dyfed Edwards <sup>13</sup>	5 – 10	-	-	0	<b>5 – 10</b>
Professor Stephen Palmer <sup>14</sup>	0 – 5	-	-	0	<b>0 – 5</b>
Alison Ward <sup>15</sup>	0 - 5	-	-	0	<b>0 - 5</b>

1. Dr Quentin Sandifer and Philip Bushby moved pay bands due to pay increase (2%) that applied to all directors with effect of 01 April 2018
2. Rhiannon Beaumont- Wood returned from secondment on 4 February 2019 from Powys Teaching Health Board
3. Dr Christine Pickin left the organisation on 24 February 2019
4. Dr Jyoti Atri commenced the interim role on 25 February 2019 as Executive Director of Health and Wellbeing. She was acting up from 1 January 2019 to cover some planned annual leave at the beginning of the year for Dr Chrissie Pickin
5. Dr Aidan Fowler left the organisation on 15 July 2018
6. Dr John Boulton commenced a secondment on 01 August 2018.Reimbursement for all payroll costs are to Aneurin Bevan Health Board. There is no pension information available.
7. Sian Bolton finished acting up in the role on 4 February 2019 as Executive Director of Nursing and Quality and was appointed as Transition Director for the Knowledge Directorate on 5 February for a 6 month period
8. Helen Bushell was appointed on 11 March 2019 as Board Secretary
9. Eleanor Higgins acted up from 1 February 2019 to 10 March 2019 as Board Secretary
10. Catherine Steele was seconded from WHSSC from 12 July 2018 to 31 January 2019 as Board Secretary. There is no pension information available.
11. Melanie Westlake was seconded to Welsh Government on 11 July 2018
12. Terence Rose left the organisation on 31 October 2018
13. Dyfed Edwards was appointed on 1 May 2018
14. Professor Stephen Palmer was appointed 1 September 2018
15. Alison Ward was appointed 1 April 2018. She receives no direct benefit as the above costs are paid directly to her employer.

## Annex 1b - Single Figure of Remuneration (2017/18)

Name and Title	Salary (Bands of £5k)	Benefits in kind (taxable) to nearest £100	Pension Benefit to nearest £1,000	Total to nearest (Bands of £5k)
Dr Tracey Cooper, Chief Executive	150 - 155	-	33	180 - 185
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance	125 - 130	-	30	150 - 155
Dr Quentin Sandifer, Executive Director of Public Health Services	155 - 160	-	22	180 - 185
Rhiannon Beaumont-Wood, Executive Director of Nursing and Quality <sup>1</sup>	85 - 90	-	21	105 - 110
Dr Christine Pickin, Executive Director of Health and Wellbeing	130 - 135	-	31	160 - 165
Dr Aidan Fowler, Director of Patient Safety and Healthcare Quality	140 - 145	-	(80)	60 - 65
Prof. Mark Bellis, Director of Policy Research and International Development	120 - 125	-	24	140 - 145
Melanie Westlake, Board Secretary	75 - 80	-	(250)	(170) - (175)
Philip Bushby, Director of People and Organisational Development	95 - 100	-	24	120 - 125
Sian Bolton, Acting Executive Director of Nursing and Quality <sup>2</sup>	15 - 20	-	***8	15 - 20
<b>Non Executive Directors:</b>				
Professor Sir Mansel Aylward <sup>3</sup>	10 - 15	-	0	10 - 15
Janice Williams <sup>4</sup>	20 - 25	-	0	20 - 25
Professor Simon Smail <sup>5</sup>	10 - 15	-	0	10 - 15
Terence Rose	5 - 10	-	0	5 - 10
Kate Eden <sup>6</sup>	10 - 15	-	0	10 - 15
Jack Straw <sup>7</sup>	0 - 5	-	0	0 - 5
Judith Rhys	5 - 10	-	0	5 - 10
Professor Shantini Paranjothy	5 - 10	-	0	5 - 10

1. Rhiannon Beaumont-Wood left Public Health Wales on 02 February 2018 on a 12 month secondment to Powys Teaching Health Board
2. Sian Bolton was appointed on 05 February 2018 as acting Executive Director of Nursing for 12 months
3. Professor Sir Mansel Aylward left the Board on 31 July 2017
4. Janice Williams joined the organisation as Chair on 05 September 2017
5. Professor Simon Smail left the organisation on 30 September 2017 and was also interim Chair from 01 August 2017 to 04 September 2017
6. Kate Eden, time increased to allow for the provision of additional support due to the vacancies amongst the Non-Executive Directors.
7. Jack Straw left the Board on 31 August 2017
8. Information not available

Please refer to point 3.6 for clarification of the value of pensions. Estimates are prepared using information provided by the NHS Business Services Authority

## Annex 2 - Pension Benefits

Name and Title	Real increase in pension at pension age, (bands of £2,500)	Real increase in pension lump sum at pension age, (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dr Tracey Cooper, Chief Executive <sup>1</sup>	2.5 - 5	0 – 2.5	30 - 35	55 - 60	580	469	96	0
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance	0 - 2.5	(2.5) - 0	40 - 45	105 - 110	866	731	112	0
Dr Quentin Sandifer Executive Director of Public Health Services	0 - 2.5	5 – 7.5	55 - 60	170 - 175	1,384	1,190	158	0
Rhiannon Beaumont-Wood, Executive Director of Nursing	0 - 2.5	2.5 - 5	25 - 30	75 - 80	562	472	75	0
Dr Christine Pickin, Executive Director of Health and Wellbeing	0 - 2.5	0	5 - 10	0	129	83	44	0
Dr Jyoti Atri, Acting Executive Director of Health and Wellbeing <sup>2</sup>	0 – 2.5	(2.5) - 0	30 - 35	70 - 75	581	***4	***3	0
Dr Aidan Fowler, Director of NHS Quality Improvement and Patient Safety	0 - 2.5	2.5 – 5	50 - 55	120 - 125	982	833	124	0

Prof Mark Bellis, Director of Policy Research and International Development	0 – 2.5	0	10 - 15	0	179	128	48	0
Melanie Westlake, Board Secretary <sup>2</sup>	0 – 2.5	0 – 2.5	30 - 35	85 - 90	656	537	104	0
Philip Bushby, Director of People & Organisational Development	0 - 2.5	0	5 - 10	0	65	34	30	0
Sian Bolton, Acting Executive Director of Quality, Nursing and Allied Health Professionals to 3 February 2019 and Transition Director, Knowledge Directorate from 4 February 2019 <sup>2</sup>	5 – 7.5	20 – 22.5	40 - 45	120 - 125	844	601	225	0
Dr John Boulton, Interim Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives <sup>3</sup>	***	***	***	***	***	***	***	***
Catherine Steele	***	***	***	***	***	***	***	***
Helen Bushell	0	0	0	0	0	0	0	0
Eleanor Higgins <sup>2</sup>	0 – 2.5	0	5 - 10	0	57	**4	***3	0

1. Comparative restated due to error by NHS Pensions Agency
2. Pension increases pro rata to reflect period of time on the Board.
3. \*\*\*Pension information not available as this is held by employing organisation
4. \*\*Comparative disclosure not required as not on the Board.

## **Annex 3 – Pay Policy Statement 2018/19**

### **1.0 Introduction and Purpose**

- 1.1 The purpose of this policy statement is to clarify Public Health Wales' strategic stance on senior remuneration and to provide a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2 The annual Pay Policy Statement (the “statement”) is produced for each financial year, in accordance with the Welsh Government’s principles and minimum standards as set out in the document “Transparency of Senior Remuneration in the Devolved Welsh Public Sector” which includes a set of high level principles regarding the reporting of senior pay. The document sets out arrangements and principles in a series of standards and non statutory requirements on organisations in the devolved Welsh public sector. It includes a requirement to publish annual reports as well as an annual pay policy statement
- 1.3 The purpose of the statement is to provide transparency with regard to Public Health Wales' approach to setting the pay of its senior employees (this excludes staff employed on nationally set terms and conditions of employment) by stating:
  - a) the definition of “senior posts” adopted by Public Health Wales' for the purposes of the pay policy statement,
  - b) the definition of “lowest-paid employees” adopted by Public Health Wales' for the purposes of the pay policy statement,
  - c) Public Health Wales' reasons for adopting those definitions, and
  - d) the relationship between the remuneration of senior posts and that of the lowest-paid employees.

### **2.0 Legislative Framework**

In determining the pay and remuneration of all of its employees, Public Health Wales' will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the NHS Trust ensures there is no pay discrimination within its pay structures for employees covered by the NHS National Terms and Conditions (Agenda for Change), the Medical and Dental Staff (Wales) Handbook and the Executive and Senior Posts cohort and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

### 3.0 **Pay Structure**

Senior posts are defined by Public Health Wales' as all staff who are not covered by Agenda for Change or Medical and Dental contracts (with the exception of our Executive Director of Public Health Services who also holds the position of Medical Director and is covered by a Medical and Dental Contract and the Director of Policy Research and International Development who is paid on Agenda for Change payscale).

This cohort of staff are referred to as “Executive and Senior Posts (ESPs)”

- a) In relation to this statement the ESP posts within the NHS Trust are:

Chief Executive  
Deputy Chief Executive / Executive Director of Operations and Finance  
Executive Director of Health and Wellbeing  
Executive Director of Public Health Services  
Executive Director of Quality, Nursing and Allied Health Professionals  
Director for NHS Quality Improvement and Patient Safety  
Director of People and Organisational Development  
Director of Policy, Research and International Development  
Transition Director, Knowledge Directorate

- b) The “lowest-paid employees” within Public Health Wales' are paid £17,460 per annum (£8.95 per hour) in accordance with the nationally set Pay Bands and pay points in Wales.
- c) The definitions for senior posts and the lowest paid employees are in accordance with the national provisions as determined and set by Welsh Government as noted in a) above.
- d) The remuneration of senior posts is determined by a job evaluation process (Job Evaluation for Senior Posts (JESP)) and all salaries are agreed by Welsh Government. The remuneration of the lowest-paid employees is set by reference to the national Job Evaluation system (Agenda for Change) and salaries for the all Agenda for Change pay spine points (including the lowest) are set following receipt of recommendations from the Pay Review Body. From 1<sup>st</sup> January 2015, the lowest spine points were adjusted to incorporate the Living Wage.
- e) The annual process of submitting evidence to the pay review bodies (NHS Pay Review Body and Review Body on Doctors' and Dentists' Remuneration) enables an independent assessment to be made on NHS pay. The pay review bodies have regard to the following considerations in making their recommendations:
- the need to recruit, retain and motivate suitably able and qualified staff;
  - regional/local variations in labour markets and their effects on the recruitment and retention of staff;

- the funds available to the Health Departments, as set out in the Government's Departmental Expenditure Limits;
  - the Government's inflation target;
  - the principle of equal pay for work of equal value in the NHS;
  - the overall strategy that the NHS should place patients at the heart of all it does and the mechanisms by which that is to be achieved.
- f) Salary information relating to senior posts is provided in Annex 1a to the Remuneration and Staff report.
- g) Public Health Wales approach to internal talent management is to share all vacancies and opportunities internally to encourage career mobility and development of all our employees. In addition through our workforce planning process we undertake learning needs analysis and Succession Planning processes to identify developmental needs of all staff. Succession Planning is the process of identifying critical positions, assessing current staff members who may be able to fill these positions within several timescales (ready now; 1-2 years and 2-5 years) and developing action plans for these individuals to assume those positions.
- h) Public Health Wales' does not use any system of performance related pay for senior posts.
- i) Public Health Wales' has a comprehensive approach to performance, development and review and the policies / processes to support this are:
- Strategic Workforce Planning Toolkit  
 My Contribution Policy (Performance Appraisal)  
 Core Skills and Training Framework  
 Learning and Development Programme  
 Management and Leadership Development Programme  
 Induction Policy and Process
- j) The highest and lowest agenda for change pay points set by Public Health Wales' are:
- Highest point - £102,506
- Lowest point - £17,460
- k) The severance policies which are operated by Public Health Wales' are;
- set out in Section 16 of the nationally agreed NHS Terms and Conditions of Service Handbook for redundancy and these conditions can only be varied by national agreement between government, employers and trade unions;
  - the Voluntary Early Release scheme which requires Welsh Government authorisation for any payment to be made and;

- the NHS Wales Organisational Change Policy which provides for a consistent approach to the management of organisational change and provides for redeployment and protection of pay.
- the Public Health Wales Redundancy Policy which sets out an organisational approach to managing situations where redundancies (or the risk of redundancies) arise

#### **4.0 Wider Reward and Recognition Package**

l) Additional Benefits offered by Public Health Wales' are;

- **Annual leave** - Staff receive an annual leave allowance of 27 days a year plus bank holidays, rising to 29 days after five years and 33 days after ten years.
- **Flexible working** – Public Health Wales offers a flexible working policy to help you balance your home and working life, including: working from home, part-time hours and job sharing options.
- **Pension** - We are signed up to the NHS pension scheme. If staff join the NHS pension scheme Public Health Wales will contribute 14.3% towards their pension.
- **Childcare Vouchers** - We offer membership to the childcare vouchers scheme to all employees who have children
- **Cycle to work scheme** – We participates in a [cycle to work scheme](#), which offers savings of up to 42% off the cost of a new bike.
- **Travel loans** - Interest free season ticket loans are available to staff (on an annual basis).
- **Health and well-being** - Health and well-being initiatives are available across the Trust, including discounted gym membership across Wales.
- **Occupational Health** - All employees have access to our occupational health services: the service can support staff with, stress management, confidential counselling and seasonal vaccinations.

#### **6.0 Approach to Providing Support to lower paid staff**

Public Health Wales', in keeping with the wider NHS, ensures that all of its employees are paid the living wage of £17,460 per annum.

## **The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales**

### **Report on the audit of the financial statements**

#### **Opinion**

I certify that I have audited the financial statements of Public Health Wales NHS Trust for the year ended 31 March 2019 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Public Health Wales NHS Trust as at 31 March 2019 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

#### **Opinion on regularity**

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Report on other requirements**

### **Opinion on other matters**

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

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

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Foreword and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Foreword and Accountability Report have been prepared in accordance with Welsh Ministers' guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report or the Governance Statement.

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

## **Report**

I have no observations to make on these financial statements.

## **Responsibilities**

### **Responsibilities of Directors and the Chief Executive**

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities [set out on pages ... and ...], the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Responsibilities for regularity**

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton  
Auditor General for Wales  
11 June 2019

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