

# Public Health Wales Annual Report and Accounts 2009/10



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Wales

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## Note

Public Health Wales was established on 1 October 2009, mid way through the financial year starting on 1 April 2009 and ending on 31 March 2010.

For ease of reference the narrative of the annual report covers the full year, including the first six months when responsibility for services rested with Velindre NHS Trust, the Wales Centre for Health and Abertawe Bro Morgannwg NHS Trust. The financial accounts cover the six month period 1 October 2009 to 31 March 2010.

# 1. Chair's introduction



It is a privilege to present the first annual report for Public Health Wales.

The Minister for Health and Social Services announced the establishment of Public Health Wales, and my appointment as its chair, in June 2009. This was the culmination of more than two years of review and consultation on how public health services should be provided in Wales. It was also the start of much work to put Public Health Wales on a sound footing from the start.

By the beginning of October, five non executive directors and a chief executive had joined me on the Board following open recruitment processes. These are high calibre appointments bringing a variety of impressive skills, experiences and perspectives to public health.

Necessarily, our first few months were dedicated to putting in place the governance essentials.

However, as a Board we started some important discussions about the strategic direction of the organisation and the key contributions we can make to health in Wales.

Although people in Wales are living longer and many of the indicators for good health are improving, there is a growing gap between those with good health and those with poor health. And this inequity is clearly linked to people's social and economic status.

As a society, we have to address these inequities. Public Health Wales has a key role in ensuring that we do so. It will not be easy. If it were, it would have been done already. However, with our highly skilled and experienced staff, working within an organisational system in which we are positioned to be influential at all levels, we have an opportunity that we must seize.

Personally, I have already received highly professional support from staff on work commissioned of me by Ministers. I must acknowledge the excellent support and commitment provided by the Board. I am also grateful to the commitment and skills shown by our Chief Executive, Bob Hudson, and his team in establishing Public Health Wales as a new organisation and in continuing to deliver high quality services throughout this time of change.

Our journey is just starting. There are many challenges ahead. But together, as Public Health Wales, we can make a difference. It's an exciting time to look forward.

A handwritten signature in black ink that reads "Mansel Aylward". The signature is written in a cursive style.

**Professor Sir Mansel Aylward**  
CB MD FFPM FFOM FRCP HonFFPH  
Chair, Public Health Wales

## 2. Chief Executive's overview



Since my appointment as chief executive of Public Health Wales, I have come across a great deal of impressive work, much of which is new to me despite nearly 30 years experience in NHS Wales.

From within our organisation, Wales can draw on the expertise and experience of a specialist and integrated public health service that can make a real improvement to the health of its population.

These are challenging times for those of us in the public sector. In the years ahead, we may be required to deliver higher quality services for those in need but with a much reduced budget.

This is a particular challenge for public health. What can we do to improve the health and wellbeing of the population so that people do not need health services? What can we do to improve the quality of services so that they are more effective, more quickly? And how do we ensure that patients do not need health services again following discharge?

Public Health Wales can help the NHS, local authorities, the Welsh Assembly Government, other agencies and the public to find answers to these questions. And the answers will help us all manage with reduced funding.

We have made a start on this work. We are doing it alongside work on establishing an organisational structure that best enables us to meet the challenge.

The structural and organisational work does take time if we are to be fair to all those who have come to us from different organisations.

It also takes time to establish relationships with key stakeholders – those in the Welsh Assembly Government, local authorities and health boards. There are crucial relationships to build and it is a priority for us that we build a good mutual understanding.

We will do this as an integrated public health system. With Directors of Public Health on each health board, public health is high on everyone's agenda.

I have been very impressed with the services and expertise that Public Health Wales has inherited. This wealth of expertise, knowledge and skills provides an excellent foundation on which to build our organisation.

A handwritten signature in black ink, appearing to read 'Bob Hudson'.

**Bob Hudson**  
Chief Executive, Public Health Wales

# 3. Establishing a new organisation

## 3.1 Background

Public Health Wales was established on 1 October 2009 – one of three specialist NHS Trusts and seven health boards in a restructured NHS in Wales – bringing together:

- ▶ The Wales Centre for Health;
- ▶ The Congenital Anomaly Register and Information Service (CARIS) previously run by Abertawe Bro Morgannwg NHS Trust;
- ▶ The National Public Health Service (NPHS), Screening Services Wales and the Welsh Cancer Intelligence and Surveillance Unit (WCISU) – all previously run by Velindre NHS Trust.

Public Health Wales itself was established as part of an integrated public health system in which the health boards each employ a Director of Public Health.

## 3.2 Shadow period

Time did not allow for the appointment of a shadow board ahead of the establishment of the new organisation so the Chair Designate took executive action to ensure Public Health Wales was able to meet its full statutory responsibilities and operate satisfactorily from 1 October.

To support the Chair Designate, a Delivery and Change Management Board was established. It provided advice and guidance to the Chair Designate and helped take forward the transitional arrangements.

The decisions made during the shadow period were ratified by the Public Health Wales Board, at its first meeting on 26 October 2009.

## 3.3 Public Health Wales Board

The Public Health Wales Board consists of 12 members with seven Non Executive Directors including the Chair and five Executive Directors including the Chief Executive.

The Board functions as a corporate decision-making body, with Non Executive and Executive Directors being full and equal members sharing corporate responsibility for the decisions that it makes. In particular, the Board has responsibility for the strategic direction, governance framework, organisational culture and development, development of strong relationships with key stakeholders and partners and delivery of Public Health Wales' aims and objectives. In addition, Executive Directors also have responsibility for discharging Public Health Wales' corporate and public health functions.

Following a number of discussions between the Chief Executive and Non Executive Directors, staff were consulted on a paper on the responsibilities of the three Executive Directors not determined by regulation. The conclusion was that there should be:

- ▶ a Director of Public Health Services covering health protection, screening and safeguarding;
- ▶ a Director of Public Health Development covering health improvement, health and social care quality, health intelligence (including the Public Health Wales Observatory) and the Institute; and
- ▶ a Director of Planning and Performance.

### 3. Establishing a new organisation

As at 31 March 2010, Board members were as follows:

Chair	Professor Sir Mansel Aylward CB
Third Sector Representative	Dr Carl Clowes
Local Government Representative	Dr Jo Farrar
Independent Member	Professor Simon Smail CBE
Independent Member	John Spence
University Representative	Professor Gareth Williams
Trade Union Representative	Vacant
Chief Executive	Bob Hudson
Director of Finance	Vacant
Director of Public Health Services	Vacant
Director of Public Health Development	Vacant
Director of Planning and Performance	Vacant

## 3.4 Public Health Wales Board committees

### 3.4.1 Information Governance committee

Public Health Wales inherited arrangements for information governance that ensures information is stored in line with all relevant Information Governance law, regulations and Information Commissioners' Office guidance.

Public Health Wales has set up an Information Governance Committee to provide advice and guidance to the Board on all aspects of information governance including the quality and integrity, safety and security and appropriate access and use of information. This includes patient and personal information. The committee meets quarterly and is chaired by a Public Health Wales Non Executive Director.

Public Health Wales continues to respond to requests for information under the Freedom of Information Act. To date Public Health Wales has not received any complaints or requests for review on any requests for information it has received.

### 3.4.2 Quality and Safety committee

The Public Health Wales Quality and Safety Committee meets bi-monthly and is attended by the Chief Executive and all Executive Directors holding portfolios containing aspects of quality and safety of care. The committee focuses on all aspects aimed at ensuring the quality and safety of healthcare, including activities traditionally referred to as 'clinical governance'.

### 3.4.3 Audit committee

The Public Health Wales Audit Committee meets quarterly and is chaired by Dr Jo Farrar. The Audit Committee advises and assures the Board and Accountable Officer on whether effective arrangements are in place to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

## 3.5 Champions

As of the 31 March 2010 the following Champions had been appointed:

- ▶ Professor Sir Mansel Aylward as Champion for Veterans
- ▶ Professor Simon Smail as Champion for Child Protection and Safeguarding

## 3. Establishing a new organisation

### 3.6 Planning

Each of the constituent parts brought together to form Public Health Wales produced a legacy statement providing a high level assessment of work and issues as of 30 September 2009.

Public Health Wales inherited a number of different planning and reporting arrangements from its constituent parts. As the organisation was established half way through the financial year, these arrangements were maintained for the remainder of 2009/10.

### 3.7 Transitional programme

A transitional programme was established with a number of projects taking forward the development of Public Health Wales as a coherent and effective new organisation.

### 3.8 Naming and branding

In announcing the establishment of the new NHS Trust, the Minister for Health and Social Services said it would be known as Public Health Wales.

After engaging staff and stakeholders in discussion about organisational identity, Public Health Wales adopted a Naming and Branding Strategy which was then implemented at the beginning of February 2010.

The Wales Centre for Health, NPHS and Screening Services Wales names were dropped. Public Health Wales was adopted as a brand for all services the organisation provided to government, the NHS and other agencies. The separate brands established for specific public facing brands, such as Breast Test Wales and Stop Smoking Wales, were retained.

The implementation of the naming and branding strategy was coordinated with a number of new communication systems, including an organisation-wide intranet site, which helped to create more impact.

### 3.9 Strategic direction

The Board has had a number of discussions about the strategic direction of Public Health Wales, its purpose, values and priorities. These are being taken forward in further discussions with staff and stakeholders and will be brought to a conclusion in October 2010.

### 3.10 Policy development

A policies project group was set up to identify the policies, procedures and strategies inherited by Public Health Wales from its predecessor organisations. The project met as part of the corporate support work stream within the Public Health Wales Transition Programme Framework.

The group was tasked with producing a clear mechanism for managing Public Health Wales policies from draft/review stage to implementation.

### 3.11 Emergency preparedness

Public Health Wales is a Category 1 responder and arrangements are in place which are fully compliant with the statutory duties of the Civil Contingencies Act 2004 and Welsh Assembly Government Guidance to the NHS.

### 3. Establishing a new organisation

#### 3.12 Equality and Diversity

Public Health Wales has inherited policies on equality and diversity from Velindre NHS Trust and the Wales Centre for Health.

An Equality and Diversity Forum has been tasked with developing a single equality scheme.

#### 3.13 Welsh Language Scheme

Public Health Wales has developed and consulted on a Welsh Language Scheme. When developing the scheme, Public Health Wales liaised with the Welsh Language Board and consulted staff, stakeholders and the public.

#### 3.14 Accommodation

A review is planned to look at all Public Health Wales accommodation to assess its suitability for the organisation's work and its compliance with health and safety and other legislation. The environmental sustainability of the organisation's accommodation will also be considered.

#### 3.15 Complaints

The overall complaints performance for the period April 2009 to March 2010 is detailed as follows:

Total number of complaints	60
Total number of formal complaints	58
Total number of informal complaints	2
Total number of complaints that reached the second stage	0
Total number of complaints received from children	0
Total number of complaints received from MPs and AMs	0

The complaints performance in relation to the formal complaints received is detailed below:

Number of formal complaints	60
Acknowledged within 2 working days	87%
Responded 20 working days	87%
Concluded after 4 weeks	13%
Complaints still on going	0
Average time taken to respond	15 days

All the complaints were resolved via local resolution and involved:

- apology and explanation provided within the response letter following complaints investigations;
- complainant's experiences discussed at formal training sessions, at senior staff level and with staff;
- complainants invited to discuss concerns and queries with appropriate senior staff;
- provision of appropriate information;
- quarterly complaints reports submitted to the Quality and Safety Committee.

The following service improvements arose from the complaints received and subsequent investigation:

- Updated training for smear takers arranged;
- Updated communication training provided to radiography staff;
- Changes to bowel screening literature to show how tests kits should be labelled by participants;
- Purchasing of new mobiles with the implementation of digital mammography which will have disability access.

## 4. A year of achievement and delivery

Public Health Wales delivers a wide range of specialist services – all with the purpose of protecting and improving the health and wellbeing of the population of Wales.

This chapter highlights key service achievements in 2009/10.

### 4.1 Screening

Public Health Wales delivers four population screening programmes across Wales and sets standards for improving antenatal screening.

Breast Test Wales has the highest non-invasive cancer detection rate (2.1 per 1,000 screened), the highest invasive (7.2) and second highest small invasive (3.8) detection rate in the UK.



*Professor Sir Mansel Aylward, Public Health Wales Chair and Dr Rose Fox, Deputy Director of Screening launch the new Breast Test Wales mobile unit with wheelchair access alongside service user Sally Mitchell*

The programme also has the joint highest pre-operative diagnosis rate – 97 per cent of cancers are diagnosed without recourse to surgery – and the second lowest waiting time from assessment to surgery.

Cervical Screening Wales managed the surge in samples which followed the high profile illness and subsequent death of a public figure with cervical cancer.

In 2009/10, the programme completed the centralisation of laboratories in North and South Wales ready to undertake cytology processing for the whole service.

In the first year of the Bowel Screening Wales programme 195,633 people were invited to return a home test kit. The uptake of 58.5 per cent is higher than seen in the early rounds in Scotland and England. The programme detected 210 cancers – about two per 1,000 of the screened population.

Bowel Screening Wales units, including new build facilities at Bronglais Hospital in Aberystwyth, have been implemented.

### 4.2 Health protection

The benefits of an integrated, all Wales public health service were demonstrated during the swine flu pandemic. Unlike all regions in England and the other devolved nations, Wales did not need to develop Flu Response Centres, a considerable saving for the NHS in Wales.

The Pharmaceutical Public Health Team facilitated access to antiviral treatment through pharmacies and provided relevant pharmaceutical specialist advice and guidance to the Welsh Assembly Government, NHS, independent contractors and to social care partners across Wales.

Public Health Wales developed and transferred technology of the H1N1 swine flu testing regime in Cardiff and Swansea. The increase in laboratory capacity supported the all Wales response.

Public Health Wales also provided education and leadership in respect of the vaccination programme in Wales.

## 4. A year of achievement and delivery

At the same time as the peak response to swine flu, Public Health Wales managed large measles outbreaks across Wales.

In response to other outbreaks, Public Health Wales health protection teams managed contact tracing for TB in Rhondda Cynon Taf and a large cryptosporidium outbreak linked to a leisure pool in Merthyr Tydfil.

Following Ministerial confirmation and commitment to the Hepatitis Action Plan for Wales, Public Health Wales, which was largely responsible for developing the evidence base and drafting the plan, has a leadership role in taking it forward.

The Public Health Wales Food, Water and Environmental Service has agreed with local authority colleagues common costings and an allocation system for specimens across Wales. Implementation is anticipated during 2010/11.

2009/10 saw the launch of model all Wales Infection Prevention and Control Policies.

The engagement of stakeholders and staff led to a change to single site working in Carmarthen, closing laboratory operations in Llanelli but improving turn-around times and increasing resilience of the on-call arrangements. This illustrates engagement in the pathology modernisation process.

The Public Health Wales network of microbiology laboratories maintained Clinical Pathology Accreditation status.

### 4.3 Health improvement

Key Public Health Wales achievements in health improvement included the provision to the Welsh Assembly Government of a detailed, evidence based scoping report for the development of a community-based screening and brief interventions service for hazardous drinkers.

Public Health Wales took responsibility for, and successfully integrated, the Workboost Wales service.

The Workforce Health Team has exceeded targets set for the promotion of the Corporate Health Standard and Small Workforce Health Award.

Stop Smoking Wales developed and delivered educational programmes to support healthcare and community workers to deliver brief stop smoking advice to smokers and to encourage referrals to the service.

A comprehensive GP engagement programme was also developed and delivered by Stop Smoking Wales. The service worked with Welsh Medical Research Centre and Continuing Professional Development to develop a CPD module in smoking cessation which was completed by 500 GPs.

Public Health Wales also delivered the ASSIST programme, providing peer support to children to prevent the take up of smoking, in 39 schools across Wales.

Local Public Health Teams across Wales continued to work with health boards, local authorities and in local partnerships to improve the health of the population.

The Chair of Public Health Wales, Professor Sir Mansel Aylward, was asked by the Deputy Minister for Housing and Regeneration, to review the Supporting People Programme in Wales.

## 4. A year of achievement and delivery

### 4.4 Health and social care quality

Public Health Wales staff supported the Welsh Assembly Government, health boards and Health Commission Wales with advice to assist with both transitional plans and future priorities for service planning.

The Welsh Assembly Government was provided with support on the development of the Five Year Strategic Framework, and on priorities for investment in stroke care and on management of chronic fatigue syndrome.

Public Health Wales was a key partner in the 1000 Lives Campaign which ended on 21 April 2010, reporting that 852 additional lives had been saved in its first eighteen months and 29,000 episodes of harm averted in its first twelve months.



To succeed the 1000 Lives Campaign, the 1000 Lives Plus programme was developed.

A 'Quality Improvement Academy' was piloted in June 2009 providing teaching and training across professional groups in Wales.

The Faculty for Healthcare Improvement published 'The journey so far' – a bi-lingual report charting its progress and impact in Welsh healthcare.

The 'Improving Healthcare' seminar series was launched, bringing together international experts in patient safety and quality improvement.

Advice was provided to Health Commission Wales on the evidence base for numerous specialised services, on the development of draft policies, and on the future responsibility for these services.

At local level, advice was provided to support community and unscheduled care services planned by the newly created health boards, including intensive support to two 90-day projects in North Wales. Health boards have also requested, and been provided with, advice on the public health contribution to local prioritisation policies and procedures.

The Pharmaceutical Public Health Team contributed to pharmaceutical needs assessment, providing health boards with evidence based literature reviews and service evaluations to help inform decisions relating to community pharmacy service developments e.g. weight management, chlamydia testing, smoking cessation and alcohol interventions.

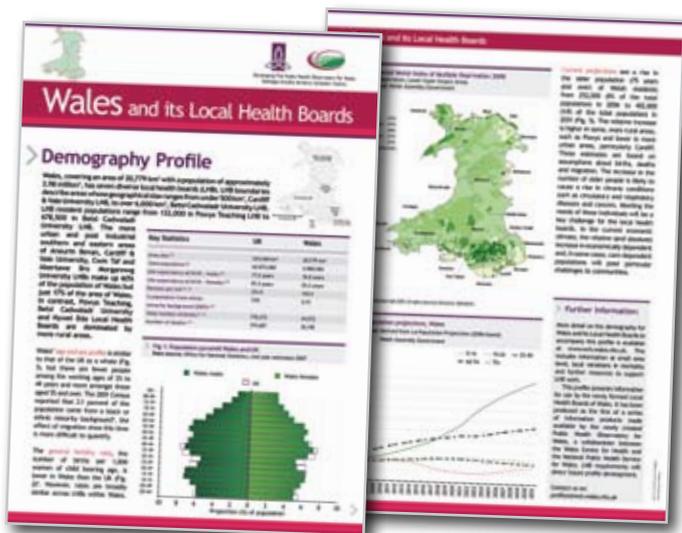
Considerable input was provided to the medicines management agenda through consultant membership of the All Wales Medicines Strategy Group, New Medicines Group and the All Wales Prescribing Advisory Group, as well as the chairing of the Task and Finish Group formed to oversee the implementation of the recommendations of the Routledge Report.

Major improvements in services for people with eating disorders across Wales are being put in place through the implementation, by the Welsh Assembly Government, of a framework prepared by Public Health Wales. Wales is unique across the UK in defining a clear country-wide framework spanning the physical and psychiatric needs of people with an eating disorder. It covers the entire spectrum from early identification to specialist interventions.

## 4. A year of achievement and delivery

### 4.5 Health intelligence

The Public Health Wales Observatory was formally launched in 2009/10 and has subsequently published demography profiles for the new health boards, followed by profiles of lifestyle and health.



The Primary Care Quality and Information Service produced a number of quality improvement toolkits for primary care, which support national initiatives, such as the 1000 Lives Campaign, national service frameworks, GP enhanced services and chronic conditions.

Public Health Wales health information analysts produced a report on "Equity in the provision of coronary angiography and revascularisation in Wales".

The Welsh Cancer Intelligence and Surveillance Unit (WCISU) completed registration of incidence for the year 2008 in November 2009, enabling final quality checks and validations to be undertaken prior to publication of the annual incidence report.

WCISU is also involved in an international benchmarking study and a number of other research, audit and collaborative projects.

### 4.6 Other services

Public Health Wales continued to provide a range of other services including the Child Protection Service, Public Health Networks, Dental Public Health, Professional and Organisational Development and governance advice.

The procedures that the Primary Medical Care Advisory Team has developed have been commended in English documents reviewing policies and procedures for managing performance concerns for general practitioners. 85 per cent of GP practices in Wales have engaged with the Clinical Governance Practice Self Assessment Tool developed by Public Health Wales staff, with just over 40 per cent of practices having completed and submitted it for analysis and feedback.

Public Health Wales is providing the functions of an Institute and has been engaged with a number of discussions to establish it more formally.

Professor Sir Mansel Aylward was asked by the Minister for Health and Social Services to review safeguarding children arrangements in the newly restructured NHS.

# 5. Staff



Over 220 members of staff attended the first Public Health Wales staff conference held in October 2009

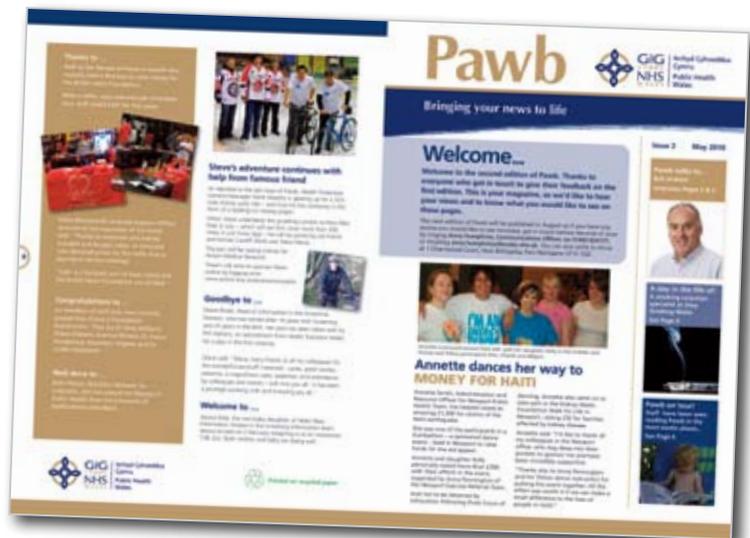
On 1 October 2009 Public Health Wales inherited staff from its three predecessor organisations. On 31 March 2010 Public Health Wales had 1,238 staff which is equivalent to 1,014.59 full time staff.

## 5.1 Partnership working

Public Health Wales has established a Partnership Forum with trades unions representatives to take forward joint working.

## 5.2 Communication

Public Health Wales has developed a number of measures to help communications internally including an intranet site, a weekly staff e-Bulletin and a quarterly magazine, Pawb, to celebrate staff achievements. A staff conference was held in October 2009 to share innovative practice and research across the organisation as well as help staff understand the new public health system.



Pawb, the quarterly magazine for Public Health Wales staff

## 5.3 Sickness

The staff sickness absence rate for the period February 2009 to January 2010 was 3.63%, below the organisation's target of 4.2%

## 6. Operating and financial review

As part of its establishment the operating assets for the relevant Public Health Wales divisions were transferred from its predecessor organisations. There were no assets transferred from the Congenital Anomaly Register and Information Service (CARIS). The transfer of fixed assets is shown below:

	Velindre NHS Trust			Wales Centre for Health	
	Non Donated	Donated	Total	Non Donated	Total
	£'000	£'000	£'000	£'000	£'000
<b>Property, plant and equipment</b>					
Land	1060	0	1060	0	1060
Buildings excluding dwellings	3069	229	3298	0	3298
Assets under construction and payments on account	-14	0	-14	0	-14
Plant and machinery	2162	134	2296	0	2296
Transport equipment	10	0	10	0	10
Information technology	1085	0	1085	2	1087
Furniture and fittings	296	0	296	11	307
<b>Total Value</b>	<b>7667</b>	<b>363</b>	<b>8030</b>	<b>13</b>	<b>8043</b>

## 6. Operating and Financial Review

The transfer of assets and liabilities from Velindre NHS Trust and the Wales Centre for Health was fully audited by the Wales Audit Office.

Public Health Wales continued the good work of its predecessor organisations and has met all three financial targets set by the Welsh Assembly Government. These targets, together with Public Health Wales' performance against them are set out below:

### To break even year on year

Public Health Wales had a surplus of £18,000 in 2009-10

### To remain within the External Financing Limit (EFL) set by the Welsh Assembly Government of £1,295,000

Public Health Wales invested no more than the limit set by the Welsh Assembly Government in new equipment and assets.

### Creditor payment

Public Health Wales is required to pay 95 per cent of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). Public Health Wales achieved the following results:

	2009/10
Total number of non-NHS bills paid 2008-09	21,581
Total number of non-NHS bills paid within target	20,837
Percentage of non-NHS bills paid within target	96.6%

From 1 October 2009 Public Health Wales has been operating in conjunction with the Velindre NHS Trust through a single ledger system. The figures above represent performance for the six

months of the combined organisation, as agreed by Welsh Assembly Government.

The Summary Financial Statements set out in this Annual Report give further information on Public Health Wales' financial performance. Full details are available in the full Annual Accounts for the period ending 31 March 2009 which are available from Keith Cox, Board Secretary of Public Health Wales (see Chapter 9).

The full accounts also contain the Statement of Internal Control which is a statement by the Chief Executive of the systems of internal control and risk management which have been established within Public Health Wales.

The Accounts were audited by the Wales Audit Office and the total audit fees, as set out in the accounts, were £152,000.

In the time available to establish Public Health Wales and, as a result of the imminent migration of Velindre NHS Trust to the Oracle financial system and the changes to the government banking system, it was not practical to establish a separate bank account and ledger system.

A number of corporate support services are being provided through a corporate support service Service Level Agreement with Velindre NHS Trust and the remained continuity of management throughout this period which limited the risks from this arrangement. Under the principals of Making the Connections this sharing of support services offers efficiencies to both organisations.

This inclusion of both organisations within a single bank account presented a distinct challenge to both organisations. However, given the continuity resulting from finance staff remaining in existing functions and services being provided through a corporate support service SLA there remained continuity of management throughout this period which limited the risks from this arrangement. In addition extra controls were introduced with respect to inter organisational trading which supported the segregation as far as was possible within the arrangements which were in place.

## 6. Operating and Financial Review

As a consequence of maintaining only one bank account and cashbook it has not been possible to ensure that there is no cross subsidisation between each month end, however, at the end of each month since 1st October 2009 both organisations had cash assets on their balance sheet.

In 2010/11 Public Health Wales faces further challenges as it seeks to continue to provide a high level of services from limited resources. The Board approved actions which had been taken in order to achieve a balanced financial position. A summary of the targets which are being worked to are:

	Vacancy Factor	Holding Vacant posts	Savings target
	£000's	£000's	£000's
Health Protection	350	402	350
General Public Health	450	1,018	380
Screening	100	226	470
Former Wales Centre for Health	0	151	0
<b>Total</b>	<b>900</b>	<b>1,797</b>	<b>1,200</b>

This remains a considerable challenge but Public Health Wales is confident that it can be achieved as it plans for the challenges within the public sector in future years.

### 6.1 Making the Connections

Collaboration with other agencies to improve their efficiency and effectiveness is inherent to the work of public health. Public Health Wales takes joint working very seriously and works closely with health boards and local authorities amongst others. The organisation is also participating in all Wales work on shared services and has agreed a Service Level Agreement with Velindre NHS Trust to share a substantial proportion of corporate support services.

## 6. Operating and Financial Review

### 6.2 Summary of Financial Statements for the six month period ended 31 March 2010

The following tables set out the financial statements for Public Health Wales for the period 1 October 2009 to 31 March 2010.

Statement of Income and Expenditure for the Period Ended 31 March 2010	
	1 Oct 2009 to 31 March 2010
	£000
Revenue from patient care activities	26,922
Other operating revenue	14,631
Operating expenses	<u>(41,417)</u>
<b>Operating surplus/(deficit)</b>	<u>136</u>
Investment revenue	3
Other gains and losses	0
Finance costs	<u>(1)</u>
<b>Surplus / (deficit)</b>	<u>138</u>
Dividends payable on Public Dividend Capital	<u>(120)</u>
<b>Retained surplus/(deficit)</b>	<u>18</u>

## 6. Operating and Financial Review

Statement of Financial Position as at 31 March 2010		
	31 March 2010	1 October 2009
	£000	£000
<b>Non-current assets</b>		
Property, plant and equipment	8,576	8,057
Intangible assets	0	0
Trade and other receivables	0	0
Other financial assets	0	0
Other assets	0	0
<b>Total non-current assets</b>	8,576	8,057
<b>Current assets</b>		
Inventories	460	431
Trade and other receivables	5,416	6,055
Other financial assets	0	0
Other assets	0	0
Cash and cash equivalents	2,466	519
	8,342	7,005
Non-current assets held for sale	0	0
<b>Total current assets</b>	8,342	7,005
<b>Total assets</b>	16,918	15,062
<b>Current liabilities</b>		
Trade and other payables	(7,298)	(6,398)
Borrowings	0	0
Other financial liabilities	0	0
Provisions	(544)	(165)
Other liabilities	0	0
<b>Total current liabilities</b>	(7,842)	(6,563)
<b>Net current assets/(liabilities)</b>	500	442
<b>Total assets less current liabilities</b>	9,076	8,499
<b>Non-current liabilities</b>		
Trade and other payables	0	0
Borrowings	0	0
Other financial liabilities	0	0
Provisions	(585)	(647)
Other liabilities	0	0
<b>Total non-current liabilities</b>	(585)	(647)
<b>Total assets employed</b>	8,491	7,852
<b>Financed by: Taxpayers' equity</b>		
Public dividend capital	8,141	7,489
Retained earnings	18	0
Revaluation reserve	0	0
Donated asset reserve	332	363
Government grant reserve	0	0
Other reserves	0	0
<b>Total taxpayers' equity</b>	8,491	7,852

## 6. Operating and Financial Review

Statement of Changes in Taxpayers' Equity							
	Public Dividend Capital	Retained earnings	Revaluation reserve	Donated asset reserve	Government Grant Reserve	Other reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 October 2009	7,489	0	0	363	0	0	7,852
<b>Changes in taxpayers' equity</b>							
Net gain/(loss) on revaluation of property, plant and equipment		0	0	0	0	0	0
Net gain/(loss) on revaluation of intangible assets		0	0	0	0	0	0
Net gain/(loss) on revaluation of available for sale financial assets		0	0	0	0	0	0
Receipt/(disposal) of donated/government granted assets		0	0	0	0	0	0
Release of reserves to the income statement		0	0	(31)	0	0	(31)
Movements on other reserves (specify)		0	0	0	0	0	0
Transfers between reserves		0	0	0	0	0	0
Retained surplus / (deficit) for the year		18	0	0	0	0	18
Reserves eliminated on dissolution		0	0	0	0	0	0
New Public Dividend Capital received	652						652
Public Dividend Capital repaid in year	0						0
Public Dividend Capital extinguished / written off	0						0
Other movements in PDC in year	0						0
<b>Balance at 31 March 2010</b>	<b>8,141</b>	<b>18</b>	<b>0</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>8,491</b>

## 6. Operating and Financial Review

Statement of Cash Flows for the Period Ended 31 March 2010	
1 Oct 2009 to 31 March 2010	
£000	
<b>Cash flows from operating activities</b>	
Operating surplus/(deficit)	136
Depreciation and amortisation	619
Impairments and reversals	0
Release of PFI deferred credits	0
Transfer from donated asset reserve	(31)
Transfer from government grant reserve	0
Interest paid	0
Dividend paid	0
(Increase)/decrease in inventories	(29)
(Increase)/decrease in trade and other receivables	639
(Increase)/decrease in other current assets	0
Increase/(decrease) in trade and other payables	785
Increase/(decrease) in other current liabilities	0
Increase/(decrease) in provisions	317
<b>Net cash inflow/(outflow) from operating activities</b>	2,436
<b>Cash flows from investing activities</b>	
Interest received	3
(Payments) for property, plant and equipment	(1,144)
Proceeds from disposal of property, plant and equipment	0
(Payments) for intangible assets	0
Proceeds from disposal of intangible assets	0
(Payments) for investments with WAG	0
(Payments) for financial assets.	0
Proceeds from disposal of investments with WAG	0
Proceeds from disposal of financial assets.	0
Rental proceeds	0
<b>Net cash inflow/(outflow) from investing activities</b>	(1,141)

## 6. Operating and Financial Review

Statement of Cash Flows for the Period Ended 31 March 2010	
1 Oct 2009 to 31 March 2010	
£000	
Net cash inflow/(outflow) before financing	1,295
<b>Cash flows from financing activities</b>	
Public Dividend Capital received	652
Public Dividend Capital repaid	0
Loans received from WAG	0
Other loans received	0
Loans repaid to WAG	0
Other loans repaid	0
Other capital receipts	0
Capital elements of finance leases and on-balance sheet PFI	0
Cash transferred (to)/from other NHS Wales bodies	0
<b>Net cash inflow/(outflow) from financing activities</b>	652
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,947
Cash [and] cash equivalents [and bank overdrafts] at the beginning of the financial year	519
Cash [and] cash equivalents [and bank overdrafts] at the end of the financial year	2,466

# 7. Remuneration Report

As at 31 March 2010, the Chief Executive was the only Executive Director to be permanently appointed. The salary and terms and conditions of employment for the Chief Executive was determined by the Welsh Assembly Government, which undertook the recruitment on behalf of Public Health Wales. The level of remuneration for all subsequent Executive Directors and other key senior managers has been and will be determined by the Public Health Wales Remuneration Committee. This committee consists of the following Board Members:

## **Chair of Remuneration Committee:**

Professor Sir Mansel Aylward CB

## **Members:**

Dr Carl Clowes

Dr Jo Farrar

Mr Jonathon Spence

Professor Simon Smail CBE

Professor Gareth Williams

In 2009/2010, no "cost of living" increases for Executive Directors were approved by the Remuneration Committee. All of the Executive Directors are and will be on pay points and not pay scales and have received no other additional increase in remuneration.

Performance of Executive Directors is assessed against personal objectives and the overall performance of Public Health Wales. However, remuneration is not directly related to performance.

Pay awards reflect the requirements of the annual letter from the Chief Executive of NHS Wales on this matter. The arrangements for future years regarding Executive pay are still being considered by the Welsh Assembly Government.

The Remuneration Committee assesses organisational and individual performance against objectives, when assessing pay awards.

All and any pay awards are subject to performance. All payments are against the pay envelope in the annual letter from the Chief Executive of NHS Wales letter on this matter.

All Executive Directors have the option to have a lease car, under the terms of the Public Health Wales lease car agreement, but excluding the need to undertake the base business mileage per annum.

There is no compensation being paid to former senior managers. In addition, with regard to amounts included above which are payable to third parties for services of a senior manager, there are no such amounts being paid.

## **7.1 Compliance Statement on NHS Managers' Pay**

In compliance with the letter from the Chief Executive of NHS Wales, it is confirmed that the pay rises for senior managers have not exceeded 1.5 per cent of the managerial pay bill.

## **7.2 Payments for Professional Indemnity Insurance**

Public Health Wales has not made any payments for Professional Indemnity Insurance during the period 1 October 2009 to 31 March 2010 and has no plans to do so in the future.

## **7.3 Local Pay Bargaining**

There have been no initiatives in this area during the period and, due to the ongoing implementation of Agenda for Change, there are no initiatives planned in the future.

## 7. Remuneration Report

The remuneration of the Chairman, Chief Executive and the highest paid Director (the Professional Advisor to the Chief Executive and Board) for the period 1 October 2009 to 31 March 2010 was as follows;

	Chair	Chief Executive	Professional Advisor to Board and Chief Executive
	£000	£000	£000
Basic Salary for period	22	77	87
Benefits for period	0	1	1
Performance related bonuses for period	0	0	0
<b>Sub Total for period</b>	<b>22</b>	<b>78</b>	<b>88</b>
Pension contributions for period	0	0	0
<b>Total for period</b>	<b>22</b>	<b>78</b>	<b>88</b>

## 7. Remuneration Report

### 7.4 Salary and pension entitlements of senior employees

	Annual Salary	Salary paid for period	Other Remuneration for period	Benefits in Kind for period
	5k Bands	5k Bands	5k Bands	To Nearest
	£'000	£'000	£'000	£100
<b>Executive Directors and Key Senior Staff</b>				
Mr Bob Hudson, Chief Executive	140 - 145	75 - 80	0	8
Mr Steve Ham, <sup>1</sup> Acting Interim Director of Finance (From 26th October 2009)	See note below			
Mr Keith Cox, <sup>2</sup> Director of Corporate Services	75 - 80	35 - 40	0	2
Mr Mark Dickinson, <sup>3</sup> Interim Director of Planning and Service Development	75 - 80	35 - 40	0	3
Mr Chris Lines, Director of Communications	70 - 75	35 - 40	0	2
Dr Cerilan Rogers, <sup>4</sup> Professional Advisor to the Chief Executive and Board	170 - 175	85 - 90	0	12
Ms Karen Wright, <sup>5</sup> see note below	60 - 65	30 - 35	0	1
<b>Non Executive Directors</b>				
Professor Sir Mansel Alyward, Chair	40 - 45	20 - 25	0	0
Dr Carl Clowes	5 - 10	0 - 5	0	0
Dr Jo Farrar	0 - 5	0 - 5	0	0
Professor Simon Smail	5 - 10	0 - 5	0	0
Mr Jonathon Spence	5 - 10	0 - 5	0	0
Mr Gareth Williams	0 - 5	0 - 5	0	0

1. Mr Steve Ham was appointed as Interim Director of Finance of Velindre NHS Trust from 26 October 2009 on secondment from Aneurin Bevan LHB. Mr Steve Ham provided financial advice and support to Public Health Wales until 30 April 2010, in the absence of an appointed Director of Finance. During that period, Public Health Wales was charged for the services of the Velindre NHS Trust Director of Finance as part of the Corporate Support Services Service Level Agreement which it holds with Velindre NHS Trust. During the period ending 31 March 2010, an amount of £ 14,199 was included in the recharge which related to the services provided by Mr S Ham.

Mr Huw George was appointed Director of Finance from 1 May 2010.

2. Mr Keith Cox was appointed Board Secretary on April 6 2010

3. Mr Mark Dickinson was appointed Director of Planning and Performance on 6 April 2010

4. Dr Cerilan Rogers ended her role with Public Health Wales on 11 June 2010

5. Senior HR advice was provided to Public Health Wales via a Service Level Agreement with Velindre NHS Trust until 30 November 2009. From 1 December 2009, Ms Karen Wright, Associate Director of Workforce and Organisational Development was seconded from Velindre NHS Trust to perform this function.

Dr Hilary Fielder was appointed Director of Public Health Services on 21 June 2010

The post of Director of Public Health Development currently remains vacant.

The Non Executive Director Trade Union Representative also remains vacant.

## 7. Remuneration Report

### 7.5 Pension benefits

Name and Title	Total accrued pension at age 60 at 31 March 2010 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2010 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2010	Employer's contribution to stakeholder pension
	£000	£000	£000	£000
Mr Bob Hudson, Chief Executive	0 - 5	0 - 5	18	0
Ms Karen Wright, Associate Director of Workforce and OD	5 - 10	25 - 30	139	0
Mr Mark Dickinson, Interim Director of Planning and Service Development	20 - 25	60 - 65	317	0
Mr Keith Cox, Director of Corporate Services	30 - 35	95 - 100	675	0
Mr Chris Lines, Director of Communications	0 - 5	10 - 15	83	0
Dr Cerilan Rogers, Professional Advisor to the Chief Executive and Board	55 - 60	175 - 180	1294	0

Mr Steve Ham, Interim Director of Finance for Velindre NHS Trust is on secondment to Velindre NHS Trust from Aneurin Bevan LHB. His employing organisation is responsible for administering his pension details.

Non Executive Directors do not receive pensionable remuneration. No entries in respect of pensions for Non Executive Directors are therefore included.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the institute and Faculty of Actuaries.

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

### Statement of assurance

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



Bob Hudson  
Accounting Officer, Public Health Wales

## 8. Report of the Auditor General for Wales

### Report of the Auditor General for Wales to the National Assembly for Wales on the Summary Financial Statements

I have examined the summary financial statements contained in the Annual Report of Public Health Wales NHS Trust set out on pages 12 to 23.

#### Respective responsibilities of the Directors and auditor

The Accounting Officer is responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the summary financial statements with the statutory financial statements and the remuneration report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

#### Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

#### Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements and the remuneration report of Public Health Wales NHS Trust for the six month period ended 31 March 2010 on which I have issued an unqualified opinion.

I have not considered the effects of any events between the dates on which I signed my report on the full financial statements (20 July 2010) and the date of this statement.

Gillian Body Auditor General for Wales 14th September 2010	Wales Audit Office 24 Cathedral Road Cardiff CF11 9LJ
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## 9. Contacts

If you require additional copies of this document or an alternative format, such as audio, large print or Braille, please contact:

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