NHS
Worcestershire
Acute Hospitals
NHS Trust

ANNUAL REPORT AND ACCOUNTS

2023/24

Contents

Welcome from our Chair and Chief Executive

The NHS as a whole is facing considerable challenges as it copes with the highest ever levels of demand, at the same time as it recovers from the enormous disruption caused by COVID and recent industrial action.

Russell Hardy
Chair

Glen Burley
Chief Executive

Worcestershire Acute Hospitals NHS Trust (WAHT) has not been immune from these challenges, and we recognise that this has led to considerable increases in the wait times for patients and their families both in our accident and emergency services and elective (planned) care. For this, we apologise.

To help improve this, WAHT joined the Foundation Group family of South Warwickshire NHS Foundation Trust, Wye Valley Trust and the George Elliot Trusts part way through the period covered by this Annual Report.

The benefits of this arrangement are already becoming clear but there is still much to be done.

We would like to take this opportunity to thank all our staff for their incredible hard work in these difficult circumstances and for their willingness to embrace the changes we are making, some of which are detailed below.

Thanks are also due to our Board colleagues in Worcestershire, past and current, as well as to our system partners across our ICB and our volunteers, who give us that most precious gift – their time – to support our staff and patients in so many different ways.

This report highlights some of the developments and improvements that we saw across the Trust in 2023/24, including new services and facilities across our sites.

We celebrate some of the awards won by Trust colleagues and teams and reflect on the progress we have made to further strengthen our offer to support the mental and physical health of staff across our Trust.

To help build on these achievements when the Trust joined the Foundation Group we set out a simple 10 Point Plan (see p14) which identifies the delivery priorities for us to ensure that we see the improvements the citizens of Worcestershire rightly expect from us.

The cornerstone of the 10 Point Plan is to improve patient flow through our hospitals; to reduce length of stay and to avoid hospital acquired functional decline.

Our 'home first' approach and this focus on patient flow will be critical to addressing the

The state-of-the-art theatre complex at the Alexandra Hospital, Redditch

The Community and Diagnostic Centre at Kidderminster Hospital and Treatment Centre

pressures on our urgent and emergency care services as we strive to ease congestion in our Emergency Departments and improve ambulance handovers – issues which were of great concern during 2023/24.

We also need to make sure that we use all our resources as effectively and efficiently as possible to bring down waiting times for planned (elective) care where waiting times, although now improving, are too high.

And of course, we need to nurture and support our workforce because our people are our most precious asset, and it is through their compassion, commitment and determination that we will seize the opportunities and rise to the challenges that the future holds for our NHS.

That includes listening to our people to understand what really matters to them, through a variety of channels including the annual NHS Staff Survey. We view the Staff Survey as the key long term internal measure of our success and we recognise that we have failed in the recent past to support our staff in certain key areas, such as car parking.

The year ahead will be another very challenging one. We are seeing no let-up in the demand for our services, but with the benefits of joint working provided by our Foundation Group membership and the new momentum we are building through our 10 Point Plan, we are optimistic that our performance will see significant improvement in the months ahead.

Russell Hardy
Chair

Glen Burley
Chief Executive

Part A:
Overview and Performance Analysis

Overview

This section provides background information about WAHT, sets out progress made by the Trust during 2023/24 and highlights challenges faced.

About Worcestershire Acute Hospitals NHS Trust

WAHT provides hospital-based services from three main sites; the Alexandra Hospital in Redditch, Kidderminster Hospital and Treatment Centre, and Worcestershire Royal Hospital in Worcester as well as some community based services.

We provide a wide range of services to a population of more than 600,000 people in Worcestershire as well as caring for patients from surrounding counties and further afield.

Over the course of the year

- **170,939** patients attended our Accident and Emergency departments at Worcestershire Royal and Alexandra Hospitals and our Minor Injuries Unit at Kidderminster Hospital and Treatment Centre
- **45,390** patients were conveyed by an ambulance
- **125,549** patients self-presented
- **143,002** patients were admitted to our hospitals
- **57,902** were emergencies
- **85,100** were planned
- **670,479** patients attended an outpatient clinic
- **4,613** women gave birth to **4,710** babies

A YEAR IN NUMBERS 2023/24

549,464
OUTPATIENTS (FACE TO FACE)

121,015
OUTPATIENTS (VIRTUAL)

125,549
WALK-IN PATIENTS (A&E)

45,390
PATIENTS ARRIVING BY AMBULANCE

143,002
INPATIENTS

4,710
BIRTHS

4,300
EMERGENCY OPERATIONS

20,554
ELECTIVE OPERATIONS

2,826
TRAUMA OPERATIONS

7.1 days
AVERAGE LENGTH OF STAY

£64.9m
VALUE OF PRESCRIPTIONS ISSUED

You can see how this year compares to our previous Year in Numbers in our last Annual Report.

Download a copy from our website.

TOTAL STAFF
7546

Registered Nurses and Midwives
2432

Doctors and Consultants
840

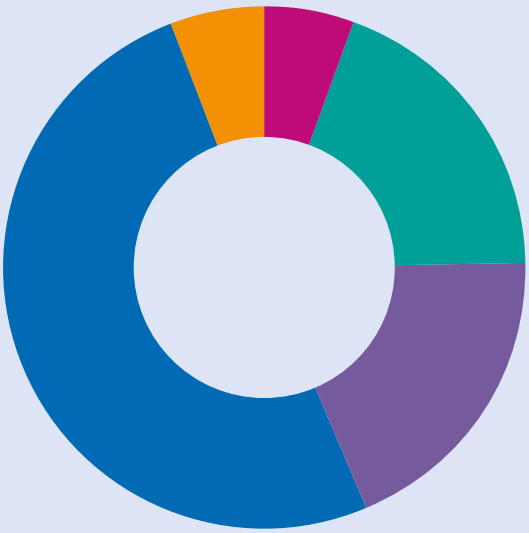
HCAs, Helpers and Assistants
1534

Other Clinical staff and Allied Health Professionals
880

Other non-clinical Support Staff
1860

Volunteers
382

Diagnostics



- MRI scans - **23,759**
- Non-obstetric ultrasound scans - **73,782**
- CT scans - **79,333**
- Plain film X-Rays - **197,904**
- Endoscopies - **22,012**

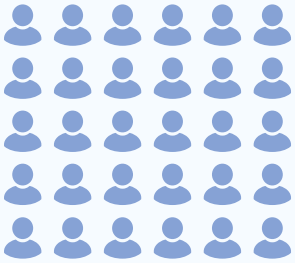
About our Trust

We operate **hospital-based services** from **three main sites:**

1. Alexandra Hospital, Redditch
2. Kidderminster Hospital and Treatment Centre
3. Worcestershire Royal Hospital, Worcester

And some **community-based services** from:

4. Princess of Wales Community Hospital, Bromsgrove
5. Evesham Community Hospital, Evesham
6. Malvern Community Hospital, Malvern



WE SERVE A POPULATION OF OVER

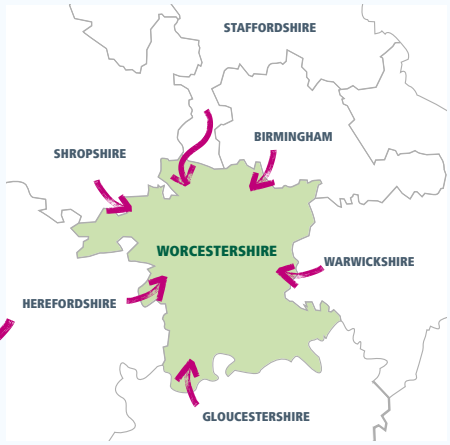
603,000

BY 2043, THAT IS EXPECTED TO BE

679,000

OUR PATIENTS COME FROM NEIGHBOURING AREAS, SO DEPENDING ON THE SERVICE, OUR CATCHMENT POPULATION IS BETWEEN

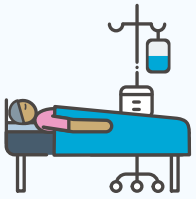
420,000 - 800,000



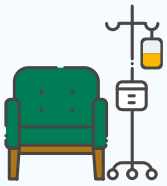
We provide a **broad range** of **acute services:**

GENERAL SURGERY

GENERAL MEDICINE



ACUTE CARE



CANCER CARE

INTENSIVE CARE

WOMEN'S & CHILDREN'S SERVICES

We employ over 7,000 people and over 130 local people volunteer with us helping to deliver care. We have an annual turnover of nearly £700 million.

Our catchment population extends beyond Worcestershire itself, as patients are also attracted from neighbouring areas including South Birmingham, Warwickshire, Shropshire, Herefordshire, Gloucestershire and South Staffordshire. This results in a catchment population which varies between 420,000 and 800,000 depending on the service.

Established in 2000

The Worcestershire Acute Hospitals NHS Trust (the Trust) is a statutory body which came into existence on January 1, 2000 under The Worcestershire Acute Hospitals NHS Trust (Establishment) Order 1999 No. 3473, (the Establishment Order)

Membership of the Foundation Group

On the August 1, 2023, WAHT became a full member of the Foundation Group. The Foundation Group is a partnership between South Warwickshire University NHS Foundation Trust, Wye Valley NHS Trust, George Eliot Hospitals NHS Trust and our trust.

All four organisations face similar challenges and have a common strategic vision for how these can be solved. However, the model retains the identity of each individual organisation, whilst strengthening the opportunities available to secure a sustainable future for local health services.

The trusts share a Chief Executive and Chairman but each have a Managing Director who is responsible for each individual organisation.

The 'Foundation Group' model has brought about a number of benefits for each trust. The procurement of goods, systems and services can be done more competitively through the Foundation Group's combined size, and knowledge and experience can be shared seamlessly. Important measures of quality such as Care Quality Commission (CQC) ratings and NHS Staff Survey results illustrate that this partnership and pooling of resources is delivering improvements in acute and community-based patient care.

Since joining the Foundation Group, we have identified ten priority areas which are the focus of our current work and which help staff in all parts of the Trust to understand the part they have to play in delivering and sustaining improvements.

1. Focus on Flow: Our most immediate priority is improving patient flow across all parts of our urgent and emergency care pathway. We will work together across our Trust to make sure that patients in need of urgent care do not spend a minute longer in any part of our hospital than they need to.

2. Home First Mindset: Improving urgent flow will help to protect our patients from harm but helping them to avoid coming into hospital at all will keep them even safer, protecting them for hospital acquired functional decline, infections and the risk of falls. A greater focus on the wellbeing of our population, working on prevention in the communities we care for, and increased use of same day emergency care services will help us to keep people out of our hospitals and safely at home.

3. Elective Care – planning for no delays: We will make best and most efficient use of our services and facilities to make sure that every patient on our waiting list receives timely treatment.

4. Improve staff experience: Making our hospitals even better places to work helps us to

10. 'BIG MOVES'
We will test and refine our priorities to make sure we are meeting the needs of patients, while delivering improvements to achieve our Group's shared long-term strategic objectives and 'Big Moves'.

1. FOCUS ON FLOW
We will work together to make sure that patients in need of urgent care do not spend a minute longer in any part of our hospital than they need to.

9. PARTNERSHIP WITH LARGE SPECIALIST (TERTIARY) PROVIDERS
We will build partnerships regionally and across the Group which improve care for our patients and secure a sustainable future for our more challenged or fragile services.

2. HOME FIRST MINDSET/ THERE'S NO PLACE LIKE HOME
A focus on prevention and increased use of same day emergency care will help keep people at home, protecting them from hospital acquired functional decline, infections and falls.

8. THINK (AND ACT) AS A LEAD PROVIDER
We will actively work with partners to improve the wellbeing of the communities we serve, deliver better health outcomes and reduce pressure on our services.

3. ELECTIVE CARE: PLANNING FOR NO DELAYS
We will make sure that every patient on our waiting list gets the most timely treatment possible.

7. 4WARD IMPROVEMENT SYSTEM
We will simplify our improvement system to support the delivery of sustainable quality, safety and efficiency improvements.

4. STAFF EXPERIENCE
Making our hospitals even better places to work will help us to attract, and keep, the best people and deliver even better patient care.

6. GOVERNANCE
A revised performance and accountability framework will support the delivery of sustainable quality, safety and efficiency improvements.

5. LEADERSHIP AND STRUCTURES
We will empower leaders at all levels of the organisation - fewer priorities, clearer expectations and genuine accountability, underpinned by more effective structures.

Visit our website to download a larger version of our Ten Point Plan.

attract, and keep, the best people and deliver even better patient care.

5. Leadership and structure: We will empower leaders at all levels of the organisation, and help them to support and lead their teams, by giving them fewer priorities, clear expectations, and genuine accountability, underpinned by more effective structures.

6. Governance: We will spend less time in meetings and ensure that any meetings which do take place are kept short and have a clear purpose for everyone involved.

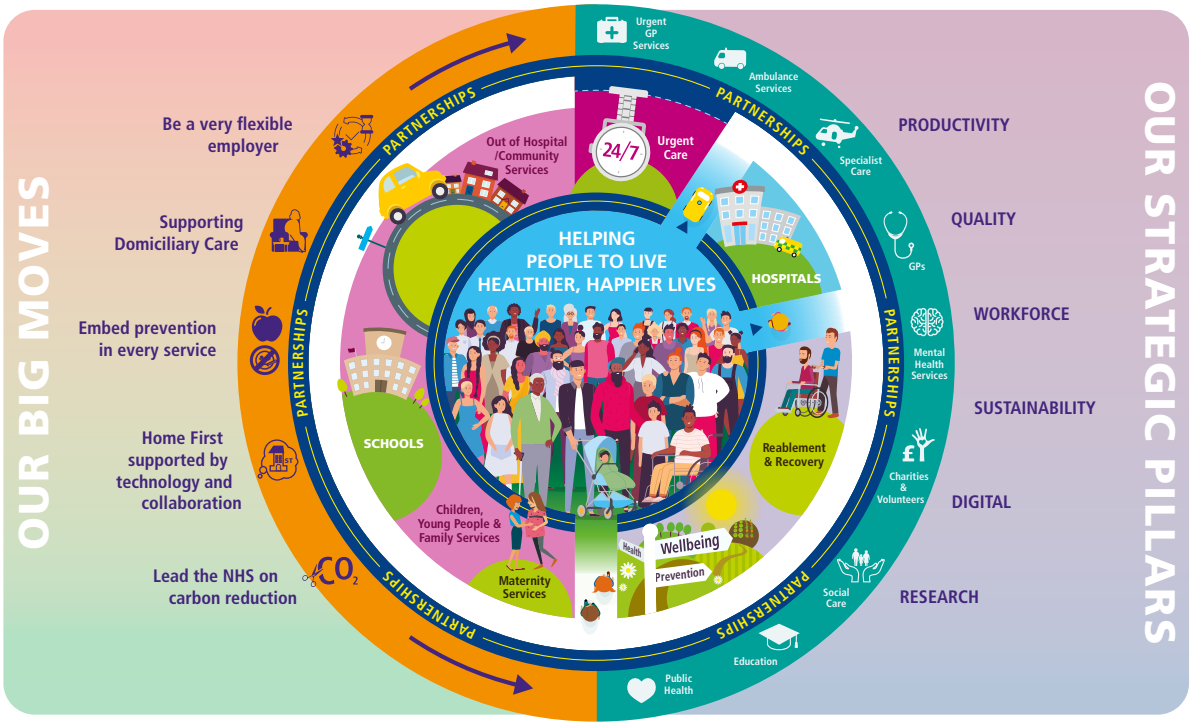
7. 4Ward Improvement System: We will make our improvement system simpler, more accessible, and more relevant to our staff and focus on its practical application to delivery our priorities, improve quality and drive efficiency and cost improvement.

8. Think/act as a lead provider: Looking beyond the walls of our hospitals, we will actively work with partners across our health and care system to improve the wellbeing of people in the communities we serve, delivery better health outcomes and reduce pressure on our services.

9. Tertiary Partnerships: Working regionally and with Foundation Group colleagues, we will build productive, supportive partnerships which improve care for our patients and secure a sustainable future for our more challenged or fragile services.

10. Strategic Big Moves: We will embrace the opportunities open to us as members of the Foundation Group family. We will test and refine our priorities with our patients, our partners and our people, to make sure that we are meeting the immediate needs of our patients while also delivering improvements that move us closer to achieving the Foundation Group's shared long term strategic objectives and Big Moves, which are as follows:

- Be a very flexible employer
- Supporting domiciliary care
- Embed prevention in every service
- Lead the NHS in carbon reduction
- Home First supported by technology and collaboration



The Big moves are underpinned by six Strategic Pillars:

- **Quality:** We will improve the experience, outcomes and safety of people accessing our services. We will embed a culture that is open to change and through Quality Priorities we will focus on improvement that will support people to live healthier, happier lives.
- **Workforce:** Our staff are our organisation. The retention, happiness and wellbeing of our workforce is essential. We want the Trust to continue to be an employer of choice, attracting the very best.
- **Productivity:** Making the best use of our limited resources and maximising the benefits of Foundation Group working will help us to be an efficient and effective organisation. We will respond to national programmes and develop a financial and operational strategy that makes us sustainable for future healthcare delivery.
- **Digital:** Digital solutions can enhance services and patient experience. We have an opportunity to use technology and data to transform care and experience for our staff.
- **Sustainability:** We recognise our environmental obligations and we are committed to minimising our impact on the local environment and helping to improve it.
- **Research:** We will create a culture which harnesses and supports research opportunities and improved access to clinical research.

Herefordshire and Worcestershire Integrated Care System (ICS)

Herefordshire and Worcestershire
Integrated Care System

Integrated care is about giving people the support they need, joined up across local councils, the NHS, and other partners. It removes traditional divisions between hospitals and family doctors, between physical and mental health, and between NHS and council services. In the past, these divisions have meant that too many people experienced disjointed care.

Our ICS starts with building on the strengths of individuals and their communities to improve their health – 'helping you to help yourself'. System leaders are now focused on coordinating actions at the local level, to establish place-based approaches that incorporate the crucial role of the developing neighbourhood teams and primary care networks (PCNs).

This place level of working offers the right scale and scope for tackling population health challenges – from health inequalities to the wider determinants of health – and for maximising opportunities across all public services through integration, service changes and aligned resources. Close working arrangements across all partners who have a role in improving population health and well-being are crucial to delivering this.

The system has agreed a vision and set of objectives and ambitions that it asks all partners to take account of when developing their own organisational and place plans. The vision, objectives and ambitions are set out below:

Working together to enable better health, fulfilment, and safety in our residents' lives

OBJECTIVE 1

Ensuring healthier, well connected and more resilient communities with targeted support to reduce health inequalities and inequities, preventing ill health.

Ambitions

- Children have the best start to life
- People live longer, healthier lives, particularly those experiencing health inequalities
- People take steps towards good health and wellbeing
- More people will live independently in strong resilient communities

OBJECTIVE 2

To provide high quality services through improving access to clinically effective treatments.

Ambitions

- Our system provides access to health and care interventions at the right time
- A reduction in preventable long-term conditions and improved self- management for those with a long-term conditions
- Increased access to mental health and wellbeing services for children and young people
- Improved outcomes for people living with and beyond cancer

OBJECTIVE 3

To make the best use of resources, being exemplar employers and strengthening the local economy by employing local people, and investing in local businesses wherever possible.

Ambitions

- Our system is a great place to work; supportive equality, diversity and inclusion
- We make the best use of resources
- We enable the local economy through our role as anchor organisations
- More support for informal carers

OBJECTIVE 4

To promote a healthier physical environment; reducing our carbon footprint through positive action around our buildings, working practices and digital transformation

Ambitions

- People are empowered to become more active
- People live in high quality safe homes
- A reduced carbon footprint for health and care organisations
- An increase in the use of effective, digitally enabled care, supported by digital inclusion

Stephen Collman, Managing Director of WAHT, is also a partner member of the NHS Herefordshire and Worcestershire Integrated Care Board (ICB) bringing the perspective of primary, secondary, and social care from across Worcestershire.

Our Clinical Services Strategy

Our clinical services strategy continued to provide a clear future vision for our hospitals, our services and our role in the wider health and care system.

The delivery of the Clinical Services Strategy was supported by enabling strategies, and their aims and objectives have also shaped our Three-Year Plan that takes us to 2025.

The Three-Year Plan priorities are as follows:

- Our patients are cared for safely and compassionately by services which are clinically and financially sustainable now and in the future.
- Our people work in supported and engaged teams, where morale is high, innovation is encouraged, and everyone is focussed on improvement.
- Our partners work alongside us to improve health and health outcomes for our communities.
- Every pound of taxpayers' money spent wisely and effectively, and our underlying deficit reduced significantly.

Structure of the Trust

During 2023/24, the Trust's Board consisted of eleven voting Directors comprising the Chair and five non- executive directors (appointed by NHSE), together with five executive directors.

The Trust has 5 main clinical divisions and a number of corporate functions. The operational management of the Trust ensures that there is good clinical and managerial leadership of our services.

Performance against key indicators

Further details on performance are set out in the Performance Analysis section of this report. Key issues and risks that could affect the Trust in delivering its objectives are noted in the Board Assurance Framework (page 82), and detailed information on how the Trust reviews and manages key issues and risks can be found in the Annual Governance Statement.

Care Quality Commission report (CQC)

WAHT is registered with the Care Quality Commission (CQC) who monitors, inspects and regulates all health services to ensure they meet fundamental standards of quality and safety.

In 2023/24, the Trust have had the following CQC inspections:

- October 2023 – Maternity service at Worcestershire Royal Hospital
- December 2023 – Critical Care service at Worcestershire Royal Hospital
- February 2024 –Radiotherapy service (IRMER) at Worcestershire Royal Hospital

The Trust has a positive relationship with the CQC inspectors and meets monthly with them to provide assurance on key quality and safety concerns and to showcase areas of best practice.

Improvement action plans are in place based on the recommendations of both inspections and progress is closely monitored by the Board.

Our overall CQC ratings

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Overall Trust	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement

The ratings for the acute services/acute Trust:

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Worcestershire Royal Hospital	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Alexandra Hospital	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Kidderminster Hospital and Treatment Centre	Good	Good	Good	Requires Improvement	Good	Good

Finance and use of resources

The Trust's Annual Plan for 2023/24 was developed in conjunction with ICS partners as part of the annual planning process required by NHSE and culminated in a planned break-even position. The Board acknowledged that the plan was ambitious and would require tight management to deliver the performance standards and objectives within this financial resource envelope.

The plan included £28m (4.2 per cent) of Cost & Productivity Improvement savings and a required increase in elective activity volumes of 104 per cent of 2019/20 levels in order to attract Elective Recovery Fund (ERF) resources of £20.0m (2.6 per cent) contained in the plan signed off by Board.

The 2023/24 plan focussed on the key priorities of quality, improving access, and supporting healthier lives for our communities and staff, underpinned by a drive for improved financial stability in line with the Trusts 4ward improvement system.

As at March 31, 2024 the Trust's adjusted financial performance excluding impairments and the impact of donated assets was a deficit of £34.8m.

Performance under the theme of finance and use of resources is assessed within the NHS Oversight Framework which considers performance across a range of domains and provides a segmentation from '1' to '4', where '1' reflects the strongest performance.

Key Developments and Achievements from 2023/24

Improvements recognised in urgent and emergency care

A Care Quality Commission (CQC) report published in April 2023 recognised the positive progress to improve care for patients in our emergency departments, with the overall rating in this area improving at both the Alexandra and Worcestershire Royal Hospitals. This report means that we are no longer rated inadequate in any area across any of our hospitals.

Outstanding areas of practice were also recognised in both of our Emergency Departments, where staff were praised for their compassion and kindness despite working in extremely difficult conditions.

Transform the experience of hospital care for d/Deaf patients

The Trust has been raising awareness amongst staff of some of the challenges the d/Deaf community face when accessing hospital care, and providing more tools to ensure these patients' needs can be supported.

These include new interpreting machines in the county's Emergency Departments, d/Deaf communication cards and posters which support patients coming into hospital and ways for patients to check an interpreter has been booked which includes a patient video in British Sign Language (BSL).

The Trust has been working in partnership with the local d/Deaf community and health and care partners across Herefordshire and Worcestershire on the improvements. The work has been recognised nationally, making it into the final round of the 2024 Local Government Chronicle (LGC) Awards.

Peony rooms provide peaceful retreat

Two rooms where the loved-ones of patients who are nearing the end of life can take a break opened at the Alexandra Hospital in Redditch.

The Peony rooms provide a quiet and calm space to take a break away from the busy ward environment, rest, reflect and have some refreshments.

The development of the rooms was part of a wider initiative launched by the Palliative and End of life Care team at WAHT named the SUPPORT initiative which focuses on making relatives and friends experience easier, from providing comfort care packs to dedicated spaces.

State of the art theatres open at the Alexandra Hospital

Two new state-of-the-art theatres opened at the Alexandra Hospital in September as part of the Trust's wider plans to develop the Alexandra Hospital as a surgical centre of excellence.

The £18 million facilities are being used to treat urology, general surgery, orthopaedic and gynaecology patients requiring day case or inpatient surgery and bring the total number of theatres at the Alexandra Hospital to nine.

The development, which is linked to the main hospital building, also includes staff changing facilities and a dedicated theatre recovery space for patients.

New Emergency Department opened its doors

The new Emergency Department at Worcestershire Royal Hospital opened its doors in October.

Thanks to the support and generosity of donors to the Worcestershire Acute Hospitals Charity's Urgent & Emergency Care Appeal, the

£35million department also includes artwork in both the adults and children's areas helping to create a warmer, welcoming and more comfortable environment.

The artwork in the children's department has been specifically designed to make the environment feel more welcoming, from bright and colourful imagery, engaging animal characters and sign-posting.

Donors have also enabled the funding of computer game units which will help to put older children and young adults at ease, as well as providing a form of entertainment.

In the adult's area, large landscape scenes have been installed throughout the department, including in the Mental Health Assessment rooms, plus fun graphics for the X-Ray room.

Transformations haven also taken place outside thanks to a partnership with Severn Arts, and with majority funding from Arts Council England. Illustrator Emily Kaye was commissioned to design and paint a mural on the wall opposite the entrance.

Artwork Installation

Charity-funded artwork has been installed in the new operating theatre complex at the Alexandra Hospital in Redditch. Featuring a woodland backdrop, it has been specially designed for use in clinical settings and follows similar art installations at Worcestershire Royal Hospital.

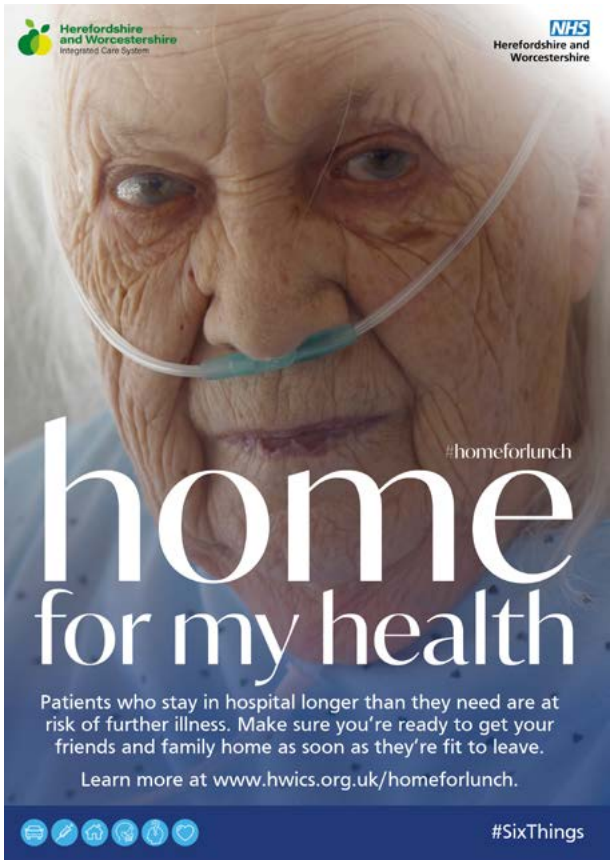
Campaign helps get patients Home for Lunch

Health and care partners across Herefordshire and Worcestershire launched a campaign with the aim of more patients leaving hospital earlier in the day, so they can be Home for Lunch.

Discharging patients earlier in the day, means patients can get home in daylight hours and has many benefits - it is brighter, warmer and safer to make that journey and get settled back into normal life. It also reduces risks of a fall or other injury, and research shows that prolonged stay in a hospital bed can have a significant negative impact on someone's health.

Getting patients home earlier in the day will not only help to reduce their risk of harm, it will also help to free up capacity across the whole health and care system. Hospital wards will have space to receive patients in the afternoon, so more beds are available. Ambulances can offload patients sooner, so paramedics can then get back out into the community, rather than wait outside hospitals. All this means that staff can give the vital care to those that need it.

Find out more at:
www.hwics.org.uk/our-services/homeforlunch



Virtual Reality headsets

The use of Virtual Reality headsets in our hospitals to alleviate stress and anxiety among patients was explored in a special feature on BBC Morning Live.

Dr Ranj visited the Children's Clinic at Worcestershire Royal Hospital to find out how the headsets are being used to calm patients with needle phobias or while they receive uncomfortable treatment.

Four VR headsets are being used across our hospitals thanks to funding from Worcestershire Acute Hospitals Charity. Sedation is being replaced by VR headsets for children undergoing blood sampling, without the need for additional medication.

Artificial Intelligence helps stroke patients

A new wearable device is being used for patients at Worcestershire Royal Hospital to help detect those at risk of a stroke, diagnose Atrial Fibrillation, and improve waiting times for treatment.

The mobile adhesive electrocardiogram (ECG) patch, called Zio XT, is worn by stroke patients for up to 14 days to read and analyse their heart's electrical activity using Artificial Intelligence (AI).

The Zio XT patch can help identify Atrial Fibrillation more accurately by providing data faster and in greater detail, allowing oral anticoagulant therapy treatment to begin sooner which can reduce the risk of stroke by two thirds.

A new artificial intelligence system to help treat stroke patients has also been introduced.

The RapidAI software analyses patients' brain images to help decide whether the patient needs an operation or drugs to remove a blood clot.

The data aids the Stroke Team in managing hyperacute stroke care with the software analysing neuro images. The technology is part of a decision-making tool to facilitate advanced stroke care keeping in line with the recently published stroke guidelines.

Transforming lives through work experience

In a ground breaking partnership, the Trust joined forces with Regency High School in Worcestershire and DFN Project SEARCH, to launch a supported internship program aimed at transforming the lives of young adults who have special educational needs and disabilities.

This initiative allows 16 to 24-year-old students who hold an Education Health and Care Plan (EHCP) to gain valuable work experience within the hospital setting, empowering them to take their first positive steps into the world of work.

WAHT, in collaboration with Worcestershire Children First, Worcestershire County Council, and Hft, the learning disability charity and supported employment provider, has become the first employer in the county to champion DFN Project SEARCH – a national transition-to-work programme for students with a learning disability and/or autism spectrum conditions.

Interns have made significant contributions to departments such as Catering, Operations, and Pathology at Worcestershire Royal Hospital.

Over 70 per cent of young people graduating from DFN Project SEARCH programmes find paid employment, defying the national employment figures highlighting that only 4.8 per cent of people with a learning disability or autism spectrum condition in England are in full-time paid employment.

Relaunch of Meadow Birth Centre

A bumper month of babies and a brand new video tour helped to celebrate the 'relaunch' of Meadow Birth Centre at Worcestershire Royal Hospital in February.

Meadow Birth Centre is a midwife-led unit offering a calm and relaxing environment for women with an uncomplicated pregnancy.

Due to the COVID pandemic and staff changes, the centre was sometimes unable to open to full capacity.

However, with a dedicated midwifery team now back in place in the unit, February saw 33 babies born – the highest number since before the pandemic, and a trend the team are looking forward to continuing.

To show parents-to-be the fantastic facilities on offer, a new video tour of the unit has also been co-produced with Worcestershire Maternity and Neonatal Voices Partnership, showcasing the en-suite facilities in each of the four rooms, birthing pools, dimmable lighting, light features above the pools, Bluetooth speakers and the centre's family room, as well as answering some of the frequently asked questions.

For information on Meadow Birth Centre and to watch the new video tour visit www.worcsacute.nhs.uk/mbc

Digital transformation improving care

Dramatic improvements to our connectivity infrastructure have been made over the last 12 months, including wireless access, desktop and laptop hardware and upgrade to Windows 10 operating system.

In addition, our Sunrise Electronic Patient Record (EPR) has been rolled out to 51 inpatient clinical areas, resulting in more timely diagnosis and treatment, reducing risk and improving patient safety as well as freeing up many thousands of hours spent managing paper records.

The improvements form part of our wider Digital Strategy which focuses on digital investment and delivery, reliable and secure infrastructure and digital care record implementation and innovation.

Plans for the future include further additions to Trust-wide EPR documents to support inpatient care and the systems roll out to outpatient settings such as Cardiology, Paediatrics, Emergency and Minor injury units (including three MIUs from the Health and Care Trust) and electronic prescribing and medicines administration (ePMA).

This complex programme of work will support the best possible outcome for patients by ensuring key clinical information is available at the touch of a button in a single EPR system.

Sharing Best Practice

We hosted the inaugural Foundation Group Volunteer Lead meeting, to share and discuss best practice along with shared challenges. These meetings are now a regular quarterly event.

A Focus on Learning Disabilities

We continued to improve the experience for our patients with a Learning Disability. In our Quality Priorities for 2023/24 we stated that *"We will work to ensure patients with Learning Disabilities will receive safe, personalised care and achieve equality of outcomes".*

As part of our commitment we actively participated in NHS England's (NHSE) Learning Disability Improvement Standards Annual Survey. The results will be available summer 2024. The survey focused on four improvement standards which we have developed actions against:

- Respecting and Protecting Rights
- Inclusion and Engagement
- Workforce
- Specialist Learning Disability Services

The inaugural Foundation Group Volunteer Lead meeting

In 2023 we implemented a Learning Disability Steering Group. This group meets bi-monthly and is attended by our staff and other key stakeholders.

We have also:

- Raised staff awareness about reasonable adjustments
- Launched an Oliver McGowan training pilot to support staff awareness
- Sensory boxes are now available in both of our Emergency Departments
- We have launched new patient boards to highlight hidden disabilities using the recognised sunflower symbol
- We have shared a patient story at Trust Board to raise awareness of experiences of care for our patients with a Learning Disability

Engaging with our local community

We launched our Big Quality Conversation survey 2023/24 in September as part of our annual programme to find out about people' s experiences of care at our hospitals.

Our survey focuses on three key areas: care that is safe, care that is effective and care that is a positive experience. As it is important to us that our survey is as accessible as possible and this year we launched our survey in Easy Read for everyone.

Our engagement programme supported people to engage with our survey in four key ways:

- Via an online survey which could be accessed via a QR code on our posters
- At engagement workshops and sessions facilitated by our Trust (with patients and in the community including at Maggs Day Centre for example)
- Via online promotions (social media, email and via our partners)
- Via our partners and networks – this included our posters and surveys being available on community health and wellbeing vans and our visits to specific networks to raise awareness.

> **Sight Concern Worcestershire and our volunteers were delighted to support Worcestershire Acute Hospitals Trust to enable blind and partially-sighted people to take part in the Big Quality Conversation. We are excited about working with the Trust to further improve the experience of vision impaired people using Worcestershire's hospitals.**
>
> Anne Eyre CEO from Sight Concern Worcestershire.

The results from our survey and engagement workshops will directly inform our Quality Priorities and focus for the coming 12 months. We report on the results and our actions every year in our Quality Account: www.worcsacute.nhs.uk/our-trust/corporate-information/annual-report-and-review-of-the-year/quality-reports

- 904 patients, carers and family engaged with our survey and our community engagement workshops. This is the highest number of people who have engaged with our survey.
- Our survey focused on twelve questions with the option to score answers as "always, sometimes, rarely and never". For each of the questions this year we also invited people to leave comments. These comments have been carefully categorised into themes which highlight positive and constructive feedback.
- We will be sharing details about the themes in our Quality Account 2023/24.
- The Big Quality Conversation continues to be a supportive and successful tool to help us find out what matters to people in the local community. Our approach enables us to work on priorities which matter to our local population and deliver Quality Improvements in line with public need.

Julia, member of the Patient and Public Forum (PPF) who worked with our Patient Experience and Engagement team gave us feedback about involvement with the survey.

"As a volunteer with the PPF, I assisted with the Big Quality conversation by talking to patients and listening to their experiences as inpatients and outpatients.

I found that patients were very open with me as a volunteer and comfortable to talk about good and poor experiences, which provides valuable feedback and supports the trust with continuing quality improvement".

Our Accessibility Guides: supporting our patients, carers and families

WAHT has continued to work in partnership with AccessAble to create 157 detailed accessibility guides to support people coming to our hospitals. These Access Guides are available via the Trust website (www.worcsacute.nhs.uk), AccessAble website and an App which is free to download from the App Store and Google Play.

The guides are available for anyone coming to our hospitals to help plan and prepare for a visit and navigate around our hospital departments and sites. The guides are made up of photographs, text and in audio, containing accurate measurements and descriptions. We acknowledge that everyone's accessibility needs are different and these guides help us to provide accurate information across a range of areas from the height of reception desks, to information about help and assistance available and hearing loops for example.

We again welcomed trained surveyors to our hospitals in Redditch, Worcester and Kidderminster in January 2024, as part of our annual AccessAble workplan. The surveyors updated existing guides and created guides in newly built and developed areas which included our new Emergency Department at Worcestershire Royal Hospital.

Our Accessibility Guides can be accessed in a variety of ways to support individual access - this includes audio and reading speed, increasing or decreasing the font size, changing the background and text colour, an inbuilt dictionary and spoken languages for example.

We have seen significant growth in the number of people downloading and accessing our online detailed Accessibility Guides. We reported in our annual report last year that between January 2022 and December 2022, our Accessibility Guides had 21,268 Users and 33,187 Page Views.

We have seen a continued increase in people accessing this information and between January 2023 and December 2023, our Accessibility Guides had 40,029 Users and 76,145 Page Views.

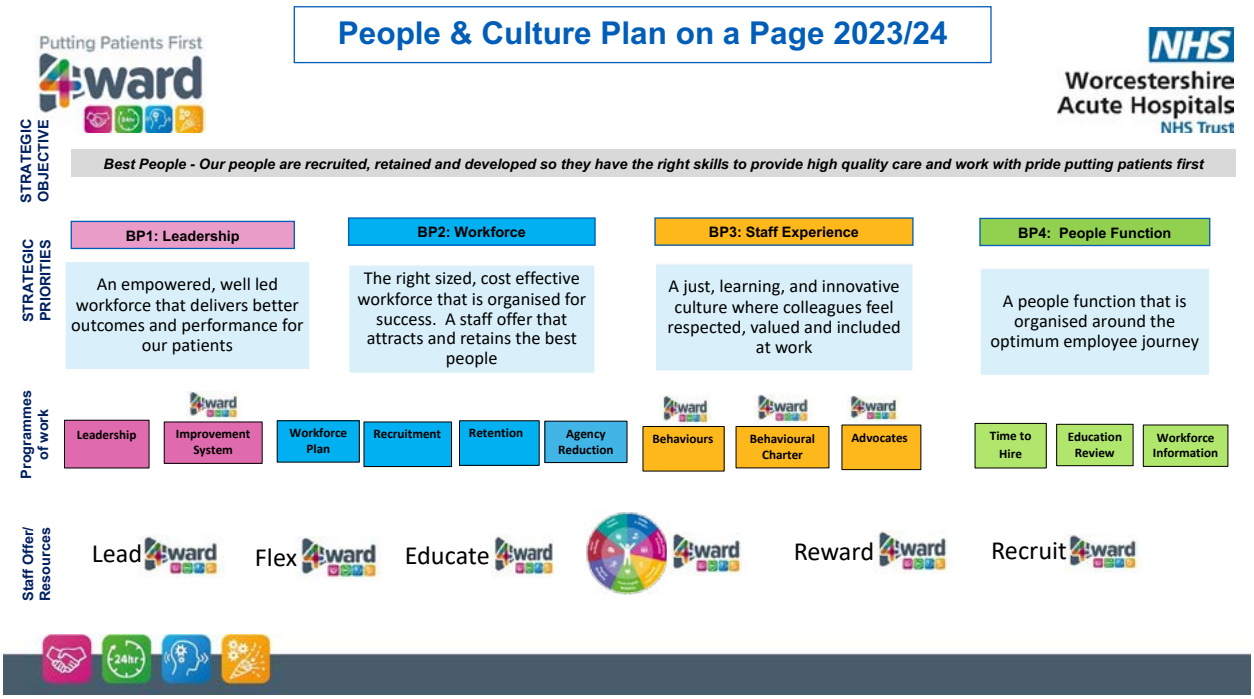
- The number of people using our Guides in 2023/24 has increased by 88 per cent and our Page Views has increased by 129 per cent.
- This breaks down to a monthly average in 2023/24 of 3,336 Users and 6,345 Page Views (as compared with 2022 monthly average of 1,772 Users and 2,765 Page Views).
- We have raised staff awareness about our Accessible Guides by creating screen savers for all Trust computers and sending out internal bulletins to all of our staff; we have included and engaged with our volunteers and patient representatives.
- We have further raised public awareness by creating flyers and banners and we have extended our reach to our external networks and within the Foundation Group.
- We have worked with AccessAble to gain advice on general principals about signage and information in our new Emergency Department at Worcestershire Royal Hospital; this informed our decisions on signage.

We reached out to AccessAble for advice around language in our Big Quality Conversation survey, to ensure that our questions (alongside EasyRead symbols) for our patients, carers, family and friends are as accessible as possible.

> **We are delighted to continue our successful partnership with Worcestershire Acute Hospitals Trust. The sustained high usage of the guides by the public demonstrates the engagement and promotion by the Trust. We look forward to continuing to work with Worcestershire Acute Hospitals Trust to continue to review and update guides as well as create new guides.**
>
> Anna Nelson, Chief Executive Officer, AccessAble.

Our workforce

Our people and culture plan for 2023/24 was:



Staff Survey Results 2023

The results of the latest national NHS Staff Survey were published on March 7, 2024. Our final response rate for the 2023 survey was 31 per cent (2,215 colleagues) compared to 36 per cent last year. This represents a 5 per cent drop and is lower than the median response rate for Acute Trusts of 45 per cent, and the national overall average of 48 per cent which was disappointing.

The Trust's survey results are largely reflective of the national trend, particularly in relation to reward, staff engagement, and morale. Scores for the People Promise elements show an overall improvement when compared to the previous year's results.

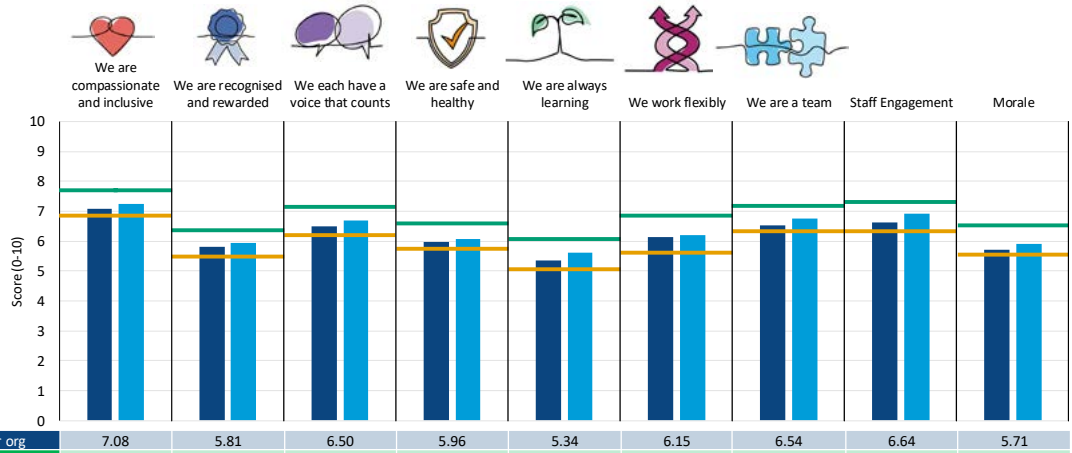
The themes 'We are recognised and rewarded' and 'We are always learning' improved significantly. 'We work flexibly' improved the most, more than the national average. Morale also showed a significant improvement.

The following table shows this year's results when compared against the benchmarking group of 122 similar organisations, showing how our Trust compares with the average, best, and worst results.

People Promise elements and themes: Overview

Survey Coordination Centre NHS

People Promise elements, themes and sub-scores are scored on a 0-10 scale, **where a higher score is more positive than a lower score**.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.08	5.81	6.50	5.96	5.34	6.15	6.54	6.64	5.71
Best result	7.71	6.37	7.16	6.59	6.07	6.87	7.19	7.32	6.52
Average result	7.24	5.94	6.70	6.09	5.61	6.20	6.75	6.91	5.91
Worst result	6.85	5.50	6.21	5.75	5.05	5.60	6.35	6.34	5.54
Responses	2208	2207	2194	2044	2091	2200	2206	2213	2211

Note: 2023 results for 'We are safe and healthy' are now reported using corrected data. Please see https://www.nhsstaffsurveys.com/survey-documents/ for more details.

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The table below shows the themes where there is a statistically significant change from last year. We have four areas that are significantly higher and none that were lower than last year:

Appendix B: Significance testing – 2022 vs 2023

Survey Coordination Centre NHS

Statistical significance helps quantify whether a result is likely due to chance or to some factor of interest. The table below presents the results of significance testing conducted on the theme scores calculated in both 2022 and 2023*. For more details, please see the technical document.

People Promise elements	2022 score	2022 respondents	2023 score	2023 respondents	Statistically significant change?
We are compassionate and inclusive	7.05	2477	7.08	2208	Not significant
We are recognised and rewarded	5.58	2477	5.81	2207	Significantly higher
We each have a voice that counts	6.44	2465	6.50	2194	Not significant
We are safe and healthy	5.79	2470	5.96	2044	Significantly higher
We are always learning	5.11	2392	5.34	2091	Significantly higher
We work flexibly	5.89	2473	6.15	2200	Significantly higher
We are a team	6.44	2474	6.54	2206	Not significant
Themes					
Staff Engagement	6.57	2480	6.64	2213	Not significant
Morale	5.56	2482	5.71	2211	Significantly higher

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence.

Note: 2023 results for 'We are safe and healthy' are now reported using corrected data. Please see https://www.nhsstaffsurveys.com/survey-documents/ for more details.

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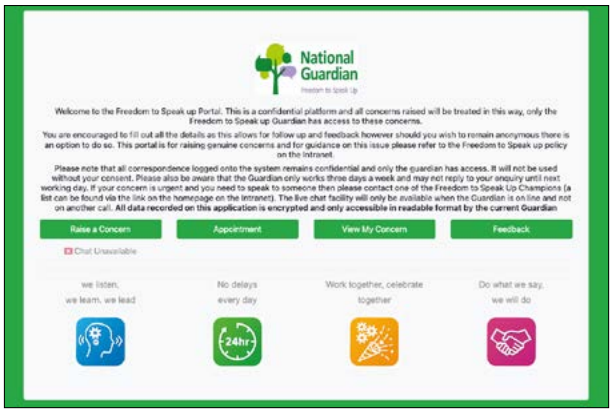
A key focus ahead of the next annual survey will be increasing response rates across the Trust. Each division has been asked to identify the key reasons for the poor response rate and to identify practical actions to address this.

Specific pieces of work undertaken since the last survey, including the review of the PDR process and introduction of a support pack, as well as the continued promotion and support of the Behavioural Charter, will continue to embed.

Wider pieces of work focussing on organisational values and behaviours, as well as civility and respect in the workplace will also help to address key themes within the survey results.

In addition, the areas of the Trust requiring most support will be identified through analysis of survey heat maps, with subject matter experts from HR and OD working with teams to develop specific action plans and tailored solutions, including the utilisation of the TED (Team Engagement & Development) tool.

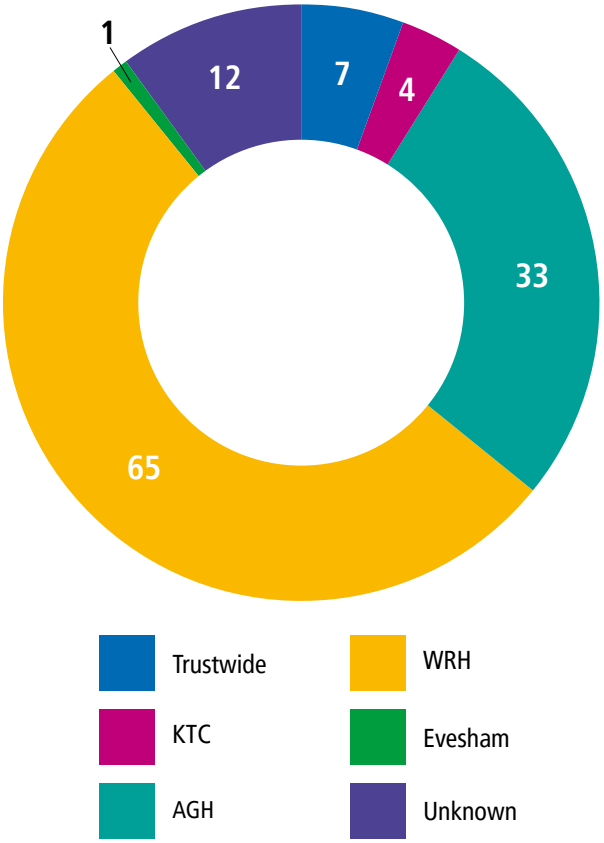
Freedom to Speak Up (FTSU)



During 2023/24 we have continued to raise the profile of FTSU with regular bulletins from our Guardian and launch of our FTSU Portal so that staff can access support via one click.

The Guardian is supported by a network of FTSU champions across our three sites and the 4ward advocates now undertake some FTSU training to support.

FTSU cases by site



The following tables provide an overview of the concerns raised through the FTSU Guardian in 2023/24. The majority of the cases raised, cover the themes of inappropriate behaviour, and attitudes, including bullying and harassment. The advent of the portal in October 2020 has also seen an increase in anonymous concerns, the majority being around attitudes and behaviour.

Summary of concerns raised to the Freedom to Speak Up Guardian in 2023/24

Total number of speak up incidences	Total number of speak up incidences reported anonymously	Total number of speak up incidences where there was a bullying or harassment element	Total number of speak up incidences where there was a patient safety or quality element	Total number of speak up incidences where there was a perception of detriment to the reporter
100	44	34	16	0

Themes of concerns raised to FTSU in 2023/24

Theme	Number of times issue raised
Bullying and harassment	34
Staff Levels	12
Attitudes and behaviours	78
Policy and Procedures	24
Quality and Safety	16
Worker Safety and well-being	28
Fraud	5
Other	8
Grand total	**100 cases (some with multiple issues)**

The breakdown of cases over the last five years is as follows

Year	Cases	Anonymous percentage
April 2018 – March 2019	36	5%
April 2019 – March 2020	44	0%
April 2020 – March 2021	63	20%
April 2021 – March 2022	103	28%
April 2022 – March 2023	123	45%
April 2023 - March 2024	100	44%

Headlines from the FTSU data

- The data continues to highlight a general rise in concerns overall since the advent of the portal in October 2020.
- The proportion of anonymous concerns has risen significantly demonstrating the need to reassure staff that no detriment will be suffered as a consequence of raising concerns, and this has remained consistent this quarter
- The distribution across the three sites is proportionate to the sizes.
- The main themes continue to remain predominantly attitudes and behaviour and bullying and harassment.
- There has been no increase in concerns from staff with protected characteristics despite the FTSU working closely with the network leads and the networks. This continues to be a challenge and is a priority to break down the barriers preventing this, however there is now an option to raise if you think your concern is due to a protected characteristic.

- The option to highlight a protected characteristic now allows us insight into if we are seeing an increase of concerns raised in any of these areas.

The main theme continues to be attitudes and behaviour despite publicity surrounding civility and respect and the behaviour charter. The FTSU Guardian is working closely with the OD team and ICS to deliver active bystander training to staff.

FTSU Champions

The FTSU Guardian has embarked on a programme of recruiting new FTSU champions in conjunction with the neighbouring Trusts Guardian. The first round of training has resulted in 13 new champions being trained. Scoping of existing champions has also been undertaken and gaps of provision identified in Surgery, Specialty Medicine and Urgent Care Divisions, which the Guardian is now working on with HR Business Partners Divisional Leads.

FTSU Learning

Learning from the concerns is currently shared at various forums. It is shared at a local level when the concerns are raised and also relevant points are shared at networks. It is also reported directly on the quarterly report to the National Guardians Office.

Work on how we share learning across the organisation continues to develop, within the FTSU and 4ward advocate meetings the staff are given opportunity to share soft intelligence on issues that may be arising and this is then captured by the FTSU and shared as appropriate.

Recruitment

The NHS is committed to preventing discrimination and promoting equality. The Trust works in partnership to deliver against this wide agenda. The Trust has been awarded the 'Disability Confidence' symbol. This symbol is recognition given by the Jobcentre Plus to employers based in Great Britain who have agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees: inclusive and accessible recruitment, communicating vacancies, offering an interview to disabled people, providing reasonable adjustments, and supporting existing employees.

The recruitment and wellbeing of our staff remains a key priority. Our substantive vacancy rate has reduced significantly by 4.5 per cent to 6.63 per cent this year (a reduction from 801 to 467 whole time equivalent (wte) vacancies, as a direct result of investment into the Recruitment and Medical Resourcing team's business case.

Our funded establishment has also increased by 159 wte over the year due to agreed business cases and winter wards.

The Trust has continued to rely on a high percentage of agency workers to address additional capacity due to the opening of additional wards and response to capacity issues as well as increased sickness absence.

We have worked with Digital colleagues this year to fully roll out an App which manages Approval to Recruit requests. The intention

was to remove blocks to recruitment, separate out those roles that required advertising from those that were skill mix/hours changes, and subsequently reduce bank and agency spend.

Inclusive Recruitment

We launched our Trust-wide Inclusive Recruitment practices in April 2022. Focussed on Management roles (Agenda for Change (AFC) Band 8a and above) within the Trust as our analysis showed we needed to do more to improve the visibility of underrepresented groups.

To ensure consistency throughout the Trust, managers were provided with a new toolkit explaining the new requirements of this programme of work.

To encourage applicants from BAME, Disabled and LGBTQ+ backgrounds, the Trust expanded the scope of the guaranteed interview scheme to include applicants from this demographic who meet the essential criteria of the role.

A new role of Recruitment Champion has been introduced at both the shortlisting and interview stages to ensure that these processes are evidence-based free from bias. Their role is to identify and explore further issues of culture, and behaviour, where staff may be being treated less favourably, potential discrimination and unconscious or conscious cultural bias. All of these could be present, observed and ignored during informal or formal processes. The Recruitment champion's role is to be curious about these issues, make them transparent and create dialogue to establish the potential impact on the outcome.

The Trust has expanded its recruitment team in the Trust which plays a crucial role in advocating for Inclusive recruitment practice.

During 2023/24, we reviewed our Inclusive Recruitment practices and highlighted both some areas of impact and further improvements to make.

This programme of work will assist us in:

- Increase confidence in the formal process for staff and applicants with a protected characteristic.
- Improve the quality of opportunities for staff with protected characteristics within the workplace.
- Increase our representation in Leadership roles.
- Help the Trust in its programme to improve our WRES, WDES and staff survey data.

International Nurses

Of the 150 target, we achieved a total of 151 international nurses and ODPs brought into the Trust in 2023/24. This made a considerable impact to our reduction in vacancies in the same financial year and subsequent offset of temporary staffing.

Health and Wellbeing

Working Well have continued to implement the NHSE Growing Occupational Health and Wellbeing Together strategy and support the delivery of the Trust Health and Wellbeing strategic action plan. As part of the Health and Wellbeing steering group, some of the projects this year have included:

- Creating wellbeing spaces for staff to use when in need of rest, relaxation and timeout
- A menopause toolkit and webinars

- Fatigue management
- Development of 'Supporting our NHS Staff' booklet
- Monthly wellbeing webinars
- Working carer support
- Development of healthy food options for staff
- Attending quarterly wellbeing events

Safe Effective Quality Occupational Health Service (SEQOHS) sets the standards for occupational health services. This is an integral part of the occupational health service landscape and the recognised industry standard. Working Well have been SEQOHS accredited since 2013 and in 2023 completed the self-assessment for 5 year revalidation with an accreditation visit scheduled for April 16, 2024.

In June 2023 Working Well commenced the project to upgrade the Occupational Health IT System Cohort to Cority. Cority is a secure cloud-based clinical record and appointment system. All historical data and future appointments will be copied over from the current system in May 2024.

The secure cloud-based 'myCority' self-service portal functionality for staff, students and managers will allow users to track the status of questionnaires they have submitted and will be accessible via Single Sign On.

The new system will minimise the need for manual inputting and will allow Working Well to create workflows that are more efficient and relevant to specific members of the team. In addition to this, the data that can be pulled from the new system will ensure that feedback and statistics for employers will be greatly improved.

Compliance audits are undertaken monthly, to ensure that all inoculation injuries are followed up and cross checked against Datix information. Hotspot areas include Delivery suite, A&E and Theatres. Doctors have the most inoculation injuries compared to other job roles. Awareness has been raised through a campaign to all Trust staff around best practice regarding prevention and advice following inoculation injuries.

In 2023 improving flu uptake proved to be a challenge. Despite trying to negotiate various locations within the hospital to hold flu clinics, a lot of resistance was met from the Trust in securing a location that would be easily accessible for staff, particularly on the Worcester site.

As a result, there was no other option but to hold clinics in the Working Well Centre. Over 100 peer vaccinators signed up to train and deliver flu but only 33 actually completed the necessary training. This was probably due to time pressures within their day to day roles. Uptake across the Trust was comparable with other local NHS Trusts, but disappointingly was lower than the previous year.

We know that mental health and musculoskeletal challenges continue to be at the forefront of the reasons for poor workplace health. However, there are other evolving challenges that are becoming prevalent, such as the increasing need to address financial wellbeing and its added impact on wider personal wellbeing and issues that have culturally taken time to address, such as becoming more supportive to women's health including menopause, appreciating that women make up the majority of our NHS workforce.

Flu vaccination data	Flu Vaccines as at 31.12.22			Flu Vaccines as at 31.12.23		
	Yes	Grand Total	%	Yes	Grand Total	%
Corporate	333	640	52	278	683	41
Digital	45	93	48	53	106	50
Estates and Facilities	166	372	45	128	390	33
Specialised Clinical Services Division	1038	2105	49	753	2186	34
Speciality Medicine	666	1446	46	461	1510	31
Surgery	393	967	41	266	1024	26
Urgent Care	229	607	38	202	660	31
Women and Children	348	816	43	208	858	24
Grand Total	**3218**	**7046**	**46%**	**2349**	**7417**	**32%**

Wellbeing Information for Staff

The Intranet is regularly updated and includes a Health and Wellbeing Pinwheel which provides a raft of information for staff. Staff can click on each segment to access information.

Our Health and Wellbeing plan is based on the following:

- Creating a culture of wellness through a holistic approach to Health & Wellbeing
- Psychological pyramid – ensuring staff have information, advice, and guidance to self-help with specialist advice and support in place for those in crisis
- Wellbeing conversations – giving all staff the opportunity for reflective practice and to discuss their holistic health & wellbeing
- We have increased our Psychological Therapy workforce to support staff

Staff Appraisals

The Trust believes appraisals are vital in valuing staff and all staff should have an appraisal every year. However, there was some dispensation given for appraisals during the Pandemic. The Trusts appraisal rate for non-medical staff as at March 31, 2024 was 79 per cent compared to 81 per cent the previous year. This compares reasonably to the Model Hospital average of 80.9 per cent. Appraisals will continue to be a focus for managers as we move through the Recovery and Restoration phase following the pandemic particularly for Admin and Clerical staff who have been impacted by working from home and Ancillary staff who have increased levels of sickness. This year we have launched revised Appraisal paperwork including Career

conversations to improve the quality of the conversation.

Mandatory Training

We have maintained high levels of Mandatory Training Compliance at around 90 per cent which is better than the Model Hospital average of 89.6 per cent. Current compliance as at March 31, 2024 is 91 per cent. We benchmark favourably against national and regional organisations, despite the fact that we have no exclusions in our data for sickness or maternity leave which some Trusts remove.

During this year we have rolled out a new Essential to Role (E2R) topics for 4ward Practitioner Training, Tissue Viability/Pressure Ulcer Prevention, Patient Safety and Supervisor and Assessor Training and have an agreed plan for further topic roll out. Compliance is currently 89 per cent across the board for E2R topics compared to 87 per cent last year.

E-Rostering

The Trust uses a suite of rostering solutions from Allocate Software as recommended in the Carter Report. Previously Health Roster was limited to Nurses but in 2020 we rolled out NHSP interface which sends available shifts to staff mobiles which has dramatically improved shift fill rates. Medics Rostering and Locum on Duty where also rolled out which facilitate early booking of locum shifts via bank staff in the first instance with a view to reducing premium agency costs. NHS Professionals (NHSP) are our single supplier of bank and agency staff and we have worked with them to launch NHSP Connect which links our rostering system with NHSP Payroll.

The Rostering Team support managers across all disciplines to implement full Rostering and encouraging both auto-rostering and self-rostering to improve our Flexible Working offer to staff. HealthRoster has played a key part in our incident management for both Covid and latterly during strike action due to its reporting functionality and ability to interface with ESR. We are commencing the roll out of e-roster for all medical and dental staff which will improve governance and support our management of temporary staffing.

NHS Jobs 3

During this year we have fully implemented NHS Jobs 3 (NHSJ3) which interfaces with ESR. This allows all applicants to have access to their records on NHSJ3 to check for accuracy, and all correspondence in terms of offer letters, checks and contract of employment are processed through the NHS Jobs 3 portal. An interface with ESR means that all information on the successful applicant is pulled through to ESR avoiding the need for dual inputting.

Electronic Forms

During 2022/23 we commenced a project with Digital and Finance colleagues to launch electronic staff changes and termination forms. This provided assurance that all relevant departments received information for action at the same time (e.g. Finance, Payroll, Workforce, Rostering, Security, IT and Estates). Previously managers had to send forms electronically via email which had scope for errors with some departments being omitted in error which can cause over or under-payments or system access issues. This year we have been working on the launch of the electronic starter form which will reduce duplication and omissions. We are currently in the testing phase and will hopefully be going live in July 2024. We have also been working on electronic forms for pensions which is also hoped to go live in July 2024.

Flexible Working

The Trust has achieved Timewise Accreditation which is awarded to organisations in recognition of their commitment to increasing opportunities for flexible working for existing staff and new employees.

We have a number of flexible working initiatives underway including Location by Vocation which enables non-patient facing staff to work remotely, thus ensuring that our scarce parking resource is available for patients, nurses, doctors and other professional patient facing staff. This initiative has improved attendance rates in particular for admin and clerical staff and is a key component of our recruitment and retention strategies.

We have launched Flexible Working functionality on our Electronic Staff Record (ESR) system which enables staff to formally request a flexible working pattern. Results are reported to a Flexible Working Steering Group. HR Business Partners are working with Divisions to improve the flexible working offer to staff and to ensure that this is recorded on ESR.

Workforce Key Performance Indicators

We regularly monitor our workforce KPIs at JNCC, People and Culture Committee, Trust Management Executive, Finance and Performance Executive, and Trust Board. Following the Trust's membership of the Foundation Group we have adapted and expanded our KPI reporting to mirror that of other group members with benchmarking against the group as well as against national ESR and Model Hospital averages.

Our volunteers

We have continued to work with our volunteers, focussing on the delivery of an excellent service that meets the needs of the organisation.

We have created new roles in 2023/24 with a focus across the three hospital sites. New roles include the CoLab Support role at Kidderminster Treatment Centre and the Emergency Department Family and Loved Ones Telephone Support role.

Emily (pictured above) is our first Co-Lab volunteer. Emily started volunteering at our Trust to find out more about how the NHS runs and to form connections.

> **"I've been able to witness how the VR pods operate, help out at meetings and support with new tech. It has been incredibly enjoyable and insightful so far and I look forward to future opportunities."**

Carole (left) pictured with Donna, ED Matron is a telephone support volunteer.

> **I take incoming calls from outside of the hospital, primarily to take some pressure off clinical and administrative staff but also to alleviate the frustration of relatives and friends enquiring after loved ones in the department. I'm enjoying the role and feel like I'm really making a difference. This is a new role and after a successful trial is now business as usual.**

Our volunteers also support with hydration and nutrition in our Accident and Emergency (A&E) departments.

The facts and figures

- We increased our volunteer numbers in 2023/24 by 21 per cent (on the previous year).
- We continue to develop our bespoke Trust volunteering database that enables volunteers to log their hours via an App. This supports the health and safety agenda and enables us to demonstrate the volunteer's added value to the Trust.
- Volunteers have contributed 11,710 hours in 2023/24 which equates to £192,044 of added value. This is an increase in hours of 80 per cent (6,506 in 2022/23).
- We have increased the types of volunteer roles on offer across our hospitals – we now offer 16 volunteer roles across the three sites, compared to ten roles available in 2022/23 – this represents a 60 per cent increase. This offers choice and supports the patient, carer and staff experience.

- The roles we have recruited into in 2023/24 are: *Wayfinders, Ward Volunteers, Clinic Volunteers, Chaplaincy Volunteers, Emergency Department, Administration support, Patient and Public Forum and Patient Representatives, Breast Feeding Friends, the Co-Lab, Hospital Charity Volunteers, Macmillan, Millbrook Suite, Outpatients, Dementia Buddies and Therapy Dogs.*
- We continue to receive 100 per cent feedback on positive volunteering experiences and support from all active volunteers and receive many compliments from patients and staff about the service.
- The Trust has 382 volunteers. (This includes Trust volunteers, the League of Friends of Kidderminster Hospital and the League of Friends Alexandra Hospital) (KTC League of Friends – 160; Alex League of Friends – 30; Worcester RVS shop – 36)

We continue to offer development opportunities to volunteers. In 2023/24 our volunteers have attend Rainbow badge training, Assisted Feeding training and Sensory Impairment Awareness training. This additional training will continue to be rolled out to volunteers in 2024/25.

Equality, Diversity and Inclusion (ED&I)

The Trust recognises that a diverse workforce (that is represented across all levels) brings a range of experiences, ideas and creativity essential for delivering high quality, safe healthcare.

Our actions to improve staff experience in relation to Equality, Diversity and Inclusion align with the Trust's wider organisational strategic goals, specifically our People and Culture Strategy. They also support our commitments to the NHS People Plan and the People Promise: 'We are compassionate and inclusive'. Our ED&I priorities were developed at a Board session and are:

Equality Delivery System 2022

The Equality Delivery System (EDS) is a system that helps NHS organisations improve the services they provide for their local communities and provide better working environments, free of discrimination, for those who work in the NHS, while meeting the requirements of the Equality Act 2010. The EDS was developed by the NHS, for the NHS, taking inspiration from existing work and good practice.

Implementation of EDS 2022 is a requirement of both NHS commissioners and NHS provider organisations. In light of the inclusion of EDS 2022 in the NHS standard contract, NHS organisations should use the EDS 2022 reporting template to produce and publish a summary of their findings and implementation.

The reporting template for EDS 2022 requires us to score ourselves against three domains which are broken into eleven separate outcomes. Domain 1 focuses on how Trust services meet our population needs. Goal 2 & 3 focus on the Trust workforce.

Workforce Race Equality Standard (WRES)

The 2020 Workforce Race Equality Standard (WRES) report is the sixth publication since the WRES was mandated, and it covers all nine indicators. NHS providers are expected to show progress against the WRES indicators and publish their specific reports and action plans on their website as part of the National Contract. The report has the following key roles: To enable organisations to compare their performance with others in their region and those providing similar services, with the aim of encouraging improvement by learning and sharing good practice; and, to provide a national picture of WRES in practice, to colleagues, organisations, and the public on the developments in the workforce race equality agenda.

Our WRES submission for 2023 shows that.

- There is still a significant under-representation; 7.3 per cent of BAME staff from Band 8a to VSM (24 of 328 posts) and 11.3 per cent of Band 6 & 7 posts (204 of 1848 available posts).
- Although there has been a decrease since 2021 in the relative likelihood of BAME staff entering a formal disciplinary process from 1.11 to 0.97 times more likely, this remains an area for improvement for the Trust.
- The likelihood of White staff being appointed after shortlisting compared with BAME staff has increased slightly from 1.51 to 1.68.
- Although the number of respondents to the 2022 staff survey has slightly decreased from 2,826 to 2,432, there has been a decrease in the number of BAME staff experiencing harassment, bullying or abuse from staff from 29.3 per cent (365 staff) to 26.7 per cent (348 staff) in 2022.
- 22.8 per cent (346 BAME staff) of respondents (2,436) have experienced harassment, bullying or abuse from service users, a decrease of 7.3 per cent from Staff Survey 2021.
- The relative likelihood of White staff accessing non-mandatory training and CPD compared to BAME staff has fallen from 1.03 to 0.80.
- The gap between BAME and White staffs' perception of equal opportunities for career progression is 11 per cent lower than white colleagues (45.8 per cent to 56.2 per cent). The BAME staff response for WAHT for this question is 1.2 per cent below the BAME national average (47 per cent).

Actions have been developed and aligned with the organisational and Divisional Culture Plans in response to the issues highlighted in the data.

Workforce Disability Equality Standard (WDES)

We were delighted to be successful in bidding for funding from the NHS Workforce Disability Equality Standard Innovation Fund (WDES), which has been introduced across the NHS to advance disability workplace equality. This funding is being used to enable and encourage people with a disability or long-term condition to apply for roles within the Trust.

As part of a more comprehensive programme of work in conjunction with all the Trust Staff Inclusion Networks, we have developed an innovative response to our WDES, WRES and staff survey data to improve the outcomes for staff with protected characteristics known locally as our Culture Plans. Priority 2 of this plan is Recruitment and Talent Development, which aims to improve our recruitment and promotion opportunities for staff and potential applicants with protected characteristics.

Our successful WDES Innovation fund enabled us to push our job vacancies, including apprenticeships, directly to potential applicants with a disability or long-term condition and to provide potential applicants with additional information and support on the application, shortlisting, and interview process, including a level of support which will be available through a link directly to our staff Disability Network.

The disability confident job fair in persons job fair was a chance for potential applicants to understand the roles available in the NHS and give them a link to further information if they wish to apply. We also hosted a virtual network meeting open for all staff as a disability educational awareness. We then ran a virtual "Meet the Employer's event" in partnership with Evenbreak. The desired ambition of this project was to see a marked increase in applications from potential employees with a disability, which will lead to a rise in appointments in conjunction with our Culture plan.

Gender Pay Gap

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings e.g. women earn 16 per cent less than men. Used to its full potential, gender pay gap reporting is a valuable tool for assessing levels of equality in the workplace, female and male participation, and how effectively talent is being maximised.

It is a legal requirement for all relevant employers to publish their gender pay report within one year of the 'snapshot' date: this year's date being March 31, 2023.

The Trust's Gender Pay Gap as at March 31, 2023, is in summary:

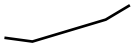
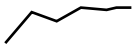
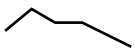
- The Trust's mean gender pay gap is 29.89 per cent
- The Trust's median gender pay gap is 18.86 per cent
- The Trust's mean bonus gender pay gap is 42.59 per cent
- The Trust's median bonus gender pay gap is 41.11 per cent
- The proportion of males receiving a bonus payment is 4.57 per cent
- The proportion of females receiving a bonus payment is 0.44 per cent

We aim to continue to reduce our gender pay gap year on year, with the intention to create greater equality in our pay framework.

Reducing our gender pay gap implies increasing the proportion of men in the organisation and continuing the focus on creating pay equity across pay bands.

Effective policies for closing the gender pay gap seek to address factors and barriers common to all women (such as the number in lower-grade jobs with lower pay) as well as target inequalities faced by women belonging to specific groups, based on characteristics such as ethnicity, age and profession.

Our Gender Pay gap has reduced since our first report in March 2018 as follows:

Average Hourly Rate	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Trendline
Male	23.17	23.49	23.87	24.56	25.08	26.16	
Female	15.93	15.77	16.28	16.77	17.31	18.34	
Difference	7.24	7.72	7.58	7.79	7.77	7.82	
Pay Gap %	**31.25**	**32.87**	**31.77**	**31.72**	**30.99**	**29.89**	

Work undertaken on improving the flexible worker opportunities for our staff will enable more women to progress in their career which will in turn reflect positively on our Gender Pay Gap.

Staff Inclusion Networks

Disability Network

The Disability Network is an active network of allies and colleagues who are living, working, or caring for someone with a long-term condition or disability. The aim of the network is to provide a platform to share experiences and good practices and to examine challenges and opportunities in the workplace to create a culture whereby all staff feel valued, supported, understood, and treated with dignity, respect, and kindness. As a network, we have been key to the introduction of Disability leave into current policy, along with guidance for managers in the application of this policy provision.

The network has been working with Evenbreak to assist the recruitment of disabled people into the trust, following the successful NHS WDES innovation fund award of £10,0000, along with a workshop on inclusive recruitment, a meet the employer event and an in-person job fair.

Recently, we have seen the launch of the Health Ability Passport into the trust to support managers and employees with managing their disability/long-term condition in the workplace. This provides a document held by the individual which outlines their long-term condition and how they manage this in the workplace. It is also a platform for the employee's reasonable adjustments to be recorded and reviewed at regular intervals.

LGBTQ+ Network

2023/24 has continued to see the LGBTQ+ grow in strength and numbers with the main focus working on the action plan from the NHS Rainbow Badge Assessment. Work has continued to make the Trust a more inclusive environment, and staff and patients will notice inclusive posters across all sites and the ability for staff to now display their pronouns on their name badges.

We are delighted that we now have over 250 NHS Rainbow Badge champions within the Trust who have all attended a face-to-face training session on LGBTQ+ Healthcare Awareness, which provides our champions with the information that they need to support their LGBTQ+ colleagues and patients.

With the help of our colleagues who have lived experiences, we have launched two new policies to support our transgender patients and colleagues at the Trust, with a particularly useful toolkit for managers on how to support

their colleagues who are transitioning whilst at work. A number of Trust policies have also been reviewed to ensure that they are inclusive of all members of the LGBTQ+ community.

Black Asian Minority Ethnic (BAME)

The Trust has a network of BAME staff and allies working together to help create a culture where all staff and patients feel supported, cared for, and treated with dignity, kindness, and respect, regardless of their race or ethnicity.

The Network has recently elected two vice chairs to improve networking and support to their BAME colleagues. Through outreach to colleagues in their work areas, the network has been able to increase awareness of the group and works closely with the Deputy Chair and executive colleagues to advance the group's agenda.

The network works closely with the local community and university to increase awareness of racial discrimination. The BAME network at Worcestershire Acute Trust has launched a career progression support group to assist members in their career development. By addressing the need for more awareness in career progression, the group aims to support members of the BAME network with signposting, coaching, and encouraging them to achieve their personal goals. Additionally, this aims to address the Trust's recruitment, retention, and employee experience challenges.

The Faith and Spirituality Network

The network is the newest of the staff inclusion networks, and this last year has seen the network develop on a firmer footing. The network provides staff with a "safe space" where individuals can express their beliefs and concerns without discrimination, harassment, and victimisation. It is there as well to enable staff to communicate with patients and colleagues appropriately, and to provide advice and guidance on how patients' religious and philosophical beliefs can be met by all members of staff, aligning with the Trust 4Ward behaviours.

Organisational Behavioural Charter

The Charter that was launched in 2022 itself lays down the commitment from the Trust that any member of staff experiencing or reporting violence, aggression, bullying, harassment and discrimination from patients, visitors and colleagues will be fully supported to speak up and ensure that appropriate action is taken, and sanctions applied where necessary.

As a Trust, we have a clear stance that Our Staff MUST be able to come to work without fear of violence, abuse, harassment or discrimination from colleagues, patients, or visitors.

We are continuing to socialise our charter with the establishment of the Charter Project group covering four key areas within the Trust:

Zero Tolerance Statement

As a Trust, we believe that everyone should be treated equitably. This means that we fully support and encourage any staff, patient or visitor who is experiencing/has experienced, or has witnessed, any form of discrimination, harassment or bullying to come forward and tell us and to receive support and advice; no act is considered too small to be addressed. With the launch of the Health & Safety processes, we are routinely issuing yellow and red card letters when instances are reported.

Our Zero Tolerance statement is now displayed in all prominent areas of the Trust and provides all staff, patients, and visitors with examples of behaviours that will not be tolerated. We also used October Culture Month as a real opportunity to promote this further Trust-wide. During 23/24, we will be incorporating our commitments and approach to sexual safety in the workplace.

Charter and Behaviours

The Charter sets out the organisational commitment to fully support staff who experience violence, aggression, bullying, harassment, and discrimination and take appropriate action when required. Behind our Charter are examples of inappropriate behaviours and ways in which staff, patients and visitors can report these appropriately. The Organisational Development (OD) team is now part of the preceptorship induction programme to promote both the 4ward Behaviours and the Behavioural Charter.

Safe to Speak Up

The lead Freedom to Speak Up Guardian has worked closely with both the internal incident reporting team and the Behaviour Charter project group over the last 12 months to help us improve the process of staff speaking up.

Legislation and Policy

The Charter development prompted a programme to update and develop new policies and processes to complement the Charter. The HR team have worked to ensure that our internal Grievance, Disciplinary and Dignity at Work policies can support managers in fulfilling their requirements. This work has continued during 2023, with HR representatives being part of the Charter Project group developing improvements to the processes. The main themes of project group work have been focused on improving the communication between all parties involved in an HR process. Along with the support all parties receive during these processes. Additionally, we will be strengthening the promotion of the Early Resolution options that are available trust wide. Furthermore, HR has rolled out new Training for managers on the Dignity at Work Policy.

Education and Training

We offer our staff the opportunity to improve their knowledge and skills through education and training. We want our people to develop their careers in a supportive environment.

We have strong links with our local and regional universities, so we can offer a diverse career pathway with opportunities to progress in specialist areas, professional development, and clinical education.

- **Corporate Induction**.
  Colleagues joining the Trust will undertake a corporate induction day to welcome them to the team and to introduce them to our way of working. During the induction, colleagues will complete their Fire Safety mandatory training and during their induction period, they will be guided through their mandatory and essential-to-role training.

- **Mandatory Training**
  Mandatory training is the core training which all staff must complete when they join the Trust and at regular intervals throughout their employment. This training will give you the skills and knowledge needed to keep our patients, staff, and everyone's information safe.

- **Clinical Education**
  Our clinical education covers everything our staff on the front line will need to give patients safe, efficient, high-quality care. From our Nursing, Allied Health Professionals and Midwifery development to clinical skills programmes and simulation facilities, the Trust offers a comprehensive range of development for all clinical staff.

- **Career development**
  We have a real focus on developing our people, with numerous routes into careers with the Trust, including apprenticeships and graduate programmes. All staff will complete annual appraisals to maintain progress and identify opportunities for development for the coming year.

Those who wish to take their careers to the next level will be able to take advantage of mentorship programmes and leadership development packages to help them grow within the organisation.

Libraries

We have modern libraries based across the county, Rowlands Library at Worcestershire Royal Hospital, Redditch Health Library at the Alexandra Hospital, Kidderminster Health Library at Kidderminster Treatment Centre, and Evesham Health Library at Evesham Community Hospital.

These facilities offer support for all staff and students in finding high-quality, evidence-based information to support patient care, research, and education. The library team is made up of information professionals dedicated to providing a responsive evidence-based information service to WAHT staff.

The libraries are open 24/7 (accessible with a Trust ID card), with counters open during office hours. Many of our libraries' resources are available online, accessible from any device.

Education Centres

The on-site education centres at Worcester, Redditch and Kidderminster hospital sites provide modern facilities where we can provide ongoing training to our staff.

The centres host much of the education and training that takes place for Trust staff, as well as undergraduate and postgraduate students and trainees. Staff who have any further training requirements during their time with us are encouraged to ask about the training funds often available to fund external courses, including degrees and other qualifications.

All lecture theatres and seminar rooms are equipped to provide the best education and designed to offer innovative ways of teaching.

Apprenticeships

Apprenticeships have been have quickly become an integral part of our staff retention and development over the years, and we are incredibly proud of the EDI stats that have come from the Department of Education that we have recently received.

ESFA / Department for Education Apprenticeship Levy Data Reporting

Reporting	For starts during period: Aug 20–July 21	For starts during period: Aug 21–July 22	For starts during Period: Aug 22–July 23
Overall Achievement Rates (Gov Benchmark 67%)	67%	72%	70%
New Starts	76	115	114
Withdrawals	10	13	17
BILs (Break in Learning)	14	8	27
Out of Funding	8	23	19
Apprenticeship EDI STATS (based on new starts in period)			
Disability/SEND		10.8%	19.8%
Young People 16-24		18.3%	16.7%
Disadvantaged Areas		14.8%	17.5%
BAME		13.5%	7.0%
Female in STEM (digital/science/pharmacy/engineering)		62.5%	25.0%

The apprenticeships that these stats refer to, range from helping Early Talent and Careers bloom with a Level 2 Customer Service Apprenticeship, developing our next generation of Nurses by enrolling them onto our current Healthcare Assistants onto the Level 5 Nursing Associate Apprenticeship, and supporting our leaders of tomorrow take their next steps with ILM Team Leader Apprenticeships, and Level 7 Chartered Manager Degree apprenticeships.

Whatever the career goal, or needs are for our staff, Worcestershire Acute Hospital Trust is keen to support, and develop everyone from all walks of life.

Awards and recognition

Award for staff health and wellbeing support

The extensive health and wellbeing support offered to hospital staff across the county was recognised with a Special Recognition Award from the Worcestershire Works Well (WWW) Partnership.

The award recognises our commitment to enabling a sustainable culture of positive health and wellbeing and preventative interventions for all colleagues across our hospitals.

The Trust's package of support for staff was praised at a special webinar where businesses which have made significant progress on their health and wellbeing agenda were recognised.

Pictured: (l to r) Hazel Compton, HR Manager for Health and Wellbeing and Flexible Working; Tina Ricketts, Director of People and Culture; Ann Hart, Staff Wellbeing Officer, and Jenni Carr-Smith, HR Business Partner, with Worcestershire Acute Hospital NHS Trust's Wellbeing Recognition Award.

MBE for marvellous midwife

An award-winning midwife at WAHT was awarded an MBE in the King's New Year's Honours for her outstanding services to bereavement midwifery.

The honour for Trudy Berlet, Maternity Matron for Community, Continuity of Carer and Bereavement, recognises her outstanding work dedicated to women and families who have been through maternity bereavement.

The recognition follows Trudy receiving the Midwifery Gold Award – the highest honour of NHSE's National Chief Nursing and Chief Midwifery Officer Awards – in 2022.

Trudy has many years of experience as a midwife and more recently as a bereavement midwife for nine years. In that time, she has worked passionately to improve the experiences of bereaved families across the county, and raised tens of thousands of pounds for additional and upgraded Bereavement Suite facilities at Worcestershire Royal Hospital.

Parliamentary praise for Children's Nurse Dawn

Our Children and Young People Oncology Nurse Specialist Dawn Forbes was selected as regional champion for a national NHS Parliamentary Award.

Dawn was nominated by local MP for Wyre Forest Mark Garnier because of her constant drive to put a smile on the faces of children being treated for cancer and her exceptional standards of care, compassion and commitment.

Her achievements include setting up the Children of Worcester Cancer Fund, transforming the Children's Clinic into a Winter Wonderland at Christmas, arranging a special trip for 150 children and their families to see Cinderella in pantomime, organising a Charity Ball, and, as part of Harvey's Gang, arranging special patient access to our laboratory for children to see their own blood samples being processed.

These are the second and third rooms to open after one at Worcestershire Royal Hospital and came following feedback from Trust 'Voices of Bereavement' surveys which highlighted a lack of space for relatives to go to have some time to themselves.

National award for three Healthcare Support Workers

Three Healthcare Support Workers from Worcestershire Acute Hospitals NHS Trust have received a national award from England's Chief Nurse. Jemma Mulrine, John Wilson, and Jade Maddocks were presented with the prestigious Chief Nursing Officer Healthcare Support Worker Award.

NHSE's Chief Nursing Officer Healthcare Support Worker Awards recognise the vital contribution of Healthcare Support Workers and their exceptional support of nursing. The winners each received a special pin badge and a certificate signed by Dame Ruth May, the Chief Nursing Officer for England.

Ward Accreditation Programme

In November 2023, we relaunched our internal Ward Accreditation Programme, which we call the Care Excellence Accreditation. The Programme aims to empower staff to improve standards, quality of care and celebrate team achievements. The Programme involves teams developing a portfolio of evidence, which is presented to and reviewed by a Panel, which is followed by a Quality Assurance Visit (QAV) to the area. The purpose of the QAV is to provide observation of a department or Ward from a team of specialists and stakeholders.

The panellists and visiting inspection teams are a specialised and diverse group and include Nursing and Service Leaders, Non-Executive and Executive Directors, External staff from the Trust's partnerships and the Patient and Public Forum. These teams support a process which gives ongoing assurance to the Board that the Trust is providing a high quality standard of care.

Celebrating the success of our hospital staff

Our Staff Recognition Awards returned bigger and better than ever this year, thanks to Worcestershire Acute Hospitals Charity and sponsors.

The event in November 2023 was a memorable evening that showcased some of the brilliant work that has been going on across our hospitals and recognised some of the most outstanding people and their extraordinary efforts to put patients first.

The proceedings were compered by comedian Zoe Lyons alongside Managing Director, Stephen Collman, and Chair, Russell Hardy who announced awards for a series of individuals and teams who were all nominated by their colleagues or our patients.

The Chief Executive's Special Recognition Award went to the Emergency and Minor Injury Departments countywide.

The Chair's Special Recognition Award went to Dr Salim Shafeek.

Volunteer Recognition

We continue to openly value and recognise our volunteers. We introduced Cake'nChat events during Volunteer Week 2023 and we continue to hold these get-togethers throughout the year.

We celebrated our volunteers at our Christmas party in December attended by the Chief Nursing Officer and our Volunteer Non Executive Director Ambassador. The Executive team donated gifts for a free prize draw, afternoon tea was served and each volunteer was given a pack of wild flower seeds to demonstrate our thanks and represent the positive growth of the volunteer team and service A good time was had by all.

Recognition Awards 2023 - 15 volunteers were nominated in several categories (an increase of 11). David, a volunteer at the Millbrook Cancer Treatment suite at Kidderminster Treatment Centre won the Patient's Choice award and Lesley and Therapy Dogs Casper and Aero won Outstanding Volunteer.

Armed Forces Awareness

The Trust has signed the Armed Forces Covenant, understands and abides by its commitment to treat current and former members of the armed forces and their family fairly and to not disadvantage them through employment or care. We have been recognised by the Ministry of Defence for our support to the Armed Forces community and was proud to be presented with the Silver Award from The Armed Forces Covenant Employer Recognition scheme at the National Memorial Arboretum in September 2023. The Ministry of Defence scheme rewards employers who support service personnel and their families in finding employment, and/or employers that enable Reservists to serve alongside their employment.

The Trust received accreditation from the Veterans Covenant Healthcare Alliance for sharing good practice in linking with local services for the Armed Forces Community and raising staff awareness of the Armed Forces Covenant. The Trust also launched its Armed Forces Network in 2023, following several years of dedicated work by the Armed Forces Strategy Group. The aim of the group is to improve services for Armed Forces patients and staff.

VETERAN AWARE

Modern slavery

The Trust is committed to upholding the provisions of the Modern Slavery and Human Trafficking Act 2015, and we expect our staff and suppliers to comply with the legislation and report concerns where they have them.

Our stakeholders - patient and public involvement

Involving people in their healthcare is really important to us and over the past 12 months we have maintained a focus on engaging with our patients, carers and our local community to support our ability to continue to understand and improve the patient experience across our hospitals. We aim to provide patient centred, safe, high quality care which is a positive experience and to achieve this it is important to us that we invite our patients, carers, family and friends to share their experiences and work with us in a variety of ways, so that we can deliver on our commitment to Putting Patients First.

In the last 12 months we have: launched QR codes across our hospitals to provide a new way for people to feed back through the Friends and Family Test; invited patient representatives to join us on monthly Quality Assurance Visits across our wards and departments; launched our Ward Accreditation Scheme and included patient and carer representatives as part of our programme; held internal and external Learning Disability meetings, inviting staff to meet alongside external organisations representing patients with a learning disability; and, invited volunteers, patient representatives and external groups to work alongside us on PLACE inspections (Patient Led Assessment of the Care Environment) and quarterly Patient Experience and Engagement steering groups.

We have continued to share stories about the patient, carer, family and staff experience at our Trust Board workshops. We have welcomed members of the public to join us at these meetings to share their stories in their own words and we have also met with patients to record their stories to share on their behalf. Patient and staff stories start each of our Board workshops and provide the opportunity for people to share experiences directly with Executive and Non-Executive Directors - these are stories which highlight exemplary provision of care and good practice, alongside areas for improvement, challenge and learning. This process supports an open culture with the patient in the room, part of the solution and engaged in conversation.

Alongside this we have invited feedback through our Patient Advice and Liaison Service, our Complaints process, our annual Big Quality Conversation survey and engagement programme, our annual cycle of Care Quality Commission patient surveys, our new Trust developed Inpatient Survey (launched in February 2024 in line with our new Fundamentals of Care Committee and CQC Patient Survey feedback) and our new Cake and Chat volunteer engagement events (launched in Volunteer Week 2023 and developed in response to volunteer feedback).

We also received feedback through our recorded 3685 compliments (figures taken before year end). We share good practice and positive feedback in different ways in departments and across staffing groups. We have continued to increase the number of compliments that we record which supports our ability to learn from positive feedback.

We have also developed our external partner engagement, regularly meeting with engagement and volunteer leads from across

Worcestershire and joining network and focus groups to inform our understanding of underrepresented groups and communities. Partnerships and networking in 2023–2024 has included, The Carer's Partnership and Carer's Reference Group, a collaborative Sensory Impairment group, Worcestershire Engagement Network, Volunteer Leads Forum, and Worcestershire Association of Carers. We also now meet with our Foundation leads to share good practice and in January 2024 we were pleased to host the inaugural Foundation Group Volunteer Leads Network at the Co-Lab Kidderminster.

To further support our commitment to working in partnership with patients and carers, to continue to improve the patience experience and health outcomes at our Trust, we work alongside the Patient and Public Forum, which is a group of patients, carers and patient representatives who are registered volunteers with us. Our approach forms the basis of our collaborative working and shared decision making. Throughout 2023/24 we have continued to find ways to support the Patient and Public Forum to be included in service development - so that we can develop our services "with" our patients, carers and community.

The Patient and Public Forum have continued to share open and honest feedback with us; we have met with the group formally six times in 2023/24 at dedicated meetings with a joint agenda. These meetings are now hybrid which means that members and staff can attend face to face or via an online link. We have also developed an audit and assessment engagement programme which has included inviting members to support our monthly Quality Assurance visits, Cleanliness Walkabouts, Efficacy and Oral Care Audits and a range of invitations to engage with our Divisions and departments. Members have joined our staffing teams on Trust-wide Committees and Steering groups and have also carried out volunteering shifts in our Accident and Emergency department.

Our continued focus on the provision of accessible health services has been supported by collaborative approaches, which supports our ongoing learning and outcomes of good experiences of care. We have provided a snapshot of our work in 2023/24 below. We also invite people to find out more about how we have engaged with our patients, carers and our communities with a focus on equality and diversity and improved outcomes, in our 2023 annual Equality and Diversity report and our annual Quality Account. These documents can be found on our Trust website:

- Equality and Diversity Annual Reports - Worcestershire Acute Hospitals NHS Trust (worcsacute.nhs.uk)
- Quality Accounts - Worcestershire Acute Hospitals NHS Trust (worcsacute.nhs.uk)

Working with and responding to our local community

We manage contracts to support our patients with interpreting and translation - this is to support our communication with any patient who does not communicate in spoken English as a first language. In our 2022/23 Annual Report we shared details about our collaborative approach to secure a contract for a provider for British Sign language. Our new provider was Word360. From September 2023, we began working with Word360 to also provide support across all languages.

We also reported in our 2022/23 Annual Report that we had received two Interpreting on Demand machines (WoWs) in our

Emergency Departments on a free trial basis. These machines that we have called Nemo and Dory have now been purchased by the Trust and are permanent communication aids at The Alexandra Hospital, Redditch and Worcestershire Royal Hospital. We will have an additional six more machines at our three hospitals from April 2024 to support our patients on our wards, in Outpatient areas and in Maternity. These machines provide us with the ability to connect to an interpreter in minutes at the press of a button. We will still continue to offer alternative ways to connect to an interpreter which includes by telephone, by pre-arranged video and face to face. The WoWs offer a cost effective way to support our patients, at the point of care and provide choice for patients and staff.

We have continued to focus on empowering our patients and carers alongside empowering our staff to increase d/Deaf awareness. Our approach has included ongoing engagement with the d/Deaf community. In Deaf Awareness Week 2023 for example, we raised awareness about our co-produced community cards (which includes a QR code, a weblink and a text number to check if an interpreter has been booked) and we shared a range of resources with our staff including British Sign Language finger spelling cards and Top Tips for communication.

We continue to deliver staff training through our partnership with Word360 Limited and create communication resources.

Alongside this we have been an active partner in a countywide action group and together we created a system-wide poster which was launched in Deaf Awareness Week as a result of local feedback. Our action group has been shortlisted as a 2024 finalist for an LGC Award for our public partnership approach to reduce

health inequalities in Worcestershire. We are members of a sensory impairment group which feeds into the working group and themes are discussed at the Worcestershire Engagement Network where we are an active partner.

In January 2024 we worked in partnership with Sight Concern to deliver sensory awareness workshops to our volunteers and our staff. We would like to thank Sight Concern for supporting us to meet with people with lived experience. We are creating a short training film so that we can share awareness wider – both for our staff and with our wider partnerships.

We received 100 per cent positive feedback from everyone who attended the workshops:

Our volunteers said the workshops gave:

"Practical advice, learning from individuals with a hearing/visual impairment and understanding the individual preferences was very useful".

Our staff said:

"Great to hear people's own experiences and how we can help patients in hospital in a useful way".

Peer Support Snapshot

Hearing Link Services

Worcester Hearing Hub, delivered by Hearing Link Services was launched at Worcestershire Royal Hospital on October 2023. The hub is supported by volunteer peer support workers who operate a "drop in" service for patients, carers and loved ones. The service helps raise awareness about hearing loss and hearing impairments.

Hearing Link Services which is part of Hearing Dogs for Deaf People is a charity that provides a range of personalised hearing support services. A stall which is supported by people with lived experience of hearing loss is available monthly and we are pleased to be the first hospital in England to welcome the charity on site to help support anyone with questions, concerns and signposting about hearing loss for themselves or a loved-one.

One of the peer support volunteers said:

"We have made direct contact with over 125 people and have referred 7 for comprehensive support from Head Office. We have aimed to meet as many people as possible and our visitors have included staff, paramedics, patients, carers, and visitors – this we have achieved beyond our expectations. Many were surprised to learn that 1:5

of the population has a hearing impairment; given the number of patients treated across the Trust and the number of staff and volunteers the Trust has, this represents a huge challenge and one that will be embraced within the Trust's continuous improvement agenda".

Nicholas Orpin, Service Delivery Manager at the charity said:

"We have been able to help and advise, staff, patients and visitors on a variety of questions including, communication, deaf awareness, technology, assistive listening devices, lip reading, loneliness and isolation, and hearing dogs…to name a few! We know hearing loss can have a huge impact on an individual or family. By being accessible, approachable and knowledgeable our aim is that no-one should feel alone with their hearing loss. Thank you to everyone for this opportunity to help your hospital community".

Taking action from our patients, their carers, friends and family feedback

It is important to us to understand the feedback we receive and to take action where we can to support our ongoing learning and journey of improvement – and to ensure that the patient, carer and family experience can be as positive an experience as possible.

We appreciate that coming into hospital can be challenging and unsettling and we have continued to focus on areas that we can develop to provide reassurance and a calm environment in our hospitals.

Our staffing teams regularly share spotlights with our Patient Experience and Engagement team and we have included just a few examples below:

- We provide sensory boxes within urgent care and ward areas for patients who have a Learning Disability and/or Autism – to provide a means of communication and support.

- We provide Virtual Reality sets in our Children's department to help our younger patients to provide distraction and relaxation during interventions. We are now aiming to purchase more sets for other departments. BBC Morning Live filmed our Children's Clinic to raise awareness about our VR headsets for children having chemotherapy.
- Group play activities on our Riverbank Children's ward are helping children in hospital to socialise with their peers, share stories on hospital experiences and help aid their recovery.
- Our wards have held patient weddings, decorated for calendar dates including Halloween and one of our wards held an NHS birthday party and art therapy session which actively involved patients including the ward's oldest patient of 103.
- We rolled out bright yellow badges to our staffing teams so patients, carers and visitors can easily see the names of the staff members they are speaking with. The badges help to build trust and confidence, between patients, carers and staff and also help patients with a visual impairment.
- We now provide drinks, biscuits and sandwiches for our patients in the Emergency Department. Our refreshment trolleys are supported by our team of Emergency Department volunteers.
- Following a successful improvement project on one of our wards called "Snack and Snooze" we have rolled out a "snack round" across our inpatient areas in the evening, to offer our patients toasts, cheese and crackers, cereals, crisps, mini cakes, biscuits and hot and cold drinks – this is supporting better dietary intake, sleeping habits and reducing the risk of falls.
- We have dimmed our lights in urgent care to help our patients sleep better at night alongside providing enough light to help our staff to continue to work at a safe level.
- Our Rheumatology team have set up a new Rheumatology Patient Forum to provide feedback and support improvements and changes to the service.
- And we have continued to work with local schools in Redditch to develop our "Art in a Hurting Place" project.

Performance analysis

This section of the Report provides an analysis of the Trust's performance, it set out what the Trust does and our CQC ratings. It shows a summary of our performance against key standards and outlines the Trust's performance management framework.

Performance Measurement

Trust performance is measured with reference to a range of national priority standards and targets, covering operational performance, quality and safety, patient experience and the statutory duty to achieve financial breakeven and future sustainability.

Our priorities for 2023/24 were aligned to our strategic objectives and delivered through actions in relation to:

- Strategy
- Operational Performance
- Quality
- Finance
- People and Culture

Where services are not achieving the level of performance expected, improvement trajectories and plans are agreed with the relevant services and monitored through the Trust's governance framework in line with the Performance and Delivery Accountability Framework.

The framework is underpinned by a set of principles which support a consistent, robust approach to the way performance and delivery is managed, monitored, communicated, reviewed and reported:

- Data Driven – we make evidence-based decisions using sufficient, available intelligence to understand drivers for our performance and plan our delivery.
- Clear lines of accountability – from board to individual and back again, through clear objectives
- Empowerment with accountability
- Compassionate leadership – listening, understanding and enabling are key to success.
- No Surprises – openness and transparency are key – we work together to solve challenges early.
- Critical friends – we challenge each other, no matter our role, in a constructive and professional manner, recognising the values of every individual.
- Delivery focus – integrated, action-oriented focussing of delivering improved performance sustainably.
- Proportionate and balanced

Performance indicators are reviewed annually and a suite of selected KPIs are scrutinised by the Trust Board and sub-committees on a monthly basis. This is supported by a monthly

deep dive of clinical services by the finance and performance executive. The structure enables the Trust Board and sub-committees to focus on key areas of service quality, effectiveness and safety. The Trust is also part of the NHS benchmarking reference group and continues to participate and utilise external benchmarking reports to understand variation and inform our improvement agenda.

The restoration of services continued to be prioritised with revised delivery group structure focussed on Hospital Flow and Elective and Cancer.

Activity	2019/20	2020/21	2021/22	2022/23	2023/24	Increase/ decrease 2023/24 on 2022/23
Elective spells	7,928	3,342	5,826	6,012	5,967	-45
Day case spells	75,724	55,404	78,253	82,477	79,133	-3,344
Total emergency spells	56,769	48,398	56,042	55,461	57,902	+2441
New outpatient attendances	187,185	140,821	185,159	192,131	214,369	+22,238
Follow-up outpatient attendances	422,954	251,100	319,430	401,983	436,039	+34,056
ED attendances	197,497	151,896	204,358	205,992	216,063	+10,071

Emergency Access Standard

ED standard	2019/20	2020/21	2021/22	2022/23	2023/24
A&E attendances < 4 hours from arrival to admission, transfer, or discharge	75.8%	84.1%	72.2%	65.2%	64.7%

Performance for the Emergency Access Standard has not met the national target of 95 per cent for more than eight years. With 64.7 per cent of patients admitted, transferred, or discharged within 4 hours, the EAS performance for the year has decreased in 2023/24 by 0.5 percentage points compared to the 2022/23 performance of 65.2 per cent. The principal reasons for the performance level remains the lack of bed availability caused by delays in discharging patients following completion of their hospital-based treatment and 5,853 more attendances to our hospital emergency departments in 2023/24 than in 2022/23. Bed capacity at peak times during 2023/24 was extremely limited due to a lack of patient flow out of our hospitals which resulted in the number of patients waiting more than 12 hours in the A&E Departments from the point at which a decision had been made to admit them remaining broadly in-line with 3,328 in 2023/24 from 3,443 in 2022/23.

Referral to Treatment (RTT)/52 weeks

In England, under the NHS Constitution patients 'have the right to access certain services commissioned by NHS bodies within maximum waiting times, or for the NHS to take all reasonable steps to offer a range of suitable alternative providers if this is not possible'. The NHS Constitution sets out that patients should wait no longer than 18 weeks from GP referral to treatment.

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
% patients waiting less than 18 weeks	78.8%	52.9%	47.0%	45.8%	54.3%

The Trust has not met the 92 per cent standard in 2023/24. At the end of March 2024 54.3 per cent of patients were within 18 weeks of referral compared to 45.7 per cent the previous March. The size of the waiting list has reduced from 66,840 at the end of March 2023 to 61,753 at the end of March 2024; an 8 per cent reduction. The number of patients over 52 weeks for their treatment reduced consistently throughout 2023/24, starting at 6,935 in March-23 and finishing at 2,536 at the end of March 2024. The ambition to have no patients waiting over 104 weeks was achieved for 6 months of the year during 2023/24. We did not achieve the requirement to have zero patients breaching 78 weeks at the end of the year; at the end of March 2024 there were 27 patients breaching. We also did not achieve the requirement to have zero patients breaching 65 weeks at the end of the year, however we did reduce the potential cohort from 44,000 to 587 at the end of March 2024.

Cancer (validated to Mar-24)

Key Performance Indicators	Key Target	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Cancer two week waits[1]	93%	86.00%	81.70%	63.00%	73.90%	86.78%
Two week waits (breast symptomatic)[1]	93%	47.20%	43.00%	34.30%	73.40%	75.70%
28 Day Faster Diagnosis	75%	-	67.80%	64.20%	59.70%	71.10%
Cancer 31 days*	96%	97.20%	95.50%	94.00%	92.10%	89.90%
Cancer 31 days Subsequent treatments[1]	**	95.60%	96.00%	96.40%	94.60%	90.90%
Cancer 62 days*	85%	69.30%	68.80%	59.00%	45.40%	57.60%
Cancer 62 days screening[1]	90%	81.20%	75.70%	65.10%	63.30%	57.90%
Cancer 62 days upgrades (no national target set)[1]	-	78.70%	94.50%	99.30%	98.20%	85.20%

**31-day subsequent treatment targets are 94% for surgery and radiotherapy and 98% for drug treatment

[1]Internal Only as outlined above are not submitted nationally but are still monitored by the Trust.

Following a consultation on the cancer waiting times standards, NHSE had approval from government to implement changes to the standards from 1 October 2023. For the 31-day* and 62-day* standard, this meant the combination of all referral sources into one headline measure. Therefore, it is no longer possible to compare to previous years. We have calculated a full year performance against this new measure and in 2023/24 (to Mar-24) 58.1 per cent of patients had a two-month (62-day) wait to first treatment from urgent GP referral, consultant upgrade and NHS cancer screening; 3,423 patients were given their first treatment in the year.

The increase in cancer referrals experienced in 2022/23 was maintained into 2023/24 which put significant pressure on our clinical capacity and the timeliness of cancer pathways resulting in more patients breaching the waiting times standards. Over the course of the year, the backlog of patients waiting 62+ days for diagnosis and/or treatment fluctuated to a peak of 409 in January 2024 to 180 at w/e March 17, 2024 which was below the NSHE fair shares requirement set during Annual Planning for 2023/24.

Diagnostics

The Diagnostics standard has not been met in 2023/24 with 25.8 per cent of patients waiting more than 6 weeks at the end of March 2024. This was not an improvement on the previous year's performance in 2022/23 when 16 per cent of patients were waiting more than 6 weeks. Delays in patients receiving diagnostic tests do have an adverse impact on the time elapsed before cancer treatment commences as well as other non-cancer treatment pathways. To support this improvement, we continued to deliver more diagnostic test activity in 2023/24 than in 2019/20 (the NHSE benchmark of successful recovery).

National standards performance 2023/24

The Trust's Performance and Delivery Accountability Framework has been updated and approved by the Trust board in public, following extensive internal engagement. The framework continues to enable departmental to board assurance across four domains:

- Quality of care
- Finance and use of resources
- Operational performance
- Best use of resources

Performance and delivery are monitored against the objectives and key results set out in the NHS Oversight Framework and the NHSE Operational Planning guidance, as well as local priorities across the four domains above.

The table below shows performance against regulatory compliance: NHSE Single Oversight Framework for Quality, access and outcomes.

Indicator	Value	Rank	Rank Quartile
S000c: Cancer Tier	1:Nationally led support		
S011a: Cancer: 62 days backlog	107.8%	107/132	Lowest performing quartile
S012a: Proportion of patients meeting the faster cancer diagnosis standard	63.1%	113/133	Lowest performing quartile
S126a: Diagnostic activity waiting percentage of patients on the waiting list who have been waiting more than 6 weeks	24.4%	85/135	Interquartile range
S000b: Elective Tier			
S009d: Total patients waiting more than 65 weeks to start consultant-led treatment	888	103/135	Lowest performing quartile
Provider Value Weighted Activity (weekly estimates)	93.6%		
S022a: Stillbirths per 1,000 total births	3.2 per 1,000	52/119	Interquartile range
S104a: Neonatal deaths per 1,000 total live births	1.2 per 1,000	56/118	Interquartile range
S000a: NHSOF Segmentation	3:Regionally mandated support		
S034a: Summary Hospital -level Mortality Indicator	2 - as expected	13/119	Highest performing quartile
S035a: Overall CQC rating	2 -Requires improvement	69/134	Interquartile range
S040a: Methicillin-resistant Staphylococcus aureus (MRSA) bacteraemia infection rate	3	80/135	Interquartile range
S041a: Clostridium difficile infection rate	151.3%	91/135	Interquartile range
S042a: E. coli bloodstream infection rate	158%	113/135	Lowest performing quartile
S059a: CQC well -led rating	2 -Requires improvement	83/134	Interquartile range
S123a: Adult general and acute type 1 bed occupancy (adjusted for void beds)	96.3%	67/122	Interquartile range
S124a: Percentage of beds occupied by patients who no longer meet the criteria to reside	13.1%	47/119	Interquartile range
S063a: Staff survey bullying and harassment score - Proportion of staff who say they have personally experienced harassment, bullying or abuse at work from a) managers	12.5%	85/135	Interquartile range

Indicator	Value	Rank	Rank Quartile
S063b: Staff survey bullying and harassment score - Proportion of staff who say they have personally experienced harassment, bullying or abuse at work from b) other colleague	21%	91/135	Interquartile range
S063c: Staff survey bullying and harassment score - Proportion of staff who say they have personally experienced harassment, bullying or abuse at work from c) patients / service users, their relatives or other members of the public	25.2%	43/135	Interquartile range
S067a: Leaver rate	6.9%	48/135	Interquartile range
S068a: Sickness absence rate	6.25%	121/135	Lowest performing quartile
S069a: Staff survey engagement theme score	6.57/10	110/135	Lowest performing quartile
S071a: Proportion of staff in senior leadership roles who are from a BME background	2.99%	105/135	Lowest performing quartile
S071b: Proportion of staff in senior leadership roles who are women	68.6%	22/134	Highest performing quartile
S071c: Proportion of staff in senior leadership roles who are disabled	2.78%	84/135	Interquartile range
S072a: Proportion of staff who agree that their organisation acts fairly with regard to career progression/promotion regardless of ethnic background, gender, religion, sexual orientation, disability or age	54.7%	82/135	Interquartile range
S121a: NHS Staff Survey compassionate culture people promise element sub-score	6.66/10	109/135	Lowest performing quartile
S121b: NHS Staff Survey raising concerns people promise element sub-score	6.12/10	111/135	Lowest performing quartile
S133a: Staff survey - compassionate and inclusive theme score.	7.05/10	102/135	Lowest performing quartile
S134a: Relative likelihood of white applicants being appointed from shortlisting across all posts compared to BME applicants (WRES).	1.7	96/135	Interquartile range
S135a: Relative likelihood of non-disabled applicants being appointed from shortlisting compared to disabled applicants (WDES)	1	30/134	Highest performing quartile

The table below summarises a subset of the waiting times and access standards monitored by the Trust Board.

Description	Indicator	Target	Year End	Period
Quality				
Mortality	SHMI – Summary Hospital Mortality Indicator	N/A	1.0452 (as expected)	Rolling 12 months to November 2023
Infection Control	Clostridium Difficile	<=78	127	April 2023 – March 2024
	MRSA	0	6	April 2023 – March 2024
Prevention	VTE - Venous Thromboembolism Risk Assessment	>=95%	96.6%	April 2023 – March 2024
Patient Experience	Mixed Sex Accommodation Breaches	0	755	April 2023 – March 2024
Operational				
Cancer*	2 Week Wait: All Cancer Two Week Wait (suspected Cancer)	>=93%	86.8%	April 2023 – March 2024
	2 Week Wait: Wait for symptomatic breast patients (Cancer not initially suspected)	>=93%	75.7%	April 2023 – March 2024
	28 Day Faster Diagnosis	>=75%	71.1%	April 2023 – March 2024
	31 days: Wait for first treatment: All Cancers	>=96%	89.9%	April 2023 – March 2024
	62 days: Wait for first treatment from urgent GP referral: All Cancers	>=85%	57.6%	April 2023 – March 2024
18 Weeks Waiting Time	RTT - Referral to Treatment: Incomplete - 92% in 18 weeks	>=92%	54.3%	March 2024
Diagnostic Waiting Time	6+ week Diagnostic Waits (% of breaches on the waiting list)	<=15%	25.8%	March 2024
ED Waiting Time	4 Hour Waits (%) - Trust inc MIU	>=95%	64.7 %	April 2023 – March 2024

Description	Indicator	Target	Year End	Period
Stroke**	80% of patients spend 90% of time in a Stroke Ward	>=80%	75.0%	April 2023 – March 2024
	Direct admission (via A&E) to Stroke Ward	>=90%	36.3%	April 2023 – March 2024
	TIA - Transient Ischaemic Attack - High Risk Patients seen within 24 hours	>=70%	79.4%	April 2023 – March 2024
	CT scan within 60 minutes of arrival	>=80%	55.2%	April 2023 – March 2024
Patient Experience				
Friends and Family Test	Acute Wards (% recommend)	95%	96.2%	April 2023 – March 2024
	Acute Wards (Response Rate %)	>=30%	35.9%	April 2023 – March 2024
	A&E (% recommend)	95%	84.5%	April 2023 – March 2024
	A&E (Response Rate %)	>=20%	21.9%	April 2023 – March 2024
	Maternity (% recommend)	95%	97.7%	April 2023 – March 2024
	Maternity (Response Rate %)	>=30%	1.9%	April 2023 – March 2024

*Cancer 2 week waits are no longer monitored at national levels so the provided figures are for Trust reporting only.

** Stroke figures provided are the internal Trust figures as the official SSNAP figures have not yet been published.

Patient experience and Patient Engagement

Teams across our departments review comments, concerns and compliments which are shared with us by patients, carers, friends and families.

Our Patient Experience, PALS and Complaints teams are responsible for supporting and guiding this process with the public as well as our staff.

The Patient Engagement team reaches out into our local community to support this process and our understanding of the whole patient, carer, family and friends experience for people accessing our hospital services.

Patient Advice and Liaison Service (PALS)

Patients, families or carer's contact PALS when receiving inpatient care, outpatient care or after care or treatment. They may also contact PALS in relation to delays or lack of communication about their future care and treatment. PALS provide a confidential service aiming to help resolve issues by addressing them as quickly as possible.

PALS will liaise with services across the Trust, aiming to support the individual to navigate the complexities of the healthcare system; as well signposting them to appropriate external services when appropriate.

During the year, the team received 6540 contacts summarised in the table below. This is reflective of the year on year increase in contacts the service continues to see.

Type	2023/24	2022/23	% change last year
Concerns	3931	4101	- 4.0%
Signposting	2609	1069	+144%
Total	**6540**	**5170**	**+26.5%**

Learning from patient and carer experiences

We invite everyone accessing our services to share their feedback with us. In addition to the Friends and Family Test, we also invite people to share their experiences through our local Inpatient Survey which is available across our hospitals. We also take part in national Patient Experience surveys. We monitor the feedback that is shared with us in team meetings and in governance meetings and we invite patients, carers and representatives to join us at some of these meetings, including our Patient, Carer and Public Engagement Steering group to work with us on learning from the feedback we receive. Our Big Quality Conversation annual survey sits alongside this. We report and discuss internally at steering groups and committee meetings to raise staff and Trust Board awareness about patient and carer experiences. Externally we share in our annual reports the key actions we are taking and progress we are making in response to what our patients and carers say about our services and how we are acting on feedback. These annual reports include our Quality Account, Equality, Diversity and Inclusion report, Complaints and PALS report and our Annual Report.

Patient Safety and Learning

During 2023/24 the Trust have been working towards implementation of the Patient Safety Incident Response Framework (PSIRF), which is a national initiative and part of the National Patient Safety Strategy. The Trust switched to this framework on January 1, 2024 and now is in a period of embedding across the Trust. New reporting templates and methodology have been implemented and the Patient Safety Incident Response Plan approved in principal and will be published in 2024, patient safety incident investigators have been appointed.

The new framework - PSIRF no longer refers to incidents by harm definition, as such incidents are not referred to as 'serious incidents' all incidents are 'patient events' or 'patient safety incidents'. Investigations are based on the amount of new leaning that can be shared, they are reviewed through a systems engineering and process (SEIPS) lens and focuses on improvement actions that can be embraced leading to real changes for patient safety.

The Patient Safety Team worked throughout 2023 to increase the awareness and understanding of the new national framework that underpins this new way of managing and responding to patient safety incidents, including roadshows, internet updates, communication in all forms of media and the Trust has rolled out key essential training programmes to staff to increase awareness.

Looking ahead to 2024/25, the focus will be embedding the new processes that underpin our Patient Safety Incident Response Plan. We will continue to engage with patients and families and promote their role as active participants in incident responses and their valued views on how we drive continuous improvement.

The Trust has also delivered on the national requirement of switching to the national reporting and learning database; Learn from Patient Safety Events (LFPSE) which has replaced the previous database of NRLS and will also in time allow the shutdown of StEIS. The Trust went live with LFPSE via the current reporting system Datix in November 2023.

Friends and Family Test (FFT)

We invite our patients, carers, family and friends to share their experiences through the Friends and Family Test (FFT). This can be completed by postcard, text message, on our website or via QR code on our feedback posters. FFT is anonymous and there is space for people to share comments as well as let us know how likely people are to recommend our hospital. Answers help us to understand if we are doing a good job or if there are things we could do

better. We collect this information directly. We monitor feedback at ward and clinic level, we report on what our patients are saying in governance meetings, we share this with patient representatives and we report nationally.

We have created a dashboard for key teams and staff which supports an understanding of patient experiences alongside other feedback including NHS.UK.

The FFT asks people how likely they would be to recommend our ward/A&E/maternity department to friends and family, if they needed similar care or treatment.

The following percentages demonstrate the average FFT recommended rate between March 2023 and April 2024:

- A&E: 84.52%
- Outpatients: 95.52%
- Maternity: 97.64%
- Inpatients: 96.22%

We benchmark our percentages alongside other hospital trusts in the West Midlands. Current data available is from July – October 2023 and we scored the highest recommended rate in our Accident and Emergency departments out of all hospitals in the region throughout this period.

Complaints

In 2023/24 complaint numbers have followed the trend from 2022/23 and significantly exceeded previous years for the second time, with an increase of 26 per cent when compared to 2021/22.

Unfortunately, owing to this marked increase, the Trust only responded to 61.5 per cent of complaints within 25 working days in 2023/24 and did not achieve the KPI of >80 per cent. At the end of the financial year in March 2024 there were 42 complaints overdue, compared with 41 in March 2023; a backlog of complaints had again accumulated as a result of the increase, particularly in the Surgical Division. The Complaints Team have supported the Divisional Management Teams to provide additional focus and to resolve and close overdue cases and ensure systems are in place to address this backlog, which at the time of reporting is significantly reduced from previous quarters.

For the year 2023/24 the top five themes in complaints Trust-wide were:

- Clinical Treatment – 48.5%
- Patient Care – 7.7%
- Appointments – 7.5%
- Values & Behaviours – 7.5%
- Communications – 5.6%

Responding to complaints, in 2023/24 we have:

- Made improvements regarding the recording and management of patient's property.
- The introduction of a Discharge Checklist on various wards following concerns that various elements of the discharge process were being missed.
- The introduction of increased access for the partners of women who have given birth and are being cared for on the post-natal ward following complaints that partners' visiting times were too restrictive.

Further, the PST are working closely with the Trust informatics' team to create an informative dashboard which will better triangulate complaints and incident data. In 2024/25 we will be reporting on actions and lessons linked to complaints, triangulated against the trust Quality Improvement tracker, this process will encourage and support triangulation of learning within and across divisions.

Quality: patient experience	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Number of new complaints received in month (trust wide)	59	55	41	59	63	62	62	72	51	84	70	74
Number of complaints responded to within agreed timeframe (25 working days)	76%	61%	63%	68%	76%	63%	43%	42%	63%	63%	82%	71%
Number of overdue complaints at the close of each month	60	68	66	62	75	86	97	51	25	25	36	42

Task force on climate related disclosures (TFCD)

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a net zero health service' report under the Greener NHS programme.

Our Trust Board signed off our Three-Year Green Plan in April 2022 and progress was reported in July 2023. Our Green Plan is consistent with our strategic priorities around healthier communities and service sustainability as an anchor institution. It is also informed by, and aligned with regional and ICS objectives (H&W ICS Green Plan). The Plan identified ten workstreams for sustainable healthcare services and requires a balance between environmental, economic and social values to deliver optimal outcomes for our patients and communities now and in the future. Each Workstream is led by an Executive Sponsor, with the overall Green Plan delivery being led by the Chief Strategy Officer.

The ten workstreams are as follows:

- Governance & Leadership
- Sustainable Models of Care
- Digital Transformation
- Estates/Energy/Capital Projects
- Medicines
- Travel & Transport
- Supply Chain & Procurement
- Climate Adaptation
- Green Space & Biodiversity
- Wellbeing

The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with and has established a Green Plan Steering Group which is chaired by the Chief Strategy and Planning Officer. The Group met five times in 2023/24. Its purpose is to:

- Provide the Executive Management Team and the Trust Board with advice and guidance on the management of resources to minimise adverse environmental, social and economic impacts that may arise from the Trust's business activities.

- Ensure that the Trust has plans in place to contribute towards national and regional objectives to combat climate change, conserve non-renewable natural resources for sustainable human development and wellbeing together with actions designed to ensure sustainability of this Trust's core business objectives and values.
- Identify opportunities to reduce negative impacts on the environment, social and economic wellbeing arising from the Trust's business activities.
- Explore and make recommendations on best practice approaches for sustainable use of material resources essential for the delivery of Trust business operations.
- Promote awareness of the interactions between environmental, social and economic values together with their impacts on the ability to maintain sustainable wellbeing outcomes for our Trust as an organisation, our workforce members, patients and the wider communities.
- Develop and oversee benefits realisation as part of a performance framework to hold the Trust and business operations to account.
- Continue developing the Trust strategy and approach for sustainable development with a focus on compliance and delivering national, regional and local sustainable development visions and goals for net zero emissions targets.
- Ensure compliance with internal performance reporting and mandatory national, regional and local reporting.

Highlights of the work WAHT has undertaken during 2023/24 to deliver our Green Plan objectives include:

- Completed baseline reporting for scope 1 (Direct) & scope 2 (Indirect) emissions.
- Worked with colleagues across the ICS to develop a systemwide Sustainability Impact Assessment.
- Ceased usage of desflurane gas (a harmful anaesthetic gas which has the highest global warming potential).
- Improved recycling facilities by introducing additional recycling bins across our sites.
- Established a framework for recycling used surgical laparoscopic scalpels.
- Two buildings at Worcestershire Royal Hospital are now powered by solar panels installed on the roof of buildings on the hospital site.
- The 165 top-of-the-range solar panels produce around 75,000 kWh (or over £20,000 worth) of renewable energy every year to the Aconbury East and West buildings, including the brand-new Emergency Department. By using this clean, renewable energy source, Worcestershire Royal Hospital will reduce its carbon emissions by nearly 15,000kg each year, as well as saving more than £20,000 a year in energy costs.

The solar panel installation is just one part of the Trust's 'Green Plan', which has already helped to reduce the environmental impact of Worcestershire's hospitals in a number of ways, including: stopping using anaesthetic gases that are harmful for the environment

like desflurane; providing reusable, biodegradable water bottles for patients to drink the correct fluid levels before a procedure, instead of single use plastic cups; and changing hospital lights to more energy efficient LED lightbulbs.

Further plans to help the hospital trust reach "Net Zero" include reducing food waste and plastic use in catering, reducing the use of Ethyl Chloride, and swapping single-use protective operating theatre hats for a reusable cloth alternative.

Emergency Preparedness, Resilience and Response

WAHT needs to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an infectious disease outbreak or a major transport accident or a terrorist act. This is underpinned by legislation contained in the Civil Contingencies Act 2004 (CCA), the Civil Contingencies Act 2004 (Contingency Planning Regulations) 2005, the NHS Act 2006 and the Health and Care Act 2022. This work is referred to in the health service as 'emergency preparedness, resilience and response' (EPRR).

Each year the Trust is subject to an Emergency Preparedness, Resilience and Response (EPRR) assurance process carried out by NHSE to assess performance in relation to EPRR core standards. The Trust was found to be compliant in 49 out of 62 areas of the core standards achieving a partial compliance overall. Non-compliant areas include a live exercise and testing, as well as new plans development and testing. An action plan is in place, developed in consultation with stakeholders and progress will be monitored by the Emergency Planning Committee, Trust Management Board and Trust Board.

Information Governance (IG)

Framework

The overarching NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees. This applies to both personal confidential data and special category data (sensitive). The framework is supported by the data security and protection toolkit and the annual submission process provides assurances to the Trust, partner organisations and data subjects (patients and staff) that personal information is dealt with legally, securely, efficiently, and effectively.

Governance

The Information Governance Steering Group (IGSG) manages information risks and is chaired by the Senior Information Risk Owner (SIRO). Other senior key members of the group are the Data Protection Officer (DPO) and the Caldicott Guardian (CG) along with representatives from IG and IT. IGSG reports up to the Trust

Management Board (TMB) to provide assurance around Data Protection and Cyber Security for the Trust. There are 3 subcommittees that report into IGSG, which include the IT Security Forum, the Data Quality Steering Group and the Health Records Group.

The group meets on a regular basis to assess risks to security and integrity of information, and the management of confidential information. The group monitors the completion of the Data Security and Protection Toolkit (DSPT) submission and information risks, also ensuring the Trust has an effective framework with up-to-date policies, processes, and management arrangements in place.

Data Security and Protection Toolkit

The Trust DSPT submission at the end of June 2023 had a status of 'standards not met', alongside an improvement plan, which put the Trust in the position of 'approaching standards'.

This demonstrated that the Trust has appropriate technical and organisational measures in place to keep personal, confidential data and special category data secure, but did not evidence four elements, which formed the basis of the Trust improvement plan.

An updated toolkit for 2023/24 will be submitted by the June 30, 2024. It should be noted the training element requirement has changed this year and the Trust has a signed off a decision to reduce the mandatory compliance level to 90 per cent, in line with WAHT mandatory training compliance percentages.

The Trust carries out an annual assessment of its position against the Data Security and Protection Standards published by the Department of Health and Social Care and submitted a 'Baseline Assessment' on February 29, 2024. An internal audit will be carried out in April 2024 which will ensure that any evidence gaps can be addressed prior to the final submission which will be submitted by the June 30, 2024.

Data Protection and Cyber Security Work Plan

Our work plan is based on the National Data Guardian's (NDG) data security standards, which are listed below:

Personal confidential data

The Trust ensures that personal, confidential data is handled, stored, and transmitted securely, whether in electronic or paper form. We also ensure confidential data is only shared for lawful and appropriate purposes. We achieve this by drafting clear IG policies and making sure the policies are communicated to staff.

Staff responsibilities

The Trust's employment contracts have data security clauses, to ensure staff understand their responsibilities under the NDG's data security standards, including their obligation to handle information responsibly and their personal accountability for deliberate or avoidable breaches. This is included in our induction for new starters.

Training

The Trust regularly reviews and updates its IG training programme. All staff are required to complete the annual Data Security Awareness Training which includes data protection and security training. This training is completed electronically via ESR.

Additional training is provided to Trust Board members and staff with specialist roles. The staff training is now provided, using face to face or local training methods.

New staff also attend Induction where they are briefed about Data Security and Cyber Security.

Access

Access to clinical systems is recorded and monitored to ensure that staff only access the Trust's clinical systems if they have a legitimate need and are suitably qualified. Confidential data is only accessible to staff who need it for their current role.

Access is logged and regular audits are conducted to ensure that access to personal confidential data on IT systems is justified.

Process reviews

Incidents are logged and recorded on the Trust's incident management system (DATIX). Incident reviews are used to identify and improve processes that have been linked to breaches or near misses. Following a data security incident, a root cause analysis is conducted. Processes that have allowed breaches or near misses to occur are identified and reviewed, with the aim of improving security and removing the need for workarounds. Learning from incidents is and communicated to staff

Responding to incidents

Preventing cyber-attacks on critical infrastructure is a priority for the Trust, working alongside the Trust's IG team. Issues and concerns are raised through monthly IT security forum meetings.

Continuity planning

The Trust invests significant sums annually to maintain the capacity, integrity and availability of its IT systems and services. We have Trust-wide MIR (Major Incident Response) Plans which are complimented by more local IT and Cyber Incident Response and Disaster Recovery Plans to help detect, manage, and recover effectively from a wide range of events. A regular testing programme is in place with annual assurance provided to the Trust's Audit Committee. The Trust also participates in cyber and business continuity exercises conducted by our internal teams, with the aspiration to hold additional, tailored bi-annual cyber incident response exercises led by a skilled 3rd party provider.

Unsupported systems

The support lifecycle of all server and endpoint software and hardware is closely monitored as part of a managed service with our 3rd party infrastructure support provider every month. Any that are approaching the end of manufacturer support are upgraded, removed or uninstalled from the estate.

A limited number of exceptions are managed securely, often with compensating controls added (e.g. additional endpoint security), risk monitoring, and tight project governance to ensure a robust decommissioning plan exists with executive-level support. The Trust has a policy also to leverage cloud-based systems (e.g. Softare as a Service SaaS) and services in 2024 and beyond to further reduce the risk of end of life (EOL) or end of support (EOS) systems being present in the estate.

IT protection

The Trust has enterprise grade cyber security controls (e.g. Malware protection, Firewalls, Web Filtering) in place to protect our staff members and the information and services they use day to day. The controls are monitored daily, with weekly and monthly assurance processes in place to ensure that the relevant standards are in place. We closely align to the DSPT standard and have plans in place to further develop our standards and alignment in line with the National Cyber Security Centre (NCSC) CAF (Cyber Assurance Framework) in 2024/25. Assurance is provided by various audits through the year, such as the NHS Cyber Assurance Health check and internal

DSPT audits. Reports and actions are discussed at various departmental and executive-level forums.

Accountable suppliers

The Trust has a robust system in place to ensure that all supplier contracts contain appropriate confidentiality and Data Protection clauses. Contracts make it clear who is responsible and accountable for the security of confidential data. Data Protection Impact Assessments are conducted for all new or substantially changed systems. These include checks for recognised cybersecurity certification and/or NHS data security and protection toolkit compliance.

Part B:
Annual Governance Statement

Annual governance statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Worcestershire Acute Hospitals NHS Trust, 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 in Worcestershire Acute Hospitals NHS Trust for the year ended March 31, 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

An internal audit in 2023/24 reported that the Trust had an out-of-date Risk Management Strategy and that there were gaps in the processes and reporting that would ensure effective risk management is in place and ensuring that the Board is sighted on and managing its key risks. Consequently, the Trust's risk management process has been reviewed in the latter part of 2023/24 to ensure that risks are identified, assessed, controlled, monitored and when necessary, escalated and is premised on managers knowing what the predictable risks are, ranking them in order of importance and taking action to control them.

The range of risk types includes but is not limited to health and safety, fraud, fire safety, information governance, infection control, security and workforce. Issues in one area could impact on another. The outcome of risk profiling will be that the right risks have been identified and prioritised for action, and minor risks won't have been given too much importance to inform decisions about what risk controls measures are needed.

The risk and control framework

The Trust has adopted the NHS standardised approach for calculating the level of risk by multiplying the Likelihood (probability or frequency) and Impact (severity) using a 5 x 5 risk matrix. The remedial action required and timeline for completion are recorded in the table below.

Risk rating score	Risk grade	Remedial action and timeline for completion
15 – 25	Extreme risk (red)	Immediate action must be taken to control the risk. Significant resources may be needed. Temporary suspension may be necessary until interim measures are in place. May require escalation for oversight at a higher managerial level.
8 – 12	High risk (amber)	Best efforts must be taken or planned to reduce risks to acceptable levels. May require resources but cost should not outweigh benefits.
4 – 6	Moderate risk (yellow)	Existing controls should be confirmed. Further action to reduce the risk further may be taken but should not impose additional cost or burden to resources.
1 – 3	Low risk (green)	No further action or additional control required. Risk can be accepted.

Not all risks can be dealt with in the same way. For example, in the case of a health and safety risk, our aim is to reduce the risk to be 'as low as reasonably practicable' (ALARP) by weighing the risk against the sacrifice needed to further reduce it. The process is not about balancing the costs and benefits of measures, but implementing control measures, except where they would involve grossly disproportionate sacrifice, whether in the financial cost, time or trouble.

In most situations, deciding whether the risks are ALARP will involve a comparison between the control measures already in place or proposed and the measures you would normally expect to see in such circumstances where there is already both relevant and recognised good practice. However, ALARP doesn't represent 'zero risk'. Health and safety risk arising from an activity can never be eliminated entirely unless the activity is stopped; sometimes harm will occur even when the risk is reduced ALARP.

There are clear responsibilities for risk identified across the Trust. Day to day management of risk is undertaken by operational management who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to executive directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations.

The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly all managers. This can only be achieved through an 'open and just' culture where risk management is everyone's business and where risks, accidents, mistakes and 'near misses' are identified promptly and acted upon in a positive and constructive way.

Staff are, therefore, encouraged and supported to share best practice in a way that creates a culture of learning and a drive to reduce future risk: these are cornerstones of building safer, effective, and efficient care for the future.

Leadership of risk management and escalation

Trust Board

The Trust Board is responsible and accountable for owning the risk and control framework, and for ensuring that any risks that could affect the achievement of the Trust's strategic objectives are adequately controlled through the Board Assurance Framework (BAF). The Board also reviews the effectiveness of internal controls and monitors the work of the Committees with delegated responsibility for risk management.

The Board recognises that to deliver their strategic objectives there is a need for robust systems and processes to support continuous improvement, enabling staff to integrate risk management into their daily activities wherever possible and supporting better decision making through a good understanding of risks and their likely impact.

Board members are responsible for:

- Approving the Risk Management and BAF strategy
- Ensuring risk information is available to them to support the decision making process
- Participating in the identification and evaluation of risks appropriate to the decisions they are making

Audit and Assurance Committee

The Audit and Assurance Committee, through assurance processes including Internal and External Audit, provides an independent objective opinion to the Board on whether the risk management arrangements in place are effective.

Quality Governance Committee

The Quality Governance Committee provides the Board with an independent and objective review of all aspects of quality and safety relating to the provision of care and services.

Executive Risk Committee

The Executive Risk Committee was established in March 2024 using the new Risk Management Framework. It is chaired by the Trust's Chief Nursing Officer and attended by the executive team in addition to Divisional Directors. The Executive Risk Committee has met twice to review the following risks:

- Medical, Surgical, Integrated Care, Clinical Support and Corporate Divisions' risks rated 15 (extreme) and above
- New risks opened during the previous month rated 15 (extreme) and above
- The BAF before presentation to the Board of Directors on a quarterly basis
- A deep dive by rotation of all divisional risks rated 12 (high) and above

Corporate Division Risk Committee

The Corporate Division Risk Committee was established February 2024 and is chaired by the Company Secretary and reviews the following:

- Corporate risks rated 12 (high) and above from each of the Corporate Departments
- A deep dive by rotation of all of each functions' risks
- New risks

It is attended by representatives from the following corporate functions:

- Health and safety
- Digital and information
- Information governance
- Human resources
- Finance
- Emergency planning
- Estates
- Education

Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee is chaired by Julie Noble, Health & Safety Manager on behalf of Scott Dickinson, Director of Estates & Facilities. The committee ensures the Trust discharges its health, safety and wellbeing duties, by setting strategy, monitoring health, safety and wellbeing performance, reviewing audit findings, and agreeing plans. The committee reports to the Executive Risk Committee.

Risk appetite and tolerance

Risk appetite is defined as the 'amount of risk to which the Trust is prepared to accept, tolerate, or be exposed to at any point in time', that is, limiting exposure to an acceptable level for the expected gains by identifying the amount of risk that can be tolerated. The Trust's risk appetite was last considered at Trust Board Workshop in March 2024. The scale broadly identifies a preference and direction of travel rather than an absolute position.

Risk Levels		0. NONE - Avoid	1. LOW - Minimal	2. MODERATE - Cautious	3. HIGH – Open	4. SIGNIFICANT – Seek	5. SIGNIFICANT – Mature
Key Elements		Avoidance of risk and uncertainty is a key system objective.	'As low as reasonably possible' (ALARP) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	Willing to consider all potential delivery options and accept a degree of inherent risk while also providing an acceptable level of reward (and VfM).	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.
FINANCE	How will we use our resources?	Avoidance of financial loss is a key objective. We have no appetite for financial loss. We are only willing to accept the low-cost option as VfM is the primary concern. Tight controls in place with limited devolved decision taking authority.	We are only prepared to accept the possibility of very limited financial risk. VfM is the primary concern. Strong central control with limited devolved decision taking authority.	**We are prepared to accept possibility of some limited financial risk. VfM is the primary concern but willing to consider other benefits or constraints. Resources are generally restricted to existing commitments. Strong central control is the default but some devolvement of decisions is accepted.**	We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not being the overarching factor. Resources are allocated in order to capitalise on opportunities. We carefully balance central control with devolvement of decisions.	We will invest for the best possible return and accept the possibility of increased financial risk. Resources allocated without firm guarantee of return. We tend to devolve decisions with lower levels of inherent risk.	We will consistently invest for the best possible return for stakeholders, recognizing that the potential for substantial gain outweighs inherent risks. Our default is to devolve decisions where possible, only keeping central control for decisions with the highest levels of inherent risk.
REGULATION	How will we be perceived by our regulators?	We have no appetite for decisions that may compromise compliance with statutory, regulatory or policy requirements.	We will avoid any decisions that may result in heightened regulatory challenge unless absolutely essential.	We are prepared to accept the possibility of some limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision.	**We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident we would be able to challenge this successfully.**	We are willing to accept decisions that will likely result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks.	We are comfortable challenging regulatory practice. We have a significant appetite for challenging the status quo in order to improve outcomes for stakeholders
PEOPLE	How will we develop our people?	We have no appetite for decisions that could have a negative impact on our workforce development, recruitment and retention. Sustainability is our primary interest	We will avoid all risks relating to our workforce unless absolutely essential. Innovative approached to workforce recruitment and retention are not a priority and will only be adopted if established and proved to be effective elsewhere.	We are prepared to take limited risks with regards to our workforce. Where attempting to innovate, we would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some workforce risk as a direct result from innovation as long as there is the potential for improved recruitment and retention and developmental opportunities for staff.	**We will pursue workforce innovation. We are willing to take risks which may have impact on our people but could improve the skills and capabilities of our staff. We recognise that innovation is likely to be disruptive in the short term but is worthwhile due of long term gains.**	We seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change.
QUALITY	How will we deliver safe services?	We have no appetite for decisions that may have an uncertain impact on quality outcomes.	We will avoid anything that may impact on quality outcomes unless absolutely necessary.	Our preference is for risk avoidance. However if necessary, we will take decisions on quality where there is a low degree of inherent risks and possibility of improved outcomes and appropriate controls are in place.	**We are prepared to accept the possibility of short term impact on quality outcomes with potential for longer-term rewards.**	We are willing to take decisions on quality where there may be higher inherent risks but potential for significant longer-term gains.	We seek to take high risk decisions on quality in pursuit of significant gains and mitigation to our other risks.
REPUTATION	How will we be perceived by the public and our partners?	We have no appetite for any decisions that could lead to additional scrutiny or attention on the organisation. External interest in the organisation viewed with concern.	Our appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.	We are prepared to accept the possibility of limited reputational risk as long as appropriate controls are in place to limit the risk.	**We are prepared to accept the possibility of some reputational risk as long as there is the potential for improved outcomes for our stakeholders.**	We are willing to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	We are comfortable to take decisions that may expose the organisation to significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for our stakeholders.
INNOVATION	How progressive and innovative do we want to be?	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. General avoidance of systems/ technology developments.	Innovations always avoided unless essential or established and proved to be effective in a variety of settings.	Tendency to stick to the status quo, innovations in practice generally avoided unless really necessary. Systems/technology developments limited to improvements to protection of current operations & practice.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery.	**Innovation pursued –desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery.**	Innovation is the priority– consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery.

BAF risks

Theme	Risk Description	Current Likelihood	Current Consequence	Current Risk Score	Initial Risk Score	Target Risk Score
Engagement with patients, public and partners	If we fail to effectively engage and involve our patients, the public and other key stakeholders in the redesign and transformation of services then it will adversely affect implementation of our Clinical Services Strategy in full resulting in a detrimental impact on patient experience and a loss of public and regulatory confidence in the Trust.	3	4	12	12	3
Clinical Services	If we do not implement the Clinical Services Strategy then we will not be able to realise the benefits of the proposed service changes in full, causing reputational damage and impacting on patient experience and patient outcomes.	3	4	12	15	5
Quality	If we do not have in place robust systems and processes to ensure improvement of quality and safety and to meet the national patient safety strategy, then we may fail to deliver high quality safe care resulting in negative impact on patient experience and outcomes.	3	4	12	20	8
Finance	If the Trust fails to put in place a financial plan that is both credible and achievable with the resources available then it risks failure to achieve its statutory duty to remain within its resource envelope and contribute its share to delivery of the ICS Plan.	5	4	20	15	12
Infrastructure	If we are not able to secure financing then we will not be able, to address critical infrastructure risks as well as maintain and modernise our estate, infrastructure, and facilities; equipment and digital technology resulting in a risk of business continuity and delivery of safe, effective and efficient care.	5	4	20	15	12
Workforce	If we do not have a right sized, sustainable and flexible workforce, we will not be able to provide safe and effective services resulting in poor patient and staff experience and premium staffing costs.	3	5	15	15	9

Theme	Risk Description	Current Likelihood	Current Consequence	Current Risk Score	Initial Risk Score	Target Risk Score
Culture	If we fail to sustain the positive change in organisational culture, then we may fail to have the best people which will impede the delivery of safe, effective high quality compassionate treatment and care.	2	5	10	15	6
Reputation	If we have a poor reputation this will result in loss of public confidence in the Trust, lack of support of key stakeholders and system partners and a negative impact on patient care.	4	4	16	12	8
Cyber	If we do not have assurance on the technology estate lifecycle maintenance and asset management then we could be open to a cybersecurity attack or technology failure resulting in possible loss of service.	4	4	16	20	10
Leadership	If we do not have a comprehensive leadership model and plan in place then we may not have the right leadership capability and capacity to deliver our strategic objectives and priorities	3	4	12	12	8
Digital	If we do not make best use of technology and information to support the delivery of patient care and supporting services, then the Trust will not be able to deliver the best possible patient care in the most efficient and effective way	3	4	12	20	15
Engagement with staff	If we fail to effectively involve our staff and learn lessons from the management of change and redesign / transformation of services, then it will adversely affect the success of the implementation of our Clinical Services Strategy resulting in missed opportunity to fully capitalise on the benefits of change and adversely impact staff engagement, morale and performance	4	4	12	12	8
Activity	If we are unable to increase elective activity, remove long waits and reduce waiting list size in a timely and cost effective manner, then patient outcomes will suffer, patient care will be compromised and/or costs will increase	4	5	20	25	8

Theme	Risk Description	Current Likelihood	Current Consequence	Current Risk Score	Initial Risk Score	Target Risk Score
System working	If we do not have effective system wide working to enhance patient flow and to ensure patients are managed in the most appropriate environment, then we will not be able to manage the level of urgent care activity and patient experience for patients who are clinically ready for discharge, but have not been, will suffer	4	4	16	16	8
Urgent care	If we do not ensure that all actions are in place to enable discharge at the point of being ready for clinical discharge then we will adversely impact patient experience and inhibit flow	5	4	20	16	8
Industrial Action	There is a risk that services and patient care/ treatments will be disrupted by staff shortages due to possible (ongoing) industrial action by the NHS trade unions resulting in delays to patient care, patient harm and a poor patient experience.	3	4	20	20	12

See page 79 for risk level coding.

Future Strategic Risks 2024/25

Future strategic risks for 2024/25 will be managed through the BAF by monthly review at Executive Risk Management committee and quarterly review by the Board of Directors. The risks will be mapped to the Trust's 2024/25 objectives. As at April 1, 2024, the 2024/25 strategic risks are:

ID	Title	Description	Consequence (current)	Likelihood (current)	Rating (current)	Risk level (current)
5483	BAF 2024 - Leading the NHS on Carbon Reduction	There is a risk that, as an anchor institution, the capital investment, resource and approval required to achieve the NHS Greener Plan and the 'Big Move' carbon reduction is not available, leading to an inability to meet compliance with the 10 point plan and national targets.	Minor	Almost certain	10	High
5474	BAF 2024 - Culture	There is a risk that, if we fail to sustain a positive change in organisational culture and communicate the 4ward improvement system, the trust will fail to have the best people and be unable to deliver safe and effective high-quality compassionate treatment and care.	Moderate	Likely	12	High
5475	BAF 2024 - Health and Wellbeing	There is a risk of significant negative impact on staffs' health and wellbeing (including sickness absence, low morale), their experience and retention due to operational pressures, industrial action and workloads.	Moderate	Likely	12	High
5480	BAF 2024 - Digital Strategies to Support 'Big Moves'	There is a risk of a delay to the delivery of benefits and the future capital funding of digital infrastructure to support 'Big Moves' due to the scale, number and complexity of individual projects and the change/transition requirements of the workforce.	Major	Possible	12	High
5484	BAF 2024 - Maturity of PLACE	There is a risk that, due to the immaturity of PLACE, PLACE is unable to achieve their objectives or provide sufficient system assurance to reduce inequalities and improve sufficiently the home first mindset to provide support to more people at home.	Moderate	Likely	12	High
5486	BAF 2024 - Partnership with large specialist providers	There is a risk that tertiary partnerships will be unable to improve existing local, regional and system-wide fragile services resulting in a failure to improve patient outcomes.	Moderate	Likely	12	High

ID	Title	Description	Consequence (current)	Likelihood (current)	Rating (current)	Risk level (current)
5492	BAF 2024 - Capital Investment to support delivery of the 10 Point Plan	There is a risk that capital funds are not sufficient to meet the collective requirements of the Trust, not limited to the delivery and investment in key estates and digital infrastructure plus Trust medical equipment due to a restriction on the capital resources available to the Trust which could lead to a worsening of the condition of the Trust's estate and/or an inability to procure essential ICT systems and medical equipment resulting in adverse impacts on healthcare delivery.	Moderate	Likely	12	High
5481	BAF 2024 - Digital Resilience	There is a risk to the achievement of the Trust's 'focus on flow' and 'Big Moves' objectives plus overall service delivery due to unsupported IT hardware, unfunded lifecycle maintenance and lack of ongoing investment in digital infrastructure resulting in system failure and cyber security attacks.	Catastrophic	Possible	15	Extreme
5473	BAF 2024 - Workforce	There is a risk to achieving the Trust's 10 Point Plan due to: staff shortages; being unable to recruit to clinical, nursing and support staff vacancies; and, failure to achieve staffs' full operating capabilities - resulting in the use of locum staff (and an inability to comply with agency caps), increasing costs, a lack of capacity to deliver national standards, local plans and to address service fragility.	Major	Possible	12	High
5479	BAF 2024 - Ability of System to Manage Flow Across the Urgent and Emergency Care Pathway	There is a risk that the system is unable to enact the measures required to avoid the need for hospital care, the management of discharge pathways and the unblocking of barriers which, in turn, places unrelenting pressure on the Trust's urgent and emergency care pathway increasing the risk and scale of patient safety incidents, poor patient experience and quality of care.	Major	Likely	16	Extreme

ID	Title	Description	Consequence (current)	Likelihood (current)	Rating (current)	Risk level (current)
5485	BAF 2024 - Operational Capacity Plans and Delivery	There is a risk that the Trust will be unable to achieve its productivity and activity plans as a result of factors not limited to: staff shortages; pace of improvement; industrial action; access to outsourced and insourced capacity; and, sub-optimal urgent pathways. These factors, either individually or collectively, will severely impact on productivity and operational capacity plans that deliver safe elective, cancer, emergency and critical care.	Catastrophic	Likely	20	Extreme
5491	BAF 2024 - Delivery of Financial Plan	There is a risk that the financial plan will not be achieved in year or an improvement made in the medium term due to the: scale of efficiencies (CPIP) and productivity required; impact of inflationary pressures; and, risks to achieving the full income target and the 10 point plan. This could lead to a worse than planned in-year and underlying deficit resulting in regulatory action and a shortfall in cash to meet obligations.	Catastrophic	Likely	20	Extreme

Trust Board

The Trust Board has overall responsibility for setting the corporate and clinical strategy of the Trust, as well as overseeing performance.

The Board has met in public 8 times, excluding as part of the Foundation Group Boards meetings in August and November 2023 and February 2024, to discuss performance across the Trust, current and future challenges, and corporate and clinical strategy. When discussing issues of a confidential nature, the Trust Board resolves to meet in private in accordance with the Public Bodies (Admissions to Meetings) Act 1960 s1 (2).

Sub-committees of the Trust Board

The Trust Board has the following sub- committees:

- Quality governance committee
- Audit and assurance committee
- Remuneration committee
- Trust management Board (formerly Trust management executive)
- People and culture committee
- Charitable funds committee

The role of the Board's sub-committees

Quality Governance Committee

The Quality Committee focuses on ensuring structures and processes are in place for governing the quality of clinical services and ensuring services are safe. The Committee's primary role is to provide assurance on clinical quality and safety, including clinical effectiveness, patient safety and patient experience.

Audit and Assurance Committee

The Audit Committee is a standing Committee of the Board. The role of the Committee is to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities, both clinical and non-clinical, to support the achievement of our objectives.

Remuneration Committee

The Remuneration Committee is a standing Committee of the Board and is responsible for monitoring and evaluating the performance of Executive Directors and overseeing their contractual arrangements, as well as ensuring that they remain compliant with 'Fit and Proper Person' requirements. The duties of the Committee also include ensuring that chief officers are recruited in a fair, open and transparent way.

Trust Management Board

The Trust management board oversees the effective operational management of the Trust, including the achievement of statutory duties, standards, targets, and other obligations, and the delivery of safe, effective, high quality patient care. It informs and advises the Board in setting and delivering our strategic direction and priorities. It also promotes effective two-way communication between levels of senior management in the Trust and is the formal route to support the Managing Director to effectively discharge his duties and responsibilities to the Chief Executive Officer as Accountable Officer. The Trust Management

Board is not attended by Non-executive Directors.

People and Culture Committee

The People and Culture Committee acts as a Committee of the Trust Board and is set up to ensure that the Trust has an effective people & culture strategy that attracts and retains a high performing workforce capable of delivering the Trust strategic objectives. The Committee is also responsible for the identification and monitoring of people and culture strategic risks through the regular review of the Board Assurance Framework.

Charitable Funds Committee

The Charitable Funds Committee, although not reporting to the Board, makes and monitors arrangements for the control and management of the Trust's charitable Funds. Key duties of the Committee are to apply the charitable Funds in accordance with the charity's governing documents; to make decisions involving the sound investment of charitable Funds in a way that both preserves their capital value and produces a return consistent with prudent investment; and to ensure the charity's compliance with legal and regulatory requirements.

Board and sub-committee attendance

Attendance of Board and sub-committee meetings by executive and non-executive Board members during 2023/24 is shown below:

Name of Board or sub-committee	Number of meetings held	Attendance 2023/24
Public Trust Board	8	94.7%
Quality Governance Committee	11	84.6%
People and Culture Committee	6	80.9%
Audit and Assurance Committee	8	96.2%
Remuneration Committee	12	89.8%
Charitable Funds Committee	6	87.0%

The Board of Worcestershire Acute Hospitals NHS Trust meets as part of the Foundation Group Boards meetings in May, August, November and February of each year and does not hold separate Trust Board meetings during those months.

Clinical governance and risk

We have structures, systems and processes in place to provide clinical governance assurance and deliver our key quality priorities. Assurance is provided to the Trust Board on quality governance through the Trust's Quality Governance Committee. The Quality Governance Committee is chaired by a Non-Executive Director. The Quality Governance Committee has the following committees and groups reporting into it all of which have responsibility for an element of quality governance:

- Clinical Audit & Effectiveness Committee
- Cancer Board
- Fundamentals of Care Committee
- Safeguarding Committee
- Improving Safety Action Group
- IPC Committee
- Maternity

The Chief nursing officer is the executive lead for quality and safety governance and is supported in this role by two deputy Chief nursing officers and a quality and safety team.

Clinical governance arrangements are reviewed regularly, with robust arrangements in place for performance reviews relating to clinical governance. For example, key quality and clinical performance targets are included when divisions give 'deep dive' presentations at monthly finance and performance executive meetings.

Clinical governance meetings also take place at divisional level.

Operational performance and key targets

NHSE's Single Oversight Framework (SOF) is used for overseeing providers and identifying potential support needs. The SOF looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well led)

Providers are segmented from 1 to 4, where '1' reflects providers with maximum autonomy and '4' reflects providers receiving the most support (special measures).

The Trust remains in segment 3 of the SOF.

Integrated performance report

There are regular discussions about the latest integrated performance report (IPR) at the Trust Board.

The IPR and patient safety dashboard include:

- Operational Performance
- Quality & Safety
- Well Led
- Financial Performance

Risk register

Clinical risks identified as having significant effect on the delivery of safe care across Trust services are included in the Board risk register. All risks are assigned to a chief officer and internal current assurance and actions to remove any gaps in assurance are described.

Workforce planning

The Trust's workforce planning activity is an essential part of the business planning process. Our robust approach to workforce planning ensures the Trust complies with NHSE developing workforce safeguards recommendations. With regards to giving assurance about safe staffing, the acuity process is performed manually by collecting data from individual services. This ensures safe staffing adheres to set levels and is signed off by the Chief Nursing Officer or Chief Medical Officer.

The electronic staff record (ESR) and financial systems are used to give a baseline for workforce planning, this is then adjusted in accordance with evidence-based forecasting of activity levels, service changes, service developments and contract commissioning.

Core to the organisational strategy of the Trust is working with partners to provide integrated care to deliver better health outcomes for our population and best value. Worcestershire Acute NHS Hospitals Trust continue to ensure our services are as joined up as possible within the ICS.

Our governance structure has been designed to ensure that key work streams feed into the People and Culture Committee, which in turn provides assurance to the Trust Management Board.

Register of interests

A register of relevant and material Board member interests is maintained and published on the Trust's website. Board and Committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in the minutes of the meeting. There have been no occasions during the year where a member has had to withdraw from the discussion or decision taken at any Board or Committee meeting.

An up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months, is published on our website, as required by the Managing Conflicts of Interest in the NHS guidance.

CQC registration requirements

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

Pensions

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. We also have in place the Pensions Support Service which as available for all staff to access and includes 1:1 advice and group workshops; regular updates are provided through this service.

Equality, diversity and human rights legislation

Control measures are in place to ensure that all of our obligations under equality, diversity and human rights legislation are complied with; this is included in our Equality, Diversity and Inclusivity Action Plan which encompasses the Equality Delivery System, Workforce Race Equality and Workforce Disability Equality standard plans.

Climate change

The Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. See page 71 for more details.

Our obligations are delivered through the Trust Green plan and is consistent with our Big Moves and in our role as an anchor institution. To this end we source 100 per cent electricity from renewable energy tariffs, and we have achieved elimination of Desflurane (harmful gas) from clinical practice within the Trust. We are working with Foundation Group colleagues to share best practice and resource knowledge.

Review of economy, efficiency and effectiveness of the use of resources

The Trust has a detailed planning process to support triangulation of plans between activity, workforce and finance to support delivery of the national annual planning priorities laid out by NHSE, and consistent with the Integrated Care Strategy for Herefordshire & Worcestershire.

A robust Cost, Productivity & Efficiency Programme and Quality Impact Assessment process is in place. During the year the Board of Directors and its sub Committees have received regular reports providing information on all aspects of performance underpinning economy, efficiency and effectiveness in the use of resources. The Board has adopted statistical process control as a mechanism of reporting to enable more informed use of the data. This has been applied to the Hospital Flow Transformation programme to flow and discharge impacting on performance.

Information governance

IG incidents are graded using the NHS Digital Breach Assessment grid, which is in line with the requirements of the GDPR and the Data Protection Act 2018. We ensure that data breaches are reported within 72 hours of being discovered. Incidents are graded according to their impact on the individual or groups of individuals affected, with 1 being the least serious and 25 the most serious. Incidents graded 6 or above are reportable to the ICO via the data security and protection toolkit incident reporting tool.

Management of incidents

The IG team monitor data security incidents reported from Datix on a daily basis and these are reviewed weekly by the IG Manager and the Deputy DPO and any which may meet the external reporting criteria are assessed for reporting. All incidents are reported to IGSG on a quarterly basis. Any themes to incidents are identified and action is taken to anticipate and address any issues. There were 158 of incident reported on DATIX for 2023/24. Four were reported to the Information Commissioners Office (ICO) but no further action was taken. Further, during 2023/24 year, the Trust did see the resolution of a case which we referred to the ICO in 2019.

The Trust also has robust processes for incident reporting and the investigation of serious incidents. The process is followed up by lessons learned and provision of guidance or training where required.

Data quality and governance

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The quality governance committee has received an update on the Trust's Annual Quality Account for 2023/24 and received assurance that this

presented a balanced view and that there were appropriate controls in place to ensure the accuracy of data.

We have dedicated data quality leads and informatics staff to regularly investigate and quality assure performance and waiting time data. Their work is supported by operational business intelligence reporting tools that all staff can access, with the ability to drill down to team and client level where appropriate. Performance management meetings are held for each service line including deep dive reviews by the executive team. Regular internal and external audits provide additional assurance of the quality and accuracy of data to the Board.

Compliance with Code of Governance for NHS Provider Trusts

NHSE published the new 'Code of Governance for NHS provider trusts' in October 2022. For the first time, the Code will not only apply to Foundation Trusts but all NHS Trusts too. It took effect from 1 April 2023 and is applicable to Worcestershire Acute Hospitals NHS Trust.

The code has an increased focus on system and partnership working and governance models going beyond individual providers and applies the same requirements to NHS Trusts as to Foundation Trusts. New provisions in the draft code include:

- The board's role in monitoring and assessing culture;
- Mechanisms for gathering the views of the workforce;
- Reporting on how stakeholder interests have influenced the board's decision-making;
- Succession planning and board member contribution;
- Diversity and inclusion; and,
- Board responsibility for identifying and assessing emerging risks (in addition to the principal risks).

As with previous iterations of the guidance, the Code represents best practice, but does not represent mandatory advice, therefore non-compliance to the Code does not in itself represent a breach of governance conditions that NHSE require all trusts and foundation trusts to make, however, non-compliance may form part of a wider regulatory assessment on adherence to required standards.

Compliance with NHS Provider Licence Trust Condition 4

The Trusts compliance with NHS Provider Licence Condition 4 is confirmed with supporting evidence contained within this Annual Report and not limited to the following systems and/or processes to ensure:

- that there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;
- that the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;
- the collection of accurate, comprehensive, timely and up to date information on quality of care;
- that the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;

- that the Licensee including its Board actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and
- that there is clear accountability for quality of care throughout the Licensee's organisation including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.

The Board has the following governance arrangements in place to manage its corporate governance arrangements:

- Board and Committee structure
- Management and Directorate structure
- Arrangements for assessing the Board's performance and effectiveness
- Quality governance arrangements
- Compliance regimes to support regulatory requirements - e.g. for the Care Quality Commission and NHS England.
- Quality Improvement Programme
- Internal Audit Annual Plan
- Counter Fraud Programme
- Risk and Control Framework
- Information Governance arrangements
- Standing Orders, Standing Financial Instructions and Scheme of Delegation

The Trust's governance arrangements have been supported by:

- The Board having a good balance of skills and experience: Executive Directors have defined portfolios of responsibilities and Non-Executive and Associate Non-Executive Directors have lead areas of focus linked to their areas of expertise and the requirements of the Trust
- Annual self-declaration from all Board members that is compliant with the NHS England fit and proper person test framework for board members and support the annual declaration from the Board as against its full compliance with this regulation.
- Committee Reporting Structure - which enables a focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control.
- Reporting and assurance sub-structure of Clinical Directorates with tri-umbrate leadership and clinically led.
- Board Assurance Framework and combined Risk Register which details the risk to the delivery of the Trust's strategic aims.
- The Trust responds to all relevant guidance issued by NHS England through the actions of the CEO and the Executive Team.
- The Chief Executive's Report at every Board meeting also highlights any guidance issued by regulators.
- The Trust has Board approved Standing Orders, Standing Financial Instructions and a Scheme of Delegation. There are Terms of Reference for each Committee of the Board and effectiveness is assessed. On an annual basis a review is undertaken of each of the Terms of Reference for Committees reporting to the Trust Board. These are approved by each Committee and then the Trust Board.

- The Board has a well-established Committee structure that provides for effective review, scrutiny and decision making on the priority areas of the Board's business and a clear focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control. This and an underpinning infrastructure of supporting management meetings enables the Board to discharge its responsibilities and duties effectively and efficiently.

- The composition of the Board is well balanced has a broad range of skills and experience.

- The Board ensures that the Trust meets necessary legislative requirements which include Care Quality Commission compliance. Various operational groups ensure that the Trust Board is assured that the organisation, decisions and business of the trust is monitored effectively. The overarching aim is to make best use of our resources within the current constraints of growing demand and financial challenges. The Board has a number of points of assurance which include integrated performance reporting, financial performance, declarations and Annual Accounts, External Audit and Internal Audit reports and statements.

- Financial decision making and management and control systems are set out in the Trust's Standing Financial Instructions and Scheme of Delegation.

- The Board has an agreed governance reporting structure and sequence of meetings though the structure is being reviewed to enable timely consideration of relevant and up to date information to make decisions.

- Risks that may affect the Trust in delivering our strategic aims and risk any associated compliance are set out in the Board Assurance Framework which is regularly updated through Executive Director and Committee review.

- A range of governance, risk and control processes are in place to ensure that the Trust remains compliant with its legal requirements.

- An integrated performance report is presented to the Board of directors each month. This report covers the key areas of Quality, Performance Workforce and Finance and highlights variances from plan and what actions are being taken to improve.

- The Quality Governance Committee ensures compliance in relation to quality governance and the Care Quality Commission's standards and other regulatory bodies.

- All business plans are reviewed by the Trust Management Board prior to presentation to the Board of directors for approval (subject to financial values).

- The Finance and Performance executive reviews performance within the divisions on Finance, quality, performance and workforce.

- Internal and external assurance is provided through the Trust internal and external auditors.

- The Trust has a Quality Governance Committee that meets every month and provides assurance to the Board on matters of quality and safety; it is chaired by a Non-Executive Director. Agendas are informed by standing items, items taken from a forward

plan and any topical matters, such as changes in legislation of policy.

- Directorate governance meetings take place on a monthly basis and their focus is on the quality and safety of the operational delivery of services; these meetings are led by the relevant Clinical Director. The chief nursing officer and chief medical officer work together on measures to improve patient safety and experience and clinical effectiveness. A comprehensive structure of management meetings look at a range of specific aspects of quality and safety and are attended by a cross section of multi-professional staff and managers.

- A report is provided by the Chair of the Quality Governance Committee to the Board of directors summarising discussions and decisions. In addition, the chief nursing officer provides a report on Quality which includes KPIs and forms part of the monthly Integrated Board Report.

- The minutes of the Quality Governance Committee are also presented to the Trust Board

- The Trust has a well-established informatics team which assists with performance reporting. Each of the Executive Directors has a defined portfolio of responsibilities which clarifies their accountabilities. There is framework for risk management and a means of escalating concerns about internal control to the Audit Committee.

- All members of the Board are actively engaged in quality and safety initiatives. As a matter of course, the Trust takes into account the views of others through the feedback received from complaints, compliments, incident review, ongoing stakeholder meetings and discussions. Duty of Candour is a statutory duty that requires the Trust to be open and candid if someone is harmed when in our care.

- The Managing Director considers the capacity of the Executive team on an ongoing basis. Regular supervision sessions and weekly Executive meetings enable the Managing Director and his Executives to maintain a focus on delivery priorities.

Well led

The CQC reinforces the strong link between the quality of overall management of a trust and the quality of its services. This involves quality of leadership at every level and how well the Trust manages the governance of its services including how well leaders continually improve the quality of services and safeguard high standards of care by creating an environment for excellence in clinical care to flourish. The Trust has not had a full inspection this year and remains as 'Requires Improvement' for Well-Led.

The Trust Board undertook an internal well led board evaluation in January 2024 to identify the areas of leadership and governance that would benefit from further targeted development work to secure and sustain future performance. The evaluation centred on the key lines of enquiry (KLOEs) and included a discussion with the Non-Executive Directors to ensure they received the necessary information in a timely manner allowing appropriate challenge of the Board.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical

audit, executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance committee and Quality Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have relied on assurance provided by the following sources:

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit. The internal auditors have undertaken several reviews and have provided a limited assurance opinion as follows:

"I am providing an opinion of Limited assurance that there are weaknesses in design and/or inconsistent application of the framework of governance, risk management and control that could result in failure to achieve the organisation's objectives.

Strategic risk management and Board Assurance Framework – I am providing Limited assurance, the BAF has not been presented to the Trust Board or Audit & Assurance Committee on a regular basis and the high level (Corporate Risk Register) risk register has not been presented to the Trust Board during the 2023/24 financial year.

Internal Audit outturn – I am providing a Limited assurance opinion, we have completed our workplan, however, we have 4 reports out in draft with the Trust, for the 6 finalised reports we have provided limited assurance to 4 reviews,1 moderate assurance and 1 significant assurance.

Implementation of Internal Audit Actions – I am providing significant assurance as the overall implementation rate for recommendation tracking is 94%.

Third party assurances are reviewed as part of our opinion".

Internal Audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The internal audit reports provide an assessment of assurance in these areas. In agreeing the Internal Audit Plan, the auditors identified a number of key assignments (core reviews). Whilst the auditors recognise that the Trust engages internal audit to assist in areas of concern, the following completed core reviews have been provided a limited or moderate assurance opinion:

- **Theatre Governance (Limited Assurance)** Review of the Theatre Directorate Governance meeting terms of reference noted they do not contain the expected details for attendance, chair/deputy chair, frequency of reporting, review and approval process. The Theatre Directorate Governance Meeting action log does not demonstrate scrutiny and discussion of risks or emerging concerns. The Audit and Assurance Committee have been provided with assurance that patient safety had not been compromised.

- **Complaints (Limited Assurance)** There was a backlog which the Trust are aware of, especially within the Surgical Division. No investigation reports/summaries or action plans were held within Datix in relation to the complaints we sampled therefore we have been unable to review the investigations completed. The majority of complaints we sampled were not responded to within the Trust's 25 working day deadline. There was no evidence of lessons learnt being formally shared across the organisation, therefore key actions required to prevent reoccurrence of complaints may not be in place.

- **Consultant Job Planning (Limited Assurance)** The Trust have a target to achieve 95 per cent compliance for an up-to-date job plan to be in place for all Consultants/SAS Doctors but have struggled consistently to meet this target. The Trust Policy, Job Planning Consultants and SAS Doctors, approved in 2017 and due for revision in 2018, has not been updated. The Business Conduct Policy did not require SAS Doctors to complete a Declaration of Interest form.

- **Budget Setting and PEP (Moderate Assurance)** The Trust submitted a break-even plan for 2023/24 that included £42 million of non-recurrent ICB income and an ambitious PEP target of £28 million which was increased from £20 million in an earlier iteration of the plan. The annual plan was re-presented at Trust Board in July 2023 after delegated approval was given by the Finance and Performance Committee (FPC) in March 2023 and further approval by the Trust Board on May 11, 2023. A top-down risk assessment of the full year financial position was presented at month 5. At month 5, the time of our audit 4 Executive summary fieldwork, the Trust reported a £16.3 million deficit. At that point a full year deficit position of £24.9 million was forecast before mitigation or further downside risk assessment. A key driver of the forecast variation from the delivery of a break -even position was the under-delivery on PEP schemes. According to the financial performance report for month 10 (from the March 2024 public Trust Board papers), 'the projected outlook for the year remains a £36.6m deficit against plan' which is in accordance with the agreed revised full-year forecast. A significant element of the forecast deficit relates to 'slippage on PEP of £12.7 million'.

- **High Earners – Locum Doctors Follow Up (Limited Assurance)** In 2022/23 a review of the governance arrangements in place for the provision of Medical and Agency Staff for locums took place. No assurance was provided due to systems control weaknesses, control failures and non-compliances found. As part of this year's internal audit plan, a follow up review determined that many of the agreed actions had not been implemented.

These assurance opinion reports have identified areas where enhancements are required and in each of these cases management actions and timescales have been agreed, the implementation of which will improve the control environment. Internal Audit consider the appropriateness of the Trust's response to Internal Audit recommendations and have tracked the Trust's implementation of these actions. The 2023/24 position demonstrates an overall implementation rate of 94 per cent and all high level risks have been closed in year - significant assurance has been provided in this area within the Head of Internal Audit opinion.

Chief Officers in the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance that this improvement is in place.

The Trust outsources elements of its transactional financial services, employment services (Payroll) and, Procurement Services (iProc ordering system) to a third-party supplier. Assurance on the effective operation of the control environment is gained through measures including independent Auditor reports. In April 2024, the Trust received the supplier's Finance and Accounting, Employment Services and Procurement Services ISAE3402 reports. These covered Finance and Accounting and associated general IT controls, Employment Services controls and, Procurement Services controls for the period April 1, 2023 to March 31, 2024.

The Finance and Accounting audit identified an exception in two out of the 25 control objectives and an unqualified opinion was issued. We have reviewed the audit report and management response and are satisfied that no material control weaknesses were identified.

The Employment Services audit identified exceptions in three out of 14 control objectives and an unqualified opinion was issued. The service auditor advises that in all material respects, except for the matters identified the controls were suitably designed and have operated effectively during the period. We have reviewed the audit report and management response and are satisfied that no material control weaknesses were identified.

The Procurement Services audit identified no exceptions in the nine control objectives and an unqualified opinion was issued.

The BAF itself provides me with evidence that the effectiveness of controls to manage risks to the organisation achieving its principal objectives have been reviewed.

Registration with the CQC – as at March 31, 2024, the Trust has no regulatory notices.

The Trust has had regular performance oversight meetings with NHSE and this provides me with independent external assurance regarding the Trust's performance and the effectiveness of the Trust's system of internal control.

I have been advised on the effectiveness of the system of internal control by the following Committees within the Trust:

- Audit and assurance committee
- Quality governance committee
- Finance and performance executives
- Finance recovery board.

Conclusion

There have been a number of significant internal control issues identified in the Trust during 2023/24, specifically relating to:

- Theatre Governance
- Complaints
- Consultant Job Plans
- High Earners – Locums Follow Up
- Risk management

Further, the Trust has continued to face significant financial challenges but limited progress has been made to address previously reported significant weaknesses relating to the need for robust plans. The External Auditors' (Grant Thornton) Annual Audit and Value for Money Report has again identified significant weaknesses (and made recommendations to address these) in the following areas:

- Financial Planning
- Cost & Productivity Improvement Plan
- Risk management
- Budget setting, monitoring and reporting
- Leadership and informed decision making
- Compliance with policy and procedures
- Performance management and monitoring
- Contract management
- Project management

The Board will ensure that a process of continuous improvement, at pace, is in place in the Trust in 2024/25, including implementation of the Trust's 10 Point Plan (as described on Page 11). Any issues will be reflected within the risk register and their management monitored through the BAF. The Trust will also improve upon the timely implementation of any internal and external audit recommendations. The system of internal control has been in place at the Trust for the year ended March 31, 2024 and up to the date of approval of the Annual Report and Accounts.

I believe that this Annual Governance Statement contains full and sufficient information for its purpose and includes all of the key elements that are required of this document.

Glen Burley
Date: 25 June 2024

Part C:
Accountability Report

Corporate governance report

Directors' report

Trust Board

Our Trust Board has overall responsibility for setting the corporate and clinical strategy of the Trust, as well as overseeing performance, including finance. The Trust Board is committed to setting high standards and the whole Board has signed up to the Nolan principles, requiring honesty and integrity in all matters.

The Non-Executive Directors (NEDs) bring a wealth of experience to the Trust Board, from private sector commercial business to management within a large public sector organisation. We have two Associate Non-Executive Directors supporting the work of the Board and a NExT Director, who has since been appointed as a further Associate Non-Executive Director.

The aim of the Board is to lead by example and to learn from experience and oversee the delivery of safe, effective, personalised and integrated care for local people, delivered consistently across all services by skilled and compassionate staff. Patient and Staff Stories are shared at the Trust Board monthly meetings with space for discussion and exploration of learning from experiences.

The Trust Board meets in public 11 times per year to discuss performance across the Trust, current and future challenges, and corporate and clinical strategy. Four of these meetings are joint meetings with foundation group partners; these meetings were introduced in 2022 to enable the Boards of the South Warwickshire University NHS Foundation Trust, George Eliot Hospital NHS Trust, WAHT and Wye Valley NHS Trust to meet at the same time to share best practice and learnings from across the Foundation Group. Members of the public are invited to join the virtual public sessions which are also recorded and published on our website.

When discussing issues of a confidential nature, the Trust Board resolves to meet in private in accordance with the Public Bodies (Admissions to Meetings) Act 1960 s1 (2).

Details of public Board meetings and public Board papers are available on the Trust website: www.worsacute.nhs.uk

The Trust's standing orders and standing financial instructions were reviewed in April 2024 by the Trust Board.

Board members

The composition of the Trust Board is balanced with five voting Non Executives and five voting Executive Directors. The full list of members of the Trust Board who served throughout 2023/24 and their attendance, is as follows:

New Executive Directors appointed this year:

- Mrs Helen Lancaster (Chief Operating Officer) from July 1, 2023.
- Mrs Sarah Shingler (Chief Nursing Officer) from July 1, 2023.
- Mr Stephen Collman (Managing Director) from November 1, 2023.
- Dr Julian Berlet (Interim Chief Medical Officer) from January 8, 2024.

- Dr Juliette Walton (Interim Chief Medical Officer) from January 8, 2024.
- Mr Matthew Hopkins (Chief Executive) resigned from the post on July 31, 2023.
- Ms Anita Day (Trust Chair) resigned on July 31, 2023.
- Mrs Jacqueline Edwards (Chief Nursing Officer – Interim) resigned on June 30, 2023.
- Ms Rebecca O'Connor (Director of Corporate Governance) resigned on October 1, 2023.
- Mrs Tina Ricketts (Director of People and Culture) resigned on February 24, 2024
- Dr Christine Blanshard (Chief Medical Officer/Deputy Chief Executive) resigned on January 7, 2024.

No new Non-Executive Directors appointed this year.

New Associate Non-Executive Directors appointed this year:

- Michelle Lynch (NExT Director) from January 9, 2024

The Trust Board's non-executive directors are all considered to be independent in that they have not:

- been an employee of the trust within the last two years
- or had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust
- received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme
- got any close family ties with any of the trust's advisers, directors or senior employees
- held cross-directorships or had significant links with other directors through involvement with other companies or bodies
- served on the trust board for more than six years from the date of their first appointment.
- been an appointed representative of the trust's university medical school.

Note: In the following tables attendance shown is relative to the number of meetings that could have been attended. Any executive apologies were covered by deputies.

Name	Role	Dates	Attendance
Stephen Collman	Managing Director	From November 2023	2/2
Anita Day	Chair	Until July 2023	4/4
Christine Blanshard	Chief Medical Officer	Until January 2024	4/7
Colin Horwath	Non-Executive Director		7/8
Matthew Hopkins	Chief Executive	Until July 2023	3/4
Dame Julie Moore	Non-Executive Director		8/8
Sarah Shingler	Chief Nursing Officer	From July 2023	4/5
Jackie Edwards	Interim Chief Nursing Officer	Until June 2023	1/2
Russell Hardy	Chairman	From August 2023	4/4
Simon Murphy	Non-Executive Director		8/8
Karen Martin	Non-Executive Director		8/8
Tony Bramley	Non-Executive Director		7/8
Glen Burley	Chief Executive	From August 2023	4/4
Jules Walton	Joint Chief Medical Officer	From January 2024	1/1
Julian Berlet	Joint Chief Medical Officer	From January 2024	0/1

Non-voting members of Trust Board

Name	Role	Dates	Attendance
Richard Haynes	Director of Communication and Engagement		8/8
Vikki Lewis	Chief Digital Officer		7/8
Jo Newton	Director of Strategy and Planning		7/8
Richard Oosterom	Associate Non-Executive Director		7/8
Rebecca O'Connor	Director of Corporate Governance	Until October 2023	5/5
Tina Ricketts	Director of People and Culture	Until February 2024	5/7
Sue Sinclair	Associate Non-Executive Director		6/8
Michelle Lynch	NExT Director/Associate Non-Executive Director		6/8
Helen Lancaster	Chief Operating Officer	From July 2023	5/5
Alison Koeltgen	Chief People Officer	From March 2024	1/1

Details of all the Board members and their declaration of interests can be viewed on the Trust's website www.worcsacute.nhs.uk/our-trust/our-board

The Trust's governance structure allows the Board to gain assurance on the delivery of the corporate objectives, quality of services and the financial and operational performance of the Trust.

Corporate governance framework

Sub-committees of the Trust Board

The Trust Board has the following sub-committees:

- Quality Governance committee
- Audit and Assurance committee
- Remuneration committee
- Trust Management Board (formerly Trust Management Executive)
- Charity Trustee
- Finance Recovery Board (Established November 2023)
- People and Culture committee

Sub-committee membership

The table below details Board members' positions at March 31, 2024 on the sub-committees of the Trust Board. Profiles of Trust Board members are available at www.worcsacute.nhs.uk/our-trust/our-board/

Non-executive board members	Committee membership (* Chair)
Russell Hardy	*Trust Board *Remuneration committee
Colin Horwath	*Audit and assurance committee Remuneration committee
Simon Murphy	*Charitable Funds committee Audit and Assurance committee Remuneration committee
Karen Martin	*People & Culture committee Audit and Assurance committee Charitable Funds committee Remuneration committee
Tony Bramley	Audit and Assurance committee Remuneration committee
Dame Julie Moore	*Quality Governance committee People & Culture committee Remuneration committee
Michelle Lynch	Quality Governance committee Remuneration committee
Richard Oosterom	Financial Recovery Board Quality Governance committee Remuneration committee
Sue Sinclair	Quality Governance committee Remuneration committee

*Chair

** Attendance as required/by exception but are not committee members.

Executive directors	Committee membership (* Chair)
Glen Burley	Trust Management Board
Stephen Collman	*Trust Management Board People & Culture committee Charitable Funds committee Quality Governance committee
Neil Cook	Financial Recovery Board Audit & Assurance committee Charitable Funds committee Trust Management Board
Sarah Shingler	Quality Governance committee People & Culture committee Charitable Funds committee Trust Management Board
Jules Walton/ Julian Berlet	Quality Governance committee Charitable Funds committee Trust Management Board

Executive directors	Committee membership (* Chair)
Alison Koeltgen	People & Culture committee Trust Management Board
Helen Lancaster	Quality Governance committee Trust Management Board
Vikki Lewis	Quality Governance committee Trust Management Board
Jo Newton	Trust Management Board
Richard Haynes	Charitable Funds Committee Trust Management Board People & Culture committee

*Chair

** Attendance as required/by exception but are not committee members.

Register of interests

A register of relevant and material Board member interests is maintained and published on the Trust's website. Trust Board and committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in the minutes of the meeting. There have been no occasions during the year where a member has needed to withdraw from the discussion or decisions taken at any Trust Board or committee meeting. You can find the register of interests of executive and non-executive directors at www.worcsacute.nhs.uk/our-trust/our-board/

Each director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken all the steps that he or she ought to have taken to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Summary of Trust Board activities 2023/24

The Trust Board receives regular reports from all executive directors at each Board meeting on subjects across the Integrated Performance domains including monthly operational performance, finance, workforce and quality reports.

In 2023/24 the Trust Board also received a number of reports and updates including:

- Provider collaboration
- Going Concern
- Staff Survey Report
- Safe Staffing
- Freedom To Speak Up
- Annual Planning
- Safeguarding
- Improving Patient Flow
- Terms of Reference
- Communications and Engagement
- Standing Orders
- Annual Reports
- Midwifery
- Accountability Framework
- Guarding of Safe Working
- Responsible Officer
- Risk Framework
- Joint Forward Plan

Board workshops/development sessions are held before each Board meeting. Topics considered in 2023/24 included:

- Patient Stories
- Provider Collaboratives
- Flow
- 10 Point Plan
- Urgent & Emergency Care
- Financial Recovery
- Financial Strategy
- EDI

- Winter Plan
- Single Point of Access
- Annual Objectives.

Committee programmes during 2023/24

All sub-Committees have an agreed programme of work for the year, which is cross-referenced to the BAF. Issues highlighted by sub-Committees of the Board during the year include the following:

Quality Governance committee

In addition to its core responsibilities, the Quality governance committee focused on the following areas as part of its programme of work during 2023/24:

- Theatre programmes
- Maternity and neonatal
- Quality Account
- Safer Care
- Learning from deaths
- Safeguarding
- Key documents
- Patient experience and engagement
- Medical devices
- Infection Prevention and Control
- Research and Innovation
- Patient safety
- Complaints and PALS
- Harm reviews
- Clinical effectiveness
- Getting it Right First Time
- Safe staffing
- Healthcare Standards
- Regulation 28

Audit and Assurance committee

In addition to its core responsibilities, the Audit committee focused on the following areas as part of its programme of work during 2023/24:

- Review of Annual Report and Accounts
- Annual governance statement
- Internal audit plan 2023/24 and progress reports:
  - Data Security and Protection Toolkit
  - Theatre Governance
  - Job Planning
  - High Earners
  - Estates and PFI
  - Financial systems
  - Bank and agency
  - Citeria to reside
- Counter fraud
- Tender waivers
- Losses and compensation
- Value for money
- Standing orders and standing financial instructions

The Trust External Auditors are Grant Thornton who were commissioned in 2022. The contract will be reviewed in 2025.

People and Culture committee

In addition to its core responsibilities, the People and Culture committee focused on the following areas as part of its programme of work during 2023/24:

- Staff Survey Report
- Freedom To Speak Up
- Safe Staffing
- Staff stories
- Wellbeing matters
- Workforce Plan
- Guardian of Safe Working
- Sickness Deep Dive
- EDI
- Advanced practice and non-medical careers framework

Remuneration Committee

The Remuneration Committee met on 12 occasions in 2023/24 to discuss executive

remuneration, Executive Directors' performance, pay award for very senior managers and Executive Director appointments.

Trust Management Board (TMB)

In addition to its core responsibilities, the TMB focused on the following areas as part of its programme of work during 2023/24:

- Accountability Framework
- Elective Capacity
- Standing Operating Procedures
- Contract Governance Awards
- Business Cases
- Patient Safety
- Undertakings
- Annual Reports
- Agency Reduction
- Financial Reports
- Job Planning

Finance Recovery Board – Established November 2023

The Finance Recovery Board met on 6 occasions in 2023/24 to discuss:

- Monthly Financial performance and forecast for the year
- Run rate reduction targets
- Drivers of the deficit report
- Model Hospital benchmarking
- Foundation Group benchmarking
- Productivity improvement opportunities
- Movement in workforce numbers since pre Covid
- 24/25 CPIP Plan
- Financial Strategy

Board performance and development

Board workshops during 2023/24 will support the Trust's organisational strategy and the well led CQC framework domains.

The Board is compliant with the Code of Conduct and Code of Accountability for NHS Boards.

Glen Burley
Chief Executive

Date: 25 June 2024

Remuneration and staff report

This report sets out the salaries, allowances and pension entitlements of the Chief Executive and Executive Directors (Senior Managers) of the Trust. In addition, the remuneration and expenses of the Chair, Vice Chair and Non-Executive Directors are included. For the purpose of this report we provide details of the remuneration and staff that users of the accounts see as key to accountability.

Senior Managers Remuneration Policy

Seniors Manager's Remuneration is determined by the Remuneration Committee with reference to national guidance, pay awards made to other staff groups through national awards and by obtaining intelligence from independent specialists in pay and labour market research. All executive directors at the Trust were confirmed as being paid in line with the 'established' pay ranges listed for acute NHS trusts and foundation trusts. The salaries of all executive directors were increased in line with the recommendations of NHSE in their guidance.

All Executive Directors are on permanent contracts. Notice and termination payments are made in accordance with NHS Improvement guidance and contracts of employment.

Methods used to assess the performance of Executive directors

Executive directors all have objectives set for the financial year by the Managing Director. A review of performance of achievement of objectives is undertaken mid-way through the year and at the end of the year.

Remuneration of the chair and non-executive directors

The Secretary of State for Health sets and reviews the level of remuneration payable to the Chair and Non-Executive Directors (excluding NHS Foundation Trusts who set their own rates). Current rates are £13,000 for Non-Executive Directors, £10,000 For the Deputy Chair and £40,680 for the Chair of the Trust. The Chair also carries out the role of Chair of South Warwickshire University NHS Foundation Trust, Wye Valley NHS Trust and George Eliot Hospital NHS Trust for which he is separately remunerated. The Chair and the Non-Executive Directors do not receive a pension provision

The following disclosures in respect of Executive remuneration are made in accordance with the Department of Health and Social Care (DHSC) Group Accounting Manual.

Remuneration of the chair and non-executive directors

Name	Job title (and period of office if relevant)	Ex-pected sign	2023/24 Salary & fees (in bands of £5k) £000s (Band of £5k)	2023/24 All taxable benefits (total to the nearest £100) £s (nearest £100)	2023/24 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)	2023/24 Total (bands of £5k) £000s (Band of £5k)	2022/23 Salary & fees (in bands of £5k) £000s (Band of £5k)	2022/23 All taxable benefits (total to the nearest £100) £s (nearest £100)	2022/23 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)	2022/23 Total (bands of £5k) £000s (Band of £5k)
Matthew Hopkins	Chief Executive - to 31 July 2023	+	75 - 80	0	-	75 - 80	215 - 220	0	0 - 0	215 - 220
Jacqueline Edwards	Chief Nursing Officer - Interim - to 30 June 2023	+	30 - 35	0	-	30 - 35	30 - 35	0	0 -	30 - 35
Tina Ricketts	Director of People and Culture - to 25 February 2024	+	140 - 145	200		140 - 145	145 - 150	200	0 0 0	145 - 150
Christine Blanshard	Chief Medical Officer/Deputy Chief Executive - to 07 January 2024	+	180 - 185	0	-	180 - 185	215 - 220	0	0 -	215 - 220
Richard Haynes	Director of Communications & Engagement	+	115 - 120	0	-	115 - 120	105 - 110	0	40 - 43	145 - 150
Glen Burley	Chief Executive - from 1 August 2023 (Excludes SWFT, WVT and GEH)	+	95 - 100	0	-	95 - 100	- - -	-	- - -	- - -
Helen Lewis (known as Vikki)	Chief Digital Officer	+	140 - 145	0	-	140 - 145	135 - 140	0	45 - 48	180 - 185
Joanna Newton	Director of Strategy & Planning	+	115 - 120	300	30.0 - 32.5	145 150	130 - 135	0	33 - 35	165 0 170
Neil Cook	Chief Finance Officer/Deputy Chief Executive	+	165 - 170	100	72.5 - 75	240 - 245	100 - 105	0	173 - 175	275 - 280
Helen Lancaster	Chief Operating Officer - from 1 July 2023	+	115 - 120	0	147.5 - 150	265 - 270	- - -	-	- - -	- - -
Sarah Shingler	Chief Nursing Officer - from 1 July 2023	+	115 - 120	300	-	115 - 120	- - -	-	- - -	- - -
Stephen Collman	Managing Director - from 6 November 2023	+	80 - 85	0	102.5 - 105	185 - 190	- - -	-	- - -	- - -
Julian Berlet	Acting Chief Medical Officer - from 08 January 2024	+	0 - 5	0	-	0 - 5	- - -	-	- - -	- - -
Juliette Walton	Acting Chief Medical Officer - from 08 January 2024	+	0 - 5	0	37.5 - 40	40 - 45	- - -	-	- - -	- - -
Ali Koeltgen	Chief People Officer - from 11 March 2024	+	5 - 10	0	32.5 - 35	40 - 45	- - -	-	- - -	- - -
Rebecca O'Connor	Director of Governance - to 1 October 2023	+	50 - 55	0	52.5 - 55	105 - 110	- - -	-	- - -	- - -

(Subject to Audit)

Notes

All taxable benefits relate to cars and the benefits in kind are based on the HMRC guidance.
Pension related benefits have been calculated in line with the 2023/24 Group Accounting Manual.
There is no performance pay, long-term performance pay or bonuses for the directors in either 2022/23 or 2023/24.

Notes

Chair
Ms Anita Day was the Chair to July 31, 2023

Chair
Mr Russell Hardy commenced as the Chair on August 1, 2023

Chief Executive
Mr Matthew Hopkins was the Chief Executive to July 31, 2023

Chief Executive
Mr Glen Burley commenced as the Chief Executive on August 1, 2023

Managing Director
Mr Stephen Collman commenced as Managing Director on November 6, 2023.

Chief Finance Officer
Mr Neil Cook remains as Chief Finance Officer

Chief Operating Officer
Mrs Helen Lancaster commenced as the Chief Operating Officer on July 1, 2023

Chief Nursing Officer
Mrs Sarah Shingler commenced as the Chief Nursing Officer on July 1, 2023

Interim Chief Nursing Officer
Ms Jacqueline Edwards was the Interim Chief Nursing Officer to June 30, 2023

Chief Medical Officer
Dr Christine Blanshard was the Chief Medical Officer to January 7, 2024

Interim Chief Medical Officer
Dr Julian Berlet commenced as Interim Chief Medical Officer on January 8, 2024

Interim Chief Medical Officer
Dr Juliette Walton commenced as Interim Chief Medical Officer on January 8, 2024

Chief Digital Officer
Ms Helen Lewis remains as Chief Digital Officer.

Director of People and Culture
Ms Tina Ricketts was the Director of People and Culture to February 25, 2024.

Chief People Officer
Mrs Ali Koeltgen commenced as the Chief People Officer on March 11, 2024

Director of Governance
Ms Rebecca O'Connor was the Director of Governance to October 1, 2023

Note 1. Glen Burley and Russell Hardy are seconded from South Warwickshire University NHS Foundation Trust on a shared appointment with SWFT, Wye Valley and George Eliot NHS Trust for a proportion of his time and the remuneration identified above reflects this and includes on-costs. G Burley's full salary was within the range £265k to £270k. Russell Hardy's full salary was within the range £80k to £85k.

Note 2. The information contained in the table above is subject to audit.

Note 3. Juliette Walton and Julian Berlet became Interim Chief Medical Officer on January 8, 2024 and the remuneration above reflects the additional role.

Non-Executive Directors
The following disclosures in respect of Non-Executive remuneration are made in accordance with the DHSC Group Accounting Manual.

Remuneration of Non-Executive Directors

Name	Job title (and period of office if relevant)	Ex-pected sign	2023/24 Salary & fees (in bands of £5k) £000s (Band of £5k)	2023/24 All taxable benefits (total to the nearest £100) £s (nearest £100)	2023/24 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)	2023/24 Total (bands of £5k) £000s (Band of £5k)	2022/23 Salary & fees (in bands of £5k) £000s (Band of £5k)	2022/23 All taxable benefits (total to the nearest £100) £s (nearest £100)	2022/23 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)	2022/23 Total (bands of £5k) £000s (Band of £5k)
Anita Day	Chair - to 31 July 2023	+	15 - 20	1,000	-	15 - 20	40 - 45	1,100	0 - 0	40 - 45
Julie Moore	Non Executive Director	+	10 - 15	0	-	10 - 15	10 - 15	0	0 - 0	10 - 15
Colin Horwath	Non Executive Director	+	10 - 15	0	-	10 - 15	10 - 15	0	0 - 0	10 - 15
Richard Oosterom	Associate Non Executive Director	+	10 - 15	0	-	10 - 15	10 - 15	0	0 - 0	10 - 15
Simon Murphy	Non Executive Director/Deputy Chair	+	20 - 25	0	-	20 - 25	10 - 15	0	0 - 0	10 - 15
Susan Sinclair	Associate Non Executive Director	+	5 - 10	0	-	5 - 10	10 - 15	0	0 - 0	10 - 15
Tony Bramley	Non Executive Director	+	10 - 15	100	-	10 - 15	0 - 5	0	0 - 0	0 - 5
Karen Martin	Non Executive Director	+	10 - 15	100	-	10 - 15	0 - 5	0	0 - 0	0 - 5
Michelle Lynch	Associate Non Executive Director	+	5 - 10	0	-	5 - 10	0 - 5	0	0 - 0	0 - 5
Russell Hardy	Chair - from 1 August 2023 (Excludes SWFT, WVT and GEH)	+	25 - 30	0	-	25 - 30	- - -	-	- - -	- - -

(Subject to Audit)

Notes

All taxable benefits relate to cars and the benefits in kind are based on the HMRC guidance.

Pension Benefits

Pension related benefits represent the benefit in year from participating in the NHS Pension Scheme, including any previous posts held in the Trust prior to becoming a Very Senior Manager (Board Member). The amount is calculated by taking the full pension due to the Director upon retirement if they were to retire at 31 March 2024 and deducting the equivalent value from the amount due at 31 March 2023. This includes lump sum and annual pension entitlement and uses a factor of 20 for grossing up purposes in accordance with the HMRC method (derived from section 229 of the Finance Act 2004). Where no figures are calculated for 2023/24 the Director was either not a Director at the beginning of the year or is not a member of the NHS Pension Scheme.

Salary and Pension Entitlements of Senior Managers – Pension Benefits

	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 2024 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2024 £000	Cash Equivalent Transfer Value at 01 April 2023 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Matthew Hopkins	0	0	0	0	0	0	0	0
Tina Ricketts	0	0	0	0	0	0	0	0
Jacquline Edwards	0	0	0	0	0	0	0	0
Christine Blanshard	0	0	0	0	0	0	0	0
Sarah Shingler	0	0	0	0	0	0	0	0
Richard Haynes	0-0	17.5-20	25-30	60-65	605	516	74	0
Helen Lewis (known as Vikki)	0-0	30-32.5	40-45	110-115	988	798	176	0
Joanna Newton	0-2.5	0-0	15-20	0-0	261	199	46	0
Neil Cook	2.5-5	22.5-25	55-60	160-165	1,431	1,174	235	0
Helen Lancaster	5-7.5	10-12.5	70-75	200-205	1,825	1,635	175	0
Stephen Collman	0-2.5	20-22.5	70-75	190-195	1,600	1,228	362	0
Rebecca O'Connor	0-2.5	0-2.5	20-25	55-60	412	365	41	0
Julian Berlet	0-2.5	0-0	45-50	130-135	1,132	1,113	4	0
Juliette Walton	0-2.5	0-2.5	35-40	105-110	832	779	36	0
Ali Koeltgen	0-2.5	0-0	20-25	50-55	431	405	26	0

(Subject to audit)

Note 1: CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Note 2: Matthew Hopkins, Tina Ricketts, Jacqueline Edwards, Sarah Shingler and Christine Blanshard chose not to be covered by the pension arrangements during the reporting year.

The value of pension 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.

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual

Non-Executive members do not receive pensionable remuneration; there will be no entries in respect of pensions for Non-Executive members.

No additional benefits will become receivable by the individuals in the event that they retire early.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member as a particular point in time. The CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension 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.

The Real increase in CETV takes into account the increase in accrued pension due to inflation, contributions paid by the employee.

Trust employees are covered by the provisions of the NHS Pension Scheme which is a defined contribution scheme and provides pensions related to final salary. No payments are made to any other pension scheme on behalf of Executive Directors.

The table above details the current pension benefits of the Trust's senior managers. As Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of Non Executives. Where the Executive Director in post at 31 March 2024 is not a member of the NHS Pension Scheme, there are no pension benefits to be disclosed.

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 NHS 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.

The Real Increase in CETV does not include the effects of inflation or 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.

NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement (a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design.

Awards to past senior managers

No pay awards have been made to past senior managers.

Snapshot of key workforce performance indicators

KPI	2019/20	2020/21	2021/22	2022/23	Mar-24	Trendline
Cumulative Sickness Absence Rate	4.72%	4.96%	5.43%	5.83%	5.84%	
Actual staff in post in full-time equivalent (FTE)	5567	5827	5881	6084	6577	
Headcount staff in post	6453	6748	6806	7015	7546	
Mandatory Training Compliance	89%	90%	90%	89%	91%	
Appraisal Completion %	81%	79%	76%	81%	79%	
Staff Turnover	11.12%	9.50%	12.43%	12.14%	11.29%	

Staff Turnover

Our overall staff turnover had been reducing year on year since July 2015 from 12.97 per cent to 9.5 per cent in March 2021 when staff were not moving jobs during the pandemic. Turnover had then started to rise as we came out of the pandemic but is now on an improving trajectory at 11.129 per cent which meets our target of 11.5 per cent. This appears to be favourable with other Trusts as we are at Quartile 1 (best) for Registered Nurses, Midwives and Admin and Clerical. Additional Scientific and Technical, Healthcare Scientists and Healthcare Support Workers are good at Quartile 2. Medical and Dental, Allied Health Professionals and Estates and Ancillary are of concern at Quartile 3. (Latest Model Hospital data is as at December 2023).

Workforce profile (average headcount) – Subject to Audit

Our FTE breakdown by staff group as at 31st March 2024 is as follows:

WORKFORCE PROFILE	FTE					Trendline
Staff Group	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	
Add Prof Scientific and Technic	193	204	145	144	143	
Additional Clinical Services	1050	1085	1075	1142	1305	
Administrative and Clerical	1043	1095	1100	1124	1238	
Allied Health Professional	356	374	438	427	443	
Estates and Ancillary	294	305	313	309	333	
Healthcare Scientists	174	167	163	176	176	
Medical and Dental	653	676	689	738	794	
Nursing and Midwifery Registered	1800	1871	1958	2024	2144	
Students	2	52			1	
Total	**5567**	**5827**	**5881**	**6084**	**6577**	

The analysis of average WTE employed as at March 31, 2024 are below by category and staff group is as follows:

Number of Employees as at 31 March 2024 (WTE)	Permanent	Fixed Term	Locum	Grand Total
Add Prof Scientific and Technic	136.67	6.00		142.67
Additional Clinical Services	1276.09	29.31		1305.40
Administrative and Clerical	1169.27	69.00		1238.27
Allied Health Professional	436.51	6.20		442.71
Estates and Ancillary	328.08	4.52		332.60
Healthcare Scientists	172.04	4.40		176.44
Medical and Dental	345.91	448.11	0.1	794.16
Nursing and Midwifery Registered	2125.51	18.34		2143.85
Students	1.00			1.00
Total	**5,991.09**	**585.88**	**0.13**	**6,577.10**

Our profile of Senior Managers (Band 8 and above) by gender as at March 31, 2024 is as follows:

Senior Managers Profile as at 31 Mar 2024 (Headcount)				
Staff Category	**Band 8**	**Band 9**	**Trust Board**	**Total**
Trust Board (Female)			6	6
Trust Board (Male)			4	4
Senior Manager (Female)	276	12		288
Senior Manager (Male)	78	2		80
Total	**354**	**14**	**10**	**378**

From the staff on our payroll on ESR as at 31st March 2024 we had the following assignment categories:

Assignment Category as at 31 March 2024	FTE	Employee Headcount
Fixed Term Temp Locum	586.01	616
Permanent	5,991.09	6930
Total	**6,577.10**	**7,546**

Disclosures of Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period = 27

Full time equivalent employee number = 20.34 wte

Percentage of time spent on facility time

Percentage of time (%)	Number of employees
0%	0
1-50%	26
51% - 99%	0
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time £63,425.38
Total pay bill £255,853,338.07
Percentage of the total pay bill spent on facility time, calculated as: 0.02%
(Total cost of facility time/total pay bill) x 100

Sickness Absence

In the last year the cumulative absence rate has remained broadly unchanged from 5.83 per cent to 5.84 per cent. However, monthly sickness rates were over 6 per cent during the winter months with an increase in long term sickness for Stress and Anxiety. We monitor our sickness rates against the national and peer median via the Model Hospital and are now benchmarking poorly. Since joining the SWFT Collaborative Group we have introduced a new 4 per cent sickness absence target which HR Business Partners are supporting divisions with.

Monthly Sickness rates are 0.22 per cent higher than the same period last year. Our sickness rates equate to an average of 17.85 days lost per employee which is better than last year but still higher compared to under 13.65 days per employee pre-pandemic.

Staff Sickness	2019-2020	2020-2021	2021-2022	2022-2023	Mar-24	Trendline
Total FTE Days lost	88,100	99,853	115,401	126,903	134,686	
Total staff (head-count)	6,453	6,748	6,806	7,015	7,546	
Average number of working days lost	13.65	14.80	16.96	18.09	17.85	

Staff costs

The total staff costs for 2023/24 were as follows: -

Staff Cost 2023/24	Permanent £'000	Other £'000	Total £'000	2022/23 Total
Salaries and Wages	283,511	0	283,511	262,510
Social Security Costs	30,723	2,975	33,698	29,520
Apprenticeship Levy	1,479	65	1,544	1,322
NHS Pension Costs	47,653	2,249	49,902	44,598
Other Pension Costs	60	1	61	84
Temporary Staff	0	73,181	73,181	60,223
Less: recoveries in respect of outward secondments (where treated net)		0	0	0
Total Staff Costs	**363,426**	**78,471**	**441,897**	**398,257**

(Subject to Audit)

Gender Split for General Staff

Gender Split for General Staff	Total Number	Total %
Female	6084	80.63%
Male	1462	19.37%
Grand Total	**7546**	**100.00%**

Gender Split for Trust Board

Gender Split for Trust Board	Total Number	Total %
Female	9	52.94%
Male	8	47.06%
Grand Total	**17**	**100.00%**

NB: includes Erica Hermon (Company Secretary)

Workforce by Disability

Workforce by Disability	Total Number	Total %
No	7057	93.52%
Not declared	141	1.87%
Prefer not to answer	35	0.46%
Unspecified	14	0.19%
Yes	299	3.96%
Grand Total	**7546**	**100.00%**

Workforce by Ethnicity

As at March 31, 2024 the ethnic breakdown of our staff was as follows:

Headcount by Ethnicity as at 31 March 2024			
Ethnicity	**Female**	**Male**	**Total**
Asian or Asian British	907	405	1312
Black or Black British	156	62	218
Mixed Race	84	38	122
Not stated/Undisclosed	19	11	30
Other	101	72	173
White	4817	874	5691
Grand Total	**6084**	**1462**	**7546**

Workforce by Sexual Orientation

Workforce by Sexual Orientation	Total Number	Total %
Bisexual	120	1.59%
Gay or Lesbian	96	1.27%
Heterosexual or Straight	5210	69.04%
Not stated	321	4.25%
Other sexual orientation not listed	14	0.19%
Undecided	5	0.07%
Blank	1780	23.59%
Grand Total	**7546**	**100.00%**

Exit packages – Subject to Audit

The figures disclosed below 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 here is therefore presented on a different basis to other staff cost and expenditure notes in the accounts. A single Exit Package can be made up of several components, each of which is counted separately in this note.

Exit package Cost Band (including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £	Number of Other Departures Agreed	Cost of Other Departures Agreed £	Total Number of Exit Packages	Total cost of Exit Packages	Number of Departures where Special Payments have been made	Cost of Special Payment Element included in Exit Packages £
Less than £10,000			1	2,500	1	2,500		
£10,000 to £25,000			1	12,046.00	1	12046		
£25,001 to £50,000								
£50,001 to £100,000								
£100,001 to £150,000								
£150,001 to £200,000								
>£200,000								
Totals	**0**	**0**	**2**	**14,546.00**	**2**	**14546**	**0**	**0**

No non-contractual payments were made to employees where the payment value was more than 12 months' of their annual salary. The Remuneration Report includes disclosure of exit payments made to individuals named in that report.

Other Exit Packages - disclosures (excluding compulsory redundancies)	Number of Exit Package Agreements	Total Value of Agreements £
Voluntary Redundancies Including Early Retirement Contractual Costs	0	0
Mutually Agreed Resignations (MARS) Contractual Costs	0	0
Early Retirements in the Efficiency of the Service Contractual Costs	0	0
Contractual Payments in Lieu of Notice	0	0
Exit Payments Following Employment Tribunals or Court Orders	2	14,546
Non-Contractual Payments Requiring HM Treasury Approval	0	0

Off Payroll Engagements

The breakdown of staff and off payroll workers as at 31st March 2024 is as follows:

Substantive/Bank/Agency as at M12 ADI 2023-24	Funded WTE	Contracted WTE	Vacant WTE	Worked WTE
Agency	0.00	0.00	0.00	397.21
Bank	0.00	0.00	0.00	632.96
Substantive	7,044.01	6,619.38	585.92	6,414.04
Total	**7,044.01**	**6,619.38**	**585.92**	**7,444.21**

NB: Contracted on Finance ledger (ADI) differs from ESR Staff in Post due to leavers part month who remain on the finance ledger for budget purposes for the whole month.

Off payroll engagements relate to individuals employed by the Trust but not remunerated via the organisations payroll function. Typically, this would relate to self-employed individuals or those contracted via agencies. The Department of Health requires NHS bodies to report any off-payroll engagements as at 31 March 2023, for more than £245 per day*

For all off-payroll engagements as of 31 March 2024, for more than £245 per day :	Number of Engagements
Number of existing engagements as at 31 March 2024	4
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	2
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	2

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day:

New off payroll engagements: All new off payroll engagements, or those that have reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day	Number of Engagements
Number of new engagements, or those that reached six months duration between 1 April 2023 and 31 March 2024	0
of which:	
Number assessed as within the scope of IR35	
Number assessed as not within the scope of IR35	2
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	
Number of engagements reassessed for consistency/assurance purposes during the year	
	2
Number of engagements that saw a change to IR35 status following the consistency review	

The 4 engagements reported above all relate to individuals contracted to work for the Trust via employment agencies and therefore the Trust have not been required to introduce contractual clauses.

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between April 1, 2023 and March 31, 2024.

Off-payroll engagements of board members, and/or senior officers with significant financial responsibility between 1 April 2023 and 31 March 2024	Number of Engagements
Number of off-payroll engagements of board members, and/or senior officials with significant responsibility, during the financial year.	1
Number of individuals that have been deemed 'board members and/or senior official's with significant financial responsibility' during the financial year, including both off-payroll and on-payroll engagements.	25

Pay Ratio Commentary - Subject to audit

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation to the median 25th and 75th percentile remuneration values. These are disclosed in the table below for 2023/24 and the prior year. The table also discloses the remuneration for the highest paid director and remuneration of the median, 75th and 25th percentile employees. The increase in each value compared to the prior year is also disclosed. The values include the impact of the paid element of the 2023/24 pay award. The table shows a significant increase in all measures. This reflects two elements, a pay award that benefitted lower banded staff in relative terms plus the impact of accounting for bank and agency staff within the measure.

	Pay Ratio		
	25th Percentile	Median	75th Percentile
2023/24	8.8:1	6.2:1	4.6:1
2022/23	9.4:1	6.6:1	5.2:1

The purpose of the ratios is to demonstrate the range of remuneration within the Trust by expressing the remuneration of the highest paid director as a multiple of the remuneration of the median, 25th and 75th percentiles.

The ratios have changed compared to the previous years, which reflects a small decrease in the remuneration of the highest paid director compared to larger increases in the median and 75th percentile salaries, whereas the 25th percentile has decreased.

The banded remuneration of the highest paid director in the financial year 2023-24 was £213,500 (2022-23, £217,800). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

	Total Remuneration			
	2023/24	% Change	2022/23	% Change
Minimum	10,324	93%	5,338	0%
Median	34,581	5%	32,934	4%
75th percentile	45,996	10%	41,659	6%
25th percentile	24,336	5%	23,177	6%

Salaries paid by the Trust on a full-time equivalent basis, varied between £10,324 and £312,857 per annum.

In 2023/24, 9 employees received remuneration in excess of the highest paid director. In 2022/23, 1 employee received remuneration in excess of the highest paid director.

The annualised salary of £312,857 is for a consultant who is contracted to work 1 PA per week (4 hours).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The remuneration calculation also cover staff engaged on a bank and agency basis as well as substantive posts.

Expenditure on consultancy

The Trust spent £665,000 on consultancy during 2023/24 compared to £240,000 in the previous year. This equates to 0.10 per cent of the Trust's turnover in 2023/24.

Compensations for loss of office – Subject to Audit

No compensation payments were made for loss of office in 2023/24.

Parliamentary Accountability and Audit Report

Statutory basis

The Trust has fulfilled its responsibilities under the National Health Services Act 2006 for the preparation of the financial statements in accordance with the Manual for Accounts and the International Financial Reporting Standards which give a true and fair view in accordance therewith.

Financial Performance

The Trust has an underlying financial deficit, with a current CQC Use of Resources (UOR) assessment rating of Inadequate.

The Trust uses a range of key performance indicators to aid in managing its day-to-day business providing a comprehensive view of performance including a daily dashboard that is reviewed by Executives as part of a daily huddle. An integrated performance report is provided to Board Committees and the Board itself on a monthly basis to ensure proper scrutiny and oversight providing a balanced view of performance. This includes statistical process control charts and remedial actions required to move performance back towards standard.

A number of cost and productivity improvement plans were delivered in year, totalling c.£11m representing 1.5 per cent of the total operating expenses. c£10.3m of the delivered savings were achieved recurrently.

Performance against financial objectives is monitored and actions identified through a number of channels:

- Approval of annual budget (and in year material changes) by the Trust Board.
- Detailed monthly review by the Finance and Performance Committee and more latterly since December the Finance and Performance Executive (FPE) on key performance indicators covering finance and activity.
- Detailed monthly review by the Finance Recovery Board (FRB) on performance against the Financial recovery Plan.
- Monthly oversight of the delivery of Cost and Productivity Improvement Plans (CPIP) by both the FPE and FRB.
- Monthly Trust Management Executive meetings where key operational decisions are made and financial performance reviewed.
- Regular Budget Holder meetings.
- Regular ICS Finance Forum (more latterly the ICS Finance Committee) where review of the financial performance and forecasts of system partners is overseen.
- Quarterly ICS 'stock take' review meetings with NHSE Regional Office.
- Monthly Capital Planning & Delivery Group.
- Monthly Strategic Programme Board.

- Regular CPIP work stream meetings.
- 4Ward Improvement Programme Value Stream rapid improvement events and report out meetings reflecting benefits improvement to be targeted and captured

Cash support of £21m was received during 2023/24 as a result of the negative in-year I&E position which was largely as a consequence of slippage on the delivery of CPIP £17m, winter costs in excess of income and the impact of excess inflation.

The Trust received £17.185m of Public Dividend Capital (PDC) to support targeted capital schemes, which included £7m for the Theatre upgrade at The Alexandra Hospital in Redditch and the Trust wide Front-Line Digital project of £7.113m.

Financial Performance in 2023/24

The 2023/24 financial year has continued to present challenges, including the long running Consultant & Junior Doctors Industrial Action which caused a severe disruption to services. Other significant pressures included higher spend on bank and agency due to the premia placed on temporary workforce requirements to cope with increased demand for urgent and emergency care services and hard to recruit posts, greater reliance on insourcing and outsourcing to achieve cancer and waiting time targets and excess inflation costs above funded levels incurred on the Trust non-pay spend.

The Trusts agreed a very challenging breakeven plan for the year with the ICS and NHSE as part of a national drive to improve the productivity and efficiency of the NHS as a whole. Mid way through the year the NHS was significantly off track financially against the original plan resulting in an exercise in quarter 3 to refocus on delivering a balanced position within each ICS. Hereford & Worcester was unable to meet that expectation and submitted a deficit forecast in December which included the Trusts projection of a £34.9m overspend reflecting the impact of the above pressures on the Trusts ability to deliver the original plan.

The year end financial performance deficit (adjusted for the impact of impairments and donated assets) was £34.8m as outlined in the summary table below.

Financial Position - Income and Expenditure	Actual 2022/23 £000s	Actual 2023/24 £000s
Operational (Adjusted) financial performance surplus/(deficit)	(19,776)	(34,761)
Adjust Remove I&E impact of capital grants and donations	125	(252)
Adjust Remove net impairments not scoring to the Departmental expenditure limit	9,658	28,600
Adjust Remove net impact of inventories received from DHSC group bodies for COVID response	(27)	58
Surplus / (deficit) for the period	(29,532)	(76,649)

Our Cost and Productivity Improvement Programme target for 2023/24 was a challenging £28m (4.2 per cent) and included a stretch target of £4m savings that would need systemwide support from ICS partners focussing on managing flow and reducing Corporate costs. A number of productivity and efficiency schemes were delivered in line with plan in year, totalling c.£11m (40 per cent) of which c.£10.3m of the delivered savings were achieved recurrently and included savings on the reduction of high-cost agency expenditure. Disappointingly the work on the stretch savings did not come to fruition.

The Trust ended the year with a positive cash balance of £12m ensuring compliance with its external financing limit. Cash support of £21m was received during 2023/24 to support the Trusts forecasted deficit.

The Trust received £17.185m of Public Dividend Capital (PDC) to support capital developments, which included £7m for the Theatre upgrade at The Alexandra Hospital in Redditch and the Trust wide Front-Line Digital project of £7.113m. The Trust was allocated additional capital resources as part of the system capital allocation. This additional funding was used to fund the highest risk schemes brought forward from the 2024/25 plan.

Looking forward to 2024/25 and beyond

The year ahead remains extremely challenging given the national economic climate and the drive for restoration of services to pre pandemic levels and beyond to address the continued backlog of elective activity and increasing demand for urgent and emergency care services. The funding available for 2024/25 will mean that the Trust will need to target savings of £43.9m. To put this into context this is nearly 4 times what we delivered in 2023/24. However, we do know that there is significant opportunity for improvement in our financial performance. The Trust has a high underlying cost base compared to peer multi-site hospital Trusts driven in particular by higher temporary staffing costs and a non-standard PFI contract as one of the early implementer sites in the NHS.

We have developed a 4-year financial strategy to address much of the underlying deficit and get back to a level of over spend that is commensurate with an early adopter PFI hospital with numerous contractual obligations linked to higher Retail Price Indices (RPI) and inflation levels that are difficult to influence. Our strategy is a productivity led strategy blended with a number of cost reduction schemes in key areas of influence (e.g.) agency spend and procurement of supplies and services. Moving to a lower quartile cost base for a number of high-cost services will support a significant improvement in productivity and efficiency. We have a number of workstreams including Theatres and Outpatients that will support improved productivity and increased elective income at a lower marginal cost by using existing capacity to replace expensive insourced / outsourced contracts. Equally working better on alignment and management of system wide bed capacity across acute and community settings will support a reduction in length of stay in the acute setting to support improved flow and reliance on excess acute capacity that can either be removed with savings on temporary high cost workforce or reutilised for elective purposes to generate additional income in support of an improved overall financial position.

The Trust capital for 2024/25 now forms part of an overall Herefordshire & Worcestershire system capital resource. This is collectively prioritised against the most urgent schemes

across the system and has been agreed for 2024/25. Due to the re-phasing and brokerage of capital schemes from 2023/24 into 2024/25, the Trust has limited capital resources available for urgent schemes and back log maintenance. There is recognition that there is insufficient resource to accommodate all priorities and the Trust will therefore need to risk assess its programme for the highest priority schemes deferring some much needed backlog maintenance and equipment replacement programmes. We will continue to work with system and regional partners on opportunities to increase the available resources.

The Trust faces a range of risks and operates in a challenging financial environment. In February 2024 the Board made an assessment of the risks, opportunities and uncertainties it faces and considers itself to be a going concern in line with published guidance. The published accounts are therefore produced on a going concern basis. There is clear evidence of continued provision of services being planned by NHSE and Commissioners with the Trust playing an active role in the ICS to address the elective backlog, improve A&E waiting times and develop services for local residents.

The audited financial statements are attached to this report and give a more detailed understanding of the financial position.

Financial Break-even

In 2023/24, the Trust delivered a deficit of (£76.6)m, once adjustments for the reversal of impairments and donations are accounted for this equates to an adjusted deficit of (£34.7)m

The table below indicates the overall value of the deficit once factors relating to the change in value of tangible assets and other technical adjustments are accounted for.

Trust Break-even Duty

The Trust break-even duty is calculated based on the retained Surplus/(Deficit) for the year adjusted for asset impairments and revaluations and the impact of donated assets and capital grants received.

In 2023/24 the Trust reported an adjusted deficit of (£34.7)m which was in line with the revised forecast outturn but not within the annual plan agreed with NHSE.

Financial Position - Income and Expenditure	Actual 2022/23 £000s	Actual 2023/24 £000s
Operational (Adjusted) financial performance surplus/(deficit)	(19,776)	(34,761)
Adjust Remove I&E impact of capital grants and donations	125	(252)
Adjust Remove net impairments not scoring to the Departmental expenditure limit	9,658	28,600
Adjust Remove net impact of inventories received from DHSC group bodies for COVID response	(27)	58
Surplus / (deficit) for the period	(29,532)	(76,649)

Prior to the Health and Care Act 2022 coming into force, we also had a statutory financial duty to achieve a break-even position on revenue and expenditure taking one year with another. However, our financial duty is now to achieve financial duties set by NHSE. We continue to report on the break-even positions and the table below shows the cumulative performance against the break-even duty for the last five years.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Breakeven duty in-year financial performance	(80,844)	6,652	(1,082)	(19,775)	(36,576)
Breakeven duty cumulative position	(349,211)	(342,559)	(343,641)	(363,416)	(399,992)
Operating income	443,722	559,003	596,391	644,967	699,802
Cumulative breakeven position as a percentage of operating income	(78.7%)	(61.3%)	(57.6%)	(56.3%)	(57.2%)

NHS trusts also have non-statutory (administrative) duties to meet. These are

- pay a public dividend capital (PDC) dividend to the DHSC each year. In 2023/24 the PDC dividend was £6.1m (£8.5m in 2022/23).
- manage within a pre-set external financing limit (EFL). The Trust is permitted to underspend but not overspend its EFL.
- Remain within the capital resource limit (CRL)
- comply with the better payment practice code 178 for the payment of invoices.

All details are below:

External financing limit		
The Trust is given an external financing limit against which it is permitted to underspend		
	2023/24 £000	2022/23 £000
Cash flow financing	47,105	57,583
External financing requirement	**47,105**	**57,583**
External financing limit (EFL)	47,105	58,966
Under / (over) spend against EFL	**-**	**1,383**

Note 36 Capital Resource Limit		
	2023/24 £000	2022/23 £000
Gross capital expenditure	48,705	50,899
Less: Disposals	(436)	(363)
Less: Donated and granted capital additions	(371)	(289)
Charge against Capital Resource Limit	**47,898**	**50,247**
Capital Resource Limit	47,898	51,630
Under / (over) spend against CRL	**-**	**1,383**

Better payment practice code

The trade creditor payment policy of the NHS is to comply with both the Confederation of British Industry (CBI) prompt payment code and the government accounting rules. The Government accounting rules stipulate that, unless otherwise stated, all invoices should be paid within 30 days of receipt of goods or services.

The Trust is measured against a 95% compliance rate target in terms of both value and number of invoices.

Non-NHS Payables	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Total non-NHS trade invoices paid in the year	100,049	357,448	96,580	336,241
Total non-NHS trade invoices paid within target	90,391	319,099	91,831	314,771
Percentage of non-NHS trade invoices paid within target	90.3%	89.3%	95.1%	93.6%
NHS Payables				
Total NHS trade invoices paid in the year	2,109	21,234	2,067	13,232
Total NHS trade invoices paid within target	1,497	16,186	1,609	10,723
Percentage of NHS trade invoices paid within target	71.0%	76.2%	77.8%	81.0%
The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.				

It can be seen in the table above that in invoice volume terms the Trust delivered an improvement in its performance against the Better Payment Practice Code during 2023/24. This was aided by changes to processes. Further improvements continue to be made in efforts to achieve the 95 per cent target.

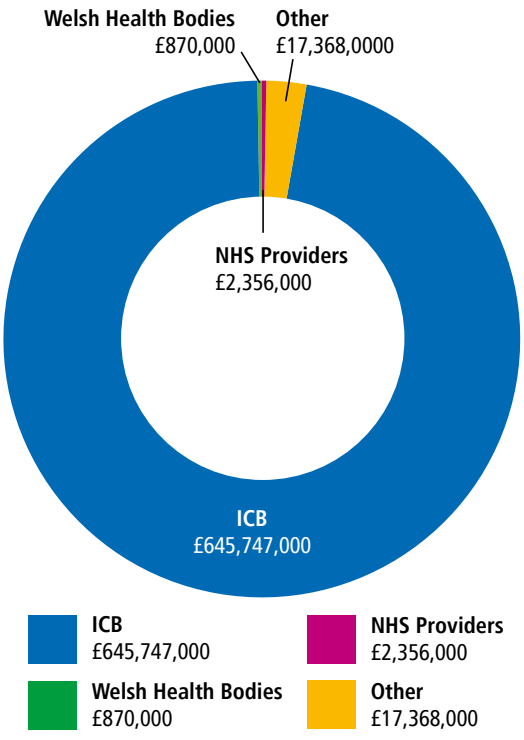
Cost productivity improvement programme (CPIP)

The Trust delivered £11m of savings from a broad range of best value for money, pay and non-pay saving initiatives. This was against a plan of £28m. £10.3m of the savings were delivered recurrently with a resulting benefit in future years.

Resources – Income and Expenditure

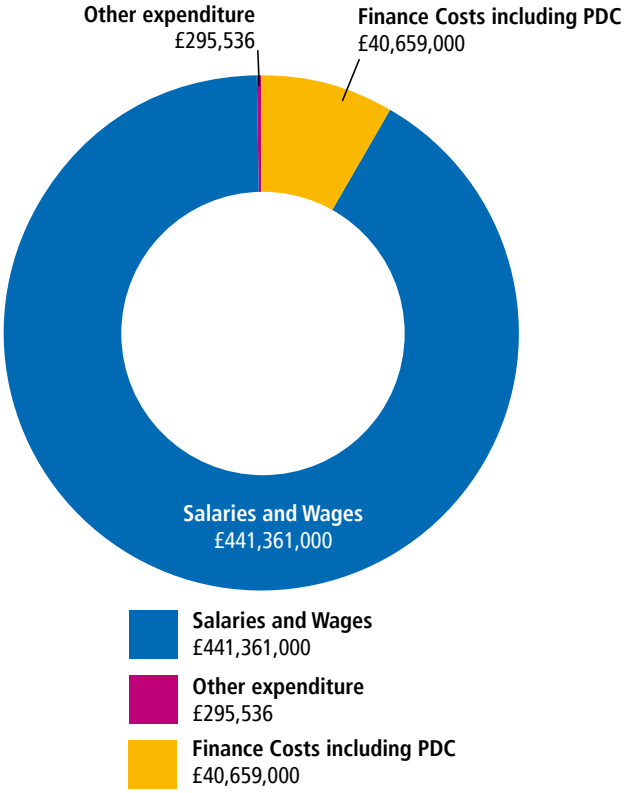
The Trust generated income of £699.8m during 2023/24. The first pie chart identifies income received from different sources for health-related activity. The largest share of income is derived from Clinical Commissioning Groups (CCG) and successor ICB's. The primary source of income was from NHS Herefordshire and Worcestershire CCG/ICB.

Health Related Activity



The second pie chart identifies annual expenditure incurred in the year. Salaries and wages paid to permanent and temporary staff, including those employed through agencies, totalled £441.4m. Total expenditure on goods and services amounted to £295.5m and finance costs plus PDC dividends totalled £40.7m.

Annual Expenditure 2023/2024



Resources - How the Trust spends its capital

The Trust spent £48.7m on capital investments during 2023/24. The most significant elements within the capital programme were:

2023/24 Capital Expenditure	2023/24 £000
Clinical Equipment	7.25
Strategic Schemes (including UEC, Theatres Alex and CDC)	15.15
Other Estates schemes	6.62
Digital	7.76
Lease additions and modifications	11.93
Total Capital Expenditure	**48.70**

Pension Liabilities

Within the annual accounts, ongoing employer pension contribution costs are included within employee costs (see Notes 9.1 to the annual accounts for more detail).

Past and present employees are covered by the provisions of the NHS pension scheme. Details of the benefits payable under these provisions can be found on the NHS pension website at www.nhsbsa.nhs.uk/nhs-pensions.

Counter fraud and corruption

The Trust has in place effective arrangements to ensure a strong counter fraud and corruption culture exists across the organisation and to enable any concerns to be raised and appropriately investigated. These arrangements are underpinned by a dedicated local counter fraud specialist and a programme of counter fraud education and promotion. The fitness for purpose of these arrangements is overseen by the Audit and Assurance Committee which has confirmed them as being effective and proportionate to the assessed risk of fraud.

The Trust employs NHS Audit consortium 360 assurance to provide a counter fraud service. This service undertakes investigations in addition to doing proactive work in relation to fraud in the NHS. In 2023/24 there were 12 referrals received during the year. Of the 12 referrals, nine were investigated and no fraud was found. One issue where an attempted mandate fraud was prevented and avoided a fraudulent payment c£25k. Two recently received incidents remain ongoing.

Going Concern

International Accounting Standard 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity. During 2023/24 the Trust's operations were fulfilled within the context of an annual financial plan. In 2023/24 the Trust delivered an adjusted deficit of (£34.6)m. In its initial 2023/24 plan produced in April 2023 the Trust forecasted a breakeven position. In the 2024/25 plan the Trust forecasts an adjusted deficit of £85.2m. This has been agreed in conjunction with Herefordshire and Worcestershire ICB.

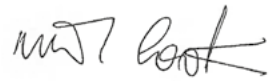
The Directors have carefully considered the principle of going concern. The Trust has agreed contracts with its local commissioners for

2024/25. Services continue to be commissioned in the same manner as in prior years and there are no discontinued operations. The Trust's strategic partnership with the Foundation Group also continues to provide executive leadership and support to the Trust. The Board has thus concluded that the Trust remains a going concern and the going concern basis has been adopted for the preparation of the accounts. Further details on going concern can be found within the disclosure within the financial statements.

Statement of disclosure for auditors

Our Board of Directors considers that the annual report and accounts, taken as a whole, is fair, balanced and understandable, and that it provides the information necessary for patients, regulators and stakeholders to assess our performance, business model and strategy. The directors' responsibility for preparing the annual report and accounts is outlined in the Accountability Report and Annual Governance Statement.

The Board of Directors has prepared this Annual Report to provide a fair, balanced and understandable analysis of the Trust. This includes the strategy moving forward as well as a review of last year's progress.



Neil Cook
Chief Finance Officer

Part D:
Annual Accounts

Annual Accounts

Statement of the chief executive's responsibilities as the accountable officer of the Trust

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Signed:

Glen Burley
Chief Executive

Date: 25 June 2024

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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 of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

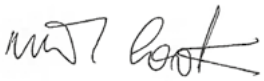
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

Glen Burley
Chief Executive

Date: 25 June 2024



Neil Cook
Chief Finance Officer

Date: 25 June 2024

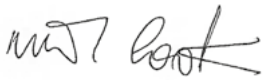
Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for Worcestershire Acute Hospitals NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2023/24 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
   - the financial records maintained by the NHS trust
   - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
   - the template NHS provider accounting policies issued by NHS England, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.



Neil Cook
Chief Finance Officer

Date: 25 June 2024

Chief Executive Certificate

1. I acknowledge the accompanying TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS England.
2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Glen Burley
Chief Executive

Date: 25 June 2024

Independent Auditor's Report to the Board of Directors of Worcestershire Acute Hospitals NHS Trust

Independent auditor's report to the directors of Worcestershire Acute Hospitals NHS Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Worcestershire Acute Hospitals NHS Trust (the 'Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going

concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-234 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Governance Statement does not comply with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24; and

- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or

- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 7 June 2024 we referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 in relation to the Trust's ongoing breach of its breakeven duty.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).

- We enquired of management and the Audit and Assurance Committee, concerning the Trust's policies and procedures relating to:

    - the identification, evaluation and compliance with laws and regulations;

    - the detection and response to the risks of fraud; and

    - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the audit and Assurance committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and valuation of land and buildings. We determined that the principal risks were in relation to:

    - High risk journals made during the year and at year end,

    - Potential management bias in determining accounting estimates, especially in relation to the calculation of the Trust's land and buildings valuation; and

    - Variable income and receivables

- Our audit procedures involved:

    - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;

    - journal entry testing, with a focus on large and unusual items

    - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;

    - evaluating any estimates around variable income, testing as sample of income and receivables to supporting evidence and considering any mismatches as part of the agreement of balances

    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of control and revenue recognition for variable income. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
    - knowledge of the health sector and economy in which the Trust operates
    - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
    - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
    - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements –the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter except:

- On 25 June 2024, we reported significant weaknesses in the Trust's arrangements for financial sustainability, specifically arrangements for financial planning and cost improvement plans. This was in respect of:

- Financial plans show that the Trust faces significant financial pressures in the short and medium term. This is reflected in the deterioration in the outturn position for 2023-24 to an unplanned deficit of £35.8 million, and the £60.3 million deficit plan submitted to NHSE for 2024-25. We recommended building on the work undertaken in 2023-24, the Trust should build on the medium-term financial planning to develop a robust and realistic medium term financial strategy (MTFS), which achieves financial balance in the next 3-5 years. The MTFS should be aligned to system level financial planning and updated to reflect the changes made in the 2024-25 financial plan submitted to NHSE. For the MTFS to be robust, the Trust must agree the target position for the MTFS with system partners. Once the strategy reaches a robust understanding of the scale of financial pressures, an achievable strategy must be developed to address the Trust's underlying deficit.

- The Trust achieving only 40% of the planned savings for 2023-24 and as at 2 May 2024, only 5% of the £43.9 million of planned savings schemes for 2024-25 had moved beyond opportunity stage. We recommended the Trust should prioritise the identification and delivery of Cost and Productivity Improvement Plans (CPIP) to support the delivery of the 2024-25 financial plan and MTFS. This should include:

    - ensuring that adequate resources are available in the Programme Management Office (PMO) to support the identification and delivery of savings schemes as well as monitoring and reporting;

    - development of contingency plans to mitigate slippage in planned savings;

    - engagement of clinical teams through the CPIP process;

    - robust challenge of any slippage or shortfall in the identification or delivery of schemes;

    - continuous development of CPIP plans through the year to develop a multi-year pipeline of savings opportunities;

    - use benchmarking tools to identify areas excess cost to target improvements; and

    - collaboration with system partners to identify savings opportunities for both the Trust and the wider system.

- On 17 September 2021, we identified a significant weakness in the Trust's arrangements for improving economy efficiency and effectiveness. This was in respect of the Trust's estates costs which are high in relation to similar trusts and are a factor driving the Trust's deficit, and the lack of an approved estate strategy to drive more effective use of property assets. We recommended that the Trust should develop its estates strategy and strengthen its PFI contract management to ensure improved value from the arrangements. In 2023, we found that the Trust still needed to undertake further work to ensure its estates strategy is aligned to interdependent strategies and is underpinned by a clear prioritisation of capital projects based

on available resources. We also found there needed to be continued focus on strengthening the PFI contract management process and securing more value from the arrangement. In 2024, we have once again followed up our recommendations and have concluded that work has been undertaken to understand the key cost drivers within estates function. The Trust needs to ensure that robust arrangements are in place to monitor its PFI contract and the contract variations from the operator are tightly controlled so that lifecycle funds currently accumulated are best utilised for the remaining duration of the contract. Therefore, the significant weakness in arrangements remains in place.

- On 17 September 2021, we identified a further significant weakness in the Trust's arrangements for improving economy, efficiency, and effectiveness. This was in respect of the Trust's high bank and agency costs, which are factors behind the Trust's deficit, and the lack of a sustainable workforce model or human resources strategy. We recommended that the Trust should accelerate the work on understanding the drivers of the high cost of its workforce and its dependency on bank and agency nursing, which should then drive a workforce strategy developed in conjunction with system partners. In 2023, we found that the Trust was taking action to address these issues at a local and system level. However, it was taking time to embed new processes and the challenges remain significant. In 2024, we have once again followed up our recommendations and have concluded that the key recommendation remains in place due to the current level of agency spend. Therefore, the significant weakness in arrangements remains in place.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(2a)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;

- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and

- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of Worcestershire Acute Hospitals NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smith, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

26 June 2024

The date and venue of the Annual General Meeting of Worcestershire Acute Hospitals NHS Trust will be held on Tuesday 24 September 2024 at 17.30hrs, held virtually and live streamed on the Trust YouTube channel.

Further information can be obtained by writing to:

Erica Hermon

Company Secretary
Worcestershire Acute Hospitals NHS Trust
Charles Hastings Way
Newtown Road
Worcester
WR5 1DD

Alternatively further information can be obtained from our website
www.worcsacute.nhs.uk

Annual Accounts

for Year ended 31 March 2024

Statement of Comprehensive Income

Statement of Comprehensive Income	Note	2023/24 £000	2022/23 £000
Operating income from patient care activities	3	666,341	608,792
Other operating income	4	33,460	36,175
Operating expenses	7, 9	(736,897)	(651,590)
Operating surplus/(deficit) from continuing operations		**(37,096)**	**(6,623)**
Finance income	11	1,511	737
Finance expenses	12	(34,523)	(15,301)
PDC dividends payable		(6,136)	(8,527)
Net finance costs		**(39,148)**	**(23,091)**
Other gains / (losses)	13	(405)	182
Surplus / (deficit) for the year		**(76,649)**	**(29,532)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(36,361)	809
Revaluations	17	291	2,912
Total comprehensive income / (expense) for the period		**(112,719)**	**(25,811)**

Statement of Financial Position

Statement of Financial Position	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	14	8,518	6,412
Property, plant and equipment	15	329,878	378,680
Right of use assets	18	43,240	33,057
Receivables	20	3,076	1,558
Total non-current assets		**384,712**	**419,707**
Current assets			
Inventories	19	12,637	11,554
Receivables	20	23,158	36,192
Cash and cash equivalents	21	11,745	33,541
Total current assets		**47,540**	**81,287**
Current liabilities			
Trade and other payables	22	(74,878)	(97,791)
Borrowings	24	(13,430)	(6,320)
Provisions	25	(7,553)	(2,939)
Other liabilities	23	(6,221)	(4,724)
Total current liabilities		**(102,082)**	**(111,774)**
Total assets less current liabilities		**330,170**	**389,220**
Non-current liabilities			
Borrowings	24	(162,266)	(88,361)
Provisions	25	(3,416)	(2,326)
Other liabilities	23	(4,043)	(3,873)
Total non-current liabilities		**(169,725)**	**(94,560)**
Total assets employed		**160,445**	**294,660**
Financed by			
Public dividend capital		661,909	623,724
Revaluation reserve		66,485	105,070
Other reserves		(861)	(861)
Income and expenditure reserve		(567,088)	(433,273)
Total taxpayers' equity		**160,445**	**294,660**

Name: Glen Burley

Position: Chief Executive
Date: 20th June 2024

Statement of Changes in Equity for the year ended 31 March 2024

Statement of Changes in Equity for the year ended 31 March 2024	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**623,724**	**105,070**	**(861)**	**(433,273)**	**294,660**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	-	(59,682)	**(59,682)**
Surplus/(deficit) for the year	-	-	-	(76,649)	**(76,649)**
Other transfers between reserves	-	(2,515)	-	2,515	**-**
Impairments	-	(36,361)	-	-	**(36,361)**
Revaluations	-	291	-	-	**291**
Public dividend capital received	38,185	-	-	-	**38,185**
Taxpayers' and others' equity at 31 March 2024	**661,909**	**66,485**	**(861)**	**(567,088)**	**160,445**

Statement of Changes in Equity for the year ended 31 March 2023

Statement of Changes in Equity for the year ended 31 March 2023	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**585,410**	**103,886**	**(861)**	**(406,278)**	**282,157**
Surplus/(deficit) for the year	-	-	-	(29,532)	**(29,532)**
Other transfers between reserves	-	(2,537)	-	2,537	**-**
Impairments	-	809	-	-	**809**
Revaluations	-	2,912	-	-	**2,912**
Public dividend capital received	39,114	-	-	-	**39,114**
Public dividend capital repaid	(800)	-	-	-	**(800)**
Taxpayers' and others' equity at 31 March 2023	**623,724**	**105,070**	**(861)**	**(433,273)**	**294,660**

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

Statement of Cash Flows	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(37,096)	(6,623)
Non-cash income and expense:			
Depreciation and amortisation	7.1	20,112	16,944
Net impairments	8	28,600	9,658
Income recognised in respect of capital donations	4	(371)	-
Amortisation of PFI deferred credit		(583)	(669)
(Increase) / decrease in receivables and other assets		11,407	(18,062)
(Increase) / decrease in inventories		(1,083)	(1,441)
Increase / (decrease) in payables and other liabilities		(24,843)	24,068
Increase / (decrease) in provisions		5,656	(2,975)
Net cash flows from / (used in) operating activities		**1,799**	**20,900**
Cash flows from investing activities			
Interest received		1,511	737
Purchase of intangible assets		(2,819)	(2,620)
Purchase of PPE and investment property		(26,336)	(52,585)
Sales of PPE and investment property		31	263
Initial direct costs or up front payments in respect of new right of use assets (lessee)		-	(8)
Receipt of cash donations to purchase assets		347	-
Net cash flows from / (used in) investing activities		**(27,266)**	**(54,213)**
Cash flows from financing activities			
Public dividend capital received		38,185	39,114
Public dividend capital repaid		-	(800)
Movement on loans from DHSC		(949)	(1,246)
Capital element of finance lease rental payments		(1,524)	(1,506)
Capital element of PFI, LIFT and other service concession payments		(10,403)	(3,619)
Interest on loans		(275)	(302)
Other interest		(41)	-
Interest paid on finance lease liabilities		(429)	(315)
Interest paid on PFI, LIFT and other service concession obligations		(11,448)	(14,638)
PDC dividend (paid) / refunded		(9,445)	(9,015)
Net cash flows from / (used in) financing activities		**3,671**	**7,673**
Increase / (decrease) in cash and cash equivalents		**(21,796)**	**(25,640)**
Cash and cash equivalents at 1 April - brought forward		**33,541**	**59,181**
Cash and cash equivalents at 31 March	21	**11,745**	**33,541**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2023/24 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

In March 2024 the Board made an assessment of the risks, opportunities and uncertainties it faces and considers itself to be a going concern in line with published guidance.

The Trust, with system partners submitted the operational and financial plan for the year ending 31 March 2024. In 2023/24, the Trust changed from Nationally funded block payment regime to Aligned Payment Incentive (API) contracts which contains both a fixed and variable element
The assessment of the board is that DHSC temporary revenue support arrangements will continue as and when required, to support providers with demonstrable cash needs.

Note 1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Contract payments in year have been based on expected contract value divided by calendar month. The adjustment at year end for final settlement is to be settled in April 2024.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices, as defined by NHSE, are reimbursed by NHS England or local NHS Commissioners based on actual usage or at a fixed baseline in addition to the price of the related service.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance

obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, Trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

Education and Training Income

Education and Training income (note 4) relates to the NHS Education Contract of £16.8m (£14.9m in 2022/23). The Trust contracts with the NHS England who provides all education training and learning activity commissioned by Health Education England from the Multi–Professional Education and Training (MPET) levy funding.

It establishes a framework for the delivery of practice learning and teaching to support the workforce development.

The agreement includes training for medical and dental students, non-medical professional and vocational students, postgraduate training for doctors, learning beyond registration, learning before registration and education and training infrastructure.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured

at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.4 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

The Trust accounted for the increase in pension contribution at 20.6% from the 1st April 2019. The rates have been agreed from the 1st April 2019 to 31st March 2024 at 20.6% of pensionable pay for both the 1995-2008 pension scheme and the 2015 pension scheme. The employers contribution is set through a scheme valuation which is carried out every four years, where the 2016 valuation identified the need to increase the employer contribution from 14.3% to 20.6% from 1st April 2019.

The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024."

Local Government Pension Scheme

Some employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or

- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are acquired as part of the initial set up of a new building or enhancements/refurb of a ward would be considered "subsequent expenditure" under IAS 16.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e, operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced

with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating

transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.
Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment. "

This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Note 1.8 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

In 2013 the PFI provider was found to be in default of the service agreement, due to building defects. A settlement was reached between the Trust and the PFI provider in June 2016. The Deed of Variation included two broad elements; a lump sum compensation payment (£6.5m) and alterations to future service charges (£7.3m). The lump sum payment was credited to other operating revenue. In 2016/17 the Trust recognised the revenue coming from future service charges price alterations in other operating revenue. The Trust looked at the reduction in future service provider margins that would not have been agreed without the building defects. The contractual value was used as the basis for the calculation, allowing both for cost of capital adjustments and future service price increases based on predicted RPI changes. The gain on the alteration to future service charges was recognised in other operating revenues to be consistent with the recognition of the lump sum compensation payment. This gain reduced the PFI liability as the settlement related to the compensation for the building defects. By adopting this accounting treatment, annual Unitary Payments from 2018/19 do not reflect the full value of the service received. The future service

charges element of the Unitary Payment is adjusted by an amount equivalent to the full value of the service received and the PFI liability is increased. This adjustment will 'unwind' the 2016/17 revenue recognition over the remaining life of the PFI contract.

Initial application of IFRS 16 liability measurement principles to PFI liabilities

IFRS 16 liability measurement principles have been applied to PFI service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset.
The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	2	80
Dwellings	47	52
Plant & machinery	1	50
Transport equipment	7	7
Information technology	4	9
Furniture & fittings	7	10

Note 1.9 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at amortised historic cost which is deemed to be a suitable proxy for assets with shorter useful lives.

Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Information technology	5	5
Software licences	5	5

Note 1.10 Inventories

Inventories (excluding drugs) are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the typically high turnover of stocks. Drugs inventories are valued using the weighted average cost method.

From 2020/21 up to and including 2023/24, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

The Trust's inventory balance of £12.6m is material to the Trust's accounts. The Trust is satisfied that its inventory balance is presented fairly in all material respects: the Trust has well-established stocktake procedures which are regularly reviewed and continue to use the digital app. for data collection. Trust staff were able to complete the stock counts for 2023/24.

Note 1.11 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Expected credit losses are determined by providing in full for non-NHS debtors over 90 days old and for Injury Cost Recovery income using national guidance. In accordance with the Department of Health guidelines 23.07% of injury costs recovery revenue is provided in a bad debt provision. Debts prior to 1 April 2019 are provided for at 100%.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It

also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

After the commencement date, a lessee is only required to reassess the lease term upon the occurrence of a significant event or a significant change in circumstances that is within control of the lessee and affects whether the lessee is reasonably certain to exercise, or not exercise, an option which previously informed the assessment made regarding the lease term. A significant change during the lease terms includes Significant leasehold improvements or a significant modification to the underlying asset that was not anticipated at the commencement date of the lease.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Upon the commencement of the new IFRS16 policy on Lease Transitions, the Carrying amounts of the right of use asset and finance lease liability should remain the same as they were immediately before the date of initial application.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.*

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust was an intermediate lessor, classification of all continuing sublease arrangements was been reassessed with reference to the right of use asset.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: minus 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 25.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 Value added tax

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

Note 1.18 Corporation tax

Under the Corporation Tax Act 2010 section 986, a Health Service body is not liable to corporation tax.

Note 1.19 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.20 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.21 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses, Note 32.

Note 1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

From 1 April 2023, PFI (Private Finance Initiative) liabilites are measured (and re-measured) under IFRS 16 reflecting actual indexation factors in actual payments since the inception of the arrangement through a modified retrospective approach. The Trust has developed a remeasurement model to calculate the workings required for this transition with external guidance to perform assurance work to determine the expected changes from implementing this change.

Note 1.26 Private Finance Initiative (PFI)

Valuation guidance issued by the Royal Institution of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust. See Note 29 re PFI.

Note 1.27 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Valuation of property, plant and equipment (see note 15) is based upon an assessment undertaken by professional property valuers which by its nature includes an element of subjectivity.

- The Trust engaged a professional property adviser to undertake a full revaluation in 2023/24 after having a full revaluation in 2018/19. However, an interim desk top valuation was undertaken during 2022/23 to ensure all build rates have been renewed within that financial year.

- The valuation exercise was carried out between December 2023 and March 2024 with a valuation date of 31 March 2024. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), the valuer has stated that the UK continues to experience heightened uncertainty due to a number of factors.

Inflationary pressures continue to weigh on the economy and whilst having peaked still remain at high levels having a very material effect on higher cost of living expenses which could be a factor in BCIS indices which as a consquence could change in future years.

The cost of debt has risen, and its availability reduced which together with the outward movement in gilt yields from historically low levels has weighed on investor sentiment and had an adverse impact on property values. Confidence in the banking sector is fragile as seen in the recent actions around a handful of banks but most particularly Credit Suisse and this is likely to result in the further tightening of debt available to investors.

In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, the valuer has highlight the importance of the Valuation Date as it is important to understand the market context under which the valuation opinion was prepared.

Market participants continue to be affected by details of construction, health and safety, and particularly fire prevention, mitigation and means of escape from buildings where people sleep. The Government's proposed legislation is far reaching and will provide a new regime for building regulations compliance. In the light of these circumstances, this valuation has been undertaken in the context of a changing regulatory environment and the valuer has recommended that it is kept under regular review.

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. The valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Note 2 Operating Segments

IFRS 8 sets out the criteria for identifying operating segments and for reporting individual or aggregated segmental data. The Trust Board has considered the requirements of IFRS 8 and whilst it does receive budgetary performance information at a specialty group level based upon groups of services (including for example medical specialties, surgical specialties etc.), this information is limited in that:

- Costs associated with any one specialty or service provided by the Trust are split across several specialty groups;
- Cross charging for services between specialty groups is not widely undertaken; and
- Many services provided by the Trust are not operationally independent.

In addition to the above key factors, consideration has also been given to the principles around aggregation of operating segments set out in IFRS 8 which concludes that segments may be aggregated if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

(a) the nature of the products and services:

The services provided are very similar in that they represent the provision of healthcare to ill/vulnerable people. Furthermore many of the services are interconnected with care for an individual being shared across different specialties and departments.

(b) the nature of the production processes:

Services are provided in very similar ways (albeit to differing extents) to the majority of patients including outpatient consultations, inpatient care, diagnostic tests, medical and surgical interventions.

(c) the type or class of customer for their products and services:

The Trust's customers are similar across all services in that they are ill/vulnerable people – whilst certain patient groups may be more susceptible to different healthcare needs, most services are provided to customers of all ages, gender etc.

(d) the methods used to distribute their products or provide their services:

The majority of services are delivered to customers through attendance at hospital as outpatients, day cases or inpatients.

(e) if applicable, the nature of the regulatory environment:

The regulatory environment in which the Trust's services are provided is NHS healthcare.

Financial Performance Reporting

The Trust Board receives reports on the Trust's financial performance based upon the Statement of Comprehensive Income (or Net Expenditure) which is adjusted in accordance with HM Treasury rules on measuring financial performance. These adjustments are set out below the Statement of Comprehensive Income (or Net Expenditure) and in note 37 relating to breakeven performance.

The Trusts adjusted financial performance is detailed as below

Adjusted financial performance (control total basis):	2023/24	2022/23
Surplus / (deficit) for the period	(76,649)	(29,532)
Remove net impairments not scoring to the Departmental expenditure limit	28,600	9,658
Remove I&E impact of capital grants and donations	(252)	126
Remove impact of IFRS 16 on IFRIC 12 schemes	13,482	-
Remove net impact of inventories received from DHSC group bodies for COVID response	58	(27)
Adjusted financial performance surplus / (deficit)	**(34,761)**	**(19,775)**

Income Sources

Key information on the Trust's sources of income is as follows:

The ICB income for 2023/24 was £552.8 million and NHS England from which £108.03 million (£110.0 million in 2022/23 from NHSE) was received, including reimbursement and top-up funding. Clinical Commissioning Groups (CCG) ceased to exist in 2022/23, from which £120.1 million and ICB is £373.6 million for 2022/23 was received.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)	2023/24 £000	2022/23 £000
Income from commissioners under API contracts - variable element*	142,569	-
Income from commissioners under API contracts - fixed element*	434,030	515,552
High cost drugs income from commissioners	50,854	46,730
Other NHS clinical income	19,672	2,624
All services		
Private patient income	410	-
Elective recovery fund *	-	16,343
National pay award central funding***	299	11,662
Additional pension contribution central funding**	15,116	13,563
Other clinical income	3,391	2,318
Total income from activities	**666,341**	**608,792**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023-25 NHS Payment Scheme documentation.

Income for Elective Recovery Fund for 2023/24 was £19m and is included in the fixed elements of the API contracts.

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

***In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

Note 3.2 Income from patient care activities (by source)		
Income from patient care activities received from:	**2023/24 £000**	**2022/23 £000**
NHS England	108,031	110,282
Clinical commissioning groups	-	120,131
Integrated care boards	552,832	373,582
Other NHS providers	2,356	2,479
Non-NHS: private patients	410	166
Non-NHS: overseas patients (chargeable to patient)	180	103
Injury cost recovery scheme	1,662	1,314
Non NHS: other	870	735
Total income from activities	666,341	608,792
Of which:		
Related to continuing operations	666,341	608,792

From 1 July 2022 Integrated Care Boards were legally established and took over the roles previously undertaken by Clinical Commissioning Groups and parts of NHS England

Injury cost recovery income is subject to a provision for impairment of receivables of 23.07% to reflect expected rates of recovery.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

Overseas visitors (relating to patients charged directly by the provider)		
	2023/24 £000	**2022/23 £000**
Income recognised this year	180	103
Cash payments received in-year	86	174
Amounts written off in-year	-	64

Note 4 Other operating income

Other operating income	2023/24			2022/23		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	1,072	-	**1,072**	933	-	**933**
Education and training	16,808	-	**16,808**	14,934	-	**14,934**
Non-patient care services to other bodies	6,588	-	**6,588**	7,701	-	**7,701**
Reimbursement and top up funding	-	-	**-**	2,568	-	**2,568**
Receipt of capital grants and donations and peppercorn leases	-	371	**371**	-	-	**-**
Charitable and other contributions to expenditure	-	472	**472**	-	1,545	**1,545**
Revenue from operating leases	-	30	**30**	-	-	**-**
Amortisation of PFI deferred income / credits	-	583	**583**	-	669	**669**
Other income	7,536	-	**7,536**	7,825	-	**7,825**
Total other operating income	**32,004**	**1,456**	**33,460**	**33,961**	**2,214**	**36,175**
Of which:						
Related to continuing operations			**33,460**			**36,175**

Non Patient care Services to other bodies includes items such as Mortuary Services, Transport Services and Occupational Health services.

Education and Training is mainly from NHS England £16.8m (Note 1.4).

Charitable and other contributions to expenditure - this represents the value of Personal Protective Equipment provided to the Trust free of charge during the year.

Included in Other income is £1.934m for car parking, which is referenced in Note 5.1

Contract income is recognised in accordance with IFRS15.

Note 5.1 Fees and charges

The following disclosure is of income from charges to service users where the full cost of providing that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

Fees and charges	2023/24 £000	2022/23 £000
Income	1,934	924
Full cost	(1,539)	(2,144)
Surplus / (deficit)	**395**	**(1,220)**

The income and full costs relate to the Trust car parking, which are included in Other Income (Note 4).

Free staff parking continued for 2023/24 for all staff. Patients and visitors charges have been in place for 2023/24 (6 months only in 2022/23).

Note 6 Operating leases - Worcestershire Acute Hospitals NHS Trust as lessor

This note discloses income generated in operating lease agreements where Worcestershire Acute Hospitals NHS Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Note 6.1 Operating lease income

Operating lease income	2023/24 £000	2022/23 £000
Lease receipts recognised as income in year:		
Minimum lease receipts	30	-
Total in-year operating lease income	**30**	-

Note 6.2 Future lease receipts

Future lease receipts	31 March 2024 £000	31 March 2023 £000
Future minimum lease receipts due in:		
- later than three years and not later than four years	30	-
Total	**30**	-

The lease in 2023/24 relates to new lease agreement for premises at Alexandra Hospital site.

Note 7.1 Operating expenses

Operating expenses	2023/24 £000	2022/23 £000
Staff and executive directors costs *	441,361	398,032
Remuneration of non-executive directors	159	155
Supplies and services - clinical (excluding drugs costs)	55,902	60,474
Supplies and services - general	24,940	26,138
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	63,355	58,682
Inventories written down	375	274
Consultancy costs	665	240
Establishment	8,310	4,046
Premises	22,043	20,948
Transport (including patient travel)	1,669	1,383
Depreciation on property, plant and equipment	18,438	15,506
Amortisation on intangible assets	1,674	1,438
Net impairments	28,600	9,658
Movement in credit loss allowance: contract receivables / contract assets	771	511
Change in provisions discount rate(s)	(115)	(651)
Fees payable to the external auditor		
audit services- statutory audit	164	144
Internal audit costs	93	99
Clinical negligence	21,556	18,062
Legal fees	820	425
Insurance	279	273
Education and training	1,193	1,089
Expenditure on short term leases	134	349
Expenditure on low value leases	50	194
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	27,562	19,039
Other	36	630
Total	**736,897**	**651,590**
Of which:		
Related to continuing operations	736,897	651,590
Related to discontinued operations	-	-

Net Impairments are due to the full on-site valuation of the Trust estate as at 31st March 2024

Statutory Audit - £144k for the 2023/24 statutory audit and £20.4k for additional charge for the completion of 2022/23 statutory audit, a total of £164k.

*Staff and Executive costs excludes staff capitalised of £536k.

Note 7.2 Other auditor remuneration

Other auditor remuneration	2023/24 £000	2022/23 £000
Other auditor remuneration paid to the external auditor:		
There has been no other remuneration paid to the external auditor in either 2022/23 or 2023/24.		

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

Note 8 Impairment of assets

Impairment of assets	2023/24 £000	2022/23 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	28,600	9,658
Total net impairments charged to operating surplus / deficit	**28,600**	**9,658**
Impairments charged to the revaluation reserve	36,361	(809)
Total net impairments	**64,961**	**8,849**

The Trust engaged a professional property adviser to undertake a full revaluation in 2023/24 after having a full revaluation previously in 2018/19. However, an interim desk top valuation was undertaken during 2022/23 to ensure all build rates have been renewed within that financial year. All land and buildings have been assessed for physical depreciation and obsolescence which has resulted in changes in valuation of the Trusts assets. Any buildings assets which reduced in value were impaired to either the revaluation reserve or to I&E in 2023/24.

Note 9.1 Employee benefits

Employee benefits	2023/24 Total £000	2022/23 Total £000
Salaries and wages	283,511	262,510
Social security costs	33,698	29,520
Apprenticeship levy	1,544	1,322
Employer's contributions to NHS pensions	49,901	44,598
Pension cost - other	61	84
Temporary staff (including agency)	73,182	60,223
Total gross staff costs	**441,897**	**398,257**
Recoveries in respect of seconded staff	-	-
Total staff costs	**441,897**	**398,257**
Of which		
Costs capitalised as part of assets	536	225

Note 9.2 Average number of employees (WTE basis)

Average number of employees (WTE basis)	2023/24 Permanent Number	2023/24 Other Number	2023/24 Total Number	2022/23 Total Number
Medical and dental	759	154	**913**	847
Ambulance staff	-	-	**-**	3
Administration and estates	1,253	35	**1,288**	777
Healthcare assistants and other support staff	1,441	248	**1,689**	2,003
Nursing, midwifery and health visiting staff	2,023	353	**2,376**	2,270
Scientific, therapeutic and technical staff	590	30	**620**	611
Healthcare science staff	177	13	**190**	195
Total average numbers	**6,243**	**833**	**7,076**	**6,706**

Note 9.3 Retirements due to ill-health

During 2023/24 there were 7 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £1,052k (£114k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the

3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

Finance income	2023/24 £000	2022/23 £000
Interest on bank accounts	1,511	737
Total finance income	**1,511**	**737**

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

Finance expenditure	2023/24 £000	2022/23 £000
Interest expense:		
Interest on loans from the Department of Health and Social Care	275	300
Interest on lease obligations	430	315
Interest on late payment of commercial debt	41	-
Finance costs on PFI, LIFT and other service concession arrangements:		
Main finance costs	11,448	4,894
Contingent finance costs*	-	9,744
Remeasurement of the liability resulting from change in index or rate*	22,281	-
Total interest expense	**34,475**	**15,253**
Unwinding of discount on provisions	48	48
Total finance costs	**34,523**	**15,301**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 30.

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

Late payment of commercial debts	2023/24 £000	2022/23 £000
Amounts included within interest payable arising from claims made under this legislation	41	-

Note 13 Other gains / (losses)

Other gains / (losses)	2023/24 £000	2022/23 £000
Gains on disposal of assets	31	324
Losses on disposal of assets	(436)	(142)
Total gains / (losses) on disposal of assets	**(405)**	**182**
Total other gains / (losses)	**(405)**	**182**

This includes losses on disposals of PPE of £268k and £168k of PFI IFRIC 12 equipment.

Note 14.1 Intangible assets - 2023/24

Intangible assets - 2023/24	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2023 - brought forward	**8,283**	**4,543**	**527**	**13,353**
Additions	7	(67)	3,840	**3,780**
Reclassifications	420	183	(603)	**-**
Disposals / derecognition	(276)	(184)	-	**(460)**
Valuation / gross cost at 31 March 2024	**8,434**	**4,475**	**3,764**	**16,673**
Amortisation at 1 April 2023 - brought forward	**4,573**	**2,368**	**-**	**6,941**
Provided during the year	1,122	552	-	**1,674**
Disposals / derecognition	(276)	(184)	-	**(460)**
Amortisation at 31 March 2024	**5,419**	**2,736**	**-**	**8,155**
Net book value at 31 March 2024	**3,015**	**1,739**	**3,764**	**8,518**
Net book value at 1 April 2023	**3,710**	**2,175**	**527**	**6,412**

Note 14.2 Intangible assets - 2022/23

Intangible assets - 2022/23	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - as previously stated	**7,444**	**3,689**	**1,273**	**12,406**
Additions	392	466	188	**1,046**
Reclassifications	546	388	(934)	**-**
Disposals / derecognition	(99)	-	-	**(99)**
Valuation / gross cost at 31 March 2023	**8,283**	**4,543**	**527**	**13,353**
Amortisation at 1 April 2022 - restated	**3,742**	**1,860**	**-**	**5,602**
Provided during the year	930	508	-	**1,438**
Disposals / derecognition	(99)	-	-	**(99)**
Amortisation at 31 March 2023	**4,573**	**2,368**	**-**	**6,941**
Net book value at 31 March 2023	**3,710**	**2,175**	**527**	**6,412**
Net book value at 1 April 2022	**3,702**	**1,829**	**1,273**	**6,804**

Note 15.1 Property, plant and equipment - 2023/24

Property, plant and equipment - 2023/24	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2023 - brought forward	**41,777**	**258,481**	**768**	**41,356**	**44,566**	**107**	**29,858**	**37**	**416,950**
Additions	-	3,791	-	18,624	8,694	-	259	1,630	**32,998**
Impairments	-	(65,278)	-	-	-	-	-	-	**(65,278)**
Reversals of impairments	-	195	122	-	-	-	-	-	**317**
Revaluations	-	(7,786)	(29)	-	-	-	-	-	**(7,815)**
Reclassifications	-	45,059	-	(49,742)	1,067	-	2,434	1,182	**-**
Disposals / derecognition	-	-	-	-	(5,024)	(107)	(525)	-	**(5,656)**
Valuation/gross cost at 31 March 2024	**41,777**	**234,462**	**861**	**10,238**	**49,303**	**-**	**32,026**	**2,849**	**371,516**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**1,077**	**-**	**-**	**24,466**	**107**	**12,588**	**32**	**38,270**
Provided during the year	-	8,231	29	-	3,988	-	4,406	40	**16,694**
Revaluations	-	(8,077)	(29)	-	-	-	-	-	**(8,106)**
Disposals / derecognition	-	-	-	-	(4,588)	(107)	(525)	-	**(5,220)**
Accumulated depreciation at 31 March 2024	**-**	**1,231**	**-**	**-**	**23,866**	**-**	**16,469**	**72**	**41,638**
Net book value at 31 March 2024	**41,777**	**233,231**	**861**	**10,238**	**25,437**	**-**	**15,557**	**2,777**	**329,878**
Net book value at 1 April 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**-**	**17,270**	**5**	**378,680**

Significant reclassifications in year are a result of large capital projects such as the Urgent Emergency Centre at Worcestershire Royal Hospital, theatre works at the Alexandra Hospital, Redditch and RAAC works at Kidderminster Treatment Centre completing in the year.

The end of year valuation exercise resulted in a reduction in the value of the Trust's building assets through impairments due to a full on-site valuation and obsolescence review.

Note 15.2 Property, plant and equipment - 2022/23

Property, plant and equipment - 2022/23	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**41,565**	**243,525**	**1,165**	**39,276**	**50,116**	**264**	**15,623**	**45**	**391,579**
Additions	-	720	-	36,923	3,551	-	7,331	-	**48,525**
Impairments	(423)	(14,642)	(401)	-	-	-	-	-	**(15,466)**
Reversals of impairments	-	6,574	43	-	-	-	-	-	**6,617**
Revaluations	635	(5,269)	(39)	-	-	-	-	-	**(4,673)**
Reclassifications	-	27,573	-	(34,843)	342	-	6,928	-	**-**
Disposals / derecognition	-	-	-	-	(9,443)	(157)	(24)	(8)	**(9,632)**
Valuation/gross cost at 31 March 2023	**41,777**	**258,481**	**768**	**41,356**	**44,566**	**107**	**29,858**	**37**	**416,950**
Accumulated depreciation at 1 April 2022 - restated	**-**	**927**	**-**	**-**	**30,125**	**264**	**10,454**	**40**	**41,810**
Provided during the year	-	7,696	39	-	3,642	-	2,158	-	**13,535**
Revaluations	-	(7,546)	(39)	-	-	-	-	-	**(7,585)**
Disposals / derecognition	-	-	-	-	(9,301)	(157)	(24)	(8)	**(9,490)**
Accumulated depreciation at 31 March 2023	**-**	**1,077**	**-**	**-**	**24,466**	**107**	**12,588**	**32**	**38,270**
Net book value at 31 March 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**-**	**17,270**	**5**	**378,680**
Net book value at 1 April 2022	**41,565**	**242,598**	**1,165**	**39,276**	**19,991**	**-**	**5,169**	**5**	**349,769**

Note 15.3 Property, plant and equipment financing - 31 March 2024

Property, plant and equipment financing - 31 March 2024	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	41,777	161,215	861	10,238	15,965	15,533	2,777	248,366
On-SoFP PFI contracts and other service concession arrangements	-	71,778	-	-	8,540	-	-	80,318
Owned - donated/granted	-	238	-	-	932	24	-	1,194
Total net book value at 31 March 2024	**41,777**	**233,231**	**861**	**10,238**	**25,437**	**15,557**	**2,777**	**329,878**

Note 15.4 Property, plant and equipment financing - 31 March 2023

Property, plant and equipment financing - 31 March 2023	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	41,777	159,980	768	41,356	13,587	17,270	5	274,743
On-SoFP PFI contracts and other service concession arrangements	-	97,176	-	-	5,611	-	-	102,787
Owned - donated/granted	-	248	-	-	902	-	-	1,150
Total net book value at 31 March 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**17,270**	**5**	**378,680**

Note 15.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Not subject to an operating lease	41,777	233,231	861	10,238	25,437	15,557	2,777	329,878
Total net book value at 31 March 2024	**41,777**	**233,231**	**861**	**10,238**	**25,437**	**15,557**	**2,777**	**329,878**

Note 15.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Not subject to an operating lease	41,777	257,404	768	41,356	20,100	17,270	5	378,680
Total net book value at 31 March 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**17,270**	**5**	**378,680**

Note 16 Donations of property, plant and equipment

The Trust has received the PPE donations below:

- £24k donation of physical assets (digital/office equipment)
- £311k donation of cash towards medical equipment purchases
- £36k donation of cash towards building asset

Note 17 Revaluations of property, plant and equipment

The Trust engaged a professional property adviser to undertake a full revaluation in 2023/24 after having a full revaluation previously in 2018/19. However, an interim desk top valuation was undertaken during 2022/23 to ensure all build rates have been renewed within that financial year.

The valuations were carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the DHSC and HM Treasury.

The valuations have been carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for nonspecialised operational property.

In line with HM Treasury guidance, the revaluation as at 31st March 2024 was based on the 'Modern Equivalent Asset' approach to valuation.

The Trust commissioned a full revaluation in 2023/24. The Valuers reviewed the Trusts asset base including a condition survey. Each site is defined as the "property asset" with the 3 significant components defined as land, buildings and external works.

The Trust used Cushman and Wakefield as the appointed independent valuers who are RICS Registered.

A full on site valuation was completed for 31/3/24 the previous valuation for 31/3/23 was a desktop valuation.

As a result of the revaluation, the Trust has a £291k revaluation surplus which is held on the balance sheet.

Note 18 Leases - Worcestershire Acute Hospitals NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Worcestershire Acute Hospitals NHS Trust is the lessee.

The Trust's operating leases for short term fixed leases include equipment and premises. The increase in lease payments due later than five years relates to the Charles Hasting Education Centre, car parking, surgical robot and Kings Court as the agreement is more than a 5 years commitment.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 18.1 Right of use assets - 2023/24

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000
Valuation / gross cost at 1 April 2023 - brought forward	**31,725**	**3,013**	**143**	**34,881**
Remeasurements of the lease liability	12,285	(346)	(12)	11,927
Disposals / derecognition	-	(418)	-	(418)
Valuation/gross cost at 31 March 2024	**44,010**	**2,249**	**131**	**46,390**
Accumulated depreciation at 1 April 2023 - brought forward	**985**	**782**	**57**	**1,824**
Provided during the year	1,111	583	50	1,744
Disposals / derecognition	-	(418)	-	(418)
Accumulated depreciation at 31 March 2024	**2,096**	**947**	**107**	**3,150**
Net book value at 31 March 2024	**41,914**	**1,302**	**24**	**43,240**
Net book value at 1 April 2023	**30,740**	**2,231**	**86**	**33,057**

Note 18.2 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	31,725	2,053	143	**33,921**
Additions	-	1,328	-	**1,328**
Disposals / derecognition	-	(368)	-	**(368)**
Valuation/gross cost at 31 March 2023	**31,725**	**3,013**	**143**	**34,881**
Provided during the year	985	929	57	**1,971**
Disposals / derecognition	-	(147)	-	**(147)**
Accumulated depreciation at 31 March 2023	**985**	**782**	**57**	**1,824**
Net book value at 31 March 2023	**30,740**	**2,231**	**86**	**33,057**

Note 18.3 Revaluations of right of use assets

No revaluations of Trust right of use assets have taken place in year, therefore they are valued at cost with regular rental reviews for certain leases to ensure that payments are in-line with the market value.

Note 18.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 24.1.

	2023/24 £000	2022/23 £000
Carrying value at 31 March	**33,189**	**-**
IFRS 16 implementation - adjustments for existing operating leases		33,657
Lease additions	-	1,320
Lease liability remeasurements	11,927	-
Interest charge arising in year	430	315
Early terminations	-	(282)
Lease payments (cash outflows)	(1,953)	(1,821)
Carrying value at 31 March	**43,593**	**33,189**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Lease liability remeasurement - CHEC lease payments have increased (resulting in a £12.63m lease liability increase) and four leases have extended in year, offset by a £788k lease liability reduction due to the removal of residual values for several leases.

Note 18.5 Maturity analysis of future lease payments

	Total 31 March 2024 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:			
- not later than one year;	1,805	1,695	-
- later than one year and not later than five years;	6,073	5,883	-
- later than five years.	50,724	35,840	-
Total gross future lease payments	**58,602**	**43,418**	**-**
Finance charges allocated to future periods	(15,009)	(10,229)	-
Net lease liabilities at 31 March 2024	**43,593**	**33,189**	**-**

There are no leases from DHSC group bodies.

Note 19 Inventories

	31 March 2024 £000	31 March 2023 £000
Drugs	4,401	4,167
Work In progress	51	71
Consumables	8,121	7,277
Energy	64	39
Total inventories	**12,637**	**11,554**
of which:		
Held at fair value less costs to sell	**-**	**-**

Inventories recognised in expenses for the year were £64,978k (2022/23: £61,306k). Write-down of inventories recognised as expenses for the year were £375k (2022/23: £274k).

Through learning from response to the COVID-19 pandemic, the Trust has commenced its modernisation of a inventory management system. The Trust has started to modernise practices via the new inventory system to improve visibility of slow moving, change of use or obsolete inventory. Given the current limited visibility of slow moving and obsolete inventory; the relatively low level of historic inventory write-downs; and the anticipated improvements in inventory management, it has been deemed prudent to make a provision equivalent to 25% of core inventory items (£0.579m) to account for anticipated losses.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £263k of items purchased by DHSC (2022/23: £1,329k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 20.1 Receivables

	31 March 2024 £000	31 March 2023 £000
Current		
Contract receivables	9,118	22,388
Allowance for impaired contract receivables / assets	(1,493)	(1,183)
Deposits and advances	(2)	78
Prepayments (non-PFI)	3,814	2,918
PFI lifecycle prepayments	2,682	6,100
PDC dividend receivable	3,327	18
VAT receivable	4,962	5,205
Other receivables	750	668
Total current receivables	**23,158**	**36,192**
Non-current		
Contract receivables	2,674	1,033
Other receivables	402	525
Total non-current receivables	**3,076**	**1,558**
Of which receivable from NHS and DHSC group bodies:		
Current	10,699	15,969
Non-current	402	525

Non-Current Contract Receivables relates to the NHS Injury Cost Recovery Scheme, whereby the Trust accounts for expected income.

Note 20.2 Allowances for credit losses

Non-Current Contract Receivables relates to the NHS Injury Cost Recovery Scheme, whereby the Trust accounts for expected income.

Allowances for credit losses	2023/24 Contract receivables and contract assets £000	2022/23 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**1,183**	**1,009**
New allowances arising	488	394
Reversals of allowances	283	117
Utilisation of allowances (write offs)	(461)	(337)
Allowances as at 31 Mar 2024	**1,493**	**1,183**

Injury cost recovery income: subject to a provision for credit losses of 23.07% (24.86% 2022/23) as per DHSC guidance for 2023/24 receivables.

Non-NHS receivables that are over 3 months old, are subject to a provision for credit losses of 100%

Non-NHS receivables less than 3 months old have been individually assessed and an appropriate provision made based on the information available and the assessed risk to the income.

The allowance of £1.493m above at 31 March 2024 (£1.183m 2022/23) includes £599k relating to Injury Cost Recovery Scheme debtors (£393k for 2022/23). These are provided for, using national assumptions about the likelihood of debt recovery for all debts since 1 April 2019 and in full for older debts. The Trust's policy for calculating the allowance against other debtors is that debts over 90 days are reviewed and an allowance made for any debts for which there is a risk of non-recovery

Note 20.3 Exposure to credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies, therefore the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2024 are in receivables from customers, as disclosed in the trade and other receivables note.

Note 21 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

Cash and cash equivalents movements	2023/24 £000	2022/23 £000
At 1 April	**33,541**	**59,181**
Net change in year	(21,796)	(25,640)
At 31 March	**11,745**	**33,541**
Broken down into:		
Cash at commercial banks and in hand	368	211
Cash with the Government Banking Service	11,377	33,330
Total cash and cash equivalents as in SoFP	**11,745**	**33,541**
Total cash and cash equivalents as in SoCF	**11,745**	**33,541**

Note 22.1 Trade and other payables

Trade and other payables	31 March 2024 £000	31 March 2023 £000
Current		
Trade payables	16,672	30,878
Capital payables	11,158	6,977
Accruals	34,188	48,594
Receipts in advance and payments on account	(222)	6
Social security costs	3,901	3,576
Other taxes payable	4,175	3,556
Pension contributions payable	5,005	4,207
Other payables	1	(3)
Total current trade and other payables	**74,878**	**97,791**
Of which payables from NHS and DHSC group bodies:		
Current	3,545	6,613
Non-current	-	-

Note 23 Other liabilities

Other liabilities	31 March 2024 £000	31 March 2023 £000
Current		
Deferred income: contract liabilities	6,221	4,724
Total other current liabilities	**6,221**	**4,724**
Non-current		
Deferred PFI credits / income	4,043	3,873
Total other non-current liabilities	**4,043**	**3,873**

Note 24.1 Borrowings

Borrowings	31 March 2024 £000	31 March 2023 £000
Current		
Loans from DHSC	680	961
Lease liabilities	1,400	1,388
Obligations under PFI, LIFT or other service concession contracts	11,350	3,971
Total current borrowings	**13,430**	**6,320**
Non-current		
Loans from DHSC	8,689	9,357
Lease liabilities	42,193	31,801
Obligations under PFI, LIFT or other service concession contracts	111,384	47,203
Total non-current borrowings	**162,266**	**88,361**

IFRS 16 liability measurement principles have been applied to the Trust PFI service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHCS Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

Note 24.2 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities	Loans from DHSC £000	Lease Liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2023	**10,318**	**33,189**	**51,174**	**94,681**
Cash movements:				
Financing cash flows - payments and receipts of principal	(949)	(1,524)	(10,403)	**(12,876)**
Financing cash flows - payments of interest	(275)	(429)	(11,448)	**(12,152)**
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023			59,682	**59,682**
Lease liability remeasurements	-	11,927	-	**11,927**
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	-	22,281	**22,281**
Application of effective interest rate	275	430	11,448	**12,153**
Carrying value at 31 March 2024	**9,369**	**43,593**	**122,734**	**175,696**

IFRS 16 liability measurement principles have been applied to the Trust PFI service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHCS Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as continger rent as incurred.

	Loans from DHSC £000	Lease Liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	**11,566**	**-**	**54,794**	**66,360**
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,246)	(1,506)	(3,619)	**(6,371)**
Financing cash flows - payments of interest	(302)	(315)	(4,895)	**(5,512)**
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	-	33,657	-	**33,657**
Additions	-	1,320	-	**1,320**
Application of effective interest rate	300	315	4,894	**5,509**
Early terminations	-	(282)	-	**(282)**
Carrying value at 31 March 2023	**10,318**	**33,189**	**51,174**	**94,681**

Note 25.1 Provisions for liabilities and charges analysis

Provisions for liabilities and charges analysis	Pensions: early departure costs £000	Legal claims £000	Other £000	Total £000
At 1 April 2023	**1,971**	**109**	**3,185**	**5,265**
Change in the discount rate	(115)	-	(88)	**(203)**
Arising during the year	120	89	7,288	**7,497**
Utilised during the year	(191)	(16)	(6)	**(213)**
Reversed unused	(2)	(43)	(1,406)	**(1,451)**
Unwinding of discount	48	-	26	**74**
At 31 March 2024	**1,831**	**139**	**8,999**	**10,969**
Expected timing of cash flows:				
- not later than one year;	175	139	7,239	**7,553**
- later than one year and not later than five years;	701	-	972	**1,673**
- later than five years.	955	-	788	**1,743**
Total	**1,831**	**139**	**8,999**	**10,969**

Early departure costs or pensions relating to former staff are based upon actuarial estimates and are reviewed annually. Payments are made quarterly to the NHS Pensions Agency in respect of the Trust's liability.

Legal claims relate to employers'/third party liability claims. Cost estimates and timings are based on information held by the Legal Services team who work closely with the NHS Resolution.

Other provisions include AfC claims for current and former employees of the Trust and the amounts have been estimated based on information from other Trusts who have had similar claims made against them.

A further provision has been made for £3m for future litigation costs due to contract obligations.

Note 25.2 Clinical negligence liabilities

At 31 March 2024, £259,670k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Worcestershire Acute Hospitals NHS Trust (31 March 2023: £282,997k).

Note 26 Contingent assets and liabilities

Contingent assets and liabilities	31 March 2024 £000	31 March 2023 £000
Value of contingent liabilities		
NHS Resolution legal claims	(40)	(56)
Gross value of contingent liabilities	**(40)**	**(56)**
Net value of contingent liabilities	**(40)**	**(56)**
Net value of contingent assets	**-**	**-**

Note 27 Contractual capital commitments

Contractual captial commitments	31 March 2024 £000	31 March 2023 £000
Property, plant and equipment	3,305	8,541
Total	**3,305**	**8,541**

In 2022/23, the Trust had significant strategic capital projects.

Note 28 Other financial commitments

Other financial commitments	31 March 2024 £000	31 March 2023 £000
not later than 1 year	9,742	6,175
after 1 year and not later than 5 years	17,812	10,761
paid thereafter	1,041	561
Total	**28,595**	**17,497**

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

Note 29 On-SoFP PFI, LIFT or other service concession arrangements

The information below is required by the Department of Heath for inclusion in the national statutory accounts. The Trust has commitments to the PFI scheme covering the redevelopment of the Worcestershire Royal Hospital site, facilities management services, PACS equipment, a Managed Equipment Service and network and communications equipment.

The Trust retains existing estates at the Worcester site including Aconbury East and West which were not part of PFI originally in addition to new buildings covered by the PFI scheme.

The main PFI contract ends in December 2031. A monthly unitary payment will be paid up to that point. The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 5 years. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification. Non delivery of quality or performance can lead to a reduction in the service charge being paid by the Trust.

The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a financial lease and payments comprise 2 elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are included within the table below. retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust.

Note 29.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2024 £000	31 March 2023 £000
Gross PFI, LIFT or other service concession liabilities	**172,212**	**75,109**
Of which liabilities are due		
- not later than one year;	21,852	8,515
- later than one year and not later than five years;	87,820	34,122
- later than five years.	62,540	32,472
Finance charges allocated to future periods	(49,478)	(23,935)
Net PFI, LIFT or other service concession arrangement obligation	**122,734**	**51,174**
- not later than one year;	11,350	3,971
- later than one year and not later than five years;	57,020	20,088
- later than five years.	54,365	27,115

Note 29.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2024 £000	31 March 2023 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**364,539**	**368,143**
Of which payments are due:		
- not later than one year;	44,592	37,895
- later than one year and not later than five years;	184,149	161,426
- later than five years.	135,798	168,822

Note 29.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2023/24 £000	2022/23 £000
Unitary payment payable to service concession operator	**53,915**	**38,566**
Consisting of:		
- Interest charge	11,448	4,894
- Repayment of balance sheet obligation	10,403	3,619
- Service element and other charges to operating expenditure	27,562	19,039
- Capital lifecycle maintenance	4,502	1,270
- Contingent rent	-	9,744
Total amount paid to service concession operator	**53,915**	**38,566**

Note 30 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

Note 30.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24 £000	IAS 17 basis (old basis) 2023/24 £000	Impact of change 2023/24 £000
Unitary payment payable to service concession operator	**53,915**	**53,915**	**-**
Consisting of:			
- Interest charge	11,448	4,544	**6,904**
- Repayment of balance sheet obligation	10,403	3,970	**6,433**
- Service element	27,562	27,562	**-**
- Lifecycle maintenance	4,502	4,502	**-**
- Contingent rent	-	13,337	**(13,337)**

Note 30.2 Impact of change in accounting policy on primary statements

	£000
Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	
Increase in PFI / LIFT and other service concession liabilities	(75,530)
Decrease in PDC dividend payable / increase in PDC dividend receivable	2,366
Increase in cash and cash equivalents (impact of PDC dividend only)	-
Impact on net assets as at 31 March 2024	**(73,164)**
Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	
PFI liability remeasurement charged to finance costs	(22,281)
Increase in interest arising on PFI liability	(6,904)
Reduction in contingent rent	13,337
Reduction in PDC dividend charge	2,366
Net impact on surplus / (deficit)	**(13,482)**
Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(59,682)
Net impact on 2023/24 surplus / deficit	(13,482)
Impact on equity as at 31 March 2024	**(73,164)**
Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	
Increase in cash outflows for capital element of PFI / LIFT	(6,433)
Decrease in cash outflows for financing element of PFI / LIFT	6,433
Net impact on cash flows from financing activities	**-**

Note 31 Financial instruments

Note 31.1 Financial risk management

The financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The treasury activity is subject to review by the Trust's internal auditors.

Credit Risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2024 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contract with Integrated Care Board (ICB), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not therefore, exposed to significant liquidity risks.

Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

The Trust borrows from Government for capital expenditure, subject to affordability. Where funding is provided though loans, borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. Following changes to the national financing regime, funding is primarily now provided as Public Dividend Capital, attracting a nationally set dividend payment of 3.5% on net relevant assets. The Trust therefore has low exposure to interest rate fluctuations.

The Trust also borrows from Government where relevant to support any financial deficit and ensure sufficient cash flow to maintain day to day operations. Since April 2020 any new interim revenue support is provided as Public Dividend Capital and attracts a nationally set dividend payment of 3.5% on net relevant assets.

Note 31.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2024	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	11,044	-	**11,044**
Cash and cash equivalents	11,745	-	**11,745**
Total at 31 March 2024	**22,789**	**-**	**22,789**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other receivables excluding non financial assets	22,903	-	**22,903**
Cash and cash equivalents	33,541	-	**33,541**
Total at 31 March 2023	**56,444**	**-**	**56,444**

Note 31.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	9,369	9,369
Obligations under leases	43,593	43,593
Obligations under PFI, LIFT and other service concession contracts	122,734	122,734
Trade and other payables excluding non financial liabilities	64,820	64,820
Total at 31 March 2024	**240,516**	**240,516**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	10,318	**10,318**
Obligations under leases	33,189	**33,189**
Obligations under PFI, LIFT and other service concession contracts	51,174	**51,174**
Trade and other payables excluding non financial liabilities	90,653	**90,653**
Total at 31 March 2023	**185,334**	**185,334**

Note 31.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

Maturity of financial liabilities	31 March 2024 £000	31 March 2023 £000
In one year or less	89,400	102,088
In more than one year but not more than five years	97,398	43,585
In more than five years	120,071	75,967
Total	**306,869**	**221,640**

Note 32 Losses and special payments

	2023/24		2022/23	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses *	1	-	-	-
Bad debts and claims abandoned	20	12	34	71
Stores losses and damage to property	1	371	1	260
Total losses	**22**	**383**	**35**	**331**
Special payments				
Ex-gratia payments	53	22	34	12
Total special payments	**53**	**22**	**34**	**12**
Total losses and special payments	**75**	**405**	**69**	**343**
Compensation payments received				
* payments was £100				

Note 33 Related parties

During the year none of the Department of Health Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Worcestershire Acute Hospitals NHS Trust.

The DHSC is regarded as a related party. During the year Worcestershire Acute Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example:

Related parties may include but are not limited to:

- Department of Health and Social Care ministers
- Board members of the Trust
- The Department of Health and Social Care
- Other NHS providers
- ICBs and NHS England
- Other health bodies
- Other Government departments
- Local authorities
- NHS Charitable Funds
- Worcestershire Acute Hospitals Charity
- NHS Resolution
- NHS Shared Business Services (SBS)
- NHS Business Services Authority
- Charles Hastings Education Centre

The Trust has also received revenue and capital payments from Worcestershire Acute Hospitals Charity amounting to £1,130,254 (£700,236 in 2022/2023). All of these payments relate to expenditure made by the Trust on behalf of the Worcestershire Acute Hospitals Charity As at 31 March 2024, Worcestershire Acute Hospitals Charity owed the Trust £74,044. The Trust Board is Corporate Trustee of the Trust's Charitable Funds. The summary financial statements of the funds held on Trust are included in the annual report and accounts.

Note 33.1 Related parties

	Receivables 2023/24 £000	Receivables 2022/23 £000
Charitable Funds (where not consolidated)	68	200
Total balances with Related parties	**68**	**200**

Note 34 Better Payment Practice code

Non-NHS Payables	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Total non-NHS trade invoices paid in the year	100,049	357,448	96,580	336,241
Total non-NHS trade invoices paid within target	90,391	319,099	91,831	314,771
Percentage of non-NHS trade invoices paid within target	90.3%	89.3%	95.1%	93.6%
NHS Payables				
Total NHS trade invoices paid in the year	2,109	21,234	2,067	13,232
Total NHS trade invoices paid within target	1,497	16,186	1,609	10,723
Percentage of NHS trade invoices paid within target	71.0%	76.2%	77.8%	81.0%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 35 External financing limit

The Trust is given an external financing limit against which it is permitted to underspend

External financing limit	2023/24 £000	2022/23 £000
Cash flow financing	47,105	57,583
External financing requirement	**47,105**	**57,583**
External financing limit (EFL)	47,105	58,966
Under / (over) spend against EFL	**-**	**1,383**

Note 36 Capital Resource Limit

Capital Resource Limit	2023/24 £000	2022/23 £000
Gross capital expenditure	48,705	50,899
Less: Disposals	(436)	(363)
Less: Donated and granted capital additions	(371)	(289)
Charge against Capital Resource Limit	**47,898**	**50,247**
Capital Resource Limit	47,898	51,630
Under / (over) spend against CRL	**-**	**1,383**

Note 37 Breakeven duty financial performance

Breakeven duty financial performance	2023/24 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(34,761)
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	(13,482)
IFRIC 12 breakeven adjustment	11,667
Breakeven duty financial performance surplus / (deficit)	**(36,576)**

Note 38 Breakeven duty rolling assessment

The Department of Health and Social Care has previously agreed with HM Treasury that the breakeven duty will be assumed to have been met if expenditure is covered by income over a three year period. 2009/10 is assumed to be the first year of International Financial Reporting Standards (IFRS) implementation is a suitable point from which the breakeven duty should now be assessed. (NHS Improvement April 2018 Publication code: CG 57/18).

Breakeven duty financial performance is determined as guided by NHS Improvement, in a manner to be consistent with previous years in this note

The application of breakeven duty means that if a cumulative surplus or deficit is reported (greater than a materiality threshold of 0.5% of operating income), it should be recovered within the subsequent financial years.

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Breakeven duty in-year financial performance	88	17	(14,191)	(25,918)	(59,831)
Breakeven duty cumulative position	(18,344)	(18,327)	(32,518)	(58,436)	(118,267)
Operating income	336,594	348,763	346,029	364,656	368,981
Cumulative breakeven position as a percentage of operating income	**(5.4%)**	**(5.3%)**	**(9.4%)**	**(16.0%)**	**(32.1%)**

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Breakeven duty in-year financial performance	(80,844)	6,652	(1,082)	(19,775)	(36,576)
Breakeven duty cumulative position	(349,211)	(342,559)	(343,641)	(363,416)	(399,992)
Operating income	443,722	559,003	596,391	644,967	699,801
Cumulative breakeven position as a percentage of operating income	**(78.7%)**	**(61.3%)**	**(57.6%)**	**(56.3%)**	**(57.2%)**

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