



The Royal
Orthopaedic Hospital
NHS Foundation Trust



Annual Report

2023-2024

The Royal Orthopaedic
Hospital NHS foundation Trust



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Annual Report & Accounts 2023/24

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

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Chair and Chief Executive's Foreword

The past year has continued to offer a period of challenging circumstances, not only for the Royal Orthopaedic Hospital ("the ROH") but for the NHS as a whole, as the legacy of the COVID pandemic continues to be worked through and the focus remains on ensuring that patients in need of care and treatment are seen as rapidly as possible. During the year, the NHS also again experienced the significant impact of industrial action, as staff registered their concerns around the proposed pay settlements.

We have continued to operate in line with our core purpose of offering the highest quality treatment and clinical outcomes across a comprehensive range of surgical and non-surgical orthopaedic and musculoskeletal (MSK) services.

One of the most positive changes that we have seen develop in the last few years is the benefit of collaborative working across and within regions, a result in part, due to the advent of the Integrated Care Boards and the new legal duty on Provider organisations to work together within these frameworks. The Trust has continued to be an active member of the Birmingham and Solihull (BSol) system over the year and has worked closely with local partners to develop pathways of care that ensure that citizens of the region and beyond are treated as quickly and as effectively as possible through the development of mutual aid arrangements; nearly 700 people have been treated this year, through this arrangement, transferred to us from BSol partners, but also from organisations further afield, including Robert Jones & Agnes Hunt NHSFT, University Hospitals of the North Midlands NHS Trust and Shrewsbury & Telford NHS Trust.

We are incredibly proud of the dedication we have seen from our staff and of some of the incredible achievements that have been delivered over the past year to ensure that the patients we serve receive timely, excellent and high-quality care.

The Trust has also been instrumental in spearheading some of the Systemwide workforce initiatives, particularly aimed at improving recruitment, retention and ensuring that the staffing across the System is truly representative of the communities we serve. Work will continue over 2024/25 to develop and embed the Acute Provider Collaborative, lowering the boundary walls between providers within the System and ensuring that the care offered is by those with the most appropriate expertise. A key focus for the ROH and the System in the coming year will be to develop an effective framework for addressing health inequalities, such that those in need of treatment are offered this in a fair, consistent and equitable way.

The Trust has continued to focus heavily this year on progressing its vision and ambition in line with our new strategy, which sets out the overriding drive for the Trust as it moves forward, which is to deliver 'Less Pain. Greater Independence. Life Changing Care'. This includes some important work to grow the Trust's capability & capacity to treat more people; improve access to care for our community; and focus on establishing the Trust as a renowned Major Revision Centre and Surgical Elective Hub, with the plans to implement a new Electronic Patient Record being central to this. We will work in partnership to deliver our strategy to transform Orthopaedic and MSK care, both for the region and nationally. As part of this, we will build on the work progressed during the year to develop the National Orthopaedic Alliance (NOA). On 19 November 2023, we attended the NOA annual conference and awards ceremony. Much work is planned to accelerate this partnership and harness the benefits and shared experience of other providers as we move into 2024/25.

We have continued to work closely with new partnerships forged during the last year, namely Birmingham Health Partners ("BHP") and the Federation of Specialist Hospitals. We welcomed Jonathan Pearson, the new Chair of BHP to the Trust twice during the year and took the opportunity to underline the value of the ROH as a key organisation contributing to the advancement of clinical excellence and as an important partner in the development of healthcare innovation.

In 2023/24, we also welcomed a number of other visitors to the Trust, including Andy Street, former Mayor of the West Midlands Combined Authority and David Sallah, the Chair of Birmingham Community Health Care NHSFT. We also hosted the team from Versus Arthritis on 1 February, where work began to map out a range of areas for collaboration which will help our patients, pre and post operatively. We have already hosted a local event to support patients on site at our Griffins Brook facility and are excited to see how this can be widened out across the System in the coming year.

The Trust was proud to host some prestigious conferences for both national and international colleagues, the most significant being the Birmingham Orthopaedic Oncology meeting (BOOM): 'The Consensus' in January. This was a two-day event, themed around gaining global consensus on Chondrosarcoma and infected Oncology reconstructions. Over 120 major units from across the world were invited to shape the key discussions and agreements. On a smaller scale, the ROH also hosted a Sarcoma Research day which was well attended and showcased the range of services that the Trust provides.

The ROH has continued to see the development of its estate over the past year, with the opening of the refurbished Café Royale in September being a key highlight, improving the food and beverage offering for staff, patients and visitors. It has been wonderful to receive the many positive comments around the new environment and food selection. Work also continues to refurbish and redesign some of the administration areas of the Trust, including the Oncology centre, a piece of work that has been awaited with anticipation for many months. Some of the Trust's ward areas and theatres were also upgraded and refurbished during the year.

The Trust did not receive an inspection by the CQC during the year, however we continued to develop our relationship with our new CQC relationship team until the changes to the inspection and assessment framework came into force in autumn 2023 when a new team of individuals was appointed to have oversight of the ROH. We have done much work over the past year to gain an understanding of the implications of the new CQC Single Assessment Framework and will welcome the opportunity to show the CQC the great work that the teams deliver each day when the time comes for us to be assessed. The Trust remains at a 'Good' rating across all domains of the CQC framework, which reflects the outcome of the last formal assessment in 2019. Earlier in the year, we received with pride the latest CQC national inpatient survey results, which again rate us as one of the handful of trusts performing as 'Much Better than Expected', with notably good scores around admission to and leaving from hospital, feedback on care and overall experience.

Towards the end of the year, we saw the publication of the National Staff Survey results, which positioned the Trust positively against many other NHS organisations, particularly in terms of morale and flexible working. We also benchmark positively to other peer organisations in terms of staff feeling confident to speak up about matters that concern them. Over the next few months we will work through action plans to understand and address the areas where we fell short of where we would want to be, particularly around communicating to staff the changes made as a result of speaking up or reporting incidents, to ensure that the ROH is the best place for people to work and grow.

In terms of the Board and Executive Team composition, there have been some key changes during the year, largely in line with the Board's succession plan. Richard Phillips, the longstanding chair of our Finance & Performance Committee left in January 2024, after a period of seven years at the ROH. Chris Fearn, the chair of our Quality & Safety Committee also stepped down from her role in autumn 2023. We have been joined by new Non-Executive colleagues, Simon Page and Jenny Belza, who joined the Board in February 2024. Steve Washbourne was successfully appointed as the substantive Chief Finance Officer from 1 July 2023 after an external recruitment campaign. We wish all new Board members every success in their new roles and offer a fond farewell and grateful thanks for their contributions to those who have left us during the year.

During 2023/24, the ROH hosted some key celebrations in its true style. A particularly significant celebration this year centred around the King's Coronation and the NHS 75th Birthday. For the latter, on 5 July, all staff

were invited to join in lunchtime celebrations to mark the event, with many staff dressing in the style of 1948 when the NHS was founded as an institution providing free treatment for the people of Great Britain. A great number of the ROH staff participated in the event and enjoyed the music, stalls, food and activities. Fortunately, the weather was kind and the sun shone for us on the day! The 'Blue Hearts' staff awards ceremony was also held at the Birmingham Botanical Gardens in July, with over 500 nominations received and 250 staff attending the important celebrations. Finally, to round off 2023, staff were pleased to see the return of the annual Christmas market, with the event welcoming more stalls than in previous years, which provided a positive start to the festive season. As we do each year, we also acknowledged Nurses' Day and Operating Department Practitioner (ODP) Day in May.

Other events that we held during the year included a LGBTQ+ awareness week, organised to promote the inclusive culture we value at the ROH, including raising the Progress flag. As usual, the Trust was also represented at the May 2023 Pride event celebrated in Birmingham. A real cause to celebrate in terms of our passion for creating an inclusive place to work this year, was the launch of the 'Many Cultures, One NHS' initiative which was sponsored by our Multi Minority Ethnicity Group (MMEG). The initiative profiles a number of our staff whose heritage is outside of the UK and underlines how much we value and support contributions from our diverse workforce.

As we moved into autumn 2023, we celebrated Black History Month, World Menopause Day and Freedom to Speak Up month. The Freedom to Speak Up network has been strengthened this year through the work of the champions. We thank them for their endeavours to ensure our staff feel comfortable to raise matters that ensure we keep our patients and ourselves safe and happy in the hospital.

We are delighted with some more accolades that the Trust has received during the year, a key highlight being that we were accredited as an Elective Hub, following an extensive assessment process and site visit by the Getting it Right First Time (GIRFT) team. The accreditation panel was impressed with everything they heard and witnessed, but what stood out for them was the kindness, dedication, friendliness and compassion of our staff.

We were also shortlisted for two Health Service Journal (HSJ) awards for the work we progressed on osseointegration. We are proud that this service enables military personnel to receive complex surgery following life changing injuries to help restore their quality of life. The awards ceremony was held in November and a team of colleagues joined the celebrations in London. While the Trust did not win the awards, the team was very honoured to represent the ROH. Allied to this work, the Trust also welcomed Lieutenant Colonel Charles Whitting to sign the Armed Forces Covenant jointly, this being a promise by the nation that those who serve, or have served, in the forces and their families, are treated fairly and as part of this that they receive priority healthcare where it relates to a condition that results from their service. This partnership was strengthened later in the year when the Trust was accredited as a Veteran Aware NHS organisation. Thanks to all who contributed to securing this pleasing outcome.

The Trust retained its position as one of the UK's 50 Inclusive Companies, with an award of being rated as 26th this year – we remain proud of this achievement; there is also pride at Jo, as Chief Executive, being nominated as the Chief Executive of the Year by Inclusive Companies in recognition of the work she has led to focus the Trust on wellbeing and inclusivity.

The Trust was also delighted to see the Clinical Education Team put forward for a Nursing Times award and the Radiology team who won an international award for the Best NHS trust for delivering Radiology services, with a special award for Dr Rajesh Botchu who won the Radiology Fellowship of the Year award. The Trust also won an award for National Joint Registry data quality during the year and the NHS Finance Leadership Council awarded the Trust 'One Finance Towards Excellence' accreditation at level 1.

We are sad to report the death of one of our key colleagues during the year, Sandra Edwards, who worked at the ROH for an incredible 45 years. Sandra was a housekeeper on the wards, before moving on to Outpatients. We remembered Sandra at the Blue Heart awards, where she was posthumously awarded the accolade of Support Services Team Member of the Year. During the year we also unveiled a memorial tree outside outpatients to remember our volunteer gardener, Andy Hogben, who sadly passed away last year. Our condolences are offered to the families of these valuable colleagues but we thank them for the mark they have left on the Trust. We also mark the departure of some of our other key colleagues to retirement, with two of our long serving consultant surgeons David Marks and Ronan Treacy leaving us. Also leaving us was Jennifer Murphy, Radiology Consultant. We thank these and all other staff that left us during the year for their years of service and contribution to the ROH.

Although we have seen some departures, we have been fortunate to have been joined in the year by a significant number of new staff into key positions. We have been fortunate to attract some very talented new medical staff into the Trust, which have joined the anaesthetic, physician and small joints departments. A special welcome to Miss Jo Thomas who joins us as Associate Medical Director for Division 1. We wish all those who have joined us or have been successful in being recruited into new posts every success at the ROH.

In terms of the Council of Governors, there were a number of changes, as we said goodbye to Dagmar Scheel-Toellner representing University of Birmingham, Tony Thomas, Julia Liddle and Anne Waller, public governors and Gavin Newman, Staff Governor. We did however welcome back Lindsey Hughes, previous public governor. In terms of appointed governors, we welcomed Chris Langley, Eliot Marsden and Jamie Tennant from the local universities and Birmingham City Council. The Annual General Meeting was held on 23 November 2023 and was attended by a number of staff, governors and members.

The Royal Orthopaedic Charity (ROC) reported another successful year with a 51% increase in fundraising revenue across a number of key events. The charity was grateful to receive corporate sponsorship for the annual Blue Heart Awards from Tieva, CDW and Wavenet. Whilst GenMed and ModuleCo. sponsored our Chief Finance Officer as he successfully ran the London Marathon. The charity also welcomed a new recruit in the form of 'Rocy' Bear who brought some light-hearted fun to staff and patients during celebrations for the 75th anniversary of the NHS. The team successfully secured a development grant for £30,000 from NHS Charities Together which will be used towards onboarding a Grants and Trust Officer and upskilling the current charity team. Birmingham City Council also enabled the charity to continue supporting the ROH Pantry and the Blue Bag Project (in support of Period Poverty) through a grant of £5,000. ROC is extremely proud of several projects that have helped both staff and patients through what has been a financially challenging year. The charity has ambitious plans for 2024/25, which will particularly focus on growing engagement and mutually beneficial community support.

Coming to the end of this summary, we would like to reflect on the changes both nationally and locally that have affected the NHS and ROH. With the keen focus on elective recovery, the impact of the industrial action and a very tight financial regime for the NHS overall, there have been many challenges, but equally a number of opportunities to celebrate success and develop the organisation. The successes during this time have been driven by the willingness, commitment and flexibility of our extraordinary staff but also on effective system and partnership working.

Although there will be continued challenges for the ROH in the coming year as we focus on maximising the productivity of the Trust and securing a financially healthy position, we look forward to continuing to develop our relationship with System partners and peer organisations but also to progress at pace the execution of the Trust's new strategy.

As always, we would like to take this opportunity to thank all the incredibly dedicated people: patients, staff, volunteers, governors, partners and the public, who support the ROH in their different ways to make the Trust the great place that it is.

A handwritten signature in black ink, appearing to read 'Tim Pile'.

Tim Pile, Chair

A handwritten signature in black ink, appearing to read 'Jo Williams'.

Jo Williams, Chief Executive

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PERFORMANCE REPORT

1.0 Overview

1.1 Purpose of the overview section

The purpose of the overview is to provide a short summary to be able to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

1.2 Purpose and Activities, Business Model and Organisational Structure

The Royal Orthopaedic Hospital NHS Foundation Trust (ROH, "the Trust") is one of the largest providers of elective orthopaedic surgery in the UK and is one of five specialist orthopaedic centres. It offers three tiers of service:

- Routine orthopaedic operations for a local population of 4 million people in Birmingham and North Worcestershire;
- Specialist services such as spinal surgery to 5 million people who live in greater Birmingham and the West Midlands; and
- Diagnosis and treatment of malignant bone tumours.

The Trust's annual financial turnover is in the region of £136 million. It has fourteen operating theatres, six wards and 115 beds, including eight beds for private treatment and six being on a High Dependency Unit.

The Trust employs in excess of 1,400 staff, including more than 80 Consultant medical staff, each supported by multi-disciplinary clinical teams including surgeons, nurses, anaesthetists, physiotherapists, radiologists, pathologists, occupational therapists and other clinical professionals.

Only a small amount of emergency and urgent activity is undertaken, generally in the field of spinal disorders; the core business of the ROH is elective surgery. During the financial year covered by this report however, the Trust continued to treat cohorts of patients from University Hospitals Birmingham NHSFT (UHB) in a mutual aid arrangement to support the national elective recovery imperative and reduce waiting times for those requiring treatment following the pandemic.

The main elective surgery activities are joint replacement surgery (arthroplasty), joint arthroscopy and reconstruction (keyhole surgery and ligament repairs), plus hand and foot surgery.

The hospital provides a specialist bone infection service. The hospital is one of the centres in England for the diagnosis and treatment of malignant bone tumours and the bone tumour service commissioned by specialised commissioning. The Trust is one of 12 centres in England for the treatment of soft tissue sarcomas.

The year covered by this report saw the launch of the new Trust Strategy for 2023-28, with the vision set as being 'Less Pain. More Independence. Life Changing Care'. It set the Trust's mission as being to deliver compassionate, patient-centred care that empowers people to regain their mobility, independence, and quality of life. Through efficiency, expertise, innovation and collaboration we will tackle health inequality and improve access to life-changing care.

1.3 Planning for the future

The Trust Strategy was developed collaboratively with stakeholders and aligned with local plans including the Birmingham and Solihull Integrated Care Board's ten-year strategy and with national plans such as the NHS Long Term Plan, the Five Year Forward View and the Operational Planning and Contracting Guidance.

It is an ambitious and measurable strategy, framed around six strategic objectives:

| Strategic objective | Objective summary | Critical success measure |
|--------------------------|--|---|
| Our care | Deliver outstanding care that is safe, seamless and patient-centred | By 2028, we will be rated as 'outstanding overall' by our regulator, the Care Quality Commission. This will indicate that we are achieving the highest levels of care and quality. |
| Our expertise | Innovate, improve, research and teach | By 2028, we will be kitemarked as a Major Revision Centre and Surgical Elective Hub and will publish 30% more research publications. This will indicate our expertise. |
| Our people | Rated as among the best NHS hospitals to work for by our team | By 2028, we will be rated in the top 5% of Trusts to work for by our people in the NHS Staff Survey. This will indicate that we are supporting our most valuable asset; people. |
| Our community | Work with our community to reduce health inequality and support prevention | By 2028, we will be reducing health inequality by improving access for people in the most deprived 20% of our communities. This will indicate that we are reducing health inequality. |
| Our services | Efficient, effective and sustainable | By 2028, we will have increased the number of people we treat by 20% within our current resources (this figure will be adjusted as resources increase). This will indicate excellent productivity and support more people to access treatment |
| Our collaboration | Collaborate to support improvement, locally, regionally and nationally | In the next five years, we will help to deliver a standardised pathway for elective orthopaedics in Birmingham and Solihull. This will indicate that our system is transforming for the benefit of patients. |

This strategy lays out a path for the Trust to build on the excellent foundations already established and reach its potential as a world-leading specialist hospital. This includes maximising efficiency and productivity, capitalising on expertise, supporting the workforce, growing and collaborating to reduce health inequality and support prevention.

The Trust Strategy is underpinned by a range of enabling plans which are vital to support the delivery of our strategy. Of primary importance are:

- The People Plan

- The Clinical Plan
- The Digital, Data and Technology Plan
- The Estates Plan
- Health inequalities Plan
- Continuous Improvement Plan
- Patient Engagement Plan
- Nursing Plan
- Governance Plan

The Trust Strategy contains a range of metrics associated with strategic delivery. These will be monitored monthly by the Trust Board, ensuring that we meet our strategic ambition.

We continue to work collaboratively with partners in Birmingham and Solihull Integrated Care System (BSol ICS). Notably, we are leading the transformation of local Musculoskeletal (MSK) Services which aims to standardise MSK pathways, support self-management, reduce variation and improve access. We are ambitious about the potential this programme offers to support the reduction of health inequality. We are also working with System partners to transform how elective orthopaedics are delivered locally and are in the formative stages of establishing a single waiting list for BSol ICS.

The Trust shows due regard for the guidance published by NHS England around the duty to collaborate. Although the ROH is not a member of the BSol ICB, it is represented by UHB as the lead provider in the System. Most of the ROH Board members are included within the membership of various System meetings, some of which are comprised of equivalent colleagues from across the System, such as joint Chief People Officer and joint Chief Finance Officer fora. The System Chief Executives also meet weekly in a forum chaired by the Chief Executive of the Integrated Care Board and the Trust Chair represents the ROH at the BSol Integrated Care Partnership (ICP) meetings. During the year, sessions were held to which all Executives and Chief Executives from all Provider organisations and the ICB were invited. It is through these forums that agreements on how the System strategy and plans are executed is reached. Some of these joint meetings are also used to discuss and agree financial allocations where relevant such as capital funding, the plans then requiring local approval by the constituent boards of individual organisations.

We are planning for, and are enthusiastic about, the future. We are excited to continue delivering outstanding care to our communities, underpinned by the values which drive us.

1.4 Brief History and Statutory Background

The ROH is situated in the south of Birmingham, five miles from Birmingham City Centre. It provides services mainly to the population of Birmingham and the West Midlands but also offers a national service for a number of specialities.

The ROH was established on 17 June 1817 when a committee, chaired by the Earl of Dartmouth, was established to provide a “general institution for the relief of persons labouring under bodily deformity.” It became a foundation trust in 2007.

The Trust is part of the National Orthopaedic Alliance (NOA). The NOA is an acute care collaboration providing a framework for improving quality in orthopaedic care across England.

The accounts have been prepared under a direction issued by NHS England under the National Health Service Act 2012.

1.5 Key Issues, Risks and Opportunities

The Trust manages its internal risks through a Corporate Risk Register and the Board Assurance Framework (BAF), the second of which highlights major risks to the delivery of the Trust's strategic objectives and organisational goals. The BAF is aligned to the six strategic objectives in the Trust's 2023-28 strategy and the key risks identified during the year and discussed by the Board during the year are included within the Annual Governance Statement (AGS) (Section 8).

Further information on the risk appetite of the Trust, key risks on the BAF linked to key performance Indicators of the Trust, their risk score, and mitigating actions can also be found in the AGS.

In terms of opportunities for the future, the Trust intends to continue to lead a fundamental service reconfiguration for orthopaedic and MSK services and working with partners across the System provide leadership for the entire pathway, making best use of current capacity and resources.

1.6 Performance Analysis

1.6.1 Introduction summary

During 2023/24, the strategic and operational performance of the Trust was delivered through our divisional structure, comprising two clinical divisions (Patient Services and Patient Support Services) and two supporting divisions (Estates & Facilities and Corporate Services). These divisions were responsible for the delivery of safe and effective patient centred care, high quality outcomes and compliance with national and local finance and performance targets. Operational Performance metrics are presented and discussed at the Trust's Finance and Performance Committee monthly and within the Divisional structure, operational performance metrics are monitored at the Operational Management Board, Divisional Management Board, PTL (Patient Tracking List) meetings, Theatre Planning and Theatre Lookback meetings.

The intention as we entered the new financial year in April 2023, was to continue to recover elective waiting lists, maintaining the position of zero patients waiting over 78 weeks for treatment. The Trust also provided mutual aid to several NHS Trusts for both orthopaedics and spinal services. The national target changed, and the Trust started working towards the delivery of zero patients waiting over 65 weeks for treatment.

A high level of success was achieved, and the Trust supported the Birmingham and Solihull Integrated Care Service (BSol ICS) with the eradication of 78 week waits by treating patients originally referred to University Hospitals Birmingham NHS Foundation Trust. The Trust also helped to improve the regional position for Spinal by treating patients originally referred to the Robert Jones and Agnes Hunt NHS Foundation Trust. The Trust ended the financial year with most specialities achieving the eradication of 65 week waits. The exception being Spinal services that is challenged both regionally and nationally. We ended the year with 44 spinal patients waiting over 65 weeks, an improvement from the previous year. All other specialities are very close to delivering zero 52 weeks, and we expect to deliver this in advance of the national target of March 2025.

The delivery of activity has been challenging throughout the financial year due to complexity of caseload, unforeseen pressures, such as industrial action for medical staff and workforce challenges. Despite this, the Trust has maintained a high level of pace in delivery, whilst transforming services to continue to improve quality of care and productivity, maximising the digital opportunities that are now available.

1.6.2 Key objectives

Trusts within the BSol ICB have worked in partnership through a series of interventions to improve operational performance across BSol for Cancer and Elective Recovery. The ROH has continued to support UHB operating lists in 2 of our 14 theatres, as well as accepting patient transfers to improve access and reduce healthcare inequalities. This effective collaboration in patient pathways has been noted as excellent practice, demonstrating the benefits of system working for the patients of BSol. This was recognised with an award from the National Orthopaedic Alliance.

The two trusts worked effectively together to meet a demanding year-end deadline, developing a mechanism for receiving and triaging the longest waiting patients, as well as a methodology for formal reporting.

Key Objectives aligned to Operational Planning guidance were:

- Establish a capacity management model that supports BSol in the medium and long term to deliver excellence in patient care and staff experience in orthopaedics and Musculoskeletal services (MSK);
- To collaborate with BSol providers to reduce healthcare inequalities for BSol Elective Orthopaedic patients and Musculoskeletal care;
- Quantifying the scale of the caseload backlog, not only for the ROH but for BSol as a system;
- Deliver an increase in elective activity in 2024/25. with an agreed overall target of 15,175. This is an increase of 6% compared with the previous year's target of 14,316;
- Deliver operational performance imperatives in diagnostics and cancer-care;
- Fully re-establish and repatriating patient pathways that had been adjusted due to COVID-19 infection control restrictions;
- Continue to support system working and providing mutual aid to UHB, Birmingham Women's & Children's Hospital (BWCH) and RJAH; and
- Ensure workforce requirements were optimised to facilitate activity restoration, whilst ensuring the delivery of safe and effective care for patients and staff.

1.6.3 Operational Achievements 2023-24

Following business planning in 2023-24, an operational implementation plan was developed to guide the key workstreams.

The Service Improvement Board meets monthly to provide support and assurance on key workstreams. This reports upwardly to the Finance and Performance Committee.

Outpatient Transformation

A dedicated Trust Outpatient Transformation Programme has been established with key stakeholders involved in the programme and working groups supporting the established workstreams. This group reports into the Trust Service Improvement Board.

Overarching workstreams include:

- Patient initiated follow up (PIFU)
- Remote consultations
- Reduction in follow up appointments

- Missed appointments (formerly Did Not Attend)
- Clinical pathways
- Outpatient productivity
- Digital

Key performance indicators have been set for each area with active participation in the programme group from clinical specialties. The use of Dr Doctor patient portal has also been enhanced in 2023/24 giving the Trust further opportunities to communicate with patients and validate waiting lists.

The Trust is also a core member of the BSol ICB Outpatient Transformation Programme, actively participating in ICB Task and Finish groups and has also joined the GIRFT Further Faster workstream in Quarter 4 of 2023-24.

Pre-Operative Assessment Clinic (POAC)

The introduction of the electronic patient health screening questionnaire, Synopsis (digital pre-op) now in place for all pre-operative assessment improving efficiencies and patient flow. There was also the successful recruitment to substantive specialty doctor posts in POAC

Anaesthetics

The department saw the recruitment of 3 Consultant Anaesthetists into substantive posts as well as successful Anaesthetic Associate recruitment and training, which has been recognised regionally.

High Volume Low Complexity Developments

The JointCare Programme has continued through 2023/24 and Arthroplasty day-case pathways are being embedded into business as usual. The Trust had its first successful spinal day case procedure and is planning further opportunities for day case within Spinal for 2024/25.

Regional Networks

The initial implementation and development of the Major Revision Network (MRC), including establishing the core team and multidisciplinary team structure had been undertaken in 2022/23, with continued efforts to further develop the network in 2023/24, as a System leader.

The core purpose of the MRC is to discuss 100% of the more complex revisions (e.g., infection), significant bone loss or any re-revision at the regional MDT and to ensure that a plan is agreed and documented by those present in advance of the surgery.

The strategic direction for the MRC at ROH for 2024/25 is to progress on the above with a standardised Multi Disciplinary Team meeting (MDT) on weekly basis to allow for formal communications between regional partners and units to attend the MDT to present their complex cases (either in person or via teleconference).

Further development on standardised referral pathways is being reviewed to facilitate patient transfer for both elective and acute settings, facilitated by coordinators and online referral platforms.

ROH MRC will continue to engage with national / regional conferences to ensure that our processes are in line with best practise guidelines.

The Oncology team hosted the first BOOM Network meeting in Birmingham in January 2024 which involved 309 delegates from 53 countries in a two-day consensus meeting to debate researched evidence on 21

consensus statements on Chondrosarcoma and 20 consensus statements on infection in Oncology reconstructions.

Digital Transformation

Further efforts have been made to continue to enhance the Trust's digital footprint with the implementation and development of the following systems:

- Patient portal development utilising the Dr Doctor system
- A new digital dictation system has been implemented in Quarter 4
- E outcomes and electronic room bookings are planned for outpatient appointments
- Procurement is taking place for a new Telephony system
- Scoping is taking place for Electronic Patient Records
- Embedding of new digital dictation system
- Development of an electronic booking form for requesting pre op assessments

The intention is to continue to progress in these areas during 2024/25.

1.6.4 Operational Performance

The Trust continued to work with the BSol ICB throughout the 2023/24 financial year, adapting and evolving as patient needs were identified as an ICB to deliver quantifiable improvement in elective waiting lists.

From July 2022, the Trust has actively participated in BSol System Oversight Groups, meeting weekly to manage elective recovery and daily to manage daily operational pressures, tactically and strategically.

The ROH has continued to support UHB through allocating 14 operating sessions a week to UHB surgeons, and through the provision of mutual aid for patients with extended waiting times who could be treated sooner at the ROH. The two trusts continue to foster a close working relationship to maintain a high standard of care within a strong governance framework.

Activity Undertaken 2022-23 to 2023-24

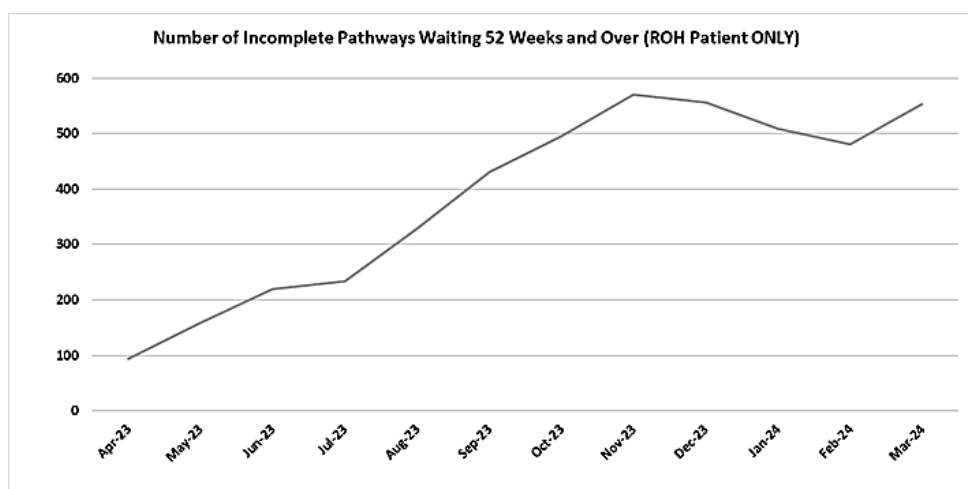
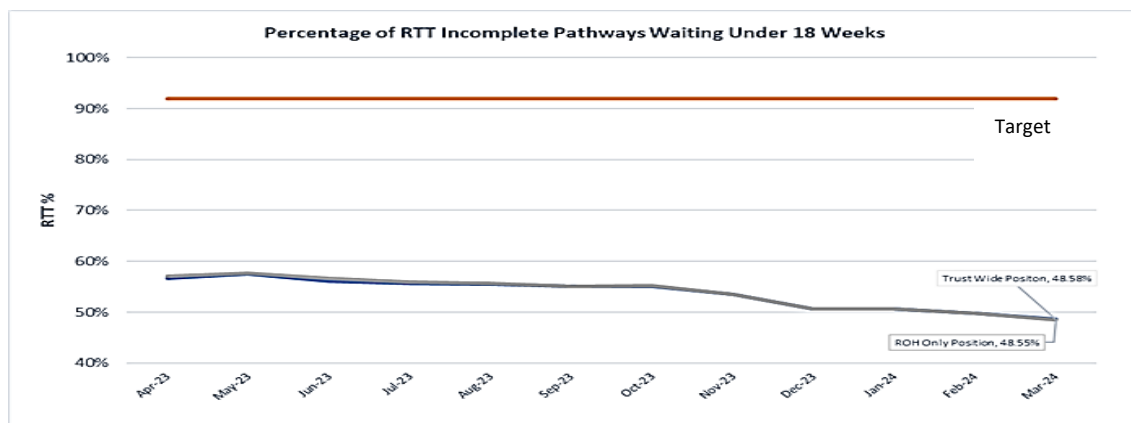
Despite the significant challenges with increased acuity and complexity of patients, staff shortages, industrial action and planned and urgent estates work, the final position for elective activity in 2023/24 was 14,478, against a BSol ICB plan of 14,316.

| | Actual Treated 2023/24 | Actual Treated 2022/23 | Actual Treated 2021/22 |
|------------------------------------|------------------------|------------------------|------------------------|
| Inpatients | 6,874 | 6,353 | 7,161 |
| Day cases | 7,604 | 7,210 | 6,250 |
| Total Admitted Patient Care | 14,478 | 13,882 | 13,411 |
| First Appointment | 22,479 | 18,129 | 19,219 |
| Follow Up Appointment | 43,566 | 40,602 | 40,309 |
| Total Outpatients | 66,045 | 62,078 | 61,845 |

The Trust has an ambitious plan to increase elective activity and productivity during 24/25.

Referral to Treatment

The Referral to Treatment (RTT) position for March 2024 is 48.58% against the national compliance target of treating 92% of patients within 18 weeks of referral. This is reflective of the cumulative impact of growing waiting time pressures within Spinal at a Regional and a National level. The graphs below represent the changes in incomplete pathways during 2023/24:



The majority of waits over 52 weeks sit within the spinal services and the teams is working hard to reduce the waiting times. All other services are working towards the delivery of zero waits over 52 weeks and this is expected to be achieved ahead of the national requirements.

Cancer Standards

The table below represents the performance against cancer targets prior to the change to reporting metrics in October 2024. Please note that the Q4 position is not validated:

| Key Performance Indicators: Cancer Services 2023/24 | Target | Q1 | Q2 | Q3 | Q4 (Provisional) |
|--|--------|-------|--------|--------|---------------------|
| % Urgent cancer referrals seen within 2 weeks wait | 93% | 98.6% | 96.4% | 96.3% | 97.12% |
| % Patients treated within 31 days of decision to treat | 96% | 90.0% | 94.3% | 100.0% | 100% |
| % Patients receiving subsequent treatment within 31 days (surgery) | 94% | 96.0% | 100.0% | 100.0% | 80% |
| % Cancer patients treated within 62 days of urgent GP referral | 85% | 48.0% | 60.9% | 68.7% | 54.17% |
| 28-day Faster Diagnostic standard (FDS) | 75% | 79.3% | 78.4% | 78.3% | 87.98% |
| 31-day standard (combined) | 96% | 92.3% | 96.4% | 100% | 91.8% |
| 62-day standard (combined) | 85% | 72.5% | 77.2% | 84.6% | 73.2% |

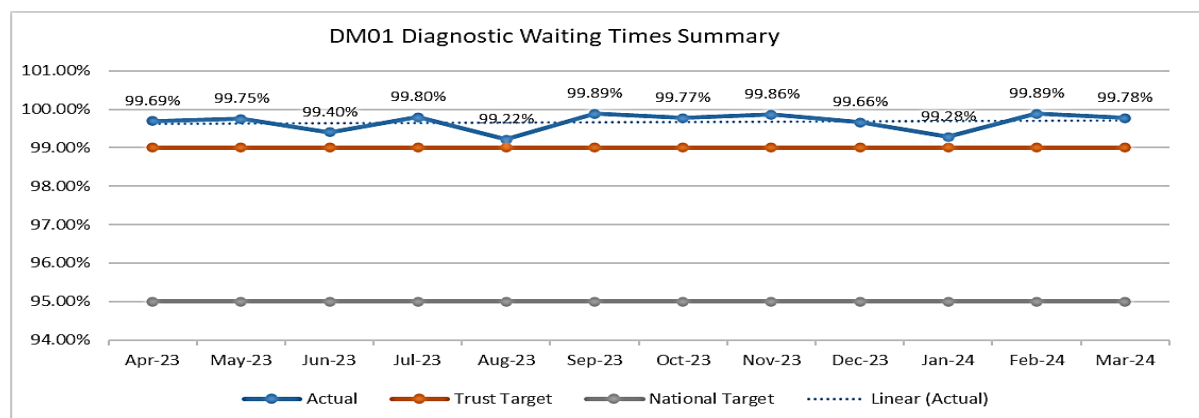
A significant amount of work has taken place following changes to the cancer standards in October 2023, with a shift in focus to confirming a diagnosis for patients on a cancer pathway within 28 days. This has allowed significant improvements to be made in respect to the 28-day FDS as demonstrated above, which improved patient experience even with a continued effort being made to achieve the former 2 week wait target as a quality indicator.

Achievement of the combined 31-day and 62-day standards have improved as metrics are combined, allowing for better tracking against the standards and equitability to patients on cancer pathways. Quarter 4 experienced some challenges arising from industrial action leading to late tertiary referrals being sent to the Trust for treatment.

The ROH has continued to lead on an international level for Sarcoma treatment and research, hosting the national BOOM (Birmingham Orthopaedic Oncology Meeting) which was attended by representatives from around the globe.

Diagnostic Performance

2023/24 saw the consistent achievement of the diagnostic standards target with the service performing over 99% throughout the year. This is demonstrated in the graph below:



The installation of accelerator software to one of the MRI machines has also seen improvements in productivity, reducing the time patients are waiting for an MRI scan to 4 weeks.

1.6.5 Developments 2024/25

The Executive and Senior Leadership team have agreed key priority projects for 2024/25 that have been signed off by the Trust Board. The Operational Service Improvement Board (SIB) will continue to ensure clear governance and assurance is provided whilst driving our continuous improvement culture. The Board will continue to oversee the project work to maximise efficiencies in referral pathways, Outpatients, Pre-operative Assessment and Theatres. There will be a specific focus on productivity to improve throughput.

An enhanced JointCare pathway has been developed and will continue to work on improved patient experience and reduced length of stay as we continue to embed a day case service as business as usual in 2024/25. The intention is to gain support within the system for the development of a 'state of the art' 23-hour admissions and day case unit, to continue to improve or patients and staff experience and maximise productivity.

Following the award of Major Revision Centre status in November 2021, the Trust established a team and MDT infrastructure, as well as data analysis and submission. The strategic intention in 2024/25 is to continue to foster working relationships with other providers in the region and develop a strong network in line with other national frameworks such as Major Trauma Networks.

Development of the Cross Cover 'OrthoPathway' clinical decision-making support tool has further progressed, with a trial led by Keele University underway, evaluating the impact of this tool on referral optimisation in Birmingham and Solihull. National funding has been received to further rollout GetUBetter, a digital supported self-management tool. This has been used by over 4000 patients within primary and secondary care. A new online platform to support patients with MSK health related issues has been launched (Route2Wellbeing), signposting patients to services within their local community.

The Trust will continue to work at a local and national level to support access for patients waiting for cancer and elective care, providing partnership working and mutual aid as deemed beneficial to service users. A joint BSoL high level patient tracking list (PTL) has been developed for orthopaedics and will be key to improving access, outcomes and experience for the patients of BSoL in 2024/25.

1.6.6 Quality Performance

The Trust worked to deliver a set of quality priorities during 2023/24, as described in last year's Quality Accounts. Three of these have been completed during the year and two will continue to be delivered as part of the work next year:

- Continue to embed a Safety Culture through the implementation of the Patient Safety Incident Response Framework (PSIRF) in the Trust. While continuing to embed safety initiative into the Trust – Achieved
- Improve the quality and accessibility of communication with patients including patient information leaflets, letters and use of the interpretation service – Partially achieved
- Improve awareness of good 'Antimicrobial Stewardship' – Achieved
- Focus on optimising patients' health prior to surgery – Partially achieved

- Ensuring clinical knowledge gaps are identified and addressed to ensure our workforce are culturally responsive to the needs of the people we serve using a continuous improvement methodology – Achieved

The following are our 2024/25 quality priorities which have been set:

- Reduction in surgical site infection
- Improve the quality of communication to our patients
- Develop and Implement of the Health inequalities plan
- Optimisation of patients' health prior to surgery (Governor sponsored priority)
- Introduce Service accreditation

1.6.7 Financial Performance

The 2023/24 financial year has been a challenging year for both operational and financial performance. Funding allocations were managed at an Integrated Care System (ICS) level across Birmingham and Solihull, rather than being given to individual providers direct, and the Trust received significant additional funding to support elective recovery. The Trust reports a deficit for the year of £5.035 million.

Narrative to the Accounts

This section sets out the key features of the trust's financial performance in 2023/24. A full set of accounts is attached including:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Taxpayers' Equity
- Statement of Cash Flows

Statement of Comprehensive Income (SOI)

The Trust's financial position is based on a consolidated financial position of the Trust and its Charity. This consolidated financial position is referred to as the Group within the annual accounts and this commentary. The Group delivered a £5.035m deficit for 2023/24 (2022/23: £1.441m surplus) as per the Statement of Comprehensive Income (SOI). In previous years, a Control Total has been set for the Trust which adjusts the retained deficit for the Group by removing the impact of impairments, donated assets and the Trust's Charity. It is this Control Total that is used by NHS England to assess financial performance. For 2023/24 this is a £4,697 deficit as shown below (22/23: £0.368m surplus).

Financial Performance 2021/22-2023/24

| £000s | 2023/24 | 2022/23 | 2021/22 |
|---|----------------|--------------|--------------|
| Operating Income | 135,707 | 127,649 | 115,584 |
| Operating Expenses | (139,687) | (125,288) | (113,783) |
| Operating Surplus / (Deficit) | (3,980) | 2,361 | 1,801 |
| Net Finance Costs / Other gains and losses | (1,417) | (920) | (1,418) |
| Retained deficit for the year (per SOCI) | (5,397) | 1,441 | 383 |
| Control Total Adjustments: | | | |
| Reversal of impairments | 346 | (1,215) | 361 |
| Consolidation of charities | 354 | 60 | (104) |
| Donated assets | 91 | 82 | (218) |
| 'Control Total' Surplus / (Deficit) | (4,697) | 368 | 421 |

The table above reconciles the surplus position reported in the Group's SOCI to the performance against its Control Total, and shows the Trust delivered a £4.697m deficit in year. The following control total adjustments are made:

- Net Impairments (£0.346m). The Group has been subject to a valuation of its land and buildings during the current financial year and has also made a reversal of a previous impairment as required by accounting policies. As a result, this generated a small net loss and is recognised in the accounts. This is detailed in Note 7 and shows a value of £0.346m being charged to the SOCI;
- Consolidation of Charities (£0.354m). The accounts are provided in Group form. This adjusts to show Trust transactions only; and
- Donated assets income and depreciation (£0.91m)

The bottom of the SOCI also reflects other comprehensive income (and expenditure) that is not classified as Income and Expenditure. This includes a further impairment of £2.814m, which is partially offset by a revaluation gain of £0.957m (both of which relate to the revaluation of buildings and are detailed in Note 7.1) and a small increase in the value of non-current assets of £0.055m detailed in Note 19.

Statement of Financial Position as at 31 March 2024 (SFP)

The Statement of Financial Position sets out total assets employed by the Group.

- **Non-Current Assets £67.341m (£4.028m reduction)** - The introduction of IFRS 16 (Leases) has resulted in many of the Trust's operating leases being reclassified as Right of Use Assets (similar to finance leases) from 1st April 2022. Existing operating leases were brought on balance sheet as an asset and liability calculated as the present cost of minimum future lease payments (see note 1.13). A right of use asset was therefore created in 22/23 of £18.201m in non-current assets which has now been reduced to £15,925m (Note 18.1) to reflect the first year of use and the impact of a disposal;
- **Current Assets £10,942 (£10.825m reduction)** – This relates to a reduction in cash of £6.207m and receivables of £4.645m.
- **Current Liabilities £18.339 (£5.107m reduction)** - This relates to a reduction in the value of accruals;
- **Non-Current Liabilities £14.129m (£2.608m reduction)** - This relates mainly to the lease liabilities (Note 27.1) due beyond 12 months. These non-current lease liabilities will reduce annually in line with the reduction in non-current "right-of-use" assets above; and

- **Total Assets employed** - The overall assets employed by the Group has therefore reduced slightly to £45.815m (£52.953 m in 21/22).

Statement of Cash Flows for the year ended 31 March 2024

The Group ended 2023/24 with a cash balance of £2.583m, a reduction £6.207m on the previous year-end cash balance. This is reflective of the deficit that the Trust incurred in 23/24.

Analytical Review of 2023/24 Annual Accounts

Review of Operating Income

The Group earned income of £135.706m in 2023/24, a rise of £8.057m compared to the previous year (2022/23, £127.649m). This is inclusive of all non-recurrent system reimbursement and provider elective recovery funding received. Of this, £129.534m relates to patient care activities, with the remaining £6.172m generated from other operating income.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust has met this requirement. Other income received in the financial year is used in support of the Trust's core services of treating orthopaedic patients.

Review of Operating Expenses

The Group incurred operating expenses of £139.325m in 2023/24, a rise of £14.037m compared to the previous year (2022/23, £125.288m). Pay costs continue to account for most of the expenditure, with £78.988m or 57% (2022/23, £74.989m and 60%).

The increase in expenditure is attributable to the following factors:

- Pay costs increased by £3.999m;
- Purchase of healthcare from non-NHS bodies increased by £9.493m (this relates predominately to the cost of running theatres);
- Depreciation and amortisation increased by £0.663m; and
- Clinical Negligence costs reduced by £0.308m.

In addition to Operating Expenditure, there is a net impairment gain of £0.016m.

Financial Accounts

The full set of Accounts is included within this report. The accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the Trust's accounting

policies. Their preparation has been guided by the 2023/24 Department of Health and Social Care Group Accounting Manual (GAM)¹ and the 2023/24 NHS Foundation Trust Annual Reporting Manual (FT ARM)².

The Trust's accounting policies are in accordance with directions provided by the Secretary of State for Health and follow International Financial Reporting Standards and GAM to the extent that they are meaningful and appropriate to the NHS.

Post Year-End Events

There have been no important events since the end of the financial year affecting the Foundation Trust that influence the information within this Annual Report.

1.7 Information on Environmental Matters

The ROH has a long 100-year history in providing well maintained grounds & gardens for its staff and service users. The 'Woodlands Site' has a wide variety of trees which support the control of greenhouse gases. The Trust continues to maintain its green canopies; in 2024 through the NHS Forest Programme the Trust was successful in its application and received over 30 Hawthorn trees which have been planted in the woodland area. The Trust continues to nurture and improve its 'Greenspace', creating herb gardens and flower beds which has benefits for Health & Wellbeing and leads to improved air quality, noise reduction and supports Biodiversity. The Trust continues to be proud of its 'Green Apple' award status.

The Trust Board approved its 'ROH Green Plan' in 2021. The plan sets out the Trust's strategy for playing its part in working towards delivering our contribution to a 'Net Zero NHS'. In keeping with many other NHS Trusts, the ROH has established ten workstreams to examine and question its approach to environmental factors, carbon reduction and achieving a more ecological sustainable future. We are working in partnership with organisations to promote initiatives to reduce air pollution, such as no idle zones, flexible/hybrid working and cycle to work schemes. We continue to invest in smart technology to reduce our carbon footprint.

The Trust recognises technological developments in 'alternative energy'; these will play a big part in adapting our environments to meet the future needs of the service and working towards our 'Net Zero' target. The Trust continues to invest in 'Solar Power' on its hospital roofs, in 2023/24 it has invested a further £100,000 in this Green Technology which has expanded our solar capacity on site. The return on investment is less than ten years and helps the Trust work towards its sustainable targets. Sustainable development is always considered in our refurbishment programmes; we continue to install energy efficient lighting in our wards and departments, together with other energy efficient devices. Energy efficient boilers continue to be installed in various locations which helps reduce our energy consumption.

The Trust has invested in electric charging points for our staff, visitors, and patients. We have also invested in charging points and electric vehicles for the transportation of blood samples and medical notes between our off-site clinical facilities and other local healthcare providers. We continue to work with local transport providers to provide discounted travel for our staff. In conjunction with our local transport partners, we continue to develop our 'Health Travel Strategy' with a focus on reducing single occupancy car journeys and the impact of transportation within our Procurement Supply Chain.

The Trust has reviewed the use of its anaesthetic gases and has removed the piped nitrous oxide gas from the site, Desflurane has also been removed from use. We continue to make changes to our non-clinical waste

¹ https://assets.publishing.service.gov.uk/media/660beeb6fb0f770011ec6683/Group_Accounting_Manual_2023_to_2024_2April2024.pdf

² <https://www.england.nhs.uk/wp-content/uploads/2018/01/PRN01143-nhs-foundation-trust-annual-reporting-manual-2023-24.pdf>

streams and have seen a reduction in the amount of waste going to landfill.

1.8 Statement on the Modern Slavery Act 2015

The ROH recognises it has a responsibility to take a robust approach to slavery and human trafficking and is absolutely committed to preventing slavery and human trafficking in its activities.

The Trust has comprehensive safeguarding policies that highlight the need to protect vulnerable individuals. The policies are:

- Safeguarding Adults and Families at Risk; and
- Safeguarding Children, Young People and Families

We also refer to the Birmingham Safeguarding Adults Board and Birmingham Safeguarding Children's Board policies and procedures.

Both safeguarding leads attend regular external training sessions to keep up to date with the latest information and support available.

As part of the Trust Statutory and Mandatory training, all staff members are required to attend a safeguarding session to give a general awareness on modern slavery. There is also information and guidance on where to go for help if they are concerned about vulnerable individuals with whom they come into contact.

1.9 Anti-bribery

The Trust has adopted the model policy around conflicts of interest, which includes references to the Bribery Act 2010. The policy remained live for the 2023/24 year. It provides clear guidance on the acceptability of accepting gifts, hospitality and sponsorship and the processes needing to be followed when offered. The Trust has the benefit of the services of a Local Counter Fraud Specialist, who working with the Chief Executive, has developed a public statement for the Trust on anti-fraud and bribery.

1.10 The Knowledge Hub

1.10.1 Education and Training Summary

When it comes to Education and Training, the ROH is a highly regarded teaching hospital. As a Local Education Provider (LEP) for NHS England Education West Midlands, the Trust provides specialist orthopaedic teaching and education for several local universities and Higher Education institutes. Through the annual Learning and Development Agreements (LDA) with NHS England Education, the Trust's educational activity generates £2.8m in financial income. The income received from the LDA, supports the Trust in mitigating the impact student teaching may have on activity levels, whilst allowing the Trust to provide an exceptional education infrastructure to enable the provision and delivery of the training, education activities and resources.

During 2023/24 the Education and Training department continued to return its services to a new post COVID-19 hybrid approach integrating original approaches with the learning and new technologies introduced during the pandemic. The team has maintained and exceeded standards and delivery requirements, adapting, and effectively implementing innovative approaches and solutions to enable all students and staff to receive the

placements and training opportunities required to complete their studies and maintain performance levels.

The Education and Training team was delighted to be awarded the Non-Clinical Team of the Year Award at the ROH Blue Heart Awards 2023.



1.10.2 Medical Education

Undergraduate Academy Medical Education

The Medical Education Team have appointed a new Deputy Head of Undergraduate Academy – Mr Scott Evans (commenced 1st April 2024), following the tenure of the previous Deputy HOA, Dr Mark Davis, coming to an end. The Trust and the Undergraduate Academy would like to recognise and thank Dr Davis for his invaluable support of the academy over the last 10 years.

The Trust continues its partnership with the **University of Birmingham (UoB)**, with 440 fourth year medical students completing a two-week musculoskeletal placement on site during the academic year. Our Patient Simulated Teaching (SIMS) sessions continue to be very well received and are widely recognised as the leading simulated teaching experience in the West Midlands.

Following feedback from the student evaluations, the Medical Education Team redeveloped the Undergraduate Medical Student induction morning presentations, highlighting the expectations and standards expected from students and hospital staff whilst on placement. During the new induction, FTSU Champions are promoted. As a result we have received fewer comments from students' feedback regarding gender inequalities / behaviour / culture within Orthopaedics.

Aston University Medical School

The Trust continues to work in close partnership with Aston University Medical School whose first students commenced in September 2018. The Trust welcomed its first Aston Medical School students in September 2020, with sixty third year medical students attending the Trust for their two-week orthopaedic placement. Their student numbers have now increased to 140 per academic year. They follow the same orthopaedic placement programme as UoB students, and they gave positive feedback within their evaluations.

The Trust has also expanded its 1-week Peri-operative medicine placements to support the increased number of Aston Medical students. This placement is led by the Anaesthetics Senior Academy Tutor. This role and the programme was initially developed by Dr Simran Minhas, Consultant Anaesthetist, and from April 2024 will be led by Dr William Tosh, Consultant Anaesthetist. The programme is supported by a range of tutors from within the Anaesthetics department, including a specialist anaesthetics clinical teaching fellow, and Anaesthetics

Associates.

Aston University Medical School conducted its inaugural clinical education monitoring visit on Thursday 15th December 2022, with the ROH being the first NHS trust visited by the Medical School since its inception. The outcomes of this visit were explored with the Medical School during 2023, with a clear action plan developed, with requirements for both parties.

Actions for the Undergraduate Academy included:

- developing a new introductory welcome session, including student conduct and standards expectations to improve professional socialization which was implemented in September 2023 at the start of the academic year; and
- and finalising the draft Peri-Operative Medicine Handbook. This will be undertaken by the Clinical Teaching Fellows within Anaesthetics and will be ready for the new academic year 2024/25.

Post Graduate Doctors training

Post Graduate GP trainee placements and teaching

During their rotational placements from the West Midlands Deanery, GP trainees support the Trust in providing high standards of patient care. During this time, the trainees receive weekly musculoskeletal and orthopaedic training and teaching. In addition to the GP trainees, the Trust also provides training placements for sports and exercise medicine, histopathology, radiography, and anaesthetic registrars.

In October 2023, Mr Khalid Baloch, Orthopaedic Surgeon, took on the new role in the Trust of Director of Medical Education. This new role will oversee and align all medical education activity in the Trust.

Our newly appointed Postgraduate Clinical Tutor, Mr Morgan Jones, commenced on 1st April 2024, following the end of the 6-year tenure of Mr Matt Newton Ede. The Trust would like to recognise and thank Mr Newton Ede for his support during this time.

1.10.3 Library Services

2023 has been an eventful year for the Royal Orthopaedic Hospital Library Service. January 2023 saw the introduction of the new library strategy, giving us a clear and ambitious direction for the future. Working from this, we introduced a range of new resources, increased our literature search provision, and pushed forward with redevelopment plans.

In the coming months, we will be focussing on the future. The Library has submitted the ROH Quality and Improvement Outcomes Framework Assurance and Service Improvement plan to NHS England on 15th April 2024. This is in preparation for the Knowledge and Library Service Quality Assurance and Service Improvement Conversation: Feedback and Recommendations sessions were arranged for 22nd and 23rd May 2024 with NHS England.

To receive a full copy of the Library Strategy or for more information or support regarding Library services please email roh.library@nhs.net

1.10.4 Non-medical Education and Training

The Trust continues to provide educational placements for up to 60 non-medical students, from partner universities at any one time. This year it has received students from the new Nursing Degree Programme at University College Birmingham and is in discussion with Aston University regarding placement support for their nursing degree commencing in September 2024, and Newman University also.

The Trust supports a range of speciality undergraduate placements, including:

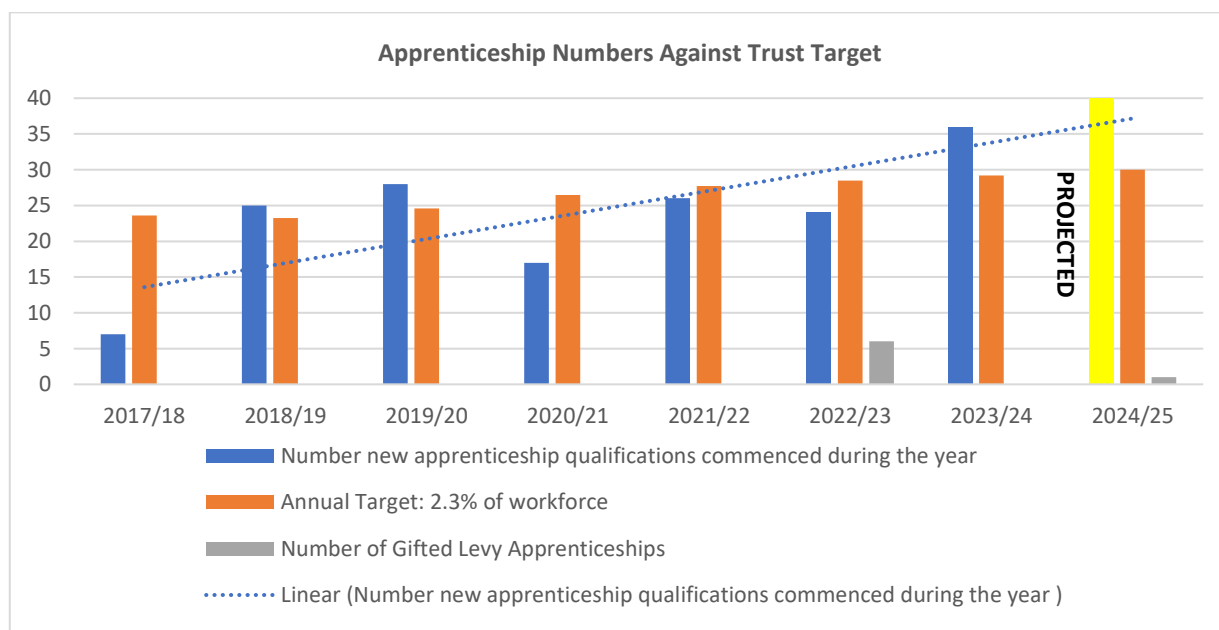
- adult nursing degree
- physiotherapy
- radiography
- occupational therapists
- operating department practitioners
- pharmacy

1.10.5 Personal and Professional Development of our workforce

Apprenticeships

The Apprenticeship Levy came into force in April 2017. This levy amounts to 0.5% of the Trust pay bill, at £230,000.00 annually, which the Trust can invest in the delivery of apprenticeship standards and career frameworks within the organisation.

The Trust developed a robust Apprenticeship strategy which it has performed well against, and despite the challenges of the pandemic has continued to perform well against. A summary of our Apprenticeship targets and achievements are detailed in the table below.



Apprenticeship Levy Utilisation

As at 31st March 2024, the Trust has paid a total of £1,583,359.92 towards the Apprenticeship Levy since its introduction in April 2017. Of this total amount, 51.19% has been accessed by training providers to fund apprenticeship qualifications in the Trust (increase from 48.03% in March '23), 35.48% remains available (decrease from 38.84% in March '23) and 13.33% has expired (slight increase from 13.13% in March '23).

Personal and Professional Development

The ROH is committed to support the personal and professional development of our employees and seeks to develop our own internal talent. To support staff development the Trust provides a range of programmes and resources to support career development

Clinical Skills Training, Resus Training & Safeguarding Training

The new training rooms are accommodating a wide range of Clinical Skills training sessions and it's great to have activity fully back up and running in the Knowledge Hub.

Work Experience

In October 2023 we delivered a four-day Work Experience programme for school students in a seminar format with input from our multi professional teams. The students were very appreciative of the programme and gained insights to the wide range of job roles in the NHS and working in Orthopaedics. We are also accommodating other work experience placements where support is available in the Trust, not at the levels previously. These are now restricted to those over 18. We are also supporting numerous careers and apprenticeship events across BSOL and looking at what can be achieved as a system.

T-Levels

In 2023/2024, work has progressed with T-Level students accessing placement support across the system. Whilst ROH has been unable to provide placements for this programme we have provided Core Mandatory Training opportunities to support students with their Core Skills Training Framework compliance in readiness for placements across other BSOL Trusts, where locally they will receive top-up Induction/welcome events. In future years we will review whether we can widen our support with T-Levels for Health Care Support / Nursing careers.

Summary of Achievements

Our future opportunity and focus are to develop and build on our ambition to deliver an MSK academy and be the education, training, and knowledge leader in MSK and Orthopaedics.

1.11 Auditor's Opinion

Audit opinion is supplied by Deloitte LLP and is included within the 'Financial Statements' section of the annual accounts.

1.12 Going Concern Statement

International Accounting Standards (IAS1) require the Directors to assess, as part of the account's preparation process, the Foundation Trust's ability to continue as a going concern.

The guidance in the NHS Foundation Trust Annual Reporting Manual (FT ARM) continues to state that '*the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern*', and furthermore '*an NHS foundation trust's assessment of whether the going concern basis is appropriate for its accounts should therefore only be based on whether it is anticipated that the services it provides will continue to be provided with the same assets in the public sector. This is expected to be the case for NHS foundation trusts unless exceptional circumstances indicate otherwise; these should be discussed with NHS England*'.

In addition, in 2020/21, there was a practice note issued by the Public Audit Forum to audit firms updating its guidance to align more with the above – previously there was a mismatch between the testing required by external audit (more akin to a private sector going concern assessment, which would include extensive assurance on areas such as cash flow, funding and contractual arrangements, and governance considerations) and that required by the Directors under the FT ARM.

The Trust continues to be a specialist provider of orthopaedic services, treating patients not only from the local area for common procedures such as primary hip and knee surgery, but also from across the UK for some of its specialist services, such as complex spinal deformity (e.g., spinal scoliosis), orthopaedic oncology, bone infection procedures and complex revision surgery. There remain substantial waiting lists across the country for orthopaedic services post Covid, which suggests a continuing need in the UK population that is required to be met.

Therefore, this need has allowed the Directors to assess that, on the basis of their enquiries, there is still continuing demand for orthopaedic services, and that there is still a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future.

As such the financial statements, as provided in detail in later sections of the Annual Report, have been prepared on a Going Concern basis. The assumptions within the financial statements have been fully challenged through Audit Committee and Trust Board.

Approved by the Board of Directors on 28 June 2024



Jo Williams
Chief Executive
28 June 2024

ACCOUNTABILITY REPORT

Section 1: Directors' Report

1.0 Directors holding office during 2023/24



Timothy Pile – Chair (January 2021 – Present). Appointed in January 2021, with the first term of office in this role concluded in January 2024. Further term of office approved by the Council of Governors which concludes on 31 March 2025.

Tim has worked in a number of different industries such as banking, retail, marketing, consumer goods, manufacturing, as well as in the charity and public sectors – for organisations big and small.

Tim was the Chair of the Greater Birmingham and Solihull LEP until the end of 2021 and was a Non-Executive Director of Marshalls Plc. He is a member of the Council of Aston University.

Tim was Chief Executive and Executive Chairman of Cogent Elliott. Prior to this, Tim was Chief Executive of Sainsbury's Bank and a member of Sainsbury's Operating Board.

Before Sainsbury's, Tim led the Retail Function of the Alliance and Leicester Group as Marketing, Strategy and Sales Director and served at Lloyds TSB as Marketing Director.

He has held a number of non-executive roles including serving on the board (and as past president) of the Greater Birmingham Chambers of Commerce, being a trustee of the Library of Birmingham, a governor at Bromsgrove School, Honorary Senior Fellow at Birmingham Business School and was on the Board of Cancer Research UK.

Tim, on approval by the Council of Governors, took up post as Chair, with an initial term of office which concluded on 1 January 2024. A further term of office was agreed by the Council of Governors which concludes on 31 March 2025. Prior to this, he was the Trust's Vice Chair, Senior Independent Director and Chair of the Finance & Performance Committee.



Joanne (Jo) Williams, Chief Executive

In June 2017, Jo joined the Trust as Chief Operating Officer, on secondment from University Hospitals Birmingham NHSFT, where she was Deputy Chief Operating Officer for three years and Deputy Director of Partnerships for the STP (Sustainability and Transformation Partnership).

Jo gained significant operational experience working in a number of acute hospitals delivering and leading service transformation projects. As well as 14 years in operational management, she also worked in procurement both in the NHS and was a capital buyer for the private healthcare sector.

Jo was appointed as substantive Chief Executive of the ROH in 2019. Jo is the lead Chief Executive for the National Orthopaedic Alliance and is a Trustee of Arthritis UK.



Simone Jordan – Non-Executive Director, Vice Chair and Senior Independent Director (Term of Appointment as an Associate Non-Executive: 1 July 2017. Appointed as a substantive Non-Executive Director from October 2020, Vice Chair from April 2021 and Senior Independent Director from September 2022). Further term of office approved which concludes on 30 September 2026.

Simone is an experienced Executive, working at Board level for 20 years, as a Chief Executive, Executive and Non-Executive Director. Her professional background is in Workforce, Human Resources and Organisational Development. She also has significant leadership and personal development expertise. Her UK experience includes service and hospitality sectors, manufacturing, health, higher education and other public sector organisations. Simone's roles have included Managing Director of Health Education East Midlands, Director of Workforce for East Midlands Strategic Health Authority and Deputy Chief Executive and Chief Operating Officer for the NHS Institute for Innovation & Improvement.

Simone holds an honours degree in History and has an MBA.

Simone has led numerous major cultural and organisation change programmes across multiple organisations working in complex political environments.

Simone is an experienced leader, qualified coach, mentor and facilitator with a detailed understanding of organisation dynamics and functioning, governance and accountability frameworks.

Simone is currently Acting Chair of the Leicester, Leicestershire and Rutland Integrated Care Board.

Simone is Chair of the Staff Experience & Organisational Development Committee and the Nominations and Remuneration Committee.



Richard Phillips - Non-Executive Director (Term of Appointment: 1 February 2017 - 31 January 2020, which was further extended for a second term to 31 January 2023 and a subsequent extension which ended on 31 January 2024)

Richard joined the Association of British Healthcare Industries as Director, Healthcare Policy in June 2015 with over 25 years' experience in the pharmaceutical and medical devices industries.

Richard holds a first degree in Sports Science from Brighton Polytechnic and a Masters in Health Economics Research and Management from Keele University. He served from 2003 until 2013 as a member of the Technology Appraisal Advisory Committee of the National Institute for Health and Care Excellence and also on the Programme Advisory Group of the Healthcare Quality and Information Authority in Ireland.

Richard is a Non-Executive Director of both the West Midlands and formerly the South West Peninsula Academic Health Science Networks, serving as Chair of the latter for most of 2015. He also chaired the Programme Board of the Small Business Research Initiative Healthcare. He is a longstanding member of the Institute of Healthcare Management.

Richard was Chair of the Finance & Performance Committee prior to stepping down in January 2024 at the end of his term.



Ayodele Ajose – Non-Executive Director (Term of Appointment as an Associate Non-Executive Director: 1 November 2019. Appointed as a substantive Non-Executive Director from 1 April 2021 – March 2024. Further term of office approved which concludes on 31 March 2027).

Ayodele is a Barrister and experienced commercial lawyer, working at Board level for over 15 years as General Counsel and Legal Adviser within both the private and public sectors. In addition to commercial law, her legal background covers intellectual property, licensing, R&D, commercial software and systems integration. Her professional experience extends across a range of industry sectors as General Counsel to Forensic Science Service, legal consultant to global pharmaceutical companies Hospira Inc and Pfizer Ltd and more recently Head of IP and International for Britvic plc. Ayodele has advised CEOs and Executive Teams on corporate governance, international expansion projects and product launches within the USA, EMEA and China and advised senior executives on the handling of high-profile criminal cases involving miscarriages of justice. Ayodele has directed and led high value public sector procurement frameworks and has advised on major corporate restructuring projects.

In addition to her degree in law, Ayodele has a diploma in Marketing and an MBA.

Ayodele is currently a legal consultant to the international law firm Addleshaw Goddard LLP advising its corporate clients on all aspects of commercial law.

Ayodele is the Trust's wellbeing guardian and Chair of Charitable Funds Committee.



Gianjeet Hunjan - Non-Executive Director (Term of Appointment: First term of Appointment ended on 30 September 2023. Further term of office approved, concluding on 30 September 2026)

Gianjeet was appointed as a Non-Executive Director at the Royal Orthopaedic Hospital NHS Foundation Trust on 1 October 2020 and is Chair of the Audit Committee. Gianjeet is also the Non-Executive lead for Freedom to Speak Up.

Gianjeet is a qualified accountant with extensive experience in the NHS and Education sector. She started her career as a Regional Finance Trainee in the West Midlands and has worked at director level in a variety of health care finance roles within acute services, mental health, forensic sciences and primary care, principally

in the West Midlands and North West regions. She has worked at Board level in both Executive and Non-Executive roles. Her interest in education, learning and training extended into Education and supporting businesses through her work with Business Links and the West Midlands Manufacturing Advisory Service.

In addition to her degree in Business Studies and accounting qualification, Gianjeet has a Master of Arts in Finance and Accounting from Leeds Metropolitan University.

Gianjeet is a Governor for Oldbury Academy and Ferndale Primary School. She also serves as a Non-Executive Director for the Black Country Integrated Care Board.



Les Williams - Non-Executive Director (Term of Appointment: First term of Appointment until 31 March 2024. Further term of office approved which concludes on 31 March 2027.)

Les was born in Quinton, Birmingham and now lives in Cradley Heath. He graduated with honours in English from the University of Leicester in 1977, and began working in NHS management, a career that lasted for thirty-nine years until his retirement in 2016.

Les's career included working in operational management and then as an Executive Director in contracting, information, planning, delivery and strategy at several of the major hospitals in Birmingham. After several years on the Board at Dudley Group of Hospitals, Les became Programme Director for Right Care Right Here, a service transformation programme in Sandwell and West Birmingham, which developed a range of community-based services and facilities as an alternative to hospital-based care. After working at the Black Country PCT Cluster during the 2012 re-organisation, Les became Director of Operations and Delivery for the NHS England Area Team for Birmingham, Solihull and the Black Country. His final role in the NHS was as Director of Performance and Delivery for Birmingham Cross City CCG, commissioning services for three quarters of the population of Birmingham.

Alongside his work in the NHS, Les was a Governor for eleven years at Halesowen College of Further Education, and was Chair for the last five of these, until 2016. On his retirement, Les undertook family care and developed a keen interest in the local history of Birmingham and its prominent citizens, whether native or adopted, which led to the publication of his first book in 2021.

Les offers his experience of strategy, performance, service re-design and public engagement to help the Trust meet the challenges of continuing to deliver exceptional quality of care in innovative ways. He is passionate about ensuring performance is used to create better outcomes for patients in a supportive environment for staff, governors and volunteers.

Les became Chair of the Finance and Performance Committee in January 2024



Ian Reckless Non-Executive Director (Term of Appointment: First term of Appointment until 31 October 2025)

Ian was appointed as Non-Executive Director at The Royal Orthopaedic Hospital on 1 November 2022.

Alongside his Non-Executive Director role, Ian is also the Medical Director at Milton Keynes University Hospital. He qualified from St George's Hospital Medical School, London and undertook postgraduate training in the Oxford region. He worked as Special Adviser to the Healthcare Commission in 2004 and was Special Assistant to the Chief Medical Officer in 2005-06.

Ian was appointed Consultant Physician and Senior NIHR Research Fellow at Oxford University Hospitals in 2007. He also held the roles of Associate Medical Director (Quality) and Clinical Director, Neurosciences. Ian has a good understanding of system working having been a member of the Governing Body of a Clinical Commissioning Group (CCG) for several years and is currently leading work with partner organisations on behalf of MKUH.

Ian continues to undertake clinical work in Acute Medicine. He remains an Honorary Consultant Stroke Physician / Senior Clinical Lecturer at the John Radcliffe Hospital.

Ian has a particular interest in postgraduate education, having previously served as Training Programme Director, and has authored books on general medicine, and the interface between medicine and the law.

Ian was appointed as a Deputy Chief Executive of Milton Keynes University Hospital in 2020, with a particular focus on working with partners across Milton Keynes and the wider system. He is the Chief Medical Officer at Bedford, Luton and Milton Keynes Integrated Care Board.

Ian became Chair of the Quality & Safety Committee in October 2023.



Christine Fearn Non-Executive Director (Term of Appointment: First term of Appointment until 31 August 2025. Chris resigned from her appointment in September 2023)

Chris was appointed as Non-Executive Director at The Royal Orthopaedic Hospital on 1 September 2022.

Chris joined the Board in 2022 as an experienced NHS Non-Executive Director. She is a Registered Nurse with a career spanning circa 40 years in NHS. She has held a number of senior provider roles gaining extensive experience in Quality Governance, Strategic Development and Partnerships.

She is a former Director of Primary Care and Director of Commissioning for South Birmingham where she also held joint posts with the Local Authority.

In addition, she has gained significant experience and expertise having led delivery of a number of major transformation programmes including complex reconfiguration of acute and community services across trusts and across health economies, to achieve clinical sustainability including clinical standards.

Chris has a particular interest in improving patients experience and voice and in reducing health inequalities.

Chris was Chair of the Quality & Safety Committee before standing down in September 2023.



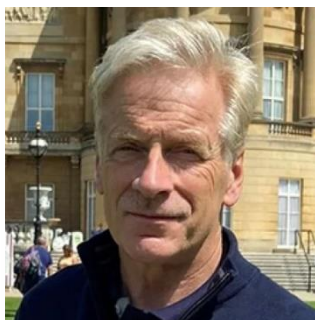
Jenny Belza Non-Executive Director (Term of Appointment: First term of Appointment until 31 January 2027.)

A registered nurse with over 40 years' experience working in the NHS, Jenny undertook her general nurse training in South Wales and then specialised in neurosurgery and has worked in acute hospitals in Cardiff, Cambridge and Leicester.

She has held several senior positions as a NHS manager within hospitals, health authorities and Primary Care Trusts (PCTs). Jenny worked for 11 years in Birmingham in senior commissioning roles. Her most recent full-time position was as a Chief Nurse in one of the Birmingham Clinical Commissioning Groups (CCGs).

She has extensive experience of working at Board level including as a Non-Executive Director and Vice Chair at Birmingham Community Healthcare NHS Trust and is currently a governor at University College Birmingham.

Jenny is passionate about ensuring patients receive safe, effective care of the highest quality, addressing health inequalities and supporting the development of a compassionate and inclusive workforce.



Simon Page Non-Executive Director (Term of Appointment: First term of Appointment until 31 January 2027.)

Simon Page is an experienced Non Executive Director and is currently Deputy Chair at South Warwickshire University Foundation Trust. He has a career of over 30 years, with wide ranging leadership experience in the private sector as Chairman, Managing Director and Director. Simon's career, prior to his NHS Non Executive Director roles, centred around retailing and manufacturing businesses operating within the consumer and building products markets.

He has a strong background in business transformation, marketing, sales and commercial leadership, working for some well-known blue-chip brands, in both the prestige branded and mass-market arenas; these include Aga, Fired Earth, Villeroy & Boch and Rangemaster. This has given him a clear insight into working for complex international organisations, change management, strategy development and delivery, and of the importance of delivering success with and through others, especially in periods of change.



Mr Matthew Revell – Executive Medical Director

Matthew was appointed as Medical Director for the Royal Orthopaedic Hospital in February 2019. He is a Consultant Orthopaedic Surgeon with an interest in hip replacements and revisions, although does not currently work clinically.

Matthew qualified in medicine from Guys Hospital and worked as a Junior Doctor at St Thomas's and in the South East of England. He undertook higher surgical training in the West Midlands and was a Cavendish Hip Fellow in Sheffield.

Since being a consultant, Matthew has maintained an interest in research, medical education, clinical outcomes and medical leadership. He obtained an MBA from Warwick Business School and is a Founding Fellow of the Faculty of Medical Leadership and Management.

Matthew has held a number of management and leadership roles, including Clinical Director for outcomes and effectiveness, Chief Clinical Information Officer and Associate Medical Director for patient support services. He is currently the Caldicott Guardian and the Responsible Officer for the Trust.



Marie Peplow – Executive Chief Operating Officer

Marie Peplow was appointed as Chief Operating Officer in September 2019. She has a keen focus on transforming services whilst keeping the highest quality patient care at the heart of everything she does. Marie started her NHS career over 25 years ago as a Radiographer in Birmingham. Having developed her clinical and academic career in a range of acute Hospital settings in Leicestershire, she then moved into various leadership roles managing Radiology services across Birmingham and Solihull and gained a Masters in Organisational Development. Marie has an impressive track record for achieving national performance targets and driving excellence. Marie started working at ROH in April 2018 as the Deputy Chief Operating Officer (COO), and quickly ‘fell in the love with the place.’ In her role as Deputy COO Marie drove forward improvement projects such as redeveloping the Pre-operative assessment Centre (POAC) pathway, Theatre expansion, & Improving referral to treatment times (RTT). As the Executive Chief Operating Officer, Marie pledges to deliver a number of key objectives as part of her role, as well as maintaining her passion for keeping patients & staff at the heart of everything she does is the most prominent. Marie works closely with our partners to deliver safe and efficient care, most notably through the elective recovery work.



Steve Washbourne – Executive Chief Finance Officer

Steve joined the Trust on secondment from University Hospitals Birmingham NHSFT (UHB) in October 2017, where he was the trust lead for strategy and planning, before being appointed as Chief Finance Officer in July 2023.

Steve was an NHS National Financial Management Trainee, qualifying as an accountant in 2000. Since then, he has gained significant financial management experience working in a number of acute hospitals, as well as a 10-year spell in commissioning specialised services, becoming Regional Head of Specialised Commissioning for the West Midlands in 2013, before re-joining UHB in 2014.

Steve also leads on Procurement, Estates, and Digital, Data and Technology, and is the Trust's Senior Information Risk Officer (SIRO), and Accountable Emergency Officer (AEO).

Steve is a Governor and Trustee at University of Birmingham School, and is the Independent Member on the Audit Committee of Aston University

Steve grew up and went to school in Northfield, and still lives locally.



Simon Grainger-Lloyd – Executive Director of Governance

Simon's first interest in the NHS started when he undertook a summer job as a housekeeper at Birmingham Women's Hospital during his university terms.

He was appointed in August 2015, following a number of years as Trust Secretary of a large acute provider trust and Board Secretary of the Forensic Science Service prior to this. He has an Honours degree in Biology and has extensive experience of project and programme management, risk management and Board support.

Simon is the ROH's Data Protection Officer. His other portfolio responsibilities include clinical governance, risk management, health & safety, claims & litigation, Freedom to Speak Up, Freedom of Information and governor & membership engagement and development.



Sharon Malhi – Chief People Officer

Sharon Malhi joined the Trust in April 2019 and has worked as a Senior HR Professional for over 15 years. Sharon is an Alumni of the NHS HR Graduate Management Training Scheme and gained her membership of the CIPD in 2008 following successful completion of her Post Graduate Diploma and went on to complete her MA in Human Resources in 2015. Her experience includes service within the public, private and voluntary

sectors where she has led on Organisational Development, Learning and Development, Human Resources and Business Development initiatives and she is also a qualified coach, mentor and incident debriefer. She is a Trustee for Victoria Academies Trust and is Joint Senior Responsible Officer for the Leadership and Inclusion workstream across the Birmingham and Solihull Integrated Care System. Sharon was born in Bradford, grew up in Leeds and moved to the West Midlands in 2006.

Following a period as the Acting Associate Director of Workforce & OD, Sharon was successful in being appointed to the role of Chief People Officer.



Nikki Brockie – Executive Chief Nurse

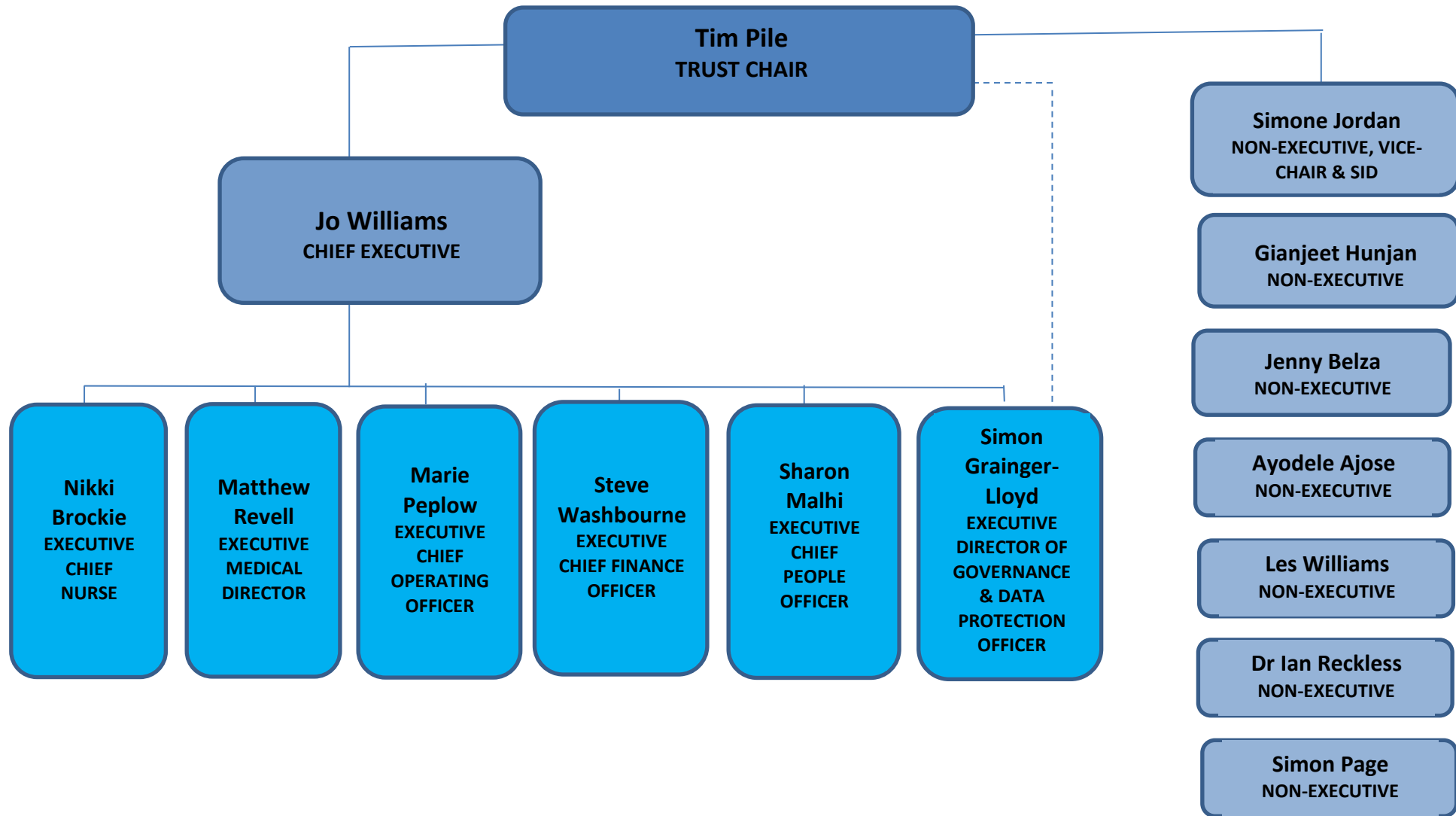
Nikki joined the Trust in May 2021 as the Deputy Chief Nurse, moving from University Hospitals Plymouth NHS Trust.

Nikki has over 23 years' worth of experience in nursing, clinical and operational leadership and management. She has held senior positions across the UK as a Matron in both Critical Care and Medicine, as a Service Lead in Radiology at Heartlands Hospital, as a General Manager in Cardiac & Respiratory Services in Gloucester and latterly as a Health Education England (HEE) funded project manager in the biggest NHS trust in the South West.

Nikki is committed to delivering high quality care and improving the patient experience.

Following a period as Acting Chief Nurse, Nikki was appointed as the Executive Chief Nurse on a substantive basis from January 2023, following a competitive selection and recruitment process.

Trust Board structure as at 31 March 2024



1.1 Directors' interests and independence

The Trust's Register of Directors' interests is open to the public and can be accessed by writing to:

Director of Governance & DPO
The Royal Orthopaedic Hospital NHS Foundation Trust
Bristol Road South
Northfield
Birmingham, B31 2AP

The Board considers all Non-Executive Directors are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or appear to affect, their judgement.

1.2 Balance, completeness and appropriateness of the Board of Directors

The purpose of the Trust's Board is to govern effectively and in doing so build patient, public and stakeholder confidence that their health and healthcare is in safe hands. The Board of Directors is made up of Non-Executive and Executive Directors.

As at 31 March 2024, the Trust had two Non-Executives on its Board with a clinical background; a Non-Executive with financial expertise, who is a qualified accountant; a Non-Executive with a clear commercial focus; a Non-Executive with skills and experience in workforce and innovation & improvement; a Non-Executive with operational, NHS commissioning and strategy experience; and a Non-Executive with a legal background. The Chair has a wide range of experience in the private sector.

Taking the wide range of experience of the Board of Directors as a whole, the balance and completeness of the Board is felt to be appropriate.

1.3 Board of Directors' discharge of obligations

Under law each year the Directors are obliged to prepare financial statements and present these to the Trust's Council of Governors and members at its Annual General Meeting.

The Directors are responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors confirm the above requirements have been complied with in the financial statements. The Directors are also responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Trust and to prevent and detect fraud or any other irregularities.

The Directors also confirm the Board has conducted a review of the effectiveness of its system of internal controls as set out in the Annual Governance Statement.

1.4 Meetings of the Non-Executive Directors

In accordance with the Foundation Trust Code of Governance during the year, as and when required, the Chair held meetings with the Non-Executive Directors without the Executives Directors being present. In addition,

the Chair systematically held regular meetings prior to formal Board meetings with Non-Executive Directors without Executive Directors being present. On some occasions, the Chief Executive attended these meetings by invitation to discuss a particular item of interest.

1.5 Significant Commitments of the Trust Chair

Tim Pile is a member of Council of Aston University.

1.6 Appointment of Chair and Non-Executive Directors and process for appointing Non-Executive Directors

During 2023/24 the Non-Executive cadre of the Board comprised seven Non-Executive Directors plus the Chair.

The Council of Governors has the power to appoint and remove the Chair and Non-Executive Directors of the Trust. The Council of Governors is supported by a joint Nominations and Remuneration Committee.

In accordance with the Trust's constitution, Non-Executives and the Trust Chair are appointed for an initial term of three years, with the possibility of reappointment for a further term once this has expired. Extension beyond this is subject to agreement by the Council of Governors that the individuals remain independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

There were two new Non-Executive appointments during the year, with Simon Page and Jenny Belza joining the Trust Board as part of the Board's succession plan, with Chris Fearn and Richard Phillips leaving the organisation. The appointment process was supported by an external recruitment agent and the formal interview process included members of the Council of Governors, who subsequently offered a recommendation on the appointments to the wider Council which was approved.

1.7 Removal of the Chair or Non-Executive Director

Removal of the Chair or another Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors.

1.8 Statement of operation of the Board of Directors and Council of Governors

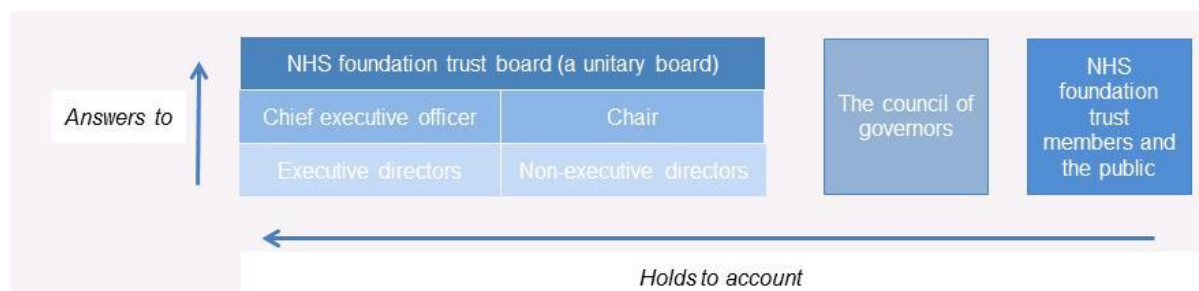
The Board of Directors comprises Executive Directors and Non-Executive Directors. The Executive Directors are employees, led by the Chief Executive and they are responsible for the day-to-day management of the Trust.

The Non-Executive Directors are not employees and bring an independent perspective to Board meetings. They have a particular duty to challenge decisions and proposals made by Executive Directors. The Board is led by the Chair who is also a Non-Executive Director. A Vice Chair is in place, this being Simone Jordan who is also the Senior Independent Director (SID). These duties were agreed by the Council of Governors during the previous and recent financial year.

The primary role of the Board of Directors is to lead the Trust within the context of its strategy, whilst ensuring successful financial stewardship of the Trust. To achieve this, the Board receives regular reports on all aspects of its business to enable appropriate decisions to be taken.

The Board has a schedule of reserved decisions, which lists out decisions which only the Board can make and a scheme of delegation which details areas of responsibility delegated to committees and individual Directors/Managers.

The Trust's "chain of accountability" – including the position of the Council of Governors - is shown below:



The Chair of the Board of Directors is also the Chair of the Council of Governors and he is responsible for ensuring the Board and Council work effectively together.

A key role of the Council of Governors is to oversee the work of the Board and the Board and Council have agreed a statement that defines how each will operate and how any disagreements will be resolved.

The overriding role of the Council of Governors is to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors and to represent the interest of the Trust's members and the public. Notwithstanding this, the Board of Directors and Council of Governors at the Royal Orthopaedic Hospital NHS Foundation Trust view their interaction as primarily one of constructive partnership with both the Board and Council seeking to work effectively together in their respective roles.

The Governors are responsible for appointing and removing the Chair and the Non-Executive Directors and set their terms of office. The Trust's auditors are appointed by the Governors and the Governors and the Board must, by majority, agree changes to the Constitution.

The Board is collectively responsible for the performance of the Trust. The general duty of the Board of Directors, and each director individually, is to act with a view to promoting the success of the organisation to maximise the benefits for members of the Trust as a whole and the public.

The Board of Directors:

- provides entrepreneurial leadership within a framework of prudent and effective controls, which enables risk to be assessed and managed;
- is responsible for ensuring the Trust complies with its licence, Constitution, mandatory guidance issued by NHS England, relevant statutory requirements and contractual obligations;
- sets the Trust's strategic aims, at least annually, taking into consideration the views of the Council of Governors, ensuring the necessary financial and human resources are in place for the Trust to meet its priorities and objectives and, then, periodically reviewing progress and management performance;
- is responsible for ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health & Social Care (DHSC), NHS England, the Care Quality Commission (CQC) and other relevant NHS bodies;

- ensures the Trust functions effectively, efficiently and economically; and
- sets the Trust's vision, values and standards of conduct and ensures that its obligations to its members are understood, clearly communicated and met.

Informal and frequent communication between the Governors and the Directors is an essential feature of a positive and constructive relationship which benefits the Trust and the services it provides. The Senior Independent Director and Chair encourage informal communication on behalf of the Board of Directors. This includes discussions between individual Governors and the Chair, the Chief Executive or a Director, through the office of the Chief Executive or any other person appointed to perform the duties of the Chief Executive to the Board.

Communications initiated by the Council of Governors, and intended for the Board of Directors, are conducted in usual times, as follows:

- Specific requests by the Council of Governors are made through the Chair to the Board of Directors;
- Any Governor has the right to raise specific issues at a duly constituted meeting of the Council of Governors through the Chair. In the event of disagreement, two-thirds of the Governors present must approve the request. The Chair will raise the matter with the Board of Directors and provide the response to the Council of Governors; and
- Joint informal meetings take place between the Council of Governors and the Board of Directors as and when necessary.

1.9 Working with Governors and Members

The Royal Orthopaedic Hospital NHS Foundation Trust is a membership organisation with a membership which consists of two constituencies of staff members and two constituencies of the general public. Members in each constituency vote to elect governors and can also stand for election themselves.

The Trust is locally accountable and it is the Council of Governors who collectively bind the Trust to its patients, service users, staff and stakeholders. The Council of Governors consists of elected members and appointed individuals who represent both members and other stakeholder organisations and the Governors act as a link between patients, the public and the Board of Directors.

Members of the Board and, in particular, the Non-Executive Directors, develop an understanding of the views of Governors and Members about the Trust through a number of ways, including:

- Attendance at Council of Governors meetings by the Non-Executive Directors, the Chief Executive and Executive Team colleagues who brief the Governors on the Trust's strategy and current developments and answer questions to ascertain their views;
- At meetings, Non-Executive Directors report on their role on the Board and their Committee responsibilities. At meetings a question-and-answer session is held. Non-Executive Directors also account to the Governors for key Board decisions;
- Governors are invited to attend public Board meetings and attend some of the key committees and the Trust's working groups as observers and report back on the work of those groups; and
- Non-Executives and Governors are invited to participate in multi-disciplinary quality assurance walkabouts when the organisation is operating in normal conditions.

1.10 Evaluation of the Trust Board & Committees

Each Board and Committee agenda includes an item for some reflection on the effectiveness of the meeting. During 2023/24 there was a continued focus on upward reporting on matters of positive assurance, risks or concerns requiring Board attention, decisions made at the meetings and major work commissioned or underway.

Within the year formal self-assessment of the Board Committees was undertaken. The action plans for the Committees have been developed and is considered as a routine item for discussion by the Committee with progress being reported upwardly to the Trust Board.

Executive Directors are set objectives, performance against which are evaluated by the Chief Executive. The Chief Executive's own performance is evaluated by the Chair. The Non-Executive Directors' objectives are set by the Chair; their evaluation is carried out by the Chair, informed by feedback from other Board members. The results are shared with the Council of Governors. The Chair's appraisal is carried out by the Senior Independent Director, facilitated by the Director of Governance, with input from the Lead Governor. The results are shared with the Council of Governors.

There is a plan during 2024/25 to undertake a self-assessment against the CQC's well led framework which will capture an evaluation of the effectiveness of the Board and the governance structures below.

1.11 Board and Committee Membership and Attendance

The Board continually reviews the structure of its Board Committees with a view to improving upward reporting and the escalation of issues.

A number of Committee meetings this year have been held virtually, a practice that commenced during the pandemic, however this is kept under review to ensure that effectiveness of the committees is adequately maintained. All Trust Board meetings have returned to meeting physically.

Committee membership is also kept under review and there have been some changes this year, with Simon Page joining the Finance & Performance Committee and Jenny Belza joining the Quality & Safety Committee membership.

The Board and Committee has benefited during the year from the appointment of a new Corporate Services Manager who takes responsibility for the administration of the main meetings.

1.11.1 Trust Board

The Royal Orthopaedic Hospital's Trust Board is a unitary board which means that within the Board of Directors the Non-Executive Directors and the Executive Directors share the same liability. All directors, Executive and Non-Executive, have responsibility to constructively challenge the decisions of the Board and help develop proposals on priorities, risk mitigation, values, standards and strategy. The Non-Executive Directors have a particular duty to ensure appropriate challenge is made and have to satisfy themselves as to the integrity of financial, clinical and other information, and that financial and clinical quality controls and systems of risk management and governance are robust and implemented.

A key strength of the unitary board is the opportunity to exchange views between Executive and Non-Executive Directors, drawing on and pooling their experience and capabilities with all Board members sharing corporate responsibility for formulating strategy, ensuring accountability and shaping culture.

Board meetings are held on a regular basis and are chaired by the Trust Chair. There were ten full meetings of the Trust Board during the year plus one special meeting to approve the annual report and accounts. There was also a separate workshop held, focussed on the plans to secure an improved financial balance over the coming months.

Although the Board exercises all the powers of the Trust some powers may be delegated to a Committee of Directors or to an Executive Director.

| ATTENDANCE | | | | | | | | | | | |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------|
| MEMBER | 05/04/2023 | 03/05/2023 | 07/06/2023 | 05/07/2023 | 06/09/2023 | 04/10/2023 | 06/11/2023 | 06/12/2023 | 07/02/2024 | 06/03/2024 | TOTAL |
| Tim Pile (Ch) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Christine Fearn | ✓ | ✓ | A | A | A | | | | | | 2/5 |
| Ian Reckless | A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Richard Phillips | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | 8/10 |
| Simone Jordan | ✓ | ✓ | ✓ | ✓ | A* | A | ✓ | ✓ | ✓ | ✓ | 8/10 |
| Gianjeet Hunjan | A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Ayodele Ajose | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Les Williams | ✓ | ✓ | ✓ | A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Simon Page | | | | | | | | | ✓ | ✓ | 2/2 |
| Jenny Belza | | | | | | | | | ✓ | ✓ | 2/2 |
| Jo Williams | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Matthew Revell | ✓ | ✓ | ✓ | ✓ | A* | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Nikki Brockie | ✓ | ✓ | ✓ | ✓ | ✓ | A | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Marie Peplow | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | A | A | 8/10 |
| Steve Washbourne | ✓ | ✓ | ✓ | ✓ | ✓ | A | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Sharon Malhi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | A | 9/10 |
| Simon Grainger-Lloyd | ✓ | A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |

KEY:

| | | | |
|---|---------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| | Not in post or not required to attend | | |

* Apologies tendered as attending a national event on behalf of the ROH, mandated for all NHS trusts

Board Committees

During 2023/24 the Board was supported by the following committees as detailed below.

1.11.2 Audit Committee

The Audit Committee reviewed its Terms of Reference in October 2023 and minor changes were proposed to reflect that the Quality Account is no longer considered as part of the Trust's Annual Report, the secretariat of the Committee has changed and to update the role title of the Chief Finance Officer.

During the year, the Chair of the Audit Committee was Gianjeet Hunjan, a Non-Executive Director with a professional background in finance and accountancy.

Meetings

During 2023/24, the Audit Committee met on five formal occasions.

The attendance at these meetings is as below:

| MEMBER | MEETING DATE | | | | | TOTAL |
|--|--------------|----------|----------|----------|----------|-------|
| | 28/04/23 | 26/06/23 | 21/07/23 | 20/10/23 | 19/01/24 | |
| Gianjeet Hunjan (Ch) | ✓ | ✓ | ✓ | ✓ | ✓ | 5/5 |
| Les Williams | ✓ | ✓ | ✓ | ✓ | ✓ | 5/5 |
| Christine Fearn | ✓ | A | A | | | 1/3 |
| Executive Directors in attendance | | | | | | |
| Steve Washbourne | ✓ | ✓ | ✓ | ✓ | ✓ | 5/5 |
| Matthew Revell | A | A | ✓ | ✓ | ✓ | 3/5 |
| Simon Grainger-Lloyd | ✓ | ✓ | ✓ | ✓ | ✓ | 5/5 |

KEY:

| | | | |
|---|----------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
|---|----------|---|--------------------|

During the year, Non-Executive representation from the Quality & Safety Committee was from Chris Fearn, although she stood down as a Non-Executive in September 2023, therefore for most of the year, the Committee operated without representation from a Non-Executive member of the Quality & Safety Committee. From 1 April 2024, Jenny Belza will join the membership of the Committee to fulfil this role.

Meetings were also attended routinely by representatives from the Trust's provider of External Audit and Internal Audit (to include Counter Fraud) services. During the year, the Audit Committee invited a number of guests to present progress on actions arising from some Internal Audit reviews.

Prior to or after each meeting, the auditors were offered a meeting in private with the members of the Audit Committee to discuss any matters or raise concerns where required, without any members of the Executive Team or guests present.

The Audit Committee's minutes were submitted to the Board of Directors for consideration as part of the private Board sessions, supported by a full assurance report in public, detailing the key points of discussions at the meeting, matters to escalate and decisions taken by the Committee.

Work undertaken 2023/24

The Committee dealt with the following key matters:

Routine Work

The Committee:

- Reviewed and approved the Annual Report and Accounts for 2022/23 (in June 2023), together with the Head of Internal Audit's report, Going Concern statement and Annual Governance Statement (and other disclosures) contained within.
- Received the 2022/23 Audit report from the External Auditors.
- Improved the focus on clearing outstanding audit recommendations, resulting in a review of all outstanding recommendations and an improvement in the closure of actions including those raised by the prior Internal Audit function.
- Continued to strengthen a supportive working relationship with the Quality & Safety Committee (QSC). A Non-Executive member of the Quality & Safety Committee is included within the membership of the Audit Committee and the Executive Medical Director is also a regular attendee at the meeting. The Audit Committee chair is also a member of the Quality & Safety Committee.
- Received the Deloitte audit planning report highlighting the key risks they had considered in planning their audit work.
- Received a report detailing the outcome of the Value for Money assessment undertaken by Deloitte.
- Received from Counter Fraud (RSM) updates on the counter fraud programme for 2023/24.
- Received a benchmarking report of anti-fraud, which presented a positive picture of the robust control environment in respect of fraud in the Trust compared to elsewhere.
- Reviewed and approved the Internal Audit charter.
- Received regular update reports from Internal Audit (KPMG) and reviewed all significant internal audit reports. The internal audit plan remained on schedule during the year.
- Received regular updates on the tracking of implementation of all internal and external audit recommendations.
- Reviewed and approved the proposed internal audit plan for 2023/24. This plan had been aligned to the Board Assurance Framework (BAF) and other risk mechanisms within the organisation.
- Received regular updates on the BAF. The Committee was also updated on the work undertaken to restructure the BAF to align it to the new five-year strategy and to take into account best practice suggestions seen elsewhere by Internal Audit.
- Received routine updates on payments made for losses or compensation and waivers & breaches of Standing Financial Instructions. The Committee challenged when needed, the use of single tenders, given that the use of these had the potential to compromise best Value for Money.
- Received updates on the statutory registers, concerning hospitality and declarations of interest and urged that staff be encouraged to make comprehensive and timely declarations when needed.
- Received an update on the Trust's accounting policies and approved some minor amendments to them to ensure that they remained consistent with the NHS Group Accounting Manual.

- Received routine updates on the work to achieve compliance with the requirements of the Data Security and Protection Toolkit.
- Approved its revised workplan for 2024/25.

Ad hoc matters

- The Committee received updates on the work to strengthen the Contracts Database such that there was a clear view of spend and ownerships of each of the contracts.
- An update on the work to improve the risk management framework in the organisation was received at the October 2023 meeting which was presented by the Assistant Director of Governance & Risk.
- During the year, the Council of Governors was asked to approve the extension of the contract for the provision of services by Deloitte as the Trust's External Auditors. Approval was gained for this proposal from the Council of Governors.
- A procurement exercise was undertaken to select a provider for the provision of Counter Fraud Advisory Services and KPMG was successful in being awarded this contract.
- The Committee received an overview of the work being led by the Chief Nurse to address health inequalities by the Trust and within the Birmingham and Solihull Integrated Care System.

Work Plan 2024/25

For 2024/25, the Audit Committee will continue with its routine work as well as to deal with ad hoc requirements that will emerge from time to time.

The Committee has set expectations that the process for ensuring that decision-making staff adhere closely to the requirements of the Trust's Conflicts of Interest policy is strengthened.

The Committee will retain a close oversight of the progress with minimising cybersecurity risks and achieving compliance with the Data Protection and Security Toolkit.

Given the ongoing financial pressures at a national level and on the organisation, close scrutiny of the Trust's Going Concern status will remain also an area of prime focus during the year.

Audit Committee Effectiveness

In 2023/24, the Committee undertook a review of its effectiveness. Members and regular attendees of the Audit Committee were issued with a questionnaire over winter 2023, asking them to provide a view of the strength of the Committee's arrangements in respect of a number of measures covering seven domains:

- Creating an effective Audit Committee
- Running an effective Audit Committee
- Professional Development
- Overseeing financial reporting
- Overseeing risk management and internal control
- Overseeing external audit
- Overseeing internal audit

The methodology and questionnaire used were based on approach set out in the Audit Committee Institute Audit Committee Handbook 2014.

The outcome of the effectiveness review was considered at the April 2024 meeting, which suggested improvements to the induction of new members to the Committee. The assessment of the audit functions supporting the Trust are noted to be positive.

Conclusion

The Audit Committee continues to play an important role in the corporate governance framework and continued success of the Trust.

1.11.3 Quality & Safety Committee

The Quality & Safety Committee reviewed its Terms of Reference in March 2024. These were presented for approval by the Board of Directors in April 2024. The changes were largely cosmetic but reflect some changes in titles and names of national bodies. The changes also reflect some amendment to the list of groups reporting up to the Quality & Safety Committee, including the creation of the Quality & Safety Executive which now accepts upward reports from a number of the operational bodies that have historically reported to the Quality & Safety Committee. The Terms of Reference also reflect the changes to the secretariat for the Committee.

During the year, the Chair of the Quality & Safety Committee was undertaken by Chris Fearn and then by Ian Reckless when Mrs Fearn stood down as a Non-Executive member of the Board in September 2023. Gianjeet Hunjan is also a member of the Committee creating a close link with the work of the Audit Committee. Jenny Belza, a Non-Executive with a clinical background, who started with the Trust from 1 February 2024, has joined the membership of the Quality & Safety Committee and will also provide updates to the Audit Committee as part of its membership.

Meetings

During 2023/24 the Quality & Safety Committee met on six occasions, following the decision in early 2023 to move the mode of operation to meeting on alternate months. This reflected the confidence in the work of the Quality & Safety Executive in relation to more operational quality matters and the scope of the quality & safety agenda in a small specialist organisation.

The attendance at these meetings is shown overleaf.

| MEMBER | MEETING DATE | | | | | | TOTAL |
|----------------------|--------------|----------|----------|----------|----------|----------|-------|
| | 26/04/23 | 28/06/23 | 23/08/23 | 18/10/23 | 31/01/24 | 27/03/24 | |
| Christine Fearn (Ch) | ✓ | A | A | | | | 1/3 |
| Ian Reckless (Ch) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Gianjeet Hunjan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Jenny Belza | | | | | | ✓ | 1/1 |
| Jo Williams | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Nikki Brockie | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Matthew Revell | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Marie Peplow | ✓ | ✓ | ✓ | ✓ | A* | A* | 4/6 |
| Simon Grainger-Lloyd | A | ✓ | ✓ | ✓ | ✓ | ✓ | 5/6 |

KEY:

| | | | |
|---|--------------------------|---|--|
| ✓ | Attended | A | Apologies tendered |
| | Not in post/not required | * | Michelle Hubbard, Deputy COO, attended for Marie Peplow in an acting up capacity |

Meetings are also attended routinely by the Deputy Medical Director who offers an operational perspective when required.

The Secretariat to the Committee is through the Corporate Services Manager who organises the minutes to be taken by the Executive Personal Assistant team.

The Quality & Safety Committee's minutes are submitted to the Board of Directors for consideration as part of the private Board sessions, supported by a full assurance report in public, detailing the key points of discussions, risks noted & matters to escalate and decisions taken by the Committee.

Work undertaken 2023/24

The Committee dealt with the following key matters:

Routine Work

The Committee received upward reports from the Trust's Clinical and Corporate Governance groups, namely:

- Quality & Safety Executive
- The Audit, Quality Improvement, Learning & Assurance panel (AQILA)
- Cancer Board
- Infection Control Committee
- Safeguarding Committee
- Patient Experience & Engagement Group
- Children's Board
- Health & Safety Group
- Human Tissue Authority Advisory Group

- Research & Development Group

In year the Committee continued to receive the upwards reports using the standard assurance template used by the Board Committees who report upwardly to the Trust Board.

The Committee during the year, has received routine reports on:

- Quality & Patient Safety performance
- Litigation and claims
- Preparation for and implementation of the Patient Safety Incident Response Framework (PSIRF)
- Progress with Quality Priorities
- Performance against CQUINs
- Patient Reported Outcome Measures (PROMS) and the National Joint Register (NJR)
- Controlled Drugs
- Learning from Deaths
- Nurse staffing
- 'Flu vaccination
- CQC engagement work
- Compliance with the IPC Board Assurance Framework
- Patient Experience
- Updates from the ICB Quality Committee
- Quality & Safety risks on the corporate risk register

The following annual reports were received, in accordance with the Committee's routine cycle of business:

- Medicines Safety Officer
- Complaints
- Safeguarding
- Vulnerabilities
- Accountable Officer for Controlled Drugs
- Infection Prevention & Control
- Fire safety

Single issue or non-routine reports

During the year, the Committee received some specific reports providing assurance on particular key issues or single-issue updates, these being:

- Wound infections
- Legionella
- *C.difficile* themed review
- R & D strategy
- Virtual clinic plans

- Falls themed review
- Lessons learned framework
- Appointments incidents themed review
- Update on stroke incident following spinal surgery
- Surgical site infections
- Endoscopic spinal surgery service
- Accreditation as an elective hub
- Oversight and governance of joint pathways
- Violence Prevention and Reduction Standards compliance
- Quality Assurance walkabouts
- New complaints process
- A proposed approach to Excellent in Quality at ROH
- Proposed change to the reporting of clinical audit matters to the Committee
- Deprivation of Liberty Safeguards/Mental Capacity Act update
- 'Martha's Rules' update

2024/25 Work Plan

For 2024/25, the Quality & Safety Committee will continue with its routine work as well dealing with ad hoc requirements that will emerge from time to time or remitted from the Board and/or Audit Committee.

A key piece of work for the Committee will be the oversight of the work to reshape the routine Quality & Patient Safety report, particularly the realignment to the requirements of the new Patient Safety Incident Response Framework (PSIRF) and the focus on lessons learned.

As discussed at the January 2024 meeting, reporting of Clinical Audit matters will be considered as a standalone item as part of the Committee's workplan rather than as part of the upward report from AQILA.

The revised workplan was presented to the Quality & Safety Committee for its approval in October 2023 which is not likely to change significantly for the coming year.

There will remain a focus on improving the effectiveness of the Committee during 2024/25, with particular focus on seeking appropriate assurance on matters within its remit and understanding how lessons learned from incidents, complaints, litigation and clinical audit are disseminated & acted upon and the linkages to the Trust's Quality Improvement work.

Quality & Safety Committee Effectiveness

An item is included on the agenda of each meeting to review the effectiveness of the meeting and of the Committee in general.

In addition, a specific piece of work was undertaken at the beginning of 2023 to consider the effectiveness of the Committee, canvassing the views of its members using a standard questionnaire. The outcome of the survey was an overall positive assessment of effectiveness, with some recommendations or improvement required around the following:

- Better use of Statistical Process Charts (SPC) to highlight any variations or trends of significance

- Wider oversight of Research & Development matters
- Improved use of benchmarking information
- Use of an 'At a Glance' summary of performance against quality and operational metrics
- Better induction for new members to the Committee
- A move to meeting on alternate rather than every month
- Mapping of the workplan to regulatory requirements
- The Committee has received regular updates on progress with these actions during the year, with the majority now addressed. The actions around benchmarking and SPC have been partially addressed, with full achievement expected when the reshaped Quality & Patient Safety report is presented.

Conclusion

The Quality & Safety Committee has functioned well during 2023/24 and is operating effectively, providing clear and adequate assurance upwards to the Trust Board across a comprehensive range of matters of a quality & patient safety nature.

1.11.4 Finance and Performance Committee

The Committee was chaired by Richard Phillips until January 2024 and then Les Williams from January 2024. The Executive Chief Finance Officer is the lead Executive for this committee. The Trust Chair and other members of the Board, although not formal members, attended the committee meetings from time to time during the year. The Committee meets monthly (apart from August and December) and regularly reviews finance and performance-related risks through consideration of an extract of the Corporate Risk Register.

A key area of focus for the Committee during the year was on the impact of Trust's contribution to the regional elective recovery plan on the operational and financial performance of the Trust, particularly given the new pathways that needed to be supported, the mutual aid arrangements with University Hospitals Birmingham NHSFT (UHB) and the changing financial regime. The Committee also continued to receive upward reports from the Information Governance Group, the Green Board and the Temporary Workforce Group.

During the year, the Committee undertook a review of its effectiveness, which highlighted that the Committee performed effectively and offers sound assurance to the Board on the matters within its remit. Minor recommendations were agreed, which included improved induction for new members and standardisation of report cover sheets. Delivery of the actions will be monitored through the routine meetings of the Committee.

| MEMBER | MEETING DATE | | | | | | | | | | Total |
|-----------------------|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------|
| | 25/04/23 | 30/05/23 | 27/06/23 | 25/07/23 | 26/09/23 | 31/10/23 | 28/11/23 | 30/01/24 | 27/02/24 | 26/03/24 | |
| Richard Phillips (Ch) | ✓ | ✓ | ✓ | ✓ | ✓ | A | ✓ | ✓ | | | 7/8 |
| Les Williams (Ch)* | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Gianjeet Hunjan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Ayodele Ajose | ✓ | ✓ | ✓ | A | A | A | ✓ | ✓ | A | ✓ | 6/10 |
| Simone Jordan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | A | | | 7/8 |
| Simon Page | | | | | | | | | ✓ | ✓ | 2/2 |
| Jo Williams | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Steve Washbourne | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Marie Pelow | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | A | A | A | A | 6/10 |
| Sharon Malhi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 10/10 |
| Nicola Brockie | ✓ | ✓ | ✓ | ✓ | ✓ | A | ✓ | ✓ | ✓ | ✓ | 9/10 |
| Matthew Revell | | | | | | | | ✓ | ✓ | A | 2/3 |
| Simon Grainger-Lloyd | A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9/10 |

* Les Williams took over as Chair of the Finance & Performance Committee during October 2023.

KEY:

| | | | |
|---|----------|---|------------------------------------|
| ✓ | Attended | A | Apologies tendered |
| | | | Not in post/not required to attend |

1.11.5 Staff Experience and Organisational Development (OD) Committee

The Staff Experience & OD Committee was established to provide enhanced oversight of the Trust's workforce agenda. The Committee is chaired by a Non-Executive, Simone Jordan and the Chief People Officer is the Executive lead. The Committee meets on alternate months.

The focus for the Committee is to provide the Board with assurance concerning the arrangements and progress with performance against key workforce targets and delivery of key activities in support of the Trust's workforce strategies, such as the People Plan, Inclusion Strategy and Wellbeing Plan. The Committee also receives updates from the Education and Training function of the Trust. As with the Quality and Safety Committee and the Finance & Performance Committee, the Staff Experience & OD Committee regularly reviews workforce performance and related risks through consideration of a workforce dashboard and a Risk Register. The Committee also receives at each meeting a presentation from a member of staff or team outlining their experience of working at the ROH and have the opportunity to make suggestions for ways in which the life of staff working at the Trust might be improved.

The March meetings was dedicated to an in-depth analysis of the National Staff Survey results and the actions planned to address areas identified for improvement.

| MEMBER | MEETING DATE | | | | | | TOTAL |
|----------------------|--------------|----------|----------|----------|----------|----------|-------|
| | 26/04/23 | 28/06/23 | 30/08/23 | 25/10/23 | 31/01/24 | 27/03/24 | |
| Simone Jordan (Ch) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Richard Phillips | ✓ | ✓ | ✓ | A | | | 3/4 |
| Ayodele Ajose | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Jo Williams | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Matthew Revell | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Marie Peplow | ✓ | ✓ | ✓ | ✓ | ✓ | A | 5/6 |
| Sharon Malhi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 6/6 |
| Simon Grainger-Lloyd | A | ✓ | ✓ | ✓ | ✓ | ✓ | 5/6 |
| Nicola Brockie | ✓ | ✓ | A | | | | 2/3 |

KEY:

| | | | |
|---|------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| | Not in post/not required to attend | | |

Also in attendance at this meeting are the Head of OD & Inclusion, Interim Head of HR Operations & Business Partnering and Head of Education & Training.

1.11.6 Charitable Funds Committee

The Trust Board is the corporate trustee for the charitable funds of the Trust. Charitable funds are examined separately from exchequer funds and the Trustees discharge their responsibilities independently from the Foundation Trust itself.

The Committee was chaired by Ayodele Ajose, one of the Non-Executive Directors, during the year and the lead Executive was the Director of Finance, supported by the Charity team.

The Committee usually meets four times per year, however during 2023/24 it met twice as a new chair of the Committee was appointed and a new schedule of meetings developed. A return to a more frequent meeting cycle is intended for 2024/25.

The Corporate Trustee comprises all voting members of the Trust Board. Also in attendance includes members of the ROH Charity, members of the finance team and patient representatives where available.

During the year, the Committee considered a number of requests for funding, an update on the financial health of the charity and the annual report and accounts, which was considered and approved at the June 2023 meeting. It was agreed at the December meeting that the Trust's investment advisers would be invited to join the April 2024 meeting.

| TRUSTEE | DATE | | TOTAL |
|----------------------|----------|----------|-------|
| | 29/06/23 | 14/12/23 | |
| Ayodele Ajose (Ch) | ✓ | ✓ | 2/2 |
| Simone Jordan | ✓ | A | 1/2 |
| Richard Phillips | ✓ | A | 1/2 |
| Tim Pile | A | ✓ | 1/2 |
| Gianjeet Hunjan | ✓ | ✓ | 2/2 |
| Les Williams | ✓ | ✓ | 2/2 |
| Christine Fearn | ✓ | █ | 1/1 |
| Dr Ian Reckless | █ | ✓ | 1/1 |
| Stephen Washbourne | ✓ | ✓ | 2/2 |
| Jo Williams | ✓ | ✓ | 2/2 |
| Matthew Revell | A | ✓ | 1/2 |
| Marie Peplow | ✓ | ✓ | 2/2 |
| Nicola Brockie | A | ✓ | 1/2 |
| Simon Grainger-Lloyd | A | ✓ | 1/2 |
| Sharon Malhi | ✓ | ✓ | 2/2 |

KEY:

| | | | |
|---|---------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| █ | Not in post or not required to attend | | |

1.11.7 Nominations and Remuneration Committee (Executive Directors)

The Nominations and Remuneration Committee is chaired by a Non-Executive Director, Simone Jordan and comprises all the Non-Executive Directors. The Chief Executive is a member but, in the case of matters relating to the Chief Executive themselves, they must withdraw from the Committee. The Chief People Officer supports and advises the Committee and is invited to join the meetings should the agenda benefit from this attendance. The Committee meets four times per year and operates to a formal workplan that was refreshed during the year.

The Committee serves a dual purpose:

- To review the structure, size and composition of the Executive element of the Board (including skills, knowledge and experience) required of the Board and make recommendations to the Board or Council of Governors where appropriate with regard to any changes. It also considers succession planning, appraisal and development plans. The Committee identifies and nominates suitable candidates to fill Executive Director vacancies. The Committee liaises closely with the Council of Governors' Nominations and Remuneration Committee.
- The Remuneration Committee has delegated responsibility for setting the remuneration for all Executive Directors, including pension rights and any compensation payments. The Committee also recommends and monitors the level and structure of remuneration for senior management. The Committee provides the Board with advice concerning the terms and conditions of employment, including the remuneration packages for the Chief Executive and the Executive Directors. The Committee also seeks assurance on the robustness of the plans for the delivery of Trust's reward and recognition strategy for the Chief Executive and Executive Directors.

| MEMBERS | DATE | | | | TOTAL |
|-----------------------|----------|------------|-----------|-----------|-------|
| | 7/6/2023 | 21/06/2023 | 6/12/2023 | 7/02/2024 | |
| Simone Jordan (Chair) | ✓ | ✓ | ✓ | ✓ | 4/4 |
| Tim Pile | ✓ | ✓ | ✓ | ✓ | 4/4 |
| Gianjeet Hunjan | ✓ | ✓ | ✓ | ✓ | 4/4 |
| Les Williams | ✓ | ✓ | ✓ | ✓ | 4/4 |
| Ayodele Ajose | ✓ | A | ✓ | ✓ | 3/4 |
| Ian Reckless | ✓ | A | ✓ | ✓ | 3/4 |
| Christine Fearn | A | | | | 0/1 |
| Richard Phillips | ✓ | ✓ | ✓ | | 3/3 |
| Jenny Belza | | | | ✓ | 1/1 |
| Simon Page | | | | ✓ | 1/1 |
| Jo Williams | ✓ | ✓ | | | 2/2 |

KEY:

| | | | |
|---|------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| | Not in post/not required to attend | | |

1.12 Cost allocation and charging guidance

The Trust has complied with the cost allocation and charging guidance, (Chapter 6 of HM Treasury Managing Public Money).

1.13 Political Donations

There were no political donations during the financial year.

1.14 Better Payment Practice

The Trust paid 91.0% of invoices (89.1% by value) within 30 days against the target of 95%, as detailed below:-

| | Actual | Actual |
|---|--------------|--------------|
| | 31/03/2024 | 31/03/2024 |
| | Number | £'000 |
| Non-NHS | | |
| Total bills paid in the year | 15,271 | 62,876 |
| Total bills paid within 30 days | 13,554 | 57,076 |
| Percentage of bills paid within 30 days | 88.8% | 90.8% |
| NHS | | |
| Total bills paid in the year | 363 | 8,504 |
| Total bills paid within 30 days | 171 | 869 |
| Percentage of bills paid within 30 days | 47.1% | 10.2% |
| Total | | |
| Total bills paid in the year | 15,634 | 71,380 |
| Total bills paid within 30 days | 13,725 | 57,945 |
| Percentage of bills paid within 30 days | 87.8% | 81.2% |

The Trust did not incur any late payment penalties during 2023/24 under the Late Payment of Commercial Debts (Interest) Act 1998 (2022/23: £nil).

1.15 NHS England's well-led framework

The Board commissioned an external well led assessment undertaken in 2019 by the consultancy arm of Grant Thornton UK LLP. This was the first developmental review of leadership and governance using the NHS England well led framework that the Trust had undertaken since its authorisation as a Foundation Trust. The action plan developed in response to the recommendations made by the review has been delivered. Further work will be undertaken during 2024/25 to revisit the action plan to ensure that any changes made as a result have been sustained. This will be alongside the work already underway to prepare for the next CQC inspection, where a key component of this will be an assessment against the Well Led domain. An initial self-assessment has already been undertaken against the quality statements for this domain which the Board has discussed. An action plan will be developed to improve compliance and address areas of shortfall where identified.

1.16 How the Foundation Trust has had regard to NHS England's quality governance framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality

Quality governance is discussed in more detail in the Annual Governance Statement (Section 8); this section gives a brief overview of the arrangements in place to govern service quality.

The Board receives assurance on quality governance through the Board Assurance Framework, performance against a wide range of indicators in the monthly Finance and Performance Overview, through assurance provided by the Quality and Safety Committee, which considers in detail a comprehensive report on Quality and Patient Safety and by the performance against a range of workforce indicators considered by the Staff Experience & OD Committee.

The Quality and Safety Committee provides upward assurance to the Board on the activities undertaken by its subgroups covering particular aspects of quality. Much work has been undertaken during the year to strengthen the quality of information provided to the Quality and Safety Committee, which has been particularly enhanced by the establishment of the Quality & Safety Executive and the effectiveness stocktake that was undertaken.

Work has continued throughout the year to develop enhanced approaches to data reporting through the continuous refinement of the Finance and Performance Overview, Quality and Patient Safety report and Workforce overview to enable greater and more informed scrutiny. Some important work has been undertaken during the year to develop an integrated performance dashboard. The dashboard will be presented to each of the main Board committees to allow better triangulation and visibility of data from a range of sources.

There is a process of escalation of risk related to quality throughout the Trust; much work has been undertaken during the year to cleanse and refine existing risk registers. The Board Assurance Framework (BAF) has also been restructured to realign it to the new Trust strategy capture more detailed information on the risk mitigations and to demonstrate how the risk scores have changed over time. Further work is planned during 2024/25 to allow the Committees considering the various extracts of the BAF relevant to their remit, to offer a view to the Board as to the adequacy of the risk mitigation.

There has continued to be a focus this year on delivery of training on risk management, identification of risk leads throughout the organisation and more systematically creating a higher level of awareness in the organisation about risk identification and management. The annual internal audit undertaken by KPMG on the BAF and risk management in early 2024, recognised the progress and the strengthened risk management framework in the organisation.

There has been a return to Non-Executive Board members carrying out informal walkabouts in which they gain first-hand experience regarding the quality of care and the views of patients and staff and others and a formal schedule for these visits will be published in 2024/25. The formal programme of Quality Assurance walkabouts has been reintroduced led by the Patient Experience function. There are plans to improve the reporting of the outcome and action plans from these visits to the Quality & Safety Committee. In addition to the Quality Assurance walkabouts, during the year the 'Chat & Check' Executive walkabouts initiative continued. This allows members of the Executive Team to visit all areas of the Trust by rotation in pairs and hold informal conversations with staff around their experience of working at the Trust which may identify quality issues that need to be handled.

Assurance is obtained routinely on compliance with CQC registration requirements through Directors and Senior Managers of the Trust having specific responsibilities in respect of CQC standards and more generally in maintaining internal control systems to support those standards. In 2023/24, the CQC readiness programme was devised which will be delivered during 2024/25 and reflects the requirements of the new CQC Single

Assessment Framework. At a divisional and corporate level, an assessment will be undertaken against the new CQC framework to identify where there may be shortfalls or a lapse in sustainability of actions or processes previously implemented.

During the year, the Trust Board agenda included a regular update on the Trust's adaptations to the national guidance issued in response to the Lucy Letby judgement, the requirements mainly related to tightening the speaking up framework in the Trust and to confirming the adequacy of the incident reporting processes. When the national inquiry into the Letby case is published, then the recommendations in the report will be reviewed and adopted.

A significant piece of work which commenced in 2022/23 and culminated in 2023/24 was the preparation for the implementation of the national Patient Safety Incident Response Framework (PSIRF). A robust governance structure was put in place which ensured that this was delivered to time and in an effective way, overseen at an operational level jointly by the Assistant Director of Governance & Risk & the Patient Safety Lead. At an Executive level this was overseen by the Chief Nurse and Director of Governance. Progress with the preparations was offered to the Quality & Safety Committee and Trust Board on a quarterly basis and the outcome of the implementation will continue into the coming year.

1.17 Our Patients' Care

The provision of high-quality care, which is Safe, Effective and provides good Patient Experience, is of paramount importance to the Trust. As such, the Trust monitors a range of quality metrics which are reported from the Division's and subsequently on through the Corporate Quality structures ensuring the Trust board and key stakeholders have full oversight. Through this oversight, we are able to share good practice and celebrate success, whilst making improvement to those areas where we feel we are not reaching the high standards we aspire to.

This oversight, combined with stakeholder consultation, allowed us to set our 'Quality Priorities' for 2023/2024. As in previous years the Trust sought the involvement and feedback of key stakeholders, to ensure that our yearly quality plan reflected the needs of our patients and communities. We did this by consulting with staff, key stakeholders, patients, and members of the public by reviewing our complaints and PALS contacts.

The Trust has demonstrated clear progress in delivering these Quality Priorities for 2023/24. The Trust continues to work hard to sustain these improvements and we are committed to continuing our improvement journey for the coming year. To this end, the Trust has identified five new improvement priorities for 2024/25 (Section 1.6.6 refers), progress against which will be monitored using a range of audits tool to determine impact and outcome. Oversight of the performance will be provided by the Clinical Quality Group, ensuring early escalation of complications by way of regular progress reports. Allowing for early escalation to the Quality & Safety Committee. Further detail in relation to progress against our quality priorities will be detailed in the Quality Account.

Furthermore, the NHS England via the ICS set Commissioning for Quality and Innovation (CQUIN) targets. However, there was no financial penalties attached to these in 2023/24. In March / April 2023, five CQUIN were agreed with the Integrated Care System (ICS) with regular monitoring via the ICS throughout the year. They are as follows:

- CQUIN01: Flu Vaccinations for Frontline Workers.
- CQUIN03: Prompt switching of intravenous (IV) antimicrobial treatment to the oral route of administration as soon as patients meet switch criteria.

- CQUIN06: Timely communication of changes to medicines to community pharmacists via the Discharge Medicines Service.
- CQUIN11: Achieving high quality Shared Decision Making (SDM) conversations in specific specialised pathways to support recovery.
- CQUIN12: Assessment and documentation of pressure ulcer risk.

Our Patient Experience

We aspire to be an outstanding trust where we create the conditions for patients and families to have positive experiences of care, where we identify and strive for continuous improvements, and involve patients, families, and our community. We recognise there is no better or more important way of improving our services than by listening to what individuals think, feel and experience throughout their care journey and beyond. We aim to involve patients, carers and the public in how we improve our services for the future.

We provide opportunities for patients, carers and families to share their experiences and tell their stories; feedback is anonymous, valuable and acted upon. We have a Patient Engagement & Experience Group which reports to the Board's Quality and Safety Committee and is predominantly concerned with the identification of themes and issues arising from patient feedback. We also have a Patient Participation Group which is co-chaired by our Head of Patient Experience and a patient representative. We provide a number of opportunities to hear from our patients, including:

- Friends and Family Test
- Coffee Catch
- CQC National In-patient surveys
- Engagement events, Coffee catch up
- Complaints
- Compliments and concerns given to our Patient Advice and Liaison Service (PALS)
- Social media and online feedback

Members of Healthwatch sit on our Patient Engagement & Experience Group and report on the community's feedback about our services. The Trust continues to meet regularly with Healthwatch, recognising the importance of independence this provides to our patients, carers and their families.

Complaints

From April 2023 to March 2024, 45 patients or relatives made a formal complaint to the Trust, this represents a 6.25 decrease from the previous year (48). 40 of these complaints progressed through the formal complaint route with five being withdrawn or managed through alternative methods.

A key measure of quality concerning how we manage our complaints is the number that we reopen due to the complainant in receipt of the response saying their concerns have not been answered. Between April 2023 and March 2024, the Trust received requests from patients and their families to reopen two complaints. This represents 5% of the total closed complaints during that same period.

Parliamentary and Health Service Ombudsman (PHSO)

We advise all complainants of their right to refer any complaint they feel we have not resolved adequately to the Parliamentary and Health Service Ombudsman (PHSO). From April 2023 to March 2024, the PHSO initiated two investigations. Both investigations were found no case to answer by the PHSO.

PALS (Patient Advisory Liaison Service)

During 2023/2024 the Trust has received 562 PALS contacts from patients and relatives. This is a 6.25% decrease in the formal complaints and a 15% decrease in the PALS contacts compared with 2022/2023. The Trust continues to strive to improve the service offered to patients to resolve their concerns at the most appropriate level and ensures that every person who wants to raise a concern or complaint has a full explanation of each process to ensure that they are able to make an informed decision as to which option they wish to proceed with.

Friends and Family Test (FFT) and sentiment analysis

We recognise there is no better or more important way of improving our services than by listening to what individuals think, feel and experience throughout their journey. We value all feedback from patients and their families and are committed to identifying where patients provide us with examples of where staff went the extra mile, staff have told us how they feel appreciated when this is shared.

Any feedback identifying areas of good practice or highlighting concerns informs the Trust in learning what has gone well and developing quality improvement programmes to address trends and themes of concerns.

During 2023/24, we have received more than 6022 responses from patients and carers via our Friends and Family Test on their care and experience – an increase of 10% from last year. “Smiley faces” consoles were introduced last year as a way of trying to provide wider opportunities for patients and carers to share their experience with us. Unfortunately the ‘Smiley Faces’ consoles were under-utilised in all of the areas they were introduced into and it was also not possible to capture any meaningful data from the comments left. We have therefore reintroduced FFT surveys into all areas from 1 April 2024.

Volunteering

Following the high-volume recruitment campaign for volunteers in early 2023 we have now begun to focus on recruiting to targeted roles to focus on growing and developing the volunteer service which is overseen by the Volunteer Manager. This work includes the development of new roles to ensure the volunteering programme is responsive to the needs of patients, staff, and the Trust during this time.

1.18 Stakeholder Relations

During the year, the Trust has continued to develop its place and contribution within the Birmingham and Solihull Integrated Care System (ICS), particularly given that during the year the establishment of Integrated Care Board as statutory bodies occurred. Alongside this, there has been a legal requirement to collaborate with specific system partners introduced as part of the NHS Provider Licence. As part of this an enduring arrangement has been made to support University Hospitals Birmingham NHSFT with the systemwide plan to address the backlog of elective treatment that had developed and the Trust continues to accept emergency spinal cases and supports ambulatory hand and trauma cohorts.

The Trust continues to lead the MSK Transformation Programme, which is a key piece of work involving partners from across the Birmingham and Solihull system and more widely.

In addition to the MSK Transformation Programme, further work was progressed to develop the National Orthopaedic Alliance (NOA) and in October 2023, the Trust attended the NOA annual conference which was held in Birmingham.

The JointCare reunion events have provided a sound opportunity for engaging with a large cohort of our patients and the feedback on their experience has been useful in shaping the future service offerings. The

service has also expanded in a limited way during the year to cover a range of other specialities, with the 'Coffee Catch Up' reunion sessions being a key part of the pathway for these too.

The Trust continued Patient Experience & Engagement fora during the year, with good attendance and the continued attendance patient representatives, with initiatives over the year such as:

- The Patient Experience Department continues to engage proactively with all members of the ROH Community. We recently hosted a stand in outpatients to share information and engage with our patients, staff and visitors and attend other patient events such as "Coffee Catch Ups" and The Healthwatch stand.
- The Department is actively sending PALS and Complaints Satisfaction Surveys out monthly to patients/families/carers who have raised a PALS or formal complaint with us. We received 110 responses in 2023/2024.
- During the last twelve-month period, we have received more than 6000 responses from patients and carers via our Friends and Family Test on their care and experience and moving forward we have expanded the departments that utilise the FFT feedback to enable a more seamless and cohesive feedback to be collected across the Trust. We can collect this data via paper based forms, online and through a QR code to enable equitable access to all.
- The Patient Experience Department received fewer formal complaints in 2023/2024 compared to last year 2022/2023 with a reduction of 6.25%.
- In excess of 100 Actions have been created as a result of PALS cases and Formal Complaints this year. Progress against these are reported weekly in the divisional governance meetings. Actions are identified from the issues raised in PALS and Complaints and are a learning and improvement tool to help us continuously improve our services.
- In-depth Surveys continue to go from strength to strength in 2023/2024 with our Volunteers conducting weekly surveys and ensuring that information is collected from both inpatients and outpatient departments on a fortnightly basis. Overall, we received over 1000 completed surveys.
- The Youth Forum is now running on a regular basis both on-line and in person.
- The Patient Engagement and Experience Group now meets face to face after being an online group during and after covid. All members agree that they find meeting in person much more engaging and beneficial with robust and productive conversations taking place.

A Patient Participant Forum has also continued to support the work on patient engagement and experience.

To conclude this chapter, two specific statements need to be made as to the consistency of the Annual Report with other corporate documents and a statement to the auditors that the Directors of the organisation have taken all reasonable steps to disclose information to the auditors and to take all steps necessary to identify information of which they are aware which needs to be disclosed.

1.19 Material inconsistencies

There are no material inconsistencies between:

- the Annual Governance Statement.
- Annual Board declarations.
- the Annual Report.
- reports arising from Care Quality Commission planned and responsive reviews of the NHS Foundation Trust and any consequent action plans developed by the NHS Foundation Trust.

1.20 Statement as to Disclosure to Auditors

For each individual who is a Director at the time that the report is approved:

- So far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

A Director is regarded as having taken all the steps that they ought to have taken as a Director in order to do things mentioned above, and:

- made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and
- taken such other steps (if any) for that purpose, as are required by his/her duty as a Director of the company to exercise reasonable care, skill and diligence.



Jo Williams
Chief Executive
28 June 2024

Section 2: Remuneration Report

2.0 Annual statement on Remuneration

During the year, the Nominations and Remuneration Committee met to review executive pay with a view to considering implementing an annual cost of living pay award in line with ministerial guidance.

The Committee sought the advice of the Chief People Officer in assisting the Committee with its decision-making at this meeting who considered the proposal in the context of the plans of other organisations in the Birmingham and Solihull system.

2.1 Senior managers’ remuneration policy

2.1.1 Future policy table: Executive Directors

| | Salary and fees | Taxable Benefits | Annual Performance -related bonuses | Long-term Performance -related bonuses | Pension-related benefits | Other Remuneration |
|---|---|---|-------------------------------------|--|---|---|
| Description | Basic pay for Executive role | None | Not Applicable | Not Applicable | NHS Pension Scheme membership | Not Applicable |
| How that component supports the short and long-term strategic objectives of the foundation trust | To ensure the Trust is well-led and all short and long-term objectives are met, the salary for senior managers must be competitive in order to recruit and retain talented individuals | To ensure senior managers are appropriately compensated for those journeys they have undertaken on behalf of the Trust. The policy for senior managers is the same as that applying to other staff. | Not Applicable | Not Applicable | This enables the Trust to recruit sufficient talent at Executive Director level and accords with custom and practice in the rest of the NHS. | Not Applicable |
| An explanation of how that component operates | Executive Director Salaries are determined by the Nominations & Remuneration Committee of the Trust Board, informed by benchmark salary derived from established national NHS pay surveys. Executive directors are appointed on a permanent basis under a contract of service at an agreed salary | Trust Expenses Policy applies to Senior Managers. Taxable benefits incurred fell within the scope of this policy. Levels of benefits reflect national terms and conditions for other staff groups to ensure consistency | Not Applicable | Not Applicable | This is determined in accordance with NHS Pension Scheme Benefits. No additional payments are made, including in the event of early retirement. | As determined by national terms and condition of employment |

Remuneration Report

| | | | | | | |
|--|---|----------------|----------------|----------------|--|---|
| The maximum that could be paid in respect of that component | Fixed salary determined by Nominations & Remuneration Committee | Not Applicable | Not Applicable | Not Applicable | As determined by NHS Pension Scheme Entitlements | As determined by national terms and condition of employment |
| Where applicable, a description of the framework used to assess performance | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

Accompanying notes

There were no new core components of the remuneration package.

There were no changes made to existing components of the remuneration package other than the pay award referred to above.

The policy on remuneration for other employees is to utilise national terms and conditions of employment, with local policies relating to pay progression.

The approach for senior managers is currently as determined above.

Provisions for the recovery of sums paid to directors and other staff exist where overpayments have been made in error or annual leave taken in excess of entitlement.

2.1.2 Future policy table: Non-Executive Directors

| | Fee payable | Any additional fees payable for any other duties to the foundation trust | Such other items that are considered to be remuneration in nature |
|--|---|--|--|
| Description | Fee for the Chair, Committee Chairs and other Non-Executive Directors | Not applicable | Expenses incurred in the course of their duties such as public transport, mileage and subsistence as determined by Trust policy. |
| How that component supports the short and long-term strategic objectives of the foundation trust; | To ensure the Trust is well-led and all short and long-term needs met, the fee for Non-Executive Directors must be competitive in order to recruit and retain talented individuals | Not applicable | To ensure Non-Executive Directors are appropriately compensated for those journeys they have undertaken on behalf of the Trust. The policy for Non-Executive Director expenses is the same as that applying to other staff |
| An explanation of how that component operates | The Chair and Non-Executive members are entitled to be remunerated by the Trust for so long as they continue to hold office as Chair or Non-Executive member. They are entitled to receive remuneration only in relation to the period for which they hold office. There is no entitlement to compensation for loss of office. The level of remuneration is determined by the Governors with due regard to the remuneration paid in other Foundation Trusts and guidance received during the year from NHS England, designed to improve the parity of remuneration between Non-Executives and Chair of NHS FTs and NHS trusts | Not applicable | Mileage and subsistence allowances for Non-Executive Directors in line with those for other staff |
| The maximum that could be paid in respect of that component | The rate of remuneration payable to the Chair of the Trust is £43,047 pa (from 1 April 2023) for up to two days per week. The joint Vice Chair and Senior Independent Director is remunerated at a rate of £15,000 pa. The Chair of the Audit Committee is remunerated at £14,567. The current rate of remuneration payable to other Non-Executives is £13,000 pa for approximately three days a month. | Not applicable | Not applicable |
| Where applicable, a description of the framework used to assess performance | Performance of Non-Executive Directors is assessed by the Chair annually, and for the Chair, by the Lead Governor and Senior Independent Director | Not applicable | Not applicable |

2.2 Service contracts obligations

There were no obligations on the Trust which:

- were contained in all senior managers' service contracts or;
- were contained in the service contracts of any one or more existing senior managers (not including any obligations in the preceding disclosure); and/or
- the Trust proposes would be contained in senior managers' service contracts to be entered into and which could give rise to, or impact on, remuneration payments or payments for loss of office but which are not disclosed elsewhere in the remuneration report.

2.3 Policy on payment for loss of office

Where possible, all Executive Directors are employed on permanent contracts of employment with a six-month notice period. Where the Trust has a requirement to use off-payroll or seconded Executive Directors and Non-Executive Directors, they are usually employed for a fixed-term basis and the Trust acts to ensure a permanently employed appropriate replacement is identified as soon as possible.

No Executive Directors have provision for other payments over and above their contractual notice period or other statutory entitlements, to be made on termination of employment.

During the year there have been no payments made to senior managers for loss of office.

2.4 Statement of consideration of employment conditions elsewhere in the Foundation Trust

The pay and conditions of employees were considered when setting the remuneration approach for senior managers by ensuring consistency in determination of non-pay taxable benefits to ensure no favourable treatment for Executive Directors.

The staff governors contribute to the determination of non-executive pay, alongside other governors, however they have no further responsibility to consult more widely to ensure their views reflect those of the wider staff and community and do not have any involvement in the determination of executives' remuneration.

In determining pay for Executive Directors, the remuneration levels for other NHS organisations are reviewed, utilising published and recognised remuneration reports.

The Trust has in place, in addition to the professional indemnity cover provided under the Trust's arrangements with the NHS Litigation Authority, an additional directors & officers liability policy.

2.5 Senior managers paid in excess of £150,000

Two directors whose remuneration exceeded £150,000 were in post during the year ended 31st March 2024. The remuneration for each post holder was assessed and benchmarked against comparable Trusts, utilising published independent market salary information and was considered appropriate.

This is the threshold used in the Civil Service for approval by the Chief secretary to the Treasury, as set out in guidance issued by the Cabinet Office. The Cabinet Office approvals process does not apply to NHS foundation

trusts but this is considered a suitable benchmark above which NHS foundation trusts should make this disclosure.

2.6 Payments to past senior managers

During the year there have not been any payments made to past senior managers.

2.7 Disclosures required by Health and Social Care Act

The Trust believes that all relevant disclosures are detailed elsewhere in the report.

2.8 Annual Report on Remuneration

2.8.1 Service contracts

| Name and title | Date of service contract | Term expires | Notice period |
|--|------------------------------|----------------------------------|---------------|
| Mr Timothy Pile Chair (from 18 January 2021) | 1 January 2021 as Chair | 31 March 2025 | 3 months |
| Mrs Jo Williams Chief Executive | 6 May 2019 | Not applicable | 6 months |
| Mr Matthew Revell Executive Medical Director | 18 February 2019 | Not applicable | 6 months |
| Mrs Nicola Brockie Executive Chief Nurse | 1 January 2023 | Not applicable | 6 months |
| Mrs Marie Peplow Executive Chief Operating Officer | 1 September 2019 | Not applicable | 6 months |
| Mr Steve Washbourne* Executive Chief Finance Officer | 3 July 2023 | Not applicable | 6 months |
| Mr Simon Grainger-Lloyd Executive Director of Governance | 4 August 2015 | Not applicable | 6 months |
| Mrs Sharon Malhi Executive Chief People Officer | 4 April 2022 | Not applicable | 6 months |
| Mrs Michelle Hubbard** Acting Chief Operating Officer | 1 st January 2024 | Not applicable | 3 months |
| Mrs Christine Fearn Non-Executive Director | 1 September 2022 | Resigned from 30 September 23 | 3 months |
| Mr Richard Phillips Non-Executive Director | 1 February 2017 | 31 January 2024 | 3 months |
| Dr Ian Reckless Non-Executive Director | 1 November 2022 | 31 October 2025 | 3 months |
| Ms Simone Jordan Non-Executive Director | 1 October 2020 | 30 September 2026 | 3 months |
| Ms Ayodele Ajose Non-Executive Director | 1 April 2021 | 31 March 2027 | 3 months |
| Mrs Gianjeet Hunjan Non-Executive Director | 1 October 2020 | 30 September 2026 | 3 months |
| Mr Leslie Williams Non-Executive Director | 1 April 2021 | 31 March 2027 | 3 months |
| Mrs Jenny Belza Non-Executive Director | 1 February 2024 | 31 January 2027 | 3 months |
| Mr Simon Page Non-Executive Director | 1 February 2024 | 31 January 2027 | 3 months |

Notes:

* Steve Washbourne was previously Interim Director of Finance from October 2017

** Michelle Hubbard was appointed as the Acting Chief Operating Officer from 1st January 2024 from her substantive post as Deputy Chief Operating Officer.

2.9 Remuneration Committee

The Directors' Report (within the Accountability Report) provides the following details in respect of the Remuneration Committee:

- Details of the membership of the Remuneration Committee. This means the names of the Chair and members of the Remuneration Committee should be disclosed (Code of Governance A.1.2).

- The number of meetings and individuals' attendance at each should also be disclosed (Code of Governance A.1.2).

2.10 Disclosures required by Health and Social Care Act

The Trust believes that all relevant disclosures are detailed elsewhere in the report.

2.11 Remuneration (subject to audit): 2023-24

| Name and Title | 2023-24 (12 months to 31 st March 2024) | | | | | | |
|--|--|-----------------------------|--------------------------------------|--|--|----------------------|-------------------|
| | Salary and fees | Taxable Benefits | Annual Performance - related bonuses | Long-term performance -related bonuses | Pension - related benefit (see note below) | Other Remunerat -ion | Total |
| | (bands of £5,000) | Rounded to the nearest £100 | (bands of £5,000) | (bands of £5,000) | (bands of £2,500) | (bands of £5,000) | (bands of £5,000) |
| | £000 | £ | £000 | £000 | £000 | £000 | £000 |
| Joanne Williams, Chief Executive Officer^ | 185-190 | 0 | 0 | 0 | 0 | 0 | 185-190 |
| Nicola Brockie – Executive Chief Nurse ^ | 125-130 | 0 | 0 | 0 | 160-162.5 | 0 | 285-290 |
| Matthew Revell, Executive Medical Director^ | 175-180 | 0 | 0 | 0 | 0 | 0 | 175-180 |
| Steve Washbourne, Executive Chief Finance Officer*^ | 135-140 | 0 | 0 | 0 | 0 | 0 | 135-140 |
| Marie Peplow, Executive Chief Operating Officer^ | 125-130 | 0 | 0 | 0 | 0 | 0 | 125-130 |
| Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO)^ | 125-130 | 0 | 0 | 0 | 25-27.5 | 0 | 150-155 |
| Sharon Malhi – Chief People Officer | 120-125 | 0 | 0 | 0 | 27.5-30 | 0 | 150-155 |
| Michelle Hubbard – Interim Chief Operating Officer (from January 2024) | 30-35 | 0 | 0 | 0 | 0 | 0 | 30-35 |
| Tim Pile, Chair | 40-45 | 0 | 0 | 0 | 0 | 0 | 40-45 |
| Richard Phillips, Non-Executive Director (to 31 st January 2024) | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Ayodele Ajose, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Simone Jordan, Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 0 | 15-20 |
| Gianjeet Hunjan, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Les Williams, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Christine Fearn, Non-Executive Director (to 30 th September 2023) | 5-10 | 0 | 0 | 0 | 0 | 0 | 5-10 |
| Dr. Ian Reckless, Non-Executive Director ** | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Jenny Belza, Non-Executive Director (from February 2024) | 0-5 | 0 | 0 | 0 | 0 | 0 | 0-5 |
| Simon Page, Non-Executive Director (from February 2024) | 0-5 | 0 | 0 | 0 | 0 | 0 | 0-5 |

Notes

- * Steve Washbourne, Chief Finance Officer, was employed by University Hospital Birmingham NHSFT until 2nd July, and his salary costs was recharged to the Trust. The salary costs shown represent the full 12-month cost .
- ** Dr Ian Reckless was employed by Milton Keynes NHSFT , who recharged the costs of his appointment.
- ^ These Executive Directors are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. This will have a differing impact specific to individual circumstances which are reflected in the calculated Pension Related Benefit adjustment shown above. Negative values are not disclosed in this table but substituted with a zero.

2.12 Remuneration: 2022-23 (Subject to Audit)

| Name and Title | 2022-23 (12 months to 31st March 2023) | | | | | | |
|---|--|-----------------------------|--------------------------------------|--|----------------------------|---------------------|------------------------|
| | Salary and fees | Taxable Benefits | Annual Performance - related bonuses | Long-term performance -related bonuses | Pension - related benefits | Other Remunerati on | Total |
| | (bands of £5,000) | Rounded to the nearest £100 | (bands of £5,000) | (bands of £5,000) | (bands of £2,500) | (bands of £5,000) | (bands of £5,000) £000 |
| | £000 | £ | £000 | £000 | £000 | £000 | £000 |
| Joanne Williams, Chief Executive Officer | 170-175 | 0 | 0 | 0 | 45-47.5 | 0 | 215-220 |
| Garry Marsh, Executive Director of Nursing & Clinical Governance (to 30 Nov 2022) | 10-15 | 0 | 0 | 0 | 37.5-40 | 0 | 45-50 |
| Nicola Brockie – Executive Chief Nurse (1 Jan 2023 onwards) | 30-35 | 0 | 0 | 0 | 30-32.5 | 0 | 60-65 |
| Matthew Revell, Executive Medical Director* | 155-160 | 0 | 0 | 0 | (27.5-30) | 0 | 125-130 |
| Professor Philip Begg, Executive Director of Strategy and Delivery | 115-120 | 0 | 0 | 0 | (95-97.5) | 0 | 20-25 |
| Steve Washbourne, Interim Executive Director of Finance** | 130-135 | 0 | 0 | 0 | 37.5-40 | 0 | 165-170 |
| Marie Peplow, Executive Chief Operating Officer | 120-125 | 0 | 0 | 0 | 32.5-35 | 0 | 155-160 |
| Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO) | 120-125 | 0 | 0 | 0 | 37.5-40 | 0 | 160-165 |
| Sharon Malhi – Chief People Officer (from 4 April 2022) | 115-120 | 0 | 0 | 0 | 37.5-40 | 0 | 155-160 |
| Tim Pile, Chair | 40-45 | 0 | 0 | 0 | 0 | 0 | 40-45 |
| Kathryn Sallah, Non-Executive Director (to 30 September 2022) | 5-10 | 0 | 0 | 0 | 0 | 0 | 5-10 |
| Professor David Gourevitch, Non-Executive Director (to 31 January 2023) | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Richard Phillips, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Ayodele Ajose, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Simone Jordan, Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 0 | 15-20 |
| Gianjeet Hunjan, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Les Williams, Non-Executive Director | 10-15 | 0 | 0 | 0 | 0 | 0 | 10-15 |
| Christine Fearn, Non-Executive Director (from 1 Sept 2022) | 5-10 | 0 | 0 | 0 | 0 | 0 | 5-10 |
| Dr. Ian Reckless, Non-Executive Director (from 1 Nov 2022) | 5-10 | 0 | 0 | 0 | 0 | 0 | 5-10 |

Notes

* Executive Medical Director, Mr. Revell's salary is comprised of both medical and management fees. The medical fees are in the band £55k-£60k.

** Steve Washbourne, Interim Director of Finance, was employed by University Hospital Birmingham NHSFT, who recharged his salary costs.

*** Dr Ian Reckless was employed by Milton Keynes NHSFT, who recharged the costs of his appointment.

2.13 Fair Pay Multiple [subject to audit]

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £185k-190k (2022/23: £170-175k). This is a change between years of 8.6%.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of annualised remuneration in 2023/24 was from £13k to £188k (2022-23: £13k to £261k).

Zero employees received remuneration in excess of the highest-paid director in 2023/24 (2022/23: two).

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

| 2023/2024 | 25th percentile | Median | 75th percentile |
|---|-----------------|---------|-----------------|
| Salary component of pay | £22,816 | £34,851 | £45,996 |
| Total pay and benefits excluding pension benefits | £22,816 | £34,851 | £45,996 |
| Pay and benefits excluding pension: pay ratio for highest paid director | 8.25:1 | 5.45:1 | 4.09:1 |

| 2022/2023 | 25th percentile | Median | 75th percentile |
|---|-----------------|---------|-----------------|
| Salary component of pay | £22,994 | £34,943 | £49,275 |
| Total pay and benefits excluding pension benefits | £22,994 | £34,943 | £49,275 |
| Pay and benefits excluding pension: pay ratio for highest paid director | 7.81:1 | 5.14:1 | 3.65:1 |

Individuals at the lower end of the salary range, include apprentices used by the Trust and individuals performing bank work on an ad-hoc basis.

The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is an increase of 0.8%.

2.14 Salary and Pension Entitlements of Senior Managers

a) Pension Benefits 2023-24 [subject to audit]

| Name and title | Real increase/ (decrease) in pension at age 60 | Real increase/ (decrease) in related lump sum at age 60 | Total accrued pension at age 60 at 31 March 2023 | Total accrued lump sum at age 60 at 31 March 2023 | Cash Equivalent Transfer Value at 1 st April 2023 | Real Increase/ (decrease) in Cash Equivalent Transfer Value | Cash Equivalent Transfer Value at 31 March 2024 | Employer's Contribution to Stakeholder Pension |
|--|---|--|---|--|--|--|--|---|
| | (bands of £2500) | (bands of £2500) | (bands of £5000) | (bands of £5000) | | | | To nearest £100 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Joanne Williams, Chief Executive Officer* | 0 | 42.5-45 | 50-55 | 130-135 | 809 | 215 | 1,106 | 0 |
| Nicola Brockie – Executive Chief Nurse * | 5-7.5 | 35-37.5 | 30-35 | 75-80 | 346 | 268 | 649 | 0 |
| Matthew Revell, Executive Medical Director* | 0 | 27.5-30 | 55-60 | 160-165 | 1,176 | 112 | 1,406 | 0 |
| Steve Washbourne, Chief Finance Officer* | 0 | 32.5-35 | 50-55 | 135-140 | 834 | 180 | 1,098 | 0 |
| Marie Peplow, Executive Chief Operating Officer**^ | 0 | 5-7.5 | 60-65 | 170-175 | 1,367 | 0 | 0 | 0 |
| Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO)* | 0-2.5 | 30-32.5 | 25-30 | 65-70 | 373 | 166 | 578 | 0 |
| Sharon Malhi – Chief People Officer | 2-2.5 | 0 | 10-15 | 5-10 | 94 | 51 | 155 | 0 |

Note:

* These Executive Directors are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 scheme on 1 October 2023. This will have a differing impact specific to individual circumstances which are reflected in the above table. Negative values are not disclosed in this table but substituted with a zero.

^ No CETV figure is shown for senior managers who have reached Normal Pension Age. NPA is age 60 in the 1995 Section

b) Pension Benefits 2022-23 (Subject to Audit)

| Name and title | Real increase/ (decrease) in pension and related lump sum at age 60 | Total accrued pension and related lump sum at age 60 at 31 March 2022 | Cash Equivalent Transfer Value at 31 March 2022 | Cash Equivalent Transfer Value at 31 March 2021 | Real Increase/ (decrease) in Cash Equivalent Transfer Value | Employer's Contribution to Stakeholder Pension |
|--|---|---|---|---|--|---|
| | (bands of £2500) | (bands of £5000) | | | | To nearest £100 |
| | £000 | £000 | £000 | £000 | £000 | |
| Joanne Williams, Chief Executive Officer | 2.5-5 | 125-130 | 809 | 726 | 61 | 0 |
| Garry Marsh, Executive Director of Nursing & Clinical Governance (to 30 Nov 2023) | 2.5-5 | 135-140 | 813 | 728 | 41 | 0 |
| Nicola Brockie – Executive Chief Nurse (from 1 Jan 2023) | 2.5-5 | 55-60 | 346 | 225 | 28 | 0 |
| Matthew Revell, Executive Medical Director | (7.5)-(10) | 180-185 | 1,176 | 1,139 | 2 | 0 |
| Professor Philip Begg, Executive Director of Strategy and Delivery | (2.5)-(5) | 80-85 | 266 | 324 | (68) | 0 |
| Steve Washbourne, Interim Executive Director of Finance | 2.5-5 | 140-145 | 864 | 758 | 82 | 0 |
| Marie Peplow, Executive Chief Operating Officer | 2.5-5 | 210-215 | 1,367 | 1,258 | 70 | 0 |
| Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO) | 2.5-5 | 55-60 | 373 | 320 | 43 | 0 |
| Sharon Malhi – Chief People Officer (from 4 April 2022) | 2.5-5 | 15-20 | 94 | 62 | 30 | 0 |

2.15 Total Pension Entitlement

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The CETV figures, and from 2007/08 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 Increases in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes in benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

2.16 Directors and Governors in office and expense claims

The total number of Directors and Governors in office in the financial year, and their expense claims, has been shown below:

| | 2023-24 | 2022-23 |
|---|---------|---------|
| Number of Directors in office* | 13 | 13* |
| Number of Directors with expense claims | 6 | 7 |
| Financial value of expense claims made by Directors (£00) | 2 | 13 |
| Number of Governors in office | 14 | 18 |
| Number of Governors with expense claims | 0 | 0 |
| Financial value of expense claims made by Governors (£00) | 0 | 0 |

* Voting members only and excludes the interim Executive Director



Jo Williams
Chief Executive
28 June 2024

Section 3: Staff Report

3.1 Analysis of Average Staff Numbers

| Average number of employees (WTE basis) | Group | | | |
|---|--------------|------------|--------------|--------------|
| | 2023/24 | | | 2022/23 |
| | Permanent | Other | Total | Total |
| | Number | Number | Number | Number |
| Medical and dental | 128 | 13 | 141 | 144 |
| Administration and estates | 441 | 55 | 496 | 462 |
| Healthcare assistants and other support staff | 198 | 29 | 227 | 209 |
| Nursing, midwifery and health visiting staff | 271 | 50 | 321 | 316 |
| Scientific, therapeutic and technical staff | 135 | 19 | 154 | 147 |
| Healthcare science staff | 0 | - | 0 | 1 |
| Total average numbers | 1,174 | 165 | 1,339 | 1,279 |
| Of which: | | | | |
| Number of employees (WTE) engaged on capital projects | - | - | - | - |

3.2 Employee expenses and numbers – Group

| | 2023/24 | | | 2022/23 |
|--|---------------|--------------|---------------|---------------|
| | Permanent | Other | Total | Total |
| | £000 | £000 | £000 | £000 |
| Salaries and wages | 57,146 | 955 | 58,100 | 54,123 |
| Social security costs | 5,723 | - | 5,723 | 5,507 |
| Apprenticeship levy | 268 | - | 268 | 254 |
| Employer's contributions to NHS pension scheme | 9,019 | - | 9,019 | 8,493 |
| Pension cost - other | 20 | - | 20 | 17 |
| Temporary staff | - | 5,858 | 5,858 | 6,595 |
| NHS charitable funds staff | 84 | - | 84 | 69 |
| Total gross staff costs | 72,259 | 6,813 | 79,072 | 75,058 |
| Recoveries in respect of seconded staff | - | - | - | - |
| Total staff costs | 72,259 | 6,813 | 78,967 | 75,058 |
| Of which | | | | |
| Costs capitalised as part of assets | - | - | - | - |

3.3 Employee expenses

The total Employer Pension contribution payable for the period to 31 March 2024 is £6,100k (31 March 2023 - £5,891k).

3.4 Staff breakdown by gender

Gender and Role (by headcount) as at 31st March 2024 (Not including bank staff)

| Title | Female | Male | Total |
|-------------------------|------------|------------|---------------|
| Non-Executive Directors | 4 | 4 | 8 |
| Executive Directors | 5 | 3 | 8 |
| Other Employees | 974 | 432 | 1,406 |
| Total | 982 | 439 | 1,422* |

* number does not reconcile to the figure in 3.1 as this represents staff numbers at a point in time, rather than average staff numbers across the year

3.5 Staff breakdown by disability

Disability and Role (by headcount) as at 31st March 2024 (Not including bank staff)

| Title | Yes | No | Not Stated | Total |
|-------------------------|-----------|--------------|------------|--------------|
| Non-Executive Directors | 0 | 7 | 1 | 8 |
| Executive Directors | 2 | 5 | 1 | 8 |
| Other Employees | 84 | 1,177 | 145 | 1,406 |
| Total | 86 | 1,189 | 147 | 1,422 |

3.6 Staff breakdown by ethnicity

Ethnicity and Role (by headcount) as at 31st March 2024 (Not including bank staff)

| Title | BME | White | Not Stated | Total |
|------------------------|------------|------------|------------|--------------|
| Non-Executive Director | 2 | 5 | 1 | 8 |
| Executive Director | 1 | 7 | 0 | 8 |
| Other Employees | 448 | 939 | 19 | 1,406 |
| Total | 451 | 949 | 20 | 1,422 |

3.7 Staff breakdown by sexual orientation

Sexual Orientation and Role (by headcount) as at 31st March 2024 (Not including bank staff)

| Title | Heterosexual or Straight | Bisexual | Gay or Lesbian | Other Sexual Orientation Not Listed | Undecided | Not Stated | Total |
|------------------------|--------------------------|-----------|----------------|-------------------------------------|-----------|------------|--------------|
| Non-Executive Director | 5 | 0 | 0 | 0 | 0 | 3 | 8 |
| Executive Director | 6 | 0 | 1 | 0 | 0 | 1 | 8 |
| Other Employees | 1185 | 12 | 21 | 1 | 5 | 182 | 1,406 |
| Total | 1196 | 12 | 22 | 1 | 5 | 186 | 1,422 |

3.8 Sickness Absence

Details of staff sickness absence data can be found via NHS digital publication services on 'NHS Sickness Absence Rates' [NHS Sickness Absence Rates - NHS Digital](https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates)³

3.9 Staff Policies and Actions applied during the financial year

3.9.1 Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities

The Trust is recognised as a 'Disability Confident Committed Employer' through the Government's Disability Confident Scheme which supports employers to make the most of the skills, knowledge and talents that disabled people can bring to the workplace. The Trust has achieved Level 3 of the scheme - 'Disability Confident Leader.' This means that the Trust actively encourages applications from disabled individuals in accordance with the Equality Act 2010. The Leader status also means that the Trust is asked to advise and support other organisations completing their accreditation. As an organisation we are committed to attracting, employing, retaining, and developing the abilities of disabled staff and this is reflected in the Trust's Recruitment and Selection Policy which is supported by the ABLE network.

We are committed to making necessary adjustments before, during and after the recruitment process. Candidates who have declared a disability through the application process need only to meet the essential criteria of the role to be guaranteed an interview.

Managers ensure that all adverts, job descriptions and person specifications provided to the Recruitment Team do not include statements which could be deemed discriminatory. Reasonable adjustments will also be made to support candidates in the interview process.

In addition, on each interview panel candidates are asked an inclusion question as part of key topics covered.

3.9.2 Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period

The Trust is committed to supporting staff to remain in work. In addition to a robust Sickness Absence Policy which promotes support for individuals who become disabled during their employment, managers also conduct regular risk assessments with all staff which ensure that those individuals, particularly those who may be most vulnerable due to disability are not adversely affected during the course of their duties and to ensure that the appropriate interventions are in place to support individuals to remain at work. The Trust's policy ensures that NHS guidance, advice and necessary training is provided to managers on the application of the policy.

The Trust recognises that staff with a disability may have unintended increased levels of absence therefore time off for treatment or rehabilitation may be provided as a reasonable adjustment and flexibility is at the heart of the approach that managers are encouraged to take. The Trust's Human Resources team works closely

³ <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

with the Trust's Health and Safety Adviser to ensure that reasonable adjustments for staff are considered in a holistic manner by all experts who may be able to support the individual.

Managers are required to undertake regular health and wellbeing conversations with all staff with the aim of proactively understanding how an individual may be better supported. The Trust endeavours to ensure a preventative and supportive approach to support our disabled colleagues.

The Trust also has a Stress Management Policy which has an emphasis on the Wellbeing of employees. It endeavours to support employees to address any stress related issues both within the home and the workplace and provides guidance around how to undertake stress risk assessments in order for appropriate actions to be taken. It also offers signposting and support for managers and their colleagues.

All staff have access to an Employee Assistance Programme, Staff Counselling and Occupational Health support as well as mental health and manual handling training. During this financial year, staff have been able to self-refer to counselling. All staff receive regular updates on wellbeing initiatives carried out across the Trust in different formats, and 'Special Interest Groups' (SIGS) have been implemented to ensure the views and ideas of the workforce are listened to, captured and acted upon as appropriate. Wellbeing conversation training is available for all managers and also for colleagues who have staff support responsibilities.

3.9.3 Informing and consulting with our staff

The Trust had achieved 'Thrive at Work' Foundation and Bronze Awards accredited by West Midlands Combined Authority (WMCA). The awards and report highlighted the Health and Wellbeing work across the Trust in all areas. The Trust is now working towards the Silver Award.

The Trust is committed to the supporting physical and psychological wellbeing of all its staff and a number of staff members have been trained in psychological first aid training.

Partnership working is at the heart of the Trust's approach to working with our staff side colleagues. The Trust continues to run virtual sessions which were started as a response to the Covid-19 restrictions to ensure the voice of colleagues is heard. These include staff side meetings attended by the relevant unions and professional bodies with Senior Management including representation from the Executive Team to address any emerging issues.

The Trust has in place a range of communication channels in place, in order to provide employees with relevant information in a timely manner. These include regular daily composite e-mails via e-bulletins, a weekly e-mail update from the Chief Executive, a monthly team brief and staff intranet. There are TV screens and noticeboards around the Trust that are used to share key information with staff. There is also a new intranet site to improve access to information for staff members. The Trust also has increased its social media presence, recognising the shift in how people communicate and key updates, access to opportunities and general information is also shared via these means. There is also a number of wellbeing areas at the Trust which are confidential space where staff can also access wellbeing information. These include a wellbeing room, outdoor wellbeing dome and outdoor seating.

The Trust continues to enhance its performance and appraisal policies and practices, both of which are key to our staff understanding how their role contributes to the performance of the Trust. In addition, all staff are encouraged to participate in the Trust's Annual Business Planning process.

The monthly Team Brief has regularly contained detail around the Trust's financial performance which is cascaded throughout the Trust by managers and is also available on the intranet and an open invitation to all staff every month.

The Trust holds regular formal meetings where management and staff side discuss employee relations issues.

The Joint Local Negotiating Committee meets quarterly with local and regional medical representatives to discuss the strategic overview for the medical workforce, clinical excellence awards, recruitment and junior doctors.

The Trust Consultative Committee (TCC) meets bi-monthly to discuss workforce issues related to non-medical employees of the Trust and is attended by local and regional staff side colleagues and the Trust's Executive Team. Changes to policy and terms and conditions are also consulted at this forum.

The Trust's Staff Side Chair is an active and valued member of the Trust's People and OD Group which is also attended by a range of managers from across the Trust to help shape and engage with the Trust's workforce related matters and development initiatives.

The Trust has a number of staff networks and forums where staff are able to share their views and ideas on 'how it feels to work at the Trust'. These sessions are held face to face and also online. Staff also have the opportunity to feedback on ideas through suggestions boxes and the Trust has recently introduced QI huddles for teams to work together on innovation and continuous improvement.

3.9.4 Staff Turnover

Staff turnover for the Trust is as reported in the NHS Workforce statistics which can be found on the NHS Digital Website – NHS Workforce Statistics.

3.9.5 Inclusion and Diversity

The Trust is committed to creating an inclusive culture where individuals feel and report a sense of belonging and where each person can bring their whole, authentic self to work without the fear of discrimination. This is mirrored in our approach as a provider of specialist orthopaedic services. We endeavour to ensure that equality, diversity and inclusion are at the centre of our roles as a provider of healthcare services but also as an employer.

The Trust's Inclusion Strategy has key objectives to create a truly inclusive environment at the ROH which in turn will improve the patient, colleague and visitor experience through:

- Tackling and removing all forms of discrimination, in order to promote equality for all;
- Creating an inclusive and healthy ROH culture through Trust values;
- Ensuring our Leaders and Managers role model in a compassionate and inclusive way;
- Giving colleagues a voice to speak up and ask for access to opportunities; and
- Being recognised as a Top Inclusive Employer externally through best practice approach.

We have further enhanced existing staff networks (see further detail in Section 3.23). The first network, the Equality and Diversity network, continues to raise awareness on key topics around Inclusion. The ABLE network is well established and has run a campaign on supporting people with hidden disabilities to share their experiences. The LGBTQ+ (BeMyself) network has successfully taken steps to achieving 'Diversity Champion' accreditation with Stonewall and is actively involved with regional colleagues. The Multi Minority Ethnic Group (MMEG) has focussed a project to look at inclusive recruitment. The Mankind network has grown

since its start two years ago and has focussed support on men's health matters. The Women's network has recently elected a Chair and Deputy Chair and continues to support work to close the Gender Pay Gap.

The Trust has been ranked in the Top 50 Inclusive Companies index, reaching number 26 in top 50 list. This shows the continuous commitment in creating an inclusive culture where everybody can thrive. The Trust strives to ensure that everyone brings their authentic self to work.

The Trust has recently launched a photographic project called 'Many Cultures, One ROH'. The exhibition is a celebration of culture at The Royal Orthopaedic Hospital and comprises of people from different places, with different stories. The Trust believes that the rich mix of culture is worth celebrating because we want our team to bring their authentic selves to work. Authenticity means being true to who you are, being true to where you come from and what you believe. The participants in this exhibition have different heritages. Each person brought something of significance from their culture and shared it. The result is a wonderful set of portraits which show the professional in their uniform and the individual in their cultural dress.

The Staff Experience and Organisational Development (SE&OD) Committee receives a regular workforce report detailing the diversity profile of the Trust and this oversight will ensure that actions are taken proactively to ensure that the Trust is diverse in its composition. At each committee meeting a staff member will come and talk to attendees about their experience of working at the Trust.

Any actions from the Workforce Race Equality Standard (WRES) and Workforce Disability, Equality Standard WDES standards, Gender Pay gap action plan and Equality Delivery System are aligned to the overview Inclusion Action plan which will support the delivery of the Inclusion Strategy.

3.10 Occupational Health and Health and Safety Performance

Significant progress has been made ensuring the Trust, so far as is reasonably practicable, complies with the 'Workplace Health and Safety Standards' developed by the NHS Staff Council's 'Health, Safety and Wellbeing Group'. The Health and Safety Executive (HSE) is a key member of this Group.

The standards pull together legal requirements and guidance to help healthcare organisations comply with goal-setting legislation. They provide practical pointers and signposting for meeting appropriate standards in key areas of workforce health and safety. The standards were updated in 2022.

Standards are aimed at directors and managers with health and safety responsibilities, health and safety professionals and trade union safety representatives. The standards ensure individual healthcare providers have adequate arrangements in place i.e. policies/procedures/training/systems for monitoring effectiveness etc. The standards include:

- Provision of an occupational health service (OHS)
- Slips and trips
- Musculoskeletal disorders/manual handling
- Electric profiling beds
- Violence and aggression/challenging behaviour
- Lone working
- Work-related stress
- Bullying and harassment
- Hazardous substances

- Management of sharps
- Work equipment
- Provision and use of work and lifting equipment
- Display screen equipment
- Legionella
- Asbestos Containing Materials (ACMs)
- Temperature
- Workplace transport
- Electricity
- Noise
- Contractors and subcontractors
- Radiation
- First aid
- Working Time Directive
- New and expectant mothers
- Pandemic and Worker Health and Safety

Policies and Procedures

A suite of Trust policies and procedures are in place and meets the guidance published in the Workplace Standards. The most recent of which is the new Contractors Policy and the Work Equipment Policy.

The Violence and Aggression Policy has been reviewed and now incorporates a 'strategy' to better align itself with NHS England's Violence Prevention and Reduction Strategy. HR will be monitoring disparity trends in relation to victims of violence who have protected characteristics.

Central Alerting System (CAS) Alerts

The ROH is a recipient of patient safety alerts issued via the Central Alerting System (CAS). The Trust has a robust governance structure for the management of patient safety alerts. The Trust's Health and Safety Adviser acts as the Central Alerting System Liaison Officer (CASLO). The CASLO is responsible for monitoring the CAS system and the dissemination of CAS alerts to the Medical Device Safety Officer for review. The MDSO will nominate a subject matter expert for each alert who is responsible for undertaking any 'actions required'. The CAS system is continuously updated evidencing the progress for each alert until all actions required have been completed. Only then will the MDSO give authority to close each alert. Patient Safety Alerts are overseen by the Executive team. During 2023/24, the Trust received a total of 18 patient safety alerts; all but one met the timeframe for completion - NatPSA/2023/010/MHRA. This particular alert requires further work ensuring all actions required are implemented.

CAS Alerts 2023/24

| Reference | Alert Title | Response | Deadline |
|-----------------------|---|--|-----------|
| NatPSA/2024/003 | Shortage of salbutamol 2.5mg/2.5ml and 5mg/2.5ml nebuliser liquid unit dose vials. | Actions completed | 08 Mar24 |
| CEM/CMO/2024/001 | Valproate: important new regulatory measures for oversight of prescribing to new patients and existing female patients. | Response not required | n/a |
| NatPSA/2024/002/NHSPS | Transition to NRFit connectors for intrathecal and epidural procedures, and delivery of regional blocks. | Assessed - relevant to organisation's services | 31 Jan 25 |
| NatPSA/2024/001/DHSC | Shortage of GLP-1 receptor agonists (GLP-1 RA) update. | Assessed - not relevant to organisation's services | 28 Mar24 |
| CEM/CMO/2023/003 | Influenza Season 2023/24: Use of antiviral medicines. | Response not Required | n/a |
| NatPSA/2023/016/DHSC | Potential for inappropriate dosing of insulin when switching insulin degludec (Tresiba) products. | Actions completed | 22 Dec 23 |
| NatPSA/2023/015/UKHSA | Potential contamination of some carbomer-containing lubricating eye products with Burkholderia cenocepacia - measures to reduce patient risk. | Actions Completed | 17 Dec 23 |
| NatPSA/2023/014/NHSPS | Identified safety risks with the Euroking maternity information system. | Assessed - not relevant to organisation's services | 07 Jun 24 |
| NatPSA/2023/013/MHRA | Valproate: organisations to prepare for new regulatory measures for oversight of prescribing to new patients and existing female patients. | Response Not Required | n/a |
| NatPSA/2023/012/DHSC | Shortage of verteporfin 15mg powder for solution for injection. | Assessed - not relevant to organisation's services | 20 Oct 23 |
| NatPSA/2023/011/DHSC | Shortage of methylphenidate prolonged-release capsules and tablets, lisdexamfetamine capsules, and guanfacine prolonged-release tablets. | Assessed - not relevant to organisation's services | 11 Oct 23 |
| NatPSA/2023/010/MHRA | Medical beds, trolleys, bed rails, bed grab handles and lateral turning devices: risk of death from entrapment or falls. | Acknowledged | 01 Mar24 |
| NatPSA/2023/009/OHID | Potent synthetic opioids implicated in heroin overdoses and deaths. | Action Completed | 04 Aug 23 |
| NatPSA/2023/008/DHSC | Shortage of GLP-1 receptor agonists. | Assessed - not relevant to organisation's services | 18 Oct 23 |

| Reference | Alert Title | Response | Deadline |
|----------------------|--|--|-----------|
| NatPSA/2023/007/MHRA | Potential risk of underdosing with calcium gluconate in severe hyperkalaemia. | Action Completed | 01 Dec 23 |
| NatPSA/2023/006/DHSC | Shortage of pyridostigmine 60mg tablets. | Assessed - not relevant to organisation's services | 26 May 23 |
| NatPSA/2023/005/MHRA | Removal of Philips Health Systems V60 and V60 Plus ventilators from service - potential unexpected shutdown leading to complete loss of ventilation. | Assessed - not relevant to organisation's services | 02 Oct 23 |
| NatPSA/2023/004/MHRA | Recall of Emerade 500 micrograms and Emerade 300 micrograms auto-injectors, due to the potential for device failure. | Assessed - not relevant to organisation's services | 12 May 23 |

In all cases, except that relating to alert NatPSA/2023/010/MHRA, the deadline for closing the alerts was met. Further work continued into 2024/25 to address the specific requirements of the outstanding alert.

Core Mandatory Training Compliance (H&S/Fire)

Staff attendance figures for H&S mandatory training has been consistently high - above 90%. This figure is encouraging and helped by the fact staff are only required to undertake H&S training once every 3 years.

Conversely, staff attendance figures for fire training are much lower - hovering around 75% during much of the reporting period. The reason is clear - staff must undertake fire training much more frequently - every 12 months. Learning and Development staff intend to consult with the Trust's Fire Safety Adviser/Authorised Person (Fire), with the aim of organising additional training opportunities over the coming year to achieve a figure in excess of 90%.

Number of Accidents by Category. 1 Apr 2023 - 31 Mar 24. (Employees/Visitors/Contractors)

| Accident Category | Apr 23 | May 23 | Jun 23 | Jul 23 | Aug 24 | Sep 24 | Oct 24 | Nov 24 | Dec 24 | Jan 24 | Feb 24 | Mar 24 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Manual Handling Injuries | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 0 |
| Burns / Scalds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contact with hazardous substances (COSHH) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| Road traffic accident/incident | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Sharps injuries | 0 | 1 | 3 | 2 | 0 | 1 | 1 | 2 | 3 | 1 | 1 | 0 |

| Accident Category | Apr 23 | May 23 | Jun 23 | Jul 23 | Aug 24 | Sep 24 | Oct 24 | Nov 24 | Dec 24 | Jan 24 | Feb 24 | Mar 24 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Slips, trips, and falls (staff, visitors & contractors) | 1 | 1 | 2 | 1 | 1 | 0 | 2 | 0 | 2 | 0 | 1 | 0 |
| Impact Injury (with static or moving object) | 2 | 0 | 1 | 0 | 1 | 2 | 2 | 1 | 0 | 0 | 2 | 3 |
| Electric shock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total figure for each month | = 3 | = 2 | = 8 | = 4 | = 2 | = 3 | = 6 | = 5 | = 6 | = 2 | = 4 | = 5 |

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

It is a statutory legal requirement to report specified injuries, diseases, deaths, and dangerous occurrences to the HSE. During the reporting period four RIDDOR reportable incidents were submitted:

RIDDOR Reporting 2023/24

| Date of Incident | Summary of incident | Date RIDDOR Report submitted to HSE |
|------------------|---|-------------------------------------|
| 28 Aug 23 | RIDDOR Notification No: 111F6808F1 Nurse cleaning patient bedside tables in preparation for re-opening of ward. Experienced a back injury leading to over 7-day incapacitation | 13 Sep 23 |
| 31 Oct 23 | RIDDOR Notification No: 15CFB85176 Employee walking along outside footpath on hospital property experienced a slip/trip accident. | 20 Dec 23 |
| 8 Jan 24 | RIDDOR Notification No: BE88118151 Hospital porter driving electric waste tug 'clipped' post causing steering wheel to suddenly spin in her hands resulting in a fractured wrist. | 24 Jan 24 |
| 7 July 23 | RIDDOR Notification No: AA161D517C Waste porter wheeling a large plastic waste bin allegedly containing 80-120 kg of pharmaceutical waste. Porter pushed bin up ramp to load onto trailer. In doing so suffered a back injury. Over 7-day incapacitation of a worker due to back pain. | 28 Aug 23 |

Staff training

For the reporting period 1 Apr 23 -31 Mar 24, the following H&S training sessions were delivered:

- x9 Mandatory training sessions: 5 Apr, 3 May, 7 Jun, 5 Jul, 9 Aug, 4 Oct, 6 Dec, Jan, 14 Feb.
- x1 HCA training sessions: 11 Jul.
- x1 Stress Awareness Training for AHPs: 25 Apr.

- x11 COSHH training sessions: 23 Aug, 22 Sep, 28 Sep, 21 Nov, 30 Nov, 12 Dec, 5 Jan, 16 Feb, 5 Mar, 14 Mar, 21 Mar.

3.11 Information on policies with respect to countering fraud and corruption

The Trust has a Counter Fraud Policy which sets the framework for fraud and corruption prevention and action. The Local Counter Fraud Specialist remains active in the Trust in policy development, staff education and provision of reactive support.

3.12 Off-payroll engagements: Trust policy

The Trust is required as part of this report to disclose its policy in relation to the engagement of individuals via off-payroll arrangements. At present the Trust does not have a specific policy in relation to the circumstances in which off-payroll engagements would be utilised. However, these would always be procured via the Trust's normal procurement procedures with value for money being considered.

The Trust does have a policy in relation to the management of these arrangements once these are in place. The Trust monitors engagements which are more than £245 per day and are expected to last at least six months. Individuals who fall into this category are required to provide assurance to the Trust that the income they receive is properly accounted for in relation to tax. Contracts for these individuals include a clause which states that this information must be provided when requested by the Trust; failure to do so could result in the contract being terminated. Where information is not provided the Trust notifies HMRC.

To date no contracts have been ended or notified to HMRC due to the failure to provide the required assurance to the Trust.

3.13 Highly-paid off-payroll worker engagements as at 31st March 2024 earning £245 a day or greater

| | |
|---|---|
| No. of existing engagements as of 31 March 2023 | 0 |
| Of which... | |
| 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 | 0 |
| 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 | 0 |
| No. that have existed for between four and five years at time of reporting | 0 |

3.14 Highly-paid off-payroll worker engagements as at 31st March 2023 earning £245 a day or greater

| | |
|--|---|
| No. of existing engagements as of 31 March 2022 | 0 |
| Of which... | |
| 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 | 0 |

| | |
|---|---|
| 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 | 0 |
| No. that have existed for between four and five years at time of reporting | 0 |

3.15 All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2024 earning £245 per day or greater

| | |
|---|---|
| No. of off-payroll workers engaged during the year ended 31 March 2023 | 0 |
| Of which: | |
| Not subject to off-payroll legislation* | 0 |
| Subject to off-payroll legislation and determined as in-scope of IR35* | 0 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35* | 0 |
| Number of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Of which: number of engagements that saw a change to IR35 status following review | 0 |

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

3.16 All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater

| | |
|---|---|
| No. of off-payroll workers engaged during the year ended 31 March 2022 | 0 |
| Of which: | |
| Not subject to off-payroll legislation* | 0 |
| Subject to off-payroll legislation and determined as in-scope of IR35* | 0 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35* | 0 |
| Number of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Of which: number of engagements that saw a change to IR35 status following review | 0 |

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

3.17 Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

| | |
|---|----|
| No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year. | 0 |
| No. of individuals that have been deemed "Board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements. | 19 |

3.18 Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2023

| | |
|---|----|
| No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year. | 0 |
| No. of individuals that have been deemed "Board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements. | 19 |

3.19 Exit packages

| Exit package cost band (including any special payment element) | 2023/24 | | | 2022/23 | | |
|--|---|---|--|---|---|--|
| | Number of compulsory redundancies Number | Number of other departures agreed Number | Total number of exit packages by cost band Number | Number of compulsory redundancies Number | Number of other departures agreed Number | Total number of exit packages by cost band Number |
| <£10,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £10,000-£25,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £25,001-£50,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £50,001-£100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £100,001-£150,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £150,001-£200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total number of exit packages by type | 0 | 0 | 0 | 0 | 0 | 0 |
| Total resource expense (£'000) | 0 | 0 | 0 | 0 | 0 | 0 |

This element of the annual report has been audited

3.20 Retirements due to ill health

During the year to 31 March 2024 there were no early retirements from the Trust agreed on the grounds of ill-health (31 March 2023, nil).

3.21 Gender pay gap reporting

The Trust's information on gender pay reporting can be accessed on the hospital's internet site at: <https://www.roh.nhs.uk/about-us/publications/corporate-documents>

National information and guidance about gender pay reporting can also be accessed on the Cabinet Office website at: <https://gender-pay-gap.service.gov.uk>

3.22 Staff Survey

The Trust continues to look at different way to progress in relation to its approach to staff engagement and considers effective staff engagement being core to delivering high quality outcomes for our patients and in supporting our community.

The Trust continues to use different methods to engage with staff including virtual meetings, face to face team meeting, information boards, emails and intranet, focus groups, listening sessions, Manager briefings and Team huddles to ensure that there has been opportunity for two-way feedback.

Non-Executive Directors regular visits departments to speak to staff members in addition to Executive 'Chat and Checks' – periodic engagement sessions with teams across the Trust where Executive Directors can engage with people and hear any feedback they may have about working at the Trust and giving staff the opportunity to engage with the Trust Board. The Executive Directors regularly visit staff in their departments with refreshment trolleys to engage with staff and ensure they have the correct information on how to access support and also feedback new ideas.

The Trust's monthly Team brief provides an opportunity for staff to ask questions of the Executive Team on anything they choose to. The content of Team brief is recorded and copy of the information is available to all staff via the intranet after the meeting.

The NHS Staff (NSS) survey is conducted annually. The NHS quarterly Pulse surveys are run three times a year to provide ongoing feedback to complement the NSS survey focussed on the NSS questions on 'Staff Engagement'. From 2022 year, the results are measured against the seven 'People Promise' indicators aligned to the NHS People Strategy. This is shown in the table below.

Hearing the staff voice this year has also been improved through the embedding of the staff networks that was described in the opening comments by the Chair and Chief Executive. In addition, the Freedom to Speak Up framework has been enhanced with the recruitment of voluntary Freedom to Speak Up champions who support the Freedom to Speak Up Guardian by signposting staff wishing to speak up to the most appropriate channel to do this.

National Staff Survey Results 2023

The completion rate was 60% which was an improvement from 52% in the previous year. Bank staff were included in the survey this year across the NHS (it was the second time Bank Staff were invited to take part at the Trust)

| | ROH 2021 | ROH 2022 | ROH 2023 | Best Benchmark2 023 | Average Benchmark 2023 |
|------------------------------------|----------|----------|----------|---------------------|------------------------|
| We are compassionate and inclusive | 7.6 | 7.5 | 7.5 | 8.0 | 7.5 |
| We are recognised and rewarded | 6.2 | 6.0 | 6.1 | 6.6 | 6.1 |
| We each have a voice that counts | 7.1 | 6.9 | 6.9 | 7.5 | 6.9 |
| We are safe and healthy | 6.4 | 6.4 | 6.6 | 6.9 | 6.4 |
| We are always learning | 5.6 | 5.4 | 5.6 | 6.3 | 5.7 |
| We work flexibly | 6.5 | 6.4 | 6.5 | 6.9 | 6.5 |
| We are a team | 6.9 | 6.8 | 6.8 | 7.4 | 6.9 |
| Staff Engagement | 7.3 | 7.1 | 7.2 | 7.7 | 7.3 |
| Morale | 6.2 | 6.1 | 6.3 | 6.7 | 6.3 |

Themes/observations show:

- There has been a positive increase to 60% in the completion rate for staff to take part in completing the survey during a difficult time across the NHS as whole
- There has been a positive increase in four out of the seven People Promise themes since 2022 and are in line with the sector benchmark and stable year on year for substantive staff members
- There has been an increase in both the Staff Engagement and Morale themes for substantive staff members
- There has been an increase across all nine themes including the 7 People Promise themes for bank staff and these results are very positive compared to the sector and wider across the NHS
- There has been a positive increase around the area of flexible working and this will continue to be an area of focus for the Trust
- Key themes that the Trust will focus on from the data analysis are ensuring staff voice is heard and supporting and developing managers
- Removing discrimination is an area to continue to progress on with the support from staff feedback and staff networks

The Trust engages with staff through Staff Survey Launch Event and focus groups to share the staff survey results and to gain feedback on the specific actions that are required in relation to the themes that have been identified for improvement. Actions implemented from the previous year are shared with colleagues at the Focus Groups to show staff ‘You said, We did’.

Results are shared by each Executive portfolio and cascaded through Divisional and local meetings with action plans being developed accordingly.

Progress with regards to the organisational action plan will be monitored through the Trust Board and Executive portfolio action plans, the Trust’s Staff Experience & Organisational Development Committee in addition to local monitoring through Divisional meetings.

3.23 Staff networks

ROH Networks – Staff Voice

The Trust has a growing number of networks run by colleagues to promote the voice of our diverse staff groups. The Trust recognises the strength of supporting our network groups. Equality and Diversity was the first network formed in November 2018, with the remit of raising awareness and promoting Inclusion across the Trust. Following on from the success of the E&D Network, other diverse networks have formed, as shown below. These networks have their own identity and focus and are aligned to the overall Inclusion plan. The

ambition is for the diversity of staff voices to be increased over the coming years. The following networks have clear direction with the overarching aims to provide support, awareness, education, and positive action. All the networks have Chairs or Co-ordinators and sponsors from the ROH Executive Team.

Equality & Diversity Network (E&D Network)

The Equality & Diversity Network was set up to create the opportunity for employees to discuss matters surrounding diversity, inclusion and to raise awareness within the Trust. The network has gone on to hold numerous awareness sessions surrounding diverse topics and have drawn together a wide range of information about all aspects of equality, diversity, inclusion and human rights.



Multi Minority Ethnic Group (MMEG)

Multi Minority Ethnic Group (MMEG) was set up in summer 2020 following a series of listening sessions with colleagues at the Trust and formed following the Black Lives Matter Movement. The group provides a space for colleagues to talk about issues important to staff from ethnic minority backgrounds with an aim of creating positive change. Any member of ROH staff, including allies, are welcome to attend meetings and get involved.



ABLE Network

The Disability Network aims to promote and celebrate the diversity of our Disabled staff, patients, and allies, and support those with caring responsibilities. A key element of the network is to engage and educate staff around the different disabilities that our colleagues live with. Including those who may have invisible disabilities, such as mental health conditions, or long-term conditions following on from an illness.



LGBTQ+ Network (Be Myself)

BeMyself, The Trust’s LGBTQIA+ Network, is an inclusive and open group of colleagues. The group provides a safe space for members of staff to come together and celebrate diversity and inclusion, and to discuss any concerns they may have surrounding the representation of LGBTQIA+ staff in the Trust. They welcome allies and celebrate the diversity of the group. Listening sessions are set up by a member of the group, to provide a safe environment for staff to discuss their issues and concerns, or if they are just looking for other staff members to talk to.



Menopause Support Network

In July 2020, a Menopause Support Group was set up; the group offers peer to peer support and has been a great opportunity for colleagues to be open and discuss how they are feeling and also share any support. We are continuing to offer guidance, signposting and support for all our colleagues around the menopause.



Mankind Network

The ManKind Network was set up in 2022 and supports health and wellbeing initiatives, encourages awareness raising and supports community building at the Royal Orthopaedic Hospital.



Women’s Network

The network was started at the end of 2022 and initial work included highlighting the career paths of senior leaders as well as raising awareness of important health matters with support from other networks. The network will also support the work to progress a reduction in the gender pay gap and to promote career progression.

3.24 Trade Union Facility Time

Table 1: Relevant union officials

The total number of employees who were relevant union officials during the relevant period was as below;

| <i>Number of employees who were relevant union officials during the relevant period</i> | <i>Full-time equivalent employee number</i> |
|---|---|
| 3 | 1,309 |

Table 2: Percentage of time spent on facility time

| <i>Percentage of time</i> | <i>Number of employees</i> |
|---------------------------|----------------------------|
| 0% | 0 |
| 1-50% | 2 |
| 51%-99% | 1 |
| 100% | 0 |

Table 3: Percentage of pay bill spent on facility time

| | <i>Figures</i> |
|---|----------------|
| Total cost of facility time | £25,660 |
| Total pay bill | £78,967,000 |
| % of the total pay bill spent on facility time (total cost of facility time ÷ total pay bill) x 100 | 0.03% |

Table 4 Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 50%

3.25 Expenditure on consultancy

Consultancy spend for the year was £227k (2022/23, £152k) which included spend on business case development and IT.

Section 4: The work of the Council of Governors 2023/24

4.1 Structure and Members

As a Foundation Trust, the Royal Orthopaedic Hospital has a Council of Governors which helps ensure its key stakeholders - patients, members of the public, staff and partner organisations - all have a say in shaping our local health services. Our Governors act as a direct link between the Trust, local communities and staff and engage with our members to gather feedback and views to ensure their voice is heard.

The Governors play an important role in making the Royal Orthopaedic Hospital publicly accountable for the services it provides and bring valuable perspectives and contributions to our activities. In addition, they help set the strategic direction of the Trust.

Key aspects of the Governors' role include:

- Appointing (or removing) the Trust's Chair and Non-Executive Directors
- Approving the appointment of the Trust's Chief Executive
- Appointing the Trust's external auditors
- Agreeing salaries of Non-Executive Directors and the Chair
- Receiving the annual report and accounts
- Advising the Board and representing members' views about the strategic direction
- Helping the Trust to recruit members
- Contributing thoughts, views and opinions at Council of Governors meetings
- Holding the Non-Executive Directors to account for the performance of the Trust Board.

At the Royal Orthopaedic Hospital, The Council of Governors comprises nineteen members, ten of which are elected to represent public constituencies, four members are elected as staff representatives, and five members are appointed from key local stakeholders and partners.

Governors are elected or appointed by constituency members and during the year. In accordance with the Constitution, all the Trust's Public and Staff Governors are elected through a formal election process and appointed Governors are nominated by their respective organisations.

Brian Toner is the Royal Orthopaedic Hospital's Lead Governor (but during the year there was no cause to exercise the role in regard to dialogue with NHS Improvement regarding the performance of the Non-Executive Directors).

4.2 Doing its job – as a whole Council

During the year, the Council of Governors continued to work with the Board to provide input to some of the Trust's key decision-making.

4.3 Governor Representation on Trust Committees/Groups/walkabouts

The Council of Governors is able to nominate members to attend Trust advisory groups and committees as observers. They are then able to report back directly to the Council on work being carried out by the Trust and how the Non-Executives are seeking assurance on delivery.

During the year, members of the Council attended as observers at the Patient Experience & Engagement Forum

The governors are also invited to join the quality assurance walkabouts and will be again invited to join these as the schedule becomes embedded through 2024/25.

The governors are also formally invited to join the public Board meetings twice yearly and the Lead Governor has a standing invite to each session of the Board. In this way, the Council actively engages in the work of the Trust, assesses the work of the Board and observes the work of the Chair in a context other than as Chair of the Council of Governors.

There are also plans to reintroduce the roving governor 'drop in' sessions where pairs of the governors walk around non-clinical areas of the Trust explaining their role to patients, public and staff and seeking any views or issues that may be worth escalating to the wider Council of Governors. The first of these sessions is scheduled for June 2024, which will be a staff governor walkabout.

Given the establishment of the Integrated Care Boards (ICBs) this year, there has been much work to create linkage between the ROH governors and the Birmingham and Solihull ICB. A lead governors forum has been established at which lead governors from organisations represented in the Integrated Care System attend and discuss topics of mutual interest. All governors are also invited to specific workshops at which key members of the ICB provide updates on the work across the system and the strategic plans that have been developed. The outputs of these sessions are reported back to the Council of Governors each time it meets.

4.4 Council of Governors Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises four governors and is chaired by the Trust Chair. The Committee decides the remuneration, allowances and other terms and conditions for the Chair and Non-Executive Directors. The Director of Governance and Data Protection Officer (DPO) provides support to the Committee.

The Nominations and Remuneration Committee of the Council of Governors has not been required to meet this year as the decision to appoint the new Non-Executives was referred to the whole Council of Governors who considered a recommendation from the interview panel.

4.5 Contacting the Governors

The Governors can be contacted through the Director of Governance and Data Protection Officer (DPO), the Royal Orthopaedic Hospital NHS Foundation Trust, Bristol Road South, Northfield, Birmingham, B31 2AP.

4.6 Governor Constituencies

Members of the public who are members of the Trust are automatically placed into a constituency based on their postcode. Members are able to put themselves forward to become a Governor or vote for a Governor in their registered constituency.

Staff membership is open to those with a permanent or twelve-month fixed term employment contract with the Trust. Staff members are able stand as a Governor or vote for a Governor in their registered class. At the Royal Orthopaedic Hospital there are two classes of staff governor: clinical and non-clinical.

During the year, the Constitution was changed to allow equal representation from the two public governor classes, so that both the Birmingham & Solihull and the Rest of England and Wales constituencies are now able to elect five public governors. This change was designed to reflect the ambitions of the ROH to offer a wider service nationally in line with its strategy.

4.7 Public Members

At the Royal Orthopaedic Hospital, public members of the Trust are drawn from two identified constituencies across England and Wales.

During 2023/24 the Trust had two public constituencies within its public membership:

- Birmingham and Solihull (five seats)
- Rest of England & Wales (five seats)

Eligibility for membership is restricted to those living within the relevant boundary and over sixteen years of age. All election boundaries for public members (including patients) are coterminous with local authority boundaries.

4.8 Staff Members

The Trust has two constituencies within its staff membership:

- Clinical (two seats)
- Non-clinical (two seats)

4.9 Appointed Governors

The Trust's Appointed Governors represent local stakeholder organisations. They provide key insight into the health needs of the communities the Trust serves and put forward the views of their organisations at Council of Governors' meetings. The following organisations make nominations to the Council of Governors:

- Birmingham City Council
- Bournville Village Trust
- Northfield Community Partnership

- Birmingham City University
- University of Birmingham
- Aston University

4.10 Governor Elections 2023/2024

During the year, the Trust conducted Governor Elections to fill seats that had become vacant in the areas detailed below. The Trust used an external company, Civica Election Services (CES), to oversee the election process with all three sets of elections being conducted using the single transferable electoral system.

At the start of the process an invitation letter from the Chair was sent to all relevant members (where a Governor seat was open for election) to inform them that the election process was starting. The invitation letter included the contact details of the external company facilitating the election process. Ballot papers were then sent to members who in turn voted for the candidate(s) that they wished to be elected to our Council of Governors.

4.10.1 Result: Birmingham & Solihull

An election took place in the Summer of 2023 to fill two seats for Birmingham & Solihull:

The election was run by an external provider, CES, and the successful candidates were Lindsey Hughes and Anthony Thomas. Both Lindsey and Anthony have been Governors previously at the Royal Orthopaedic Hospital. Their terms of office are scheduled to conclude on 31 October 2026.

Election 1

| | |
|--|-------|
| Electorate | 2,812 |
| Total number of votes cast (by post: 158 and online: 70) | 228 |
| Turnout | 8.1% |
| Invalid votes cast | 5 |
| Total valid votes | 223 |

4.10.2 Result: Clinical Staff Governor

The above election took place to fill one seat for a Clinical Staff Governor. The successful candidate was Petros Mikalef and his first term of office will come to an end on 31 October 2026.

Election 2

| | |
|---|-------|
| Electorate | 656 |
| Total number of votes cast (online only 86) | 86 |
| Turnout | 13.1% |
| Invalid votes cast | 0 |
| Total valid votes | 86 |

4.10.3 Result Non-Clinical Staff Governor

The above election took place to fill one seat for a Non-Clinical Staff Governor. The successful candidate was Pete Law. Pete's first term of office will conclude on 31 October 2026.

Election 3

| | |
|---|-------|
| Electorate | 409 |
| Total number of votes cast (online only 71) | 71 |
| Turnout | 17.4% |
| Invalid votes cast | 0 |
| Total valid votes | 71 |

4.10.4 Elections during 2024/2025

A planned election will be undertaken during the Summer/Autumn of 2024 when the term of office for Governors in the following constituencies will be complete:

| | |
|-----------------------------|---------|
| Birmingham and Solihull | 3 seats |
| Rest of England & Wales | 2 seats |
| Non-Clinical Staff Governor | 1 seat |
| Clinical Staff Governor | 1 seat |

4.10.5 Process for removal of a governor

The Trust's constitution makes provision for the removal and disqualification of members of the Council of Governors. Governors shall cease to be a member of the Council if:

- They resign in writing to the Company Secretary (Director of Governance);
- They fail to attend at least half of the meetings of the Council of Governors in any financial year, unless the majority of the Council of Governors consider the reasons for the absence to be reasonable;
- They, during their tenure, fail to meet the criteria for being a member of the Council of Governors set out in Annex 6 of the Constitution – 'Additional provisions – Council of Governors'; or
- They fail to undertake training without good reason.

A member of the Council of Governors may be removed from the Council by a resolution approved by not less than two-thirds of the remaining members present and voting at a general meeting of the Council of Governors that they have committed a serious breach of the Trust principles set out in the Constitution; acted in a manner detrimental to the interests of the Trust; and the Council considers that it is not in the best interests of the Trust for them to continue as a member of the Council of Governors.

4.11 Governor Profiles

Profiles for each governor, together with their term of office, who served on the Council of Governors during the period 1 April 2023 to 31 March 2024 are provided below:

4.11.1 Public Governors:

- **Brian Toner, Lead Governor** - Brian belongs to the Rest of England and Wales constituency. He considers the Trust's paramount goal is to deliver high quality health care, whilst responding to today's economic demand. Having twice been a patient at the Hospital, he had been hugely impressed by the professionalism of the staff and care he received and was happy to become a member and later a Governor, and give something back. Brian believes that quality services are delivered by committed staff, supported by a strong governance foundation, including feedback from service users. Equally, strategic direction needs to be developed through genuine stakeholder engagement and his experience as a patient, his health service background, work with charities and his involvement with the Care Quality Commission will enable him to make a positive contribution as a Governor to the Trust's success and ongoing development.

Brian was re-elected as a public governor in the summer of 2022 and the Council of Governors unanimously agreed to reappoint him as the lead governor for this further term of office. Brian's third term of office finishes on 31 July 2025.

4.11.2 Birmingham and Solihull (five seats):

- **Lindsey Hughes** – Lindsey is a past Governor of the ROH and last served on the Board of Governors in 2022. As a previous Governor, Lindsey wanted to continue in helping ensure the Trust focuses on balancing the priorities and challenges it faces today and in the future, whilst safe-guarding its principal purpose of providing high quality health care to the Orthopaedic patient community.

Lindsey recognises this is an exciting time for the hospital whilst it embraces the opportunity to reduce waiting lists both locally and nationally and reducing length of stay. She is passionate that patients receive the best quality care possible.

Lindsey has been a volunteer at the hospital for over 11 years, undertaking patient feedback surveys and hears directly about their experience whilst still in the hospital. Lindsey classes herself as a good listener and is not afraid to raise concerns with the appropriate person or board member.

Lindsey has first-hand experience of the hospital's engagement and support of people who have learning disabilities. Prior to retirement, Lindsey was a Head of Nursing at Birmingham Children's Hospital and this is where she spent her whole nursing career.

Lindsey has a Master's Degree with a Distinction in Health Care Risk Management. She has lived locally for the past 23 years hence why she is involved in a variety of community initiatives. Lindsey is a member of the Phoenix Choir whose predominant aim is to raise funds for local charities. As a carer for her mother, Lindsey is used to negotiating the paths of health and social care. Lindsey's first term of office will come to an end on 31 October 2026.

- **Petro Nicolaides** - Petro has been a patient with ongoing treatment since January 2010. He is extremely grateful to the hospital for all it has done and continues to do for him, and wanted to contribute back to the hospital. Petro runs a small financial and business consultancy practice locally and serves as a School Governor in a local secondary school. Petro's second term of office came to

an end on 31 July 2021 and he was elected for a third and final term of office which is due to end on 31 August 2024.

- **Anne Waller** – Anne was elected as Governor, having worked for the NHS for over 25 years, before retiring 6 years ago. During this time Anne served as a Staff Governor for two consecutive terms for a large hospital Trust in Birmingham and gained the necessary understanding of how the NHS works in a hospital setting and the NHS in general. Anne is also a past patient of ROH and is a local resident of the hospital, therefore is interested in the ongoing care that it provides. Anne is a member of the Trust and likes to keep herself updated on the work that is taking place at the hospital. Anne’s first term of office came to an end on 5 October 2023.
- **Anthony Thomas** – Anthony is a past Governor of the ROH and last served on the Board of Governors in 2017. Anthony is also a patient of the hospital and would like to give something back to the organisation. He has recently retired from the post of Project Manager (Capital Works) within the NHS at another Trust where his project work included ward alteration and upgrade works to Trust properties, through from inception to final handover. Anthony is a chartered technologist (MCIAT), a qualified Project Manager (MAPM) and a Surveyor (Assoc RICS). Having been a former governor and employee within the NHS. Anthony believes he can offer a positive input to the Hospital. Anthony’s first term of office came to an end on 31 December 2023. He was re-elected for a second term of office which was due to conclude on 31 October 2026. However, prior to this date, he resigned as Public Governor during this financial year.
- **Julia Liddle** – Julia was elected for a first term of office in the Summer of 2021. Julia has been a volunteer at a large local hospital since 2010. Having enjoyed the experience of working closely with the staff and being a member of the Patient Carer Council where she volunteers, Julia finds it very rewarding to help and make a difference to both patients and staff. Julia’s association with The Royal Orthopaedic Hospital is as a patient and has been for a number of years. Julia would now like to help repay the care that she has received from the Trust and welcomes the opportunity to become more involved in a local and smaller Trust to help and support them in achieving their goals. Julia’s term of office was due to come to an end on 31 August 2024. However, she resigned as Public Governor prior to this date, during this financial year.
- **Rheya Dole** - Rheya Dole was elected unopposed during the Summer of 2022. Rheya’s first term of office will come to an end on 31 July 2025.

4.11.3 Rest of England and Wales (five seats including Lead Governor as above)

- **Arthur Hughes** - Arthur was elected as Governor in August 2021 for a second term of office of three years. Arthur’s national and international business life has given him experience of listening to both sides of discussions in helping/guiding with solutions. Arthur has lived/worked in Africa, Europe, North America and China working alongside management boards of companies, government departments/ organisations and professional bodies (including the World Health Organisation). Arthur is a former patient of the hospital and a member of Patient and Carers Forum. He wishes to work with the Trust in his Governor role to help the hospital continue its successful progress. Arthur’s second term office will come to an end on 31 August 2024.
- **Mary (Pat) Clarke** - Pat was elected as Governor in August 2021 for a first term of office which will come to an end on 31 August 2024. Pat is a former Staff Nurse of the Royal Orthopaedic Hospital and retired nurse from the District Nursing Service. She feels her contribution from both areas of the NHS would bring a more holistic view of healthcare on behalf of the members to the Council of Governors. The Pandemic made Pat realise that she would like the opportunity to contribute to the ROH on

behalf of the patients, public and members in providing an efficient and amicable feedback to the Council.

- **Robert Rowberry** - Rob has been a patient at the Royal Orthopaedic Hospital and commented that he has seen the Trust grow in stature from when the hospital was known as 'The Woodlands'. The growth of the hospital encouraged him to apply to become a Governor. He was honoured to be elected as Public Governor within the Rest of England & Wales Constituency. Robs' first term of office will come to an end on 31 July 2025.
- **Robert Talboys** - Due to the continuing care and attention Rob received as a patient of The Royal Orthopaedic Hospital, Rob applied to become a Governor as a way of repaying the Hospital and staff for the care he received. Rob has been a Governor previously at the Trust.

Rob studied for a BSc degree with the Open University, specialising in Electronics and Design and was an electrical engineer, working mainly in industry. Rob is conversant with budgeting/costing and has a good knowledge of accounting.

Rob wanted to be able to offer his interpersonal skills with fellow Council members to further the future interests of Trust and was elected as Public Governor within the Rest of England & Wales Constituency. Robs' first term of office will come to an end on 31 July 2025.

4.11.4 Stakeholder Governors

- **Bournville Village Trust** - David Robinson is the Director of Financial Resources at Bournville Village Trust who own the freehold of the Hospital as the Cadbury family donated the building and land to the people of Birmingham for health purposes. David joined BVT in May 2017 and covers all aspects of Finance and IT for them and its associated managed societies. David's professional membership includes Fellow of the Royal Society of Arts (FRSA) and through his fellowship he contributes to several groups and forums on public policy and supports the Society in their aims to contribute to building a better society. He is also a member of the Charity Finance Group and Charity Group as well as a Member of the Voluntary Organisations Disabilities Group – Finance Director Group. David's first term of office came to an end on 30 April 2021 and was reappointed for a further three years.
- **Birmingham City Council** - Councillor Kirsten Kurt-Elli. Kirsten was due to serve a three-year term which was scheduled to come to an end on 27 June 2025. However, prior to this date, we have a new representative from Birmingham City Council, Councillor Jamie Tennant. Jamie will be serving a three-year term which will come to an end on 31 March 2027.
- **University of Birmingham** - Dr Dagmar Scheel-Toellner represents the University of Birmingham on the Council of Governors. Dagmar is currently leading a research team at the University of Birmingham that investigates the basic mechanism of joint inflammation in patients with rheumatoid arthritis. Dagmar initially trained as a pharmacist, and the translation of her research on autoimmunity into therapeutic strategies is still an important long-term aim in her work. She closely collaborates with her clinical colleagues within the Rheumatology Research Group in their investigation of the early stages of the development of rheumatoid arthritis. Dagmar's first term of office came to an end on 31 July 2020. Dagmar served a second term of office, for a further three years, which concluded on 31 July 2023.

The Trust has a new representative from the University of Birmingham, Dr Eliot Marston. Eliot's role at the University is Deputy Director of Operations – Research & Development. Eliot's first term of office comes to an end on 31 March 2027.

- **Birmingham City University** - Hannah Abbott represents Birmingham City University (BCU) on the Council of Governors. Hannah's current role at BCU is an Associate Professor and Acting Head of

School for the School of Health Sciences. Hannah is passionate about the development of the future healthcare workforce and being part of ROH allows her to better understand the issues affecting the hospital. Hannah's professional background is in theatres as an Operating Department Practitioner, and therefore has a keen interest in surgery and particularly patient safety. Hannah's second term of office came to an end on 31 August 2023. Hannah is currently serving a third term of office which will conclude on 31 August 2026.

- **Northfield Community Partnership** – Maxine Shanahan has been the Operational Manager at Northfield Community Partnership (a charity helping people and community groups in South Birmingham) since the Summer of 2015. Maxine previously spent thirty years at a Further Education College, starting as a Technician and progressing into teaching and contract compliance work. Maxine's first term of office started on 1 January 2021 and runs for three years initially, after which time the host organisation, in agreement with the Trust, can reappoint Maxine for a further term. Maxine's first term of office as Governor with the Trust will come to an end on 31 December 2024.

4.11.5 Clinical Staff Representatives (two seats)

- **Wilson Thomas** – Wilson has been a Consultant in the hospital for over 14 years, working on the floor in the Trust, and has been the lead for medical workforce to improve the overall staff experience. Wilson seeks the privilege to represent the view and needs of the Trust, especially with the challenges of the 10-year NHS forward plan and integration of services within the BSol system. Wilson would like to share his knowledge and experience and engage with the Board to improved patient care and staff experience. Wilson's first term of office will come to an end on 31 August 2024.
- **Petros Mikalef** – Petros was appointed a Clinical Staff Governor in October 2023. Petros has been working at the hospital for the past 5 years and is keen to ensure the organisation continues to thrive in every level. His first term office will come to an end on 31 October 2026.

4.11.6 Non-Clinical Staff Representative (two seats)

- **Gavin Newman** – Gavin joined the hospital in 2014 and was appointed as Staff Governor on 8 September 2018. Gavin currently works as a Project Manager in the Strategy team and previously in the IT Department as Service Desk Manager. Gavin has striven to make a difference in any way he can, be it service related or via support for and to his colleagues.

As a governor, Gavin wishes to continue to embrace the changes required to provide the best possible outcome for the ROH and its patients and continue to build on the CQC "good" evaluation. Gavin is very proud to be a Governor of an organisation that strives to provide excellent care for every patient it serves and having been born and bred within a mile of the ROH he appreciates value to the community. Gavin's first term of office came to an end on 9 September 2021. Gavin was re-elected for a second term of office and during part of this term, Gavin served as Deputy Leader Governor. Gavin stepped down from his position in March 2024.

- **Matthew Maycock** – Matthew is a passionate supporter of the Royal Orthopaedic Hospital and the NHS as a whole and has worked in the Trust for just over 10 years. Matthew's current position in the Trust involves being a part of the Trust's Clinical and Non-Clinical technical drive and the whole process of the NHS moving rapidly to a digital world. Matthew has been a patient at the ROH, which has given him a closer insight from both a patient and staff perspective. Matthew would like to help

ensure the Trust's future strategy in supporting its status of being the first choice for Orthopaedic care. Matt resigned from the Trust during this financial year.

- **Pete Law** - Pete has worked at the hospital for 5 years in the Communications Team. Pete wanted to become a Staff Governor because he felt it was important for the hospital to be an open and inclusive place for both staff and patients. In his role as Graphics and Media Manager, Pete has worked with a wide cross section of staff, both clinical and non-clinical. He believes he is well placed to represent the staff body to the other governors and exec team.

Pete recognises the importance of ensuring the ROH is an inclusive hospital and that Trust values are upheld. He believes it is vital that staff are able to bring their authentic self to work and be able to work in a place that has their well-being at heart. As a Staff Governor, Pete aims to ensure that the voice of the staff is heard and considered in the decisions that the Trust makes, that integrity is upheld and that the ROH is inclusive to everyone, both staff and patients. Pete's first term of office will come to an end on 31 October 2026.

4.12 Attendance by Governors at Council of Governor Meetings 2023/24

During the period 1 April 2023 to 31 March 2024 the Council of Governors formally met on three occasions. A record of the attendance by each Governor at the formal meeting is included in the table below:

| GOVERNOR/CHAIR | DATE | | | TOTAL |
|------------------------|----------|----------|----------|-------|
| | 18/05/23 | 23/11/23 | 18/01/24 | |
| Tim Pile (Ch) | ✓ | ✓ | ✓ | 3/3 |
| Brian Toner | A | ✓ | ✓ | 2/3 |
| Pat Clarke | A | A | A | 0/3 |
| Arthur Hughes | ✓ | ✓ | ✓ | 3/3 |
| Robert Talboys | ✓ | A | A | 1/3 |
| Robert Rowberry | ✓ | ✓ | ✓ | 3/3 |
| Lindsey Hughes | | ✓ | ✓ | 2/2 |
| Julia Liddle | ✓ | A | A | 1/3 |
| Anne Waller | ✓ | | | 1/1 |
| Rheya Dole | ✓ | A | A | 1/3 |
| Petros Nicolaides | ✓ | ✓ | A | 2/3 |
| Tony Thomas | ✓ | ✓ | A | 1/3 |
| Gavin Newman | A | ✓ | A | 1/3 |
| Pete Law | | ✓ | ✓ | 2/2 |
| Matthew Maycock | ✓ | | | 1/1 |
| Wilson Thomas | ✓ | A | A | 1/3 |
| Petros Mikalef | | A | ✓ | 1/2 |
| Hannah Abbott | ✓ | ✓ | ✓ | 3/3 |
| David Robinson | A | A | ✓ | 1/3 |
| Maxine Shanahan | A | A | A | 0/3 |
| ClIr Kirsten Kurt-Elli | A | A | A | 0/3 |
| Prof Chris Langley | | | | 0/0 |
| Dr Eliot Marston | | | | 0/0 |
| ClIr Jamie Tennant | | | | 0/0 |

KEY:

| | | | |
|---|---------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| | Not in post or not required to attend | | |

A record of attendance by Board members at the Council of Governor meeting during 2023/24 is provided in the table below:

| BOARD MEMBERS | MEETING DATE | | |
|----------------------|--------------|----------|----------|
| | 18/05/23 | 23/11/23 | 18/01/24 |
| Simone Jordan | ✓ | ✓ | A |
| Gianjeet Hunjan | ✓ | ✓ | ✓ |
| Richard Phillips | ✓ | A | A |
| Les Williams | ✓ | ✓ | ✓ |
| Ayodele Ajose | ✓ | ✓ | ✓ |
| Ian Reckless | A | A | A |
| Chris Fearn | ✓ | | |
| Jo Williams | ✓ | ✓ | ✓ |
| Steve Washbourne | ✓ | | |
| Simon Grainger-Lloyd | ✓ | ✓ | ✓ |
| Marie Peplow | ✓ | | |
| Nicola Brockie | ✓ | | |

KEY:

| | | | |
|---|---------------------------------------|---|--------------------|
| ✓ | Attended | A | Apologies tendered |
| | Not in post or not required to attend | | |

The Annual General Meeting was held on 23 November 2023, where attendees were given the option to join virtually or in person.

4.13 Council of Governor Meetings

Topics covered at the formal meeting included:

- Chair and Chief Executive's updates
- Wellbeing and cost of living update
- Summary of the refreshed Trust strategy
- Overview on the revised statutory duties of governors given the changes to the Health and Social Care Act
- Governor re-engagement and upskilling
- Update on the Patient Safety Incident Response Framework (PSIRF) policy and plan
- Update on the quality assurance walkabouts
- Non-Executive recruitment plans
- Progress with governor-sponsored quality priority

- Update on the work of the Board Committees
- Progress with governor elections
- Service presentations on Osseointegration & JointCare

Executive Directors of the Trust attended meetings to provide updates as follows:

- The Chief Executive attended each Council of Governors meeting during the year to provide updates on key areas, including the ROH's participation in the work of the Birmingham and Solihull Integrated Care System (ICS).
- The Chief Nurse joined the meeting to present an update on the delivery of the Quality Priorities and to present the recommendation for the governor sponsored priority for the coming year.
- The Director of Finance joined to provide an overview of the annual accounts
- The Director of Governance attended all meetings to present a number of reports on matters such as the changes to the statutory role of the governor.

As the overriding role of the Council of Governors is to hold the Chair and Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors, Non-Executive Directors of the Trust regularly attend meetings and provide updates to the Council of Governors on their work and the work of the Board.

4.14 Governor Training and Induction

The Trust continually reviews delivery of Governor training and continues to develop in-house Trust-specific training.

At the November 2023 and January 2024 meetings of the Council of Governors, the Director of Governance presented an overview of the changes to the statutory role of the governor given the changes to the Health and Social Care Act.

Acknowledging that there is more that can be done to train our governors, an overview of the plans to educate and train the governors was presented by the Director of Governance at the January 2024 meeting of the Council of Governors. This focussed on a set of workshops across many disciplines of the organisation to help familiarise the governors with the work of the organisation, in addition to some nationally offered training sessions for governors.

Governors also receive training and education through their participation in the fora organised by the Integrated Care Board.

There were three new members of the Council of Governors elected and appointed during the year. The current induction process includes a welcome meeting with the Chair, Chief Executive and Director of Governance and an induction booklet setting out the statutory duties of a member of the Council of Governors. The Director of Governance acts as the primary first point of contact for the governors and their training needs. A site tour is also provided for new governors.

4.15 Effectiveness of the Council of Governors

During the year there has not been a formal effectiveness review of the Council of Governors organised.

At the end of each meeting, there is an opportunity to discuss the effectiveness of the Council of Governor meeting and a pre-meet of the governors that started in 2019 will continue throughout the year which allows the governors to talk about matters that may not lend themselves to discussion in the confines of a formal meeting.

4.16 The Council of Governors' Register of Interests

The Register is available for inspection on application to the Trust's Director of Governance, The Royal Orthopaedic Hospital NHS Foundation Trust, Bristol Road South, Northfield, Birmingham, B31 2AP.

No member declared a material conflict of interest during the year and all interests were registered and available for inspection.

Members of Council receive no remuneration, but they are entitled to claim expenses at an agreed rate.

4.16 Engaging Our Membership

Events held in 2023/24 included the Annual General Meeting which members were invited back face-to-face for the second year following the COVID-19 pandemic. Trust members were given the opportunity to ask questions at the AGM. There was much engagement from one of our members, who is also a longstanding and much appreciated volunteer, and asked for clarification on a variety of estates and housekeeping matters. These questions were summarised and responded to in turn and were shared with members of the Trust Board during a subsequent meeting.

We actively connected with 19.64% of members who provide us with an email address and opted-in to regular communication. Throughout 2023/24 members with an email address have been contacted with new publishes of ROH Life and engagement opportunities.

A significant number of members do not currently receive regular postal communications apart from notification of upcoming elections and voting opportunities. This is because for many members we do not hold a recent and relevant e-mail address.

Our Trust Newspaper, ROH Life, is emailed to all Foundation Trust Members upon release once a quarter. The newspaper is also available for the public to receive physically within the hospital. An appeal for new members is included within each edition to enhance our membership.

Member Recruitment

- A recruitment space for members is dedicated in each ROH Life newspaper.
- Information about signing up to be a Foundation Trust member is included on the digital screens in the Outpatient waiting area.
- Information is provided at the Junior Doctors induction and Simulated Patients Day.
- All staff leavers and charity donors are sent information regarding Trust membership and are provided with the link to sign up.

Along with the above, the following will be continued in 2023/24:

- Information to be shared at sessions/courses where external stakeholders or members of the public are invited.
- Social media promotions to attract an online audience.

In order to support the hospital, we are aware the Trust needs to continue to recruit a broad range of members from a variety of backgrounds, including hard-to-reach areas. We are working with the whole ROH team, seeking new opportunities to reach more patients, families and our local community with our marketing.

4.17 Membership Strategy

The membership engagement strategy and action plan owned by the Membership Officer and Council of Governors focusses on retention, recruitment and engagement. It aims to give the public, patients and families the opportunity to share their voice in a proactive way. Quarterly updates with the Membership Officer and the Trust's Director of Corporate Affairs & Company Secretary (now Director of Governance) are held to ensure all actions are met appropriately.

Any member may contact the Trust's Director of Governance at the Royal Orthopaedic Hospital NHS Foundation Trust, Bristol Road South, Birmingham B31 2AP. Tel: 0121 685 4000.

4.18 Membership size and movements

The Trust has two membership constituencies as follows:

- Public constituency
- Staff constituency

Public members are drawn from those individuals who are aged 16 or over and:

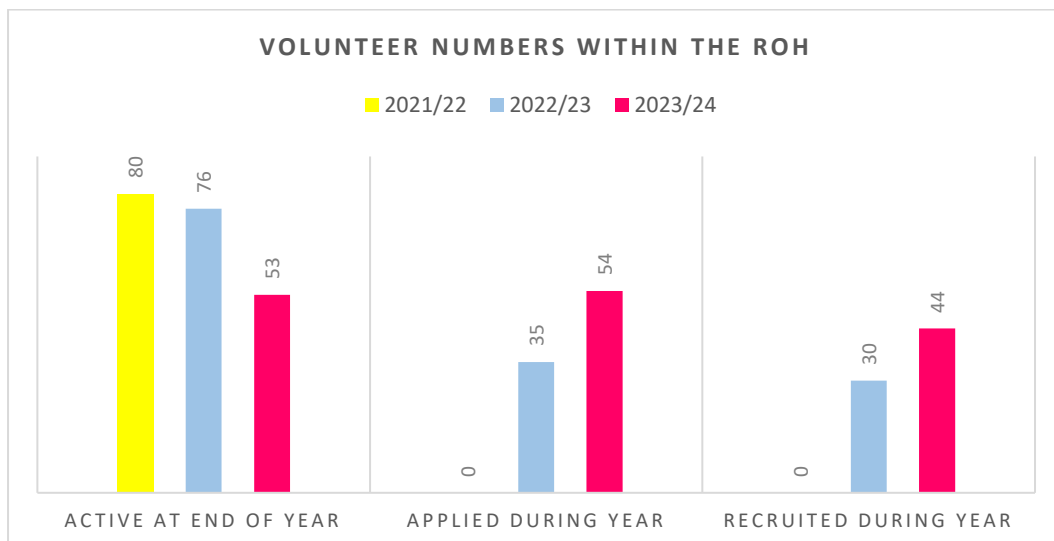
- Who live in one of the Trust's public constituencies; or
- Who live in the Rest of England constituency

| | 2023/2024 | Forecast 2024/2025 |
|----------------------------|-----------|--------------------|
| Public constituency | | |
| At year start (April 1) | 4,384 | 4,275 |
| New members | 20 | 25 |
| Members leaving | 129 | 50 |
| At year end (March 31) | 4,275 | 4,250 |
| Staff constituency | | |
| At year start (April 1) | 1,302 | 1,439 |
| New members | 313 | 315 |
| Members leaving | 176 | 101 |
| At year end (March 31) | 1,439 | 1,653 |

4.19 Volunteers

The Royal Orthopaedic Hospital is lucky to have a long history of successful volunteer programmes and we place great value on the time, energy, dedication and experience our volunteers bring to our community.

Volunteering has a beneficial effect on all those involved. This includes the volunteers and also those who work alongside them and most importantly the patient and their families and carers. Many volunteer roles involve interacting with patients on a personal level but we also have roles that help to support the core functions of the hospital such as within Porter services, Administration and Charities. These roles do not infringe upon the core work of paid staff but provide a complementary aspect to person-centred care.



Following the recruitment drive in 2023/2024 we recruited a high volume of volunteers however unfortunately we also had many who started and left within a very short space of time thus causing departments to feel unsettled and not have reliability within the department.

Many of the volunteers who applied as part of an educational obligation were unable to offer the regular dedication needed for the role or found it too challenging to balance the requirements of volunteering with other commitments.

We have reviewed the application and recruitment process and have raised the minimum age requirement to 18 years and recruited to targeted roles rather than generically.

Volunteer Promotion and Recognition

The volunteer services has leaflets on display throughout the Trust which gives a small insight into volunteer services and how to apply.

We have a full page on the Trust Website describing the roles we have on offer and how to apply for them.

Royal Orthopaedic Hospital - Volunteer (roh.nhs.uk)

We also hold promotional stands and events in the hospital throughout the year to encourage patients, friends, family and visitors to consider volunteer roles and the benefits of “giving back”.

Recognition of our volunteers is very important to us, volunteers give up their free time to provide comfort to patients and support staff which enhances the care we provide at our hospital. The volunteers tirelessly dedicate their time to give back to our community. Their generosity and compassion makes a difference in the lives our of patients and The Royal Orthopaedic Hospital is very fortunate to have such a kind, friendly and generous group of volunteers and we celebrate and support them in many ways as do the wards and departments they are based in.

Recently POAC celebrated Marion’s 80th Birthday with her.



Section 5: Code of Governance and Foundation Trust Reporting Manual

Disclosure requirements

5.1 Disclosure of Corporate Governance Arrangements

The Royal Orthopaedic Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, last updated in 2023, is based on the principles of the UK Corporate Governance Code issued in 2012.

5.2 Statutory Requirements

The Code of Governance contains a number of statutory requirements, with which the Trust is compliant and do not require disclosure statements in the Annual report.

5.3 Provisions Requiring a Supporting Explanation

The Code of Governance contains a number of provisions that require the Trust to give a supporting explanation as to whether the Trust is compliant or not. The relevant disclosure statements are detailed below. It also includes some requirements not listed in schedule A to the Code of governance but are required by the FT Annual Reporting Manual.

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|-------------------------------------|--|---|
| A 2.1 | The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy. | Chair and Chief Executive's summary describes the approach to System working and collaboration. Accountability Report – Section 1.5 Key Issues, Risks and Opportunities |
| A 2.3 | The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce. | Accountability Report - Section 3: Staff Report. Specific sections within the report describe the approach to wellbeing and the analysis of the staff survey which provides an indication of culture. |

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|-------------------------------------|--|---|
| A 2.8 | The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements. | Accountability Report – Section 1.18 Stakeholder Relations |
| B 2.6 | <p>The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> • has been an employee of the trust within the last two years • has, or has 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 • has 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 • has close family ties with any of the trust's advisers, directors or senior employees • holds cross-directorships or has significant links with other directors through involvement with other companies or bodies • has served on the trust board for more than six years from the date of their first appointment • is an appointed representative of the trust's university medical or dental school. <p>Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.</p> | Accountability Report - Section 1: Directors' Report |
| B 2.13 | The annual report should give the number of times the board and its committees met, and individual director attendance. | Accountability Report – Section 1.11 Board and Committee Membership and Attendance |
| B 2.17 | For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of | Accountability Report – Section 1.8 Statement of operation of the Board of Directors and Council of Governors |

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|------------------------------|--|---|
| | directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors. | |
| C 2.5 | If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors. | Saxton-Bamfylde were used to support the recruitment of new Non-Executive Directors during 2023/24. No Board member or the Trust has any affiliation with the organisation and a fair and robust selection process was applied to choose the provider for this service. |
| C 2.8 | The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference. | Section 1.6 Appointment of Chair and Non-Executive Directors A Terms of Reference for the Nominations Committee (Non-Executives) is in place and available for public scrutiny where required |
| C 4.2 | The board of directors should include in the annual report a description of each director's skills, expertise and experience. | Accountability Report – Section 1: Directors' Report |
| C 4.7 | All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors. | Accountability Report – Section 1.15 NHS England's well led framework Accountability Report – Section 8.1 The principal risks to compliance with the NHS Provider Licence Section 4 (Governance) |
| C 4.13 | The annual report should describe the work of the nominations committee(s), including: <ul style="list-style-type: none"> • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, | Accountability Report – 1.11.7 Nominations and Remuneration Committee |

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|------------------------------|---|---|
| | <p>how it has been implemented and progress on achieving the objectives</p> <ul style="list-style-type: none"> • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served • the gender balance of senior management and their direct reports. | |
| C 5.15 | <p>Foundation trust governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p> | <p>Accountability Report - Section 1.9 Working with Governors and Members</p> <p>Presentations to the governors on the new strategy has taken place this year and there has been wider consultation on the Trust's strategy with the wider public, staff and stakeholders. There has also been a consultation exercise undertaken involving governors and the public on the quality priorities for this year. Governors and members also receive ROH Life which provides an opportunity for any comment or questions on the work of the Trust</p> |
| D 2.4 | <p>The annual report should include:</p> <ul style="list-style-type: none"> • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services. | <p>Accountability Report – Section 1.11.2 Audit Committee</p> <p>Council of Governors also has a statutory duty to approve the appointment of External Audit</p> |
| D 2.6 | <p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the</p> | <p>Accountability Report – Section 7 Statement of the Chief Executive's responsibilities</p> |

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|---|--|---|
| | information necessary for stakeholders to assess the trust's performance, business model and strategy. | |
| D 2.7 | The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report. | Accountability Report – Section 8 Annual Governance Statement |
| D 2.8 | The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report. | Accountability Report – Section 8 Annual Governance Statement |
| D 2.9 | In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare. | Accountability Report – Section 1.12 Going Concern Statement |
| E 2.3 | Where a trust releases an executive director, eg to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings. | Not applicable – No Executive Directors has been released to serve elsewhere |
| Appendix B, para 2.3 (not in Schedule A) | The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. | Accountability Report – Section 4.11 Governor Profiles |
| Appendix B, para 2.14 (not in Schedule A) | The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust's website and in the annual report. | Accountability Report – Section 4.17 Membership Strategy |
| Appendix B, para 2.15 (not in Schedule A) | The board of directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, eg through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations. | Accountability Report – Section 1.8 Statement of operation of the Board of Directors and Council of Governors |

| Code of Governance reference | Summary of requirement | Reference in Annual Report/ Response |
|---|--|---|
| Additional requirement of FT ARM resulting from legislation | <p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p>This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p> | Not applicable – this power has not been invoked during 2023/24 |

5.4 Comply or explain requirements

The Trust believes it complies with all of the requirements of the Code of Governance in the “comply or explain” category.



Jo Williams
Chief Executive
28 June 2024

Section 6: Regulatory Ratings Report

6.1 NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing Integrated Care Boards and providers and identifying potential support needs. The framework looks at five themes:

- Quality of care, access and outcomes
- Preventing ill health and reducing inequalities
- Finance and use of resources
- People
- Leadership and capability

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support and '1' reflects providers with maximum autonomy.

6.2 Segmentation

The Trust undertook a self-assessment against the National Oversight Framework during the year, which was presented to the Birmingham and Solihull Integrated Care Board (ICB). The ICB subsequently presented a recommendation to NHS England around the proposed segmentation for itself and its constituent providers. NHS England confirmed in March 2024 that following discussion with the ICB, the ROH has remained within Segment 2 under the National Oversight Framework for the year.

The Birmingham Solihull Integrated Care System as a whole remained within Segment 3.



Jo Williams
Chief Executive
28 June 2024

Section 7: Statement of the Chief Executive's responsibilities as the Accounting Officer of The Royal Orthopaedic Hospital NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by Monitor.

NHS England, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which The Royal Orthopaedic Hospital NHS Foundation Trust used to prepare for each financial year a statement of accounts in the form and on the basis set out in those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Royal Orthopaedic Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- 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 foundation trust's performance, business model and strategy; and
- prepare the financial statements on a Going Concern basis and disclose any material uncertainties over Going Concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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 Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Williams

Jo Williams
Chief Executive
28 June 2024

Section 8: Annual Governance Statement

8.1 Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation 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 foundation 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 Foundation Trust Accounting Officer Memorandum.

8.2 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 the Royal Orthopaedic Hospital NHS Foundation 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 the Royal Orthopaedic Hospital NHS Foundation Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

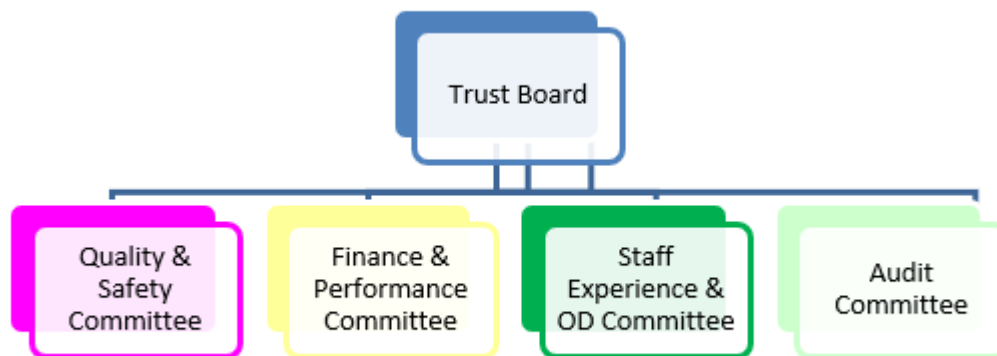
8.3 Capacity to handle risk

8.3.1 How leadership is given to the risk management process

The Chief Executive has overall responsibility for having an effective risk management system in place within the Trust and for meeting all statutory requirements. At an operational level, the Director of Governance oversees the risk management framework within the Trust.

The Trust Board has four primary committees to oversee risk management: the Quality & Safety Committee, the Finance & Performance Committee, the Audit Committee and the Staff Experience & Organisational Development Committee. Figure 1 sets out the reporting Board & Committee framework within the Trust.

Figure 1: Trust Board & Committee structure



Quality & Safety Committee: The Quality & Safety Committee has designated responsibility for oversight of clinical risk management and is chaired by a Non-Executive Director of the Trust. The Executive Chief Nurse and Executive Medical Director are the joint lead executives for this committee. The Committee meets on alternate months, a change to the previous schedule which was agreed during the year, where it would meet every month apart from July and December. The Committee regularly reviews clinical risks through consideration of a Quality & Patient Safety overview. The Committee's cycle of routine business also requires a set of subcommittees and groups with a clinical focus to report to the Committee on their work and to highlight any risks within their remit which may not otherwise be included on the formal risk registers. This process includes the evaluation of mitigating actions that have taken place to understand and assess the outcomes of these actions.

Finance & Performance Committee: The Finance & Performance Committee has a designated responsibility for the oversight of the performance of the organisation from a financial and operational perspective and is chaired by a Non-Executive Director of the Trust. The Executive Chief Finance Officer and the Chief Operating Officer are the joint lead executives for this committee. The Committee meets monthly (apart from August and December) and regularly reviews risks associated with the financial position & operational performance through a comprehensive finance and performance overview report.

Staff Experience & OD Committee: The Staff Experience & OD Committee has designated responsibility for the oversight of workforce-related matters, including HR performance metrics, delivery of workforce strategies and organisational development. It is chaired by a Non-Executive Director. During the year, the Executive lead for the Committee was the Chief People Officer. The Committee meets on alternate months and regularly reviews risks associated with the Trust's workforce and its development through a workforce overview which is considered each month.

The Quality & Safety, Finance & Performance and the Staff Experience & OD Committees all consider an extract of the Corporate Risk Register and the Board Assurance Framework, which also includes risks pertinent to the remit of the Committee.

Audit Committee: The Audit Committee is chaired by a Non-Executive of the Trust and meets at least five times a year. The Executive Chief Finance Officer is the lead executive for the Committee. The Audit Committee ensures the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance. It maintains an oversight of the foundation trust's general risk management structures, processes and responsibilities, including the production and issue of any risk and control related disclosure statements. It reviews the adequacy of underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of principal risks.

All committees report back to the Board as part of its formal agenda through the use of an assurance report that presents matters agreed at committee meetings that require escalation or are of concern, positive assurances and decisions taken, together with any key actions that have been taken.

The Chief Executive chairs a weekly business meeting of the **Executive Team** comprising all the Executive Directors. The agenda for the Executive Team covers operational delivery, risk management and policy approval as routine items, together with a range of ad hoc matters which require decision or discussion by the entire Executive Team. The Executive Team meeting provides a forum for the Chief Executive to hold colleagues to account and offers assurance to the Board and its Committees on the day-to-day management and decision-making in the organisation when needed, including via a report back to the Trust Board in its sessions in public on the relevant matters discussed by the Executive Team in the Chief Executive's update. Updates to the Corporate Risk Register are presented to the Executive Team meetings by the Risk and Policy Officer on a six-weekly basis. The Executive Team also meets monthly as the Quality & Safety Executive (QSE), where the focus of the discussion is on clinical governance matters ahead of the discussions that take place at the Quality & Safety Committee of the Board. An upward report from the QSE is presented to the Quality & safety Committee at each meeting.

Finally, the Trust Board considers its Board Assurance Framework (BAF) at its public sessions at least four times per year. The BAF is aligned to the Trust's strategy and Executive Team members provide an overview of any changes to risks within their portfolio to which the Board is asked to approve.

The Trust has an electronic risk register system (Ulysses) that facilitates management of both local and corporate risk registers and the Board Assurance Framework and ongoing work is being undertaken to develop the functionality of this system and consideration is being given to replacing it with an updated technical solution when finances permit.

8.3.2 How staff are trained or equipped to manage risk in a way appropriate to their authority and duties

The education and training of all staff on the principles of risk management is an essential element of the Trust's Risk Management policy. The Risk & Policy Officer at present provides personalised training to staff on request or as identified and also attends key operational management meetings to present the risk register and offer support to those wishing to raise a risk or strengthen their knowledge of risk management. A Standard Operating Procedure is in place setting out the key elements of discussion needed around risk at these corporate forums. A training package has also been developed and delivered to a set of risk champions who act as the primary local sources of expertise on risk management within the Trust.

8.3.3 Ways in which the Trust seeks to learn from good practice

The Trust seeks to learn from good practice in governance and the management of risk through a number of means including partnering with other organisations, external reviews by experts and internal activities such as trustwide learning events for staff. Work has progressed during the year but further activity is planned to strengthen the processes for learning and dissemination of lessons from incidents, investigations into these, complaints, Freedom to Speak Up concerns and litigation. The implementation of the new Patient Safety Incident Response Framework (PSIRF) will drive processes to ensure that the Trust benefits from learning lessons over the coming year, while at the same time ensuring that there is a more proportionate approach to investigating incidents, particularly where we know that there is already improvement work underway. The monthly quality report which is considered by the Quality & Safety Committee and the Trust Board also includes a number of sections to highlight where lessons have been learned from incidents that have been investigated and remedial action taking.

8.4 The risk and control framework

8.4.1 The key elements of the risk management framework

To ensure a consistent approach to risk, the Trust has used during the year, a systematic approach to risk management. The prioritisation of risks is identified through the use of a risk assessment matrix which enables the Trust to assess the level of risk based upon the measurement of likelihood and consequence of occurrence.

| Element of Risk | CONSEQUENCE | | | | |
|-----------------|--------------------|------------|---------------|------------|-------------------|
| | Insignificant 1 | Minor 2 | Moderate 3 | Major 4 | Catastrophic 5 |
| LIKELIHOOD | | | | | |
| 5 Certain | 5 | 10 | 15 | 20 | 25 |
| 4 Highly Likely | 4 | 8 | 12 | 16 | 20 |
| 3 Likely | 3 | 6 | 9 | 12 | 15 |
| 2 Possible | 2 | 4 | 6 | 8 | 10 |
| 1 Remote/None | 1 | 2 | 3 | 4 | 5 |

Green = LOW risk

Yellow = MODERATE risk

Amber = MEDIUM risk

Red = HIGH risk

Figure 2: Risk assessment matrix

The risk management framework includes:

- Identification of hazards and risks and their communication to all stakeholders
- Risk analysis and control including prevention and reduction of loss
- Developing and maintaining a risk register
- Managing, reporting and recording of near misses and incidents
- Investigation of incidents within the Patient Safety Incident Response Framework (PSIRF)
- Complaints and claims management
- Education of staff on safety awareness including feedback from incidents, complaints, claims and Freedom to Speak Up concerns
- Ensuring compliance with law and professional or other relevant standards

During the year, there has been good progress with cleansing the content of existing risk registers and the Ulysses system to ensure that only relevant risks remain captured and that actions to mitigate the risks are accurate and robust.

8.4.2 How risk appetites are determined

The Trust recognises that eliminating all risk is not possible and that systems of control must not be so rigid that they stifle innovation, creativity and the imaginative use of resources. In this context the Trust Board interprets “acceptable” levels of risk as follows:

An acceptable risk is one which has been accepted after proper evaluation (risk assessment) and is one where effective and appropriate controls have been implemented. The acceptance of a risk should represent an informed decision to accept the likelihood of that risk. It must be:

- Identified and entered on the Risk Register
- Quantified (impact and likelihood)
- Reviewed and have been deemed acceptable by the relevant committee or area
- Controlled and kept under review

As a general principle the Trust will seek to eliminate or control risks which have the potential to:

- Harm patients, staff, volunteers, visitors, contractors and other stakeholders
- Harm the reputation of the organisation
- Have severe financial consequences which would prevent the Trust from carrying out its functions

In recognition that further work was required to embed the Board's understanding of risk appetite, a session around this was held in November 2023, led by the Governance Team linking this to the launch of the new Board Assurance Framework and the risks within.

8.4.3 The key elements of the quality governance arrangements, including how the quality of performance information is assessed and how assurance is obtained routinely on compliance with CQC registration requirements

The Board receives assurance on the quality of care through the Board Assurance Framework and monitors performance against a wide range of indicators in the monthly Finance & Performance Overview, the Quality & Patient Safety report and Workforce overview.

The Quality & Safety Committee provides upward assurance to the Board on the activities undertaken by its subgroups covering particular aspects of quality, for example safeguarding and infection control. A Quality & Safety Executive forum is also in place to streamline some of the reporting by the governance groups and provide an additional level of oversight before upwardly reporting to the Quality & Safety Committee.

Quality information is also scrutinised by the Clinical Quality Group, one of the bodies upwardly reporting into Quality & Safety Executive, this being chaired by the Deputy Chief Nurse.

The clinical outcomes data is reviewed by the Audit, Quality Improvement, Learning & Analysis (AQILA) panel, a further subgroup of the Quality & Safety Committee with a remit that is complementary to the agenda of the Clinical Quality Group.

Although a formal walkabouts schedule has not been fully embedded this year, some Board members have carried out ad hoc walkabouts in which they gain first-hand experience regarding the quality of care and the views of patients and staff and others. The Executive Team also conducts a routine 'Chat & Check' walkabout, visiting both clinical and non-clinical areas of the Trust in rotation to understand staff's experience of working at the Trust and to undertake a physical inspection of the areas in which staff are working. The formal programme of Quality Assurance walkabouts has been relaunched and reinvigorated this year and work is currently underway to realign the inspection process to that of the new CQC assessment framework. The sessions are led by the Senior Nursing Team and include a team of individuals from multi disciplines and seniorities, as well as a patient representative where possible.

The Executive Team hosts a monthly briefing with staff from across the Trust, for dissemination of key messages to teams and to receive feedback from the organisation. The Chief Executive also arranges special briefings on significant matters of interest to the wider organisation, such as to communicate the Trust's financial position.

During 2023/24 there has been work to understand the requirements of the new CQC assessment framework, with routine briefings to the Trust Board as the detail was published. Work has begun to prepare for the next assessment, including the identification of evidence to showcase to the CQC that demonstrates the Outstanding care we provide to our patients. An initial self-assessment against the CQC well led quality statements has also been undertaken.

Assurance is obtained on compliance with CQC registration requirements on an ongoing basis through updates from Directors and Senior Managers of the Trust holding specific responsibilities in respect of CQC standards and more generally in maintaining internal control systems to support those standards.

Meetings between the CQC Relationship Manager with members of the Executive Team were held during the year and an on-site engagement visit was also held during the year where the ROH teams presented to the CQC some examples of services offered by the Trust.

8.4.4 How risks to data security are being managed and controlled

The Head of IT Operations is responsible for managing the technical/cyber security aspect of data. The Deputy Head of Cyber & IG Information Governance Manager supports the awareness and communications part of this work. Data Security and associated risks are monitored via the Information Governance (IG) Group which maintains a Risk Register and an action plan which addresses issues which are reviewed and actioned quarterly. Lessons learned are fed into training and awareness.

The Data Security & Protection (DSP) Toolkit is used as one of the controls for implementing data security and the action plan to achieve this toolkit is monitored by the IG Group. The Audit Committee has oversight of progress towards meeting the toolkit requirements and the plans to safeguard the Trust against cybercrime. Assessment of compliance with the toolkit and evidential support for this is assessed by Internal Audit as part of its annual workplan.

The core infrastructure has built in data security control features and security threats are monitored. Controls also include software/ hardware patching and anti-virus. Encrypted data sticks are not permitted and portable devices are protected by encryption and trust owned tablets/smartphones are monitored via Mobile Device Management (MDM) software. No personal devices can operate on the trust corporate network. Remote access to data is protected by multi factor authentication. The migration of the Trust's infrastructure onto a Cloud-based platform provides additional security for the Trust's data. The Trust Board receives a monthly update on progress with this work and any exceptions to the programme are highlighted. The Trust has implemented a SOC / Siem solution which monitors the trust 24/7 for all potential changes in activity and stops anything which is suspicious. The ongoing implementation of Cynerio has given us greater visibility and control over the underlying security of networked medical devices.

Information flows containing personal/sensitive data in and out of the Trust have been identified, reviewed and risk assessed, and transfer methods changed where required. Information assets (IT systems and paper records) have been risk assessed to ensure that data is held securely with appropriate access controls in place.

All staff receive annual IG training via mandatory training to ensure up to date knowledge about the importance of cyber security and the confidentiality and security of information.

No incidents have been notified to the ICO/DHSC in the Data Security Incident Reporting Toolkit.

8.5 Description of the organisation’s major risks, including significant clinical risks, separately identifying in-year and future risks, how they are/will be managed and mitigated and how outcomes are/will be assessed

Some significant work was undertaken during the year to refresh the format of the Board Assurance Framework to provide greater visibility over the gaps in control and assurance, offer better clarity of the mitigations in place, provide an assessment of risk appetite for each strategic risk and realign the corporate risks to the relevant strategic priorities.

The following is an extract from the Trust’s revised Board Assurance Framework, which details the strategic risks aligned to the priorities in the Trust’s new strategy and therefore represent the areas where the Trust Board has been focusing its attention in 2023/24 and will continue to focus in 2024/25. The extract also provides a view of the top-rated risks on the Corporate Risk Register that are aligned to the main BAF strategic risks.

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|--|--------------------|---|
| PRIORITY 1 – OUR CARE | | | |
| <i>STRATEGIC RISK</i> | | | |
| There is a risk that the Trust will fail to meet its objective of being rated as 'Outstanding' by the CQC by 2028 | Detrimental impact on Patient Safety, the quality of service we provide; and our reputation and rating as a Trust. | F | Mitigations/management: <ul style="list-style-type: none"> • Delivery of our Patient Safety Plan • Delivery of our Patient Experience Plan • Implementation of PSIRF • Implementation of actions within our CQC Readiness Plan Outcome assessment: <ul style="list-style-type: none"> • Improved CQC rating when inspected under new Single Assessment Framework |
| <i>ALIGNED RISKS</i> | | | |
| Lack of resilience around some specialist support services including Speech & Language; histopathology and dietetics | Poor patient experience and adverse clinical outcome of an inpatient stay. Potential cancer target breaches. | IY/F | Mitigations/management: <ul style="list-style-type: none"> • Locum support for some services operated through a Service Level Agreement • Situation has been escalated to the Birmingham and Solihull Integrated Care Board to identify permanent source of support Outcome assessment: <ul style="list-style-type: none"> • Permanent support arrangements embedded • Cancer targets are met |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|---|--------------------|---|
| Risk of patient harm when novel techniques and devices are used in care provision, as happens in research and in service evaluation of a new technology | Potential patient harm occurs, which would create clinical, reputational, and financial adversity | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Controls in place through Modern Interventions Panel and Medical Devices Advisory Group <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Good clinical outcomes from treatment using novel techniques • No increase in patient safety incidents or harm |
| There is a risk that a fully integrated and fully interoperable electronic patient record (EPR) will not be achieved in the required timelines | The Trust operates using disparate systems that are inefficient and do not streamline clinical information and activity | F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Ongoing discussions with NHS England around progressing the plans for a fit for purpose EPR • Completion of required business cases • Board oversight of plans as a standing agenda item • Recruitment of EPR Programme Manager and Chief Digital Information Officer <p>Outcome assessment:</p> <ul style="list-style-type: none"> • EPR implemented to the needs of the Trust in 2025/26 |
| PRIORITY 2 – OUR EXPERTISE | | | |
| <i>STRATEGIC RISK</i> | | | |
| There is a risk that the Trust will fail to meet its objective of being kitemarked as a Major Revision Centre and Surgical Elective Hub and will publish 30% more research publication | Not having the necessary capital and/or resource to enable growth, expansion and innovation and our ability to develop and train the next generation of NHS clinicians, nurses and leaders, especially in light of the current economic climate in which the Trust, and the NHS more generally, is operating within | F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Development of an MSK academy and MSK transformation programme • Development of a Provider Collaborative • Establishment of a Day Case centre • Trust to be accredited as a Major Revision Centre • Delivery of the osseointegration pathway • Continued development of robotics assisted surgery • Board-approved research and development plan |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|---|--------------------|--|
| | | | <ul style="list-style-type: none"> • Delivery of service accreditation programme <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Positive press, media and partner opinion on the services of the ROH • Positive patient feedback • Accreditation as a GIRFT centre retained |
| ALIGNED RISKS | | | |
| <p>There is a risk that patients may come to harm as a result of their long wait if there is insufficient capacity to deliver the work required in the context of mutual aid. The wait may be due to intrinsic factors within the Trust or the Trust may inherit a risk transferred from other providers as part of mutual aid arrangements.</p> | <ul style="list-style-type: none"> • Patients wait excessively long time before treatment • Potential deterioration or harm to patients • Reputational and legal impact for the Trust and negatively impact our major revision centre and surgical elective hub accreditations | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Patients waiting in excess of 52 weeks are subject to the Trust harm review process. • All patients in this category are regularly reviewed by their clinical teams on a monthly basis. • Refreshed trajectory developed to take into account the mutual aid support • Continued transformation of Outpatients services maximising the digital opportunities. <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Improved performance against constitutional targets • No evidence of increase harm to patients |
| PRIORITY 3 – OUR PEOPLE | | | |
| STRATEGIC RISK | | | |
| <p>There is a risk that the Trust will fail to meet its objective of being rated in the top 5% of Trusts to work for by our people in the NHS Staff Survey</p> | <ul style="list-style-type: none"> • Poor staff morale • Failure to attract talented staff • Poor staff retention • Reputational adversity • Financial pressure due to high turnover | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Delivery of the Trust’s People Plan • People Pulse Survey • Promotion of changes as a result of feedback in the staff survey • Delivery of staff engagement plan • Strengthened Freedom to Speak Up framework <p>Outcome assessment:</p> |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|--|--------------------|--|
| | | | <ul style="list-style-type: none"> • Positive national staff survey results when compared to peers • Reduced turnover rates • Evidence of staff willing to speak up about concerns |
| ALIGNED RISKS | | | |
| <p>Poor mechanisms for staff engagement will limit the Trust's ability to demonstrate the linkage between the work of staff in all disciplines to the delivery of excellent patient care</p> | <ul style="list-style-type: none"> • Poor staff morale • Poor staff retention • Poor patient and staff experience | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Senior Leadership Development Programme • Refreshed approach to Team Brief • Executive 'Chat & Check' programme • Strengthened Freedom to Speak Up framework • Delivery of 100-day induction programme <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Positive national and local staff survey results • Reduced staff turnover • Ability to attract high calibre staff |
| <p>Inability to control the use of unfunded temporary/agency staffing</p> | <ul style="list-style-type: none"> • Quality of care is compromised • Ongoing financial pressures | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Temporary workforce group implemented • Additional controls to authorise use of agency staffing • Elimination of non-clinical agency staffing contracts <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Reduced use of agency staffing and associated financial burden • Increase in substantive headcount as temporary staffing reduces |
| PRIORITY 4 – OUR COMMUNITY | | | |
| STRATEGIC RISK | | | |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|--|--------------------|--|
| <p>There is a risk that the Trust will fail to meet its objective of reducing health inequality by improving access for people in the most deprived 20% of our communities</p> | <ul style="list-style-type: none"> No change or improvement in obtaining access or earlier access to health care for those within our community who would benefit from earlier access to health services, which in turn would help reduce the long-term burden and cost to the NHS if treated earlier | <p>IY/F</p> | <p>Mitigations/management:</p> <ul style="list-style-type: none"> Expand community health offering Delivery of health inequalities plan Clinical prioritisation of waiting lists Delivery of GP liaison plan Participate in BSol System health inequalities programme Pursue the intention of developing one orthopaedics patient tracking list for the BSol area <p>Outcome assessment:</p> <ul style="list-style-type: none"> Evidence that hard to reach communities are represented on the Trust's waiting list Revised access policy to take into account the need to address health inequalities |
| <p>ALIGNED RISKS</p> | | | |
| <p>Limited resource to undertake engagement activities with Primary Care, there is reduced ability to access hard to reach communities</p> | <ul style="list-style-type: none"> Lack of engagement leading to a poor understanding of the extent of health inequalities in the region Health inequalities persist and those needing treatment most are not seen in a timely way | <p>IY/F</p> | <p>Mitigations/management:</p> <ul style="list-style-type: none"> Development of the Private Practice/GP liaison function Additional support offered to develop communications tools for the Primary Care liaison work Delivery of the health inequalities plan <p>Outcome assessment:</p> <ul style="list-style-type: none"> GP liaison team expanded to support delivery of revised communications and an engaged programme Primary Care engagement events held and well attended |
| <p>PRIORITY 5 – OUR SERVICES</p> | | | |
| <p>STRATEGIC RISK</p> | | | |
| <p>There is a risk that the Trust will fail to meet its objective to</p> | <ul style="list-style-type: none"> An increase in patient safety incidents as well as financial and reputational loss and | <p>F</p> | <p>Mitigations/management:</p> |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|---|--------------------|--|
| increase the number of people we treat by 20% within our current resources | poor compliance with national targets | | <ul style="list-style-type: none"> • Delivery of organisational sustainability programme • Expansion of Day Case service • Development of Provider Collaborative • Delivery of estates plan • Delivery of Quality Improvement programme <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Stable headcount with appropriate skill mix • Increased activity delivered • Reduced length of stay without increased readmissions |
| ALIGNED RISKS | | | |
| Theatres' engineering plant is beyond its normal life expectancy and has a high risk of failure, with significant impact on clinical services. | <ul style="list-style-type: none"> • Patient treatment cancelled • Deterioration in performance against Constitutional standards | IY/F | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Delivery of estates plan • Prioritisation of capital programme • Delivery of routine maintenance schedule <p>Outcome assessment:</p> <ul style="list-style-type: none"> • Increased theatre utilisation • Reduction in hospital-instigated cancellations • Performance against constitutional targets • Performance against Model Hospital metrics |
| Lack of internal expertise to progress strategic workforce planning | <ul style="list-style-type: none"> • Workforce plans mismatched to demand • Failure to attract high calibre colleagues • Staff turnover exceeds recruitment plan | IY | <p>Mitigations/management:</p> <ul style="list-style-type: none"> • Work commissioned with Midlands and Lancashire Clinical Support unit to identify priorities for strategic workforce planning • Delivery of Workforce planning internal audit recommendations |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|--|--|--------------------|--|
| | | | <ul style="list-style-type: none"> Monitoring of workforce planning activity by Staff Experience & OD Committee <p>Outcome assessment:</p> <ul style="list-style-type: none"> Delivery of strategic workforce plan Balanced capacity and demand model achieved |
| <p>There is a risk that a fully integrated and fully interoperable electronic patient record (EPR) will not be achieved in the required timelines</p> | <ul style="list-style-type: none"> The Trust operates using disparate systems that are inefficient and do not streamline clinical information and activity | <p>F</p> | <p>Mitigations/management:</p> <ul style="list-style-type: none"> Ongoing discussions with NHS England Completion of required business cases Board oversight of plans Recruitment of EPR Programme Manager and Chief Digital Information Officer <p>Outcome assessment:</p> <ul style="list-style-type: none"> EPR implemented to the needs of the Trust in 2025/26 |
| <p>PRIORITY 6 – OUR COLLABORATION</p> | | | |
| <p><i>STRATEGIC RISK</i></p> | | | |
| <p>There is a risk that the Trust will fail to meet its objective of delivering a standardised pathway for elective orthopaedics in Birmingham and Solihull</p> | <ul style="list-style-type: none"> Adverse financial impact as well as a reputational impact in terms of our alignment, position and standing within BSOL ICB | <p>IY/F</p> | <p>Mitigation/Controls:</p> <ul style="list-style-type: none"> Delivery of MSK Transformation Plan Provider collaborative development Delivery of Private Patient Plan <p>Outcome assessment:</p> <ul style="list-style-type: none"> Consistent clinical outcomes |
| <p><i>ALIGNED RISKS</i></p> | | | |
| <p>There is a risk that the funding regime for orthopaedic work does not provide sufficient flexibility to be able to create and deliver a model of standardised care for orthopaedics</p> | <ul style="list-style-type: none"> Delivery of non-standardised care across multiple providers in BSol Potential difference in clinical outcomes between sites of treatment Variable patient experience | <p>IY/F</p> | <p>Mitigation/Controls:</p> <ul style="list-style-type: none"> Ongoing discussions with NHS England regarding tariff and funding regimes Agreement on strategy for single patient waiting list for orthopaedics in BSol with the ICB Development and delivery of Provider Collaborative |

| RISK | CONSEQUENCE | IN YEAR/ FUTURE | HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED |
|------|---|--------------------|---|
| | <ul style="list-style-type: none"> Inefficiencies created by variation in pathways | | <ul style="list-style-type: none"> Review of benchmarking information through Model Hospital data Delivery of EPR delivery programme <p>Outcome assessment:</p> <ul style="list-style-type: none"> Improved financial performance Consistent clinical outcomes Reduced waiting times |

During the financial year 2023/24, there was one Never Event reported: the Never Event incident related to the performance of wrong site surgery. The planned surgery was for removal of metal work in the left ankle via lateral approach, however the surgical incision was erroneously made medially. The error was noticed, surgery was stopped, and the wound was closed. Surgery was then restarted with the incision made correctly on the lateral side and proceeded uneventfully.

Statutory Duty of Candour obligations were discharged, and the patient safety incident was investigated using the Patient Safety Incident Investigation (PSII) methodology, in accordance with the Patient Safety Incident Response Framework (PSIRF) and the Trust's Patient Safety Incident Response Plan (PSIRP).

The Never Event was also reported externally via STEIS, as required. The final report, including the learning will be shared via a Learning On One Page (LOOP) template document in the following forums: divisional governance meetings, Executive Governance Meeting, Clinical Quality Group, Quality and Safety Committee and clinical audit processes. The report and LOOP document will also be shared with relevant teams and individuals (where necessary) and also the wider Trust to ensure awareness of the patient safety incident and that the identified learning is embedded in future clinical and professional practice in order to minimise the chance of an incident of this nature reoccurring.

8.6 The principal risks to compliance with the NHS Provider Licence Section 4 (Governance)

There has been a continued improvement in the arrangements and governance framework in the organisation that provides confidence in the Trust's ability to comply with the conditions of its licence. A key development during last year was the unification of the corporate and clinical governance portfolios, these now sitting under the single remit of the Director of Governance, with operational responsibility lying with the Assistant Director of Governance & Risk who was appointed during the year. In 2023/24, the structure has been embedded and has also been amalgamated by the Health & Safety function. The Complaints and PALS function remains under the remit of the Chief Nurse although there is close working between the Governance Team and the Patient Experience Team to ensure that there is a good read across these systems and processes.

The Trust has also appointed during the year, a new Corporate Services Manager to strengthen the processes for the Trust Board and its Committees and additionally focus on governor development and education.

The Trust underwent an external assessment against the NHS Improvement (now NHS England) Well Led Framework in 2019 which highlighted that there was a good level of control and governance in the

organisation. This was undertaken by the Governance arm of Grant Thornton. No member of the Board is affiliated with the company. There is confidence that the sound framework of governance identified has been sustained and improved incrementally.

The key risk that may impact on the Trust's ability to declare compliance with NHS Provider Licence Section 4 (Governance) during the year concerned the ability of the Trust to achieve its constitutional standards given the impact on the Trust's operations by the need to support the system response to elective recovery. There is an evident improvement in performance however, despite the need to heavily support the system response, including good progress to eliminate all cases of patients waiting in excess of 52 weeks for treatment, this also being a national imperative.

The risk reported in previous years concerning the robustness of the risk management arrangements at a divisional and local level has been a matter of continued focus during the year. Further work is planned to further strengthen the risk management framework during 2024/25 most notably through the delivery of additional and more comprehensive training provided to staff on risk management processes.

8.7 How risk management is embedded in the activity of the Trust

The Trust's risk management processes are embedded within all aspects of service planning, delivery and redesign as a means of prioritising and decision making. These key elements, processes and priorities for the management of risk are required to be applied locally to all wards, areas, departments and operational management/ service units. As part of the strengthened business planning framework overseen by the Strategy and Finance teams, all areas identify the key risks to the delivery of the annual plans and identify the mitigations in place or to be developed in response to these.

The Assistant Director of Governance & Risk and Corporate Governance Lead provide dedicated support given to improving the quality of risk registers across the organisation, most notably at divisional level, but also at trustwide committee level.

Divisions receive localised risk register reports which are discussed as part of biweekly Divisional Governance Board meetings and specific risk registers have been developed for some of the key operational and clinical fora, such as Clinical Quality Group, Drugs and Therapeutics Committee, Safeguarding Board, Infection Prevention and Control Committee, Information Governance Group, Health & Safety Group and Operational Management Board.

The Executive Team considers on a regular basis a Corporate Risk Register report which shows progress with delivery of key mitigating actions to address the organisation's key risks. Those risks on the Corporate Risk Register which by the nature of their severity or potential to impact on the delivery of the Trust's strategic objectives are included on the Board Assurance Framework and are highlighted as such.

The Board Assurance Framework (BAF) provides a framework for reporting key information to the Board and is also given oversight by the Audit Committee.

As an example of risk management activity below the level of the BAF and potentially feeding into it, reporting of potential risk situations, adverse incidents, 'near-misses', accidents and concerns is a vital part of managing and controlling risks. The Trust uses the Ulysses system for the reporting of both clinical and non-clinical incidents. This system enables members of staff to report incidents in a timely fashion and allows managers and other relevant individuals to receive real time notification of incidents. This system also allows managers to complete an electronic management review of incidents. All managers are expected to encourage an incident reporting culture and support their staff in utilising the incident reporting system. Ulysses continues to be updated to develop detailed reports in order to provide Divisions and wards with better information on risk and further work is planned during the coming year to align the system's functionality to the new PSIRF

approach. The PSIRF policy which is published in the Trust, standardises the process and ensures effective and accurate reporting of incidents. Incidents are reviewed on a daily basis by the Governance Team to ensure timely escalation of any patient safety queries that may arise as well as to quality check the data inputted.

A monthly meeting of a subset of the Executive Team (the Director of Governance, the Medical Director, Chief Nurse and Chief Operating Officer) is held to review new incidents of note and monitor closure of Root Cause Analyses, complaints, Learning from Death cases and claims and to distil any learning from investigations into these which may be shared across the organisation.

The governance trackers containing the detail of the incident investigations and complaints responses are also considered monthly by the Quality & Safety Executive.

Information on all incidents requiring an investigation and any clinical negligence claims is shared with key staff and through the Divisional Management routes.

The Quality & Safety Committee reviews complaints, incidents, litigation and Freedom to Speak Up concerns monthly as part of the routine Quality & Patient Safety report.

8.8 How public stakeholders are involved in managing risks which impact on them.

The Trust is committed to involving stakeholders as appropriate in all areas of the Trust's risk management activities. This includes informing and consulting on the management of any significant risks. Key stakeholders include the Birmingham and Solihull Integrated Care Board (BSol ICB) and its constituent bodies, the Trust's Council of Governors, NHS England, CQC, Specialised Commissioners, Subcontractors, Voluntary Groups, the Trust's membership, patients and the local community. A Patient Engagement and Experience Group and a Patient Forum are also in place which provide a more strategic focus for discussion around matters affecting public and patients, the functionality of which will be revisited during the coming year.

There is also the regular opportunity to engage on matters through the 'Coffee Catch Up' meetings for patients who have been treated using the JointCare pathway. The Trust Board also hears about specific patient stories at alternate sessions in public, where lessons learned are highlighted, particularly where there is evidence that there has been a shortfall in care or patient experience.

8.9 Ways in which the Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place which assure the Board that staffing processes are safe, sustainable and effective. Compliance with the 'Developing Workforce Safeguards' recommendations

The Board of Directors and Board subcommittees, namely Staff Engagement & OD, Finance & Performance and Quality & Safety committees receive regular reports detailing staffing arrangements in place and provide assurance in respect of staffing being safe, effective and sustainable as outlined in the 'Developing Workforce Safeguards' recommendations. The reports detail areas of risk and mitigation in relation to workforce. Assurance is also provided in respect to key workforce metrics such as (but not limited to) establishment data, sickness absence, turnover and statutory and mandatory training as well as data relating to workforce costs, thereby enabling effective triangulation.

The Trust continues to make progress with delivery of its 5 Year People Plan the focus of which is on ensuring that our people thrive so that they can deliver life changing care to our citizens. The plan is delivered through the People and OD Group which reports to the Staff Experience and Organisational Development Committee of the Board. In 2023 the Trust has revised its approach to appraisals, reduced agency expenditure, improved

its vacancy position, improved retention and delivered the 'Leaders that Care Programme' – steps all taken to improve the experience of our colleagues and patients. In addition, our Chief People Officer is also the ICS Senior Responsible Officer for Equality, Diversity, Inclusion and Talent and has worked closely to progress joint workforce priorities with the Birmingham and Solihull Integrated Care Systems People Board.

Workforce (Nursing) operational safeguards are continuous monitored in real time to ensure patient and staff safety. The clinical site team, matron and Heads of Nursing monitor staffing level, using Safercare (allocate) and the Safe Nursing Care Tool embedded in the system to aid with triangulation of safer staffing levels against professional judgement. Matron/ site team oversee daily staffing huddles, which are designed to ensure skill mix against acuity and to allow the teams to plan ahead for changing staffing and acuity. In addition, the nursing teams carry our twice-yearly establishments reviews, taking into account new roles and how they can ensure career development while ensuring skill mix. Safer staffing levels are reported externally monthly to unify (fill rates, Care Hour Per Patient Day (CHPPD)) and staffing levels are displayed at the entrance of all ward as per the national quality board requirement. Internally this information is presented bi-monthly to Quality and Safety Committee for assurance.

Talent management and succession planning are also a key feature of the Trust's People Plan, enabling us to focus our attention on more strategic workforce planning in addition to the operational elements. The Trust has progressed its ambition to become a national leader in Health and Wellbeing. Led by the Chief Executive and supported by the Chief People Officer the Trust regularly reports to Board and Sub Committees in relation to the interventions and support available to staff to maintain their wellbeing with a particular focus been given to supporting staff with the Cost-of-Living crisis. In addition, the Trusts Inclusion strategy sets out a clear framework for how we will enable every colleague at the ROH to be their authentic self and this is regularly monitored through assurance reporting to Board and Sub Board. It is anticipated that these specific strategies will positively impact on the future workforce sustainability through improved morale, attendance and retention. Alongside side this the Board monitors staff retention through monthly reporting.

The Trust's workforce plans are developed in conjunction with the Annual Business Planning cycle and these are revisited through triangulation meetings through divisional meeting structures. Risks and issues are highlighted through the Trust's governance structures. In addition, the Trust benefits from technological workforce solutions such as Allocate to support e-rostering and e-job planning which also covers Allied Health Professionals in addition to Nursing and Medical staff groups.

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

The Trust remains at an overall 'Good' rating following the last CQC inspection in 2019.

The action plan to address any weaknesses identified by the inspection has been revisited this year to confirm that the actions taken remain in place. There is only one action that remains to be closed, which concerns the continuing need to develop solutions to overcome the fragmentation of the Trust's information systems. This will take some time to address, given the need to ensure that major systems align with the Birmingham and Solihull Integrated Care System digital strategy. Work is planned to implement an Electronic Patient Record over the 2025/26 financial year which will be a major piece of work to address the CQC recommendation.

The Trust has not received any notifications from the CQC during the year that there have been any concerns of significance from a regulatory perspective.

Following the amendments to the CQC's inspection and assessment framework during the year, work has been undertaken to prepare for an inspection and to understand the requirements of the Single Assessment Framework. The Trust Board was updated on these plans at the March 2024 meeting.

8.11 Managing Conflicts of interest guidance

The foundation trust has published on its website 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 twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Building on work already started during 2023/24, further work is planned over the coming year to strengthen the processes to mandate that staff routinely declare any interest they may have and the use of functionality in the Trust's Electronic Staff Record (ESR) will be used to support this. In the meantime, some dedicated and focused work has been undertaken to ensure that all those covered by the Conflict-of-Interest policy have provided a refreshed declaration covering the current year.

8.12 NHS Pension Scheme

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

8.13 Equality and Diversity and sustainability

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Staff Experience & OD Committee reviews the position against the Workforce Race Equality Standards (WRES) and Disability Workforce Disability Equality Standards (WDES) and Equality & Diversity Standards (EDS2) as part of its routine workplan. The Trust has in place a Multi Minority Ethnicity Group (MMEG) and an Equality & Diversity Group.

The foundation 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.

In line with the required disclosure related to the Taskforce on climate-related financial disclosures (TCFD), the ROH confirms the following. The Trust has established the Green Board, the body used to work through and oversee a set of work streams to enable the Trust to consider the effects of its work on climate change and the requirement to deliver a Net Zero NHS. The Trust Board has oversight of this group through the Finance & Performance Committee into which the Green Board reports. The Board's programme is broken down into ten workstreams, each with an Executive Sponsor. The effects of climate change are considered under the Adaptation (Building & Climate); however, this important topic is also interwoven within the other 'Green Agenda' work streams.

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

The Trust robustly reviews performance throughout the organisation to ensure that resources are used economically, efficiently and effectively. There is a robust budget setting and financial management control system which includes activity related budgets, budget manager meetings, Divisional performance meetings and regular reports to the Trust Board. The budgetary control system is complemented by a clear scheme of

delegation and financial approval limits. This process enables regular review of financial performance by highlighting areas of concern via variance analysis.

The Trust is structured into two principal divisions: Patient Services & Access and Patient Support services. These are supported by a number of corporate departments. This arrangement provides a robust structure of accountability for the key elements of the Trust's business. The divisions meet monthly the agendas covering a review of performance and operations and clinical governance and risk, the latter being supported by members of the Trust's clinical and corporate governance teams. Each division is subject to formal reviews with Executive Directors and further work is planned in 2024/25 to systematise these reviews, improve the process and cycle of review and to develop strengthened lines of accountability to the Executive Team. The intention of these reviews is to combine outcomes with efficiency, effectiveness, use of resources, quality and governance to ensure a holistic view of performance is taken.

The Trust has developed, within its Finance Overview, a set of infographics which monitor both national and local targets together with efficiency indicators which are reported on a monthly basis. This is considered and challenged on a monthly basis by the Finance and Performance Committee and also by the Trust Board when it meets in public.

A component of the Trust's financial planning is the implementation and delivery of a Cost Improvement Programme (CIP). Financial delivery against the Trust's CIP is monitored on a divisional basis through the divisional management boards and the formal executive divisional reviews, with Trust-wide performance monitored and challenged monthly as part of the Finance Overview to the Finance & Performance Committee.

The annual National Cost Collection (NCC) is now embedded across the Acute sector of the NHS and has mandated the patient level data collection for Community and Mental Health providers. The Trust continues to adhere to the national costing guidance and is providing detailed Patient level information to NHSE. The Trust has maintained the overall NHSE's costing assurance tool of 100% ensuring the Trust is fully compliant.

The Board receives regular updates from its Audit Committee on the reviews carried out by both Internal Audit and External Audit. They receive and consider the Internal Auditor's opinion and the Annual Management Letter by the External Auditor which comments on the economy, efficiency and effectiveness of the use of resources. The Audit Committee considers the recommendations from all audits carried out and oversees, by appropriate monitoring of actions taken by responsible officers, any required corrective action needed. The Audit Committee receives regular technical updates from the Trust's external auditor, a number of which have related to a changing external context and the drive for greater efficiency and transformational practice. The Director's report provides further information regarding the Committee structure, attendance records and coverage of each of the Committees' work.

8.15 Information Governance

During the year (April 2023 to March 2024), the Trust reported 23 incidents relating to information governance and data security. None of these met the threshold for reporting to the Information Commissioner and/or the Department of Health and Social Services. For the remaining incidents, common themes were inappropriate access to information or wrong information sent or given usually caused by one-off staff errors or carelessness through not checking thoroughly. There has also been a small recurrence of staff accidentally dropping patient lists in an external area but all were recovered by staff. Managers deal with incidents at a local level supported by the Trust's Information Governance Manager where needed who then reviews all incidents to identify root causes and any training needs. This is monitored by the Information Governance Group and messages are cascaded to staff via training and awareness. Any patients affected by data breaches, either with them reporting issues or being impacted, are informed if needed and provided with explanations and apologies.

Managers deal with incidents at a local level supported by the Trust's Information Governance Manager where needed who then reviews all incidents to identify root causes and any training needs. This is monitored by the Information Governance Group and messages are cascaded to staff via training and awareness. Any patients affected by data breaches, either with them reporting issues or being impacted, are informed if needed and provided with explanations and apologies.

8.16 Data quality and governance

The Trust has a number of operational and clinical systems that collect and store data about patients. This data is critical to the running of the Trust to ensure effective and timely care to patients and enables the Trust to plan and make future business decisions. High quality data is essential to aid business intelligence reporting and ensure operational efficiency. Ways in which the Trust ensures good data quality include:

- There is a Data Quality Group chaired by the Executive Chief Operating Officer and includes key stakeholders: members from the business intelligence, operations, education and training teams. This group monitors performance against data quality Key Performance Indicators (KPIs), audits and addresses any risks and issues as they arise.
- The Business Intelligence team carries out over 75 automated data quality checks on Trust data, creating reports which highlight data quality issues. These are shared on the Health Informatics dashboard accessible by operational staff to action and resolve.
- The Trust has a Data Validation team focusing on waiting list management which identifies and resolves errors caused by data quality. They also ensure that the Trust adheres to the national validation target, that being that 90% of patients waiting over 12 weeks are to be validated every 12 weeks
- To further improve the visibility of data quality issues and help provide data quality assurance this year the trust will be introducing data quality kitemarks linked to all key performance KPIs.
- Clinical coders regularly provide advice to clinical staff to ensure accuracy and depth of coding.

Review of effectiveness

As Accounting 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 and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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, and its committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I can place reliance on the Head of Internal Audit Opinion for 2023/24, which states that *'the organisation has an adequate and effective framework for risk management, governance & internal control. However, our work has identified further enhancements to the framework of risk management, governance & internal control to ensure it remains adequate and effective'*.

The opinion notes that out of the eight assurance reports issued, five provided positive (either significant or significant with minor improvement opportunities) assurance opinions and two negative (partial assurance with improvements required and no assurance) assurance opinions, these being associated with Health Inequalities and the compliance with the Data Security & Protection Toolkit. The high priority actions arising

from these reviews have been adopted by the Executive Team and are monitored for progress by the Audit Committee. The further audit undertaken was around Performance Reporting which was an advisory report. The opinion in the overall report states that in the view of the Head of Internal Audit, there were no specific issues identified during the year that needed to be raised as significant control issues within this Annual Governance Statement.

Other steps taken during 2023/24 to maintain and improve the Trust's systems of internal control include:

- the Audit Committee receives regular reports on reviews undertaken by the Internal and External Auditors, and follow up of any recommendations to ensure that the management team are implementing the agreed improvements to internal control processes within the agreed timeframe or that there are reasonable explanations for variances.
- A refreshed annual work plan for the Board was devised and a Board strategic work & development plan has been produced which was considered at the April 2023 meeting of the Trust Board.
- Face to face walkabouts by Non-Executive Directors resumed during the year 2023/24.
- Executive 'Chat and Check' visits continued to provide an opportunity for staff to describe to the Executive Team their experience of working at the hospital and for the team to undertake a review of the physical working environment.
- Delivery of the 'Team Brief' presentation has been refreshed to focus delivery of matters of information to the organisation and it continues to include all members of the Executive Team plus specialists across the Trust where the content requires.
- Given the significance of the change, there have been routine updates on the implementation of the Patient Safety Incident Response Framework.
- Work has commenced to understand the new CQC Single Assessment Framework and to prepare the organisation for the next inspection.
- The Trust has adopted the requirements of the new Fit and Proper Persons Test and this has been applied as part of the recruitment of new Board members during the year.
- The Board Assurance Framework has been revamped in line with recommendations from the Trust's internal audit function and to realign it to the new Trust strategy.
- The governance team has recruited into all vacant positions, including to a new Assistant Director of Governance & Risk and a Governance & Assurance Manager with a clinical and quality improvement skillset.
- Development of a Continuous Improvement programme that extends trustwide.
- Clinical Audit sessions continue to share good practice, learn from experience and improve local clinical governance processes, ensuring there is protected time for teams to come together on a regular basis to review the quality of care provided.
- Recruitment of addition Freedom to Speak Up champions.
- Development of the Trust's staff networks to allow staff to speak up and share experiences that impact on their ability to work well in the organisation.
- Enhanced oversight of the Trust's operations through the appointment of a Deputy Chief Operating Officer, supported by Associate Directors of Operations.
- Appointment of a new clinical Non Executive which provide new and refreshed challenge and support for the Board and the Quality & Safety Committee.
- Committee effectiveness reviews have been undertaken for the majority of the Board committees, with the action plans having been monitored throughout the year.

During the year and in line with the assurance in the Head of Internal Audit's Opinion, there were no significant internal control issues.

8.17 Conclusion

I am assured by the advice I have received about the effective operation of controls across the Trust during the year as confirmed by internal audit, managers, committees of the board and external audit opinion, and I am able to take sufficient assurance that overall, the Trust has a sound system of internal control and there were no significant internal control issues to highlight during the year.

The Trust is committed over 2024/25 to the continued development of our governance and control system building on the progress and learning undertaken in 2023/24 and prior years.



Chief Executive
28 June 2024

The Royal Orthopaedic Hospital NHS Foundation Trust

**Consolidated Accounts for the year ended
31 March 2024**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST**Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of The Royal Orthopaedic Hospital NHS Foundation Trust (the 'foundation trust') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2024 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and trust only statement of financial position;
- the statement of changes in taxpayers' and others' equity;
- the consolidated and trust statement of cash flows; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General and applicable law. 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 group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the accounting officer's 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 group's and the foundation 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.

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is 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 course of 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 this gives rise to 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.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines 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 accounting officer is responsible for assessing the group's and the foundation 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 foundation trust without the transfer of the foundation trust's 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and local counter fraud about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- the overall funding, demand and activity levels in the NHS in general represent a significantly more financially challenging environment, and creates incentives for organisations to understate judgemental liabilities and so related expenditure. We have therefore identified the completeness and timing of recognition of accruals and provisions as a significant risk due to fraud. To respond to this risk, we tested the design and implementation of controls over the year-end accrual process; we tested an extended sample of post year-end payments to test completeness of recorded liabilities; we tested a sample of accruals to supporting documentation to check whether the amount accrued is appropriately supported; we tested the design and implementation of controls around the completeness of provisions; and we tested the sample of items to verify the provision amounts are as per IAS37 guidance.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006 in all material respects; and
- the information given in the Performance Report and the Accountability 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

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of this matter.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation 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 foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024 by the time of the issue of our audit report. Other

findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certificate of completion of the audit

We certify that we have completed the audit of The Royal Orthopaedic Hospital NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of The Royal Orthopaedic Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Mohammed Ramzan, CPFA (Key Audit Partner)

For and on behalf of Deloitte LLP

Appointed Auditor

Birmingham, United Kingdom

28 June 2024

Foreword to the accounts

The Royal Orthopaedic Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2024, have been prepared by The Royal Orthopaedic Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



Mrs. Joanne Williams

Accountable Officer

28 June 2024

**THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 MARCH 2024**

| | Note | Group | |
|---|------|----------------|--------------|
| | | 2023/24 | 2022/23 |
| | | £000 | £000 |
| Operating income from patient care activities | 3 | 129,534 | 121,831 |
| Other operating income | 4 | 6,172 | 5,818 |
| Operating expenses | 6, 8 | (139,687) | (125,288) |
| Operating (Deficit)/Surplus from continuing operations | | (3,981) | 2,361 |
| Finance income | 10 | 413 | 289 |
| Finance expenses | 10 | (430) | (55) |
| PDC dividends payable | | (1,400) | (1,154) |
| Net finance costs | | (1,417) | (920) |
| Other gains | 11 | 1 | - |
| (Deficit)/Surplus for the year | | (5,397) | 1,441 |
| Other comprehensive income | | | |
| Will not be reclassified to income and expenditure: | | | |
| Impairments | 7 | (2,814) | (152) |
| Revaluations | 17 | 957 | 2,827 |
| May be reclassified to income and expenditure when certain conditions are met: | | | |
| Fair value gains/(losses) on financial assets mandated at fair value through OCI | 19 | 55 | (80) |
| Total comprehensive (Expense)/Income for the period | | (7,199) | 4,036 |
| (Deficit)/Surplus for the period attributable to: | | | |
| The Royal Orthopaedic Hospital NHS Foundation Trust | | (5,397) | 1,441 |
| TOTAL | | (5,397) | 1,441 |
| Total comprehensive (Expense)/Income for the period attributable to: | | | |
| The Royal Orthopaedic Hospital NHS Foundation Trust | | (7,199) | 4,036 |
| TOTAL | | (7,199) | 4,036 |

All income and expenditure is derived from continuing operations. There is no surplus attributable to minority interests.

As permitted by the Department of Health and Social Care Group Accounting Manual, the Trust has taken the exemption afforded by Section 408 of the Companies Act 2006 not to present its own income statement and statement of comprehensive income.

The Trust had a deficit of (£5,134,000) (2022/23: £1,501,000 surplus), and a total comprehensive deficit (after impairments and revaluations) of (£6,991,000) (2022/23 £4,096,000 surplus). The Group returned a deficit of (£5,397,000) (2022/23 : £1,441,000 surplus).

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
CONSOLIDATED AND TRUST ONLY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

| | Note | Group | | Trust | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | 31-Mar-24 £000 | 31-Mar-23 £000 | 31-Mar-24 £000 | 31-Mar-23 £000 |
| Non-current assets | | | | | |
| Intangible assets | 13 | 981 | 1,339 | 981 | 1,339 |
| Property, plant and equipment | 14 | 49,473 | 50,922 | 49,473 | 50,922 |
| Right of use assets | 18 | 15,925 | 18,201 | 15,925 | 18,201 |
| Other investments / financial assets | 20 | 962 | 907 | - | - |
| Total non-current assets | | 67,341 | 71,369 | 66,379 | 70,462 |
| Current assets | | | | | |
| Inventories | 23 | 1 | 19 | 1 | 19 |
| Receivables | 24 | 8,194 | 12,839 | 8,193 | 12,839 |
| Other investments / financial assets | 20 | 164 | 119 | - | - |
| Cash and cash equivalents | 28 | 2,583 | 8,790 | 1,699 | 7,591 |
| Total current assets | | 10,942 | 21,767 | 9,893 | 20,449 |
| Current liabilities | | | | | |
| Trade and other payables | 26 | (13,903) | (20,242) | (13,896) | (20,229) |
| Borrowings | 28 | (3,190) | (2,872) | (3,190) | (2,872) |
| Provisions | 30 | (13) | (59) | (13) | (59) |
| Other liabilities | 27 | (1,233) | (273) | (1,233) | (273) |
| Liabilities in disposal groups | 27.2 | - | - | - | - |
| Total current liabilities | | (18,339) | (23,446) | (18,332) | (23,433) |
| Total assets less current liabilities | | 59,944 | 69,690 | 57,940 | 67,478 |
| Non-current liabilities | | | | | |
| Borrowings | 28 | (12,955) | (15,467) | (12,955) | (15,467) |
| Provisions | 30 | (1,174) | (1,270) | (1,174) | (1,270) |
| Total non-current liabilities | | (14,129) | (16,737) | (14,129) | (16,737) |
| Total assets employed | | 45,815 | 52,953 | 43,811 | 50,741 |
| Financed by | | | | | |
| Public dividend capital | | 60,666 | 60,605 | 60,666 | 60,605 |
| Revaluation reserve | | 1,499 | 3,356 | 1,499 | 3,356 |
| Income and expenditure reserve | | (18,354) | (13,220) | (18,354) | (13,220) |
| Charitable fund reserves | 22 | 2,004 | 2,212 | - | - |
| Total taxpayers' and others' equity | | 45,815 | 52,953 | 43,811 | 50,741 |

The notes on pages 160 to 196 form part of these accounts.

The financial statements were approved by the Board of Directors on 28 June 2024 and are signed on its behalf by:



Mrs. Joanne Williams – Chief Executive Officer

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2024

| Group | GROUP | | | | | TRUST | | | |
|--|-------------------------|---------------------|--------------------------------|--------------------------|---------------|-------------------------|---------------------|--------------------------------|---------------|
| | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Charitable fund reserves | Total | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Taxpayers' and others' equity at 1 April 2023 - brought forward | 60,605 | 3,356 | (13,220) | 2,212 | 52,953 | 60,605 | 3,356 | (13,220) | 50,741 |
| (Deficit) for the year | - | - | (5,247) | (150) | (5,397) | - | - | (5,247) | (5,247) |
| Impairments | - | (2,814) | - | - | (2,814) | - | (2,814) | - | (2,814) |
| Revaluations | - | 957 | - | - | 957 | - | 957 | - | 957 |
| Fair value gains/(losses) on financial assets mandated at fair value through OCI | - | - | - | 55 | 55 | - | - | - | - |
| Public dividend capital received | 61 | - | - | - | 61 | 61 | - | - | 61 |
| Taxpayers' and others' equity at 31 March 2024 | 60,666 | 1,499 | (18,354) | 2,004 | 45,815 | 60,666 | 1,499 | (18,354) | 43,811 |

| Group | GROUP | | | | | TRUST | | | |
|--|-------------------------|---------------------|--------------------------------|--------------------------|---------------|-------------------------|---------------------|--------------------------------|---------------|
| | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Charitable fund reserves | Total | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Taxpayers' and others' equity at 1 April 2022 - brought forward | 59,534 | 681 | (14,721) | 2,352 | 47,846 | 59,534 | 681 | (14,721) | 45,494 |
| Surplus/(deficit) for the year | - | - | 1,501 | (60) | 1,441 | - | - | 1,501 | 1,501 |
| Impairments | - | (152) | - | - | (152) | - | (152) | - | (152) |
| Revaluations | - | 2,827 | - | - | 2,827 | - | 2,827 | - | 2,827 |
| Fair value gains/(losses) on financial assets mandated at fair value through OCI | - | - | - | (80) | (80) | - | - | - | - |
| Public dividend capital received | 1,071 | - | - | - | 1,071 | 1,071 | - | - | 1,071 |
| Taxpayers' and others' equity at 31 March 2023 | 60,605 | 3,356 | (13,220) | 2,212 | 52,953 | 60,605 | 3,356 | (13,220) | 50,741 |

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.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in Note 21.

THE ROYAL ORTHOPAEDIC HOPITAL NHS FOUNDATION TRUST
CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 MARCH 2024

| | Note | Group | | Trust | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2023/24 £000 | 2022/23 £000 | 2023/24 £000 | 2022/23 £000 |
| Cash flows from operating activities | | | | | |
| Operating (Deficit)/Surplus | | (3,619) | 2,361 | (3,309) | 2,463 |
| Non-cash income and expense: | | | | - | - |
| Depreciation and amortisation | 6 | 5,889 | 5,256 | 5,889 | 5,256 |
| Net impairments | 7 | (16) | (1,215) | (16) | (1,215) |
| (Increase) / decrease in receivables and other assets | | 4,577 | (2,873) | 4,577 | (3,428) |
| (Increase) / decrease in inventories | | 18 | 340 | 18 | 340 |
| Increase / (decrease) in payables and other liabilities | | (5,939) | 7,048 | (5,934) | 7,046 |
| Increase / (decrease) in provisions | | (221) | (6,367) | (221) | (6,367) |
| Movements in charitable fund working capital | | (6) | 557 | (6) | 557 |
| Other movements in operating cash flows | | 1 | (1) | 1 | (1) |
| Net cash flows from / (used in) operating activities | | 684 | 5,107 | 999 | 4,651 |
| Cash flows from investing activities | | | | | |
| Interest received | | 366 | 247 | 366 | 247 |
| Purchase of intangible assets | | (24) | (364) | (24) | (364) |
| Purchase of PPE and investment property | | (2,844) | (5,213) | (2,844) | (5,213) |
| Net cash flows (used in) investing activities | | (2,502) | (5,330) | (2,502) | (5,330) |
| Cash flows from financing activities | | | | | |
| Public dividend capital received | | 61 | 1,071 | 61 | 1,071 |
| Movement on other loans | | - | (106) | - | (106) |
| Capital element of lease liability repayments | | (2,768) | (2,492) | (2,768) | (2,492) |
| Interest paid on lease liability repayments | | (351) | (177) | (351) | (177) |
| PDC dividend (paid) | | (1,331) | (1,174) | (1,331) | (1,174) |
| Net cash flows (used in) financing activities | | (4,389) | (2,878) | (4,389) | (2,878) |
| (Decrease) in cash and cash equivalents | | (6,207) | (3,101) | (5,892) | (3,556) |
| Cash and cash equivalents at 1 April - brought forward | | 8,790 | 11,891 | 7,591 | 11,147 |
| Cash and cash equivalents at 31 March | 28 | 2,583 | 8,790 | 1,699 | 7,591 |

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England 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.

Note 1.3 Consolidation

NHS Charitable Funds

The Trust is the corporate trustee to The Royal Orthopaedic Hospital NHS Foundation Trust charitable fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- ❖ recognise and measure them in accordance with the trust's accounting policies; and
- ❖ eliminate intra-group transactions, balances, gains and losses.

The Charitable Fund's main accounting policies are as follows:

Incoming resources

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised - refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Fund accounting

Restricted funds are funds subject to specific restrictions imposed by the funding authorities and donors. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the charity's financial statements.

All incoming resources are included in full in the Statement of Financial Activities as soon as the following four factors can be met:

- i. entitlement - arises when a particular resource is receivable, or the Charity's right becomes legally enforceable;
- ii. certainty - when the trustees are virtually certain that the incoming resources will be received;
- iii. measurement - when the monetary value of the incoming resources can be measured with sufficient reliability; and
- iv. apportionment - incoming resources that are not specifically attributable to a fund are apportioned quarterly pro rata to the value of each fund.

Investment management costs

Investment management costs are the fees charged by Casenove for the management of the investment portfolio and are apportioned on the basis of fund values. The Trust is not currently incurring any investment management costs as part of its arrangement with Casenove.

Grants payable

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the Trust's charitable objectives to relieve those who are in poor health. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant.

Non-current asset investments

Non-current asset investments are shown at market value. All investments are held by the associated Charity what have been consolidated within the Trust accounts. The Charity does not hold any property assets. Quoted stocks and shares are included in the statement of financial position at mid-market price, ex div. Other non-current asset investments are included at Trustees' best estimate of market value.

Current asset investments

All investments are held by the associated Charity what have been consolidated within the Trust accounts. The current asset investment comprises of cash balances available for investment which are held in capital or income accounts. The investments generate dividends and interest, less any administration costs.

Realised gains and losses

All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

Note 1.4 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.

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.

In 2023/24 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differed from the agreed level set in the fixed payments, the variable element either increased or reduced the income earned by the Trust at tariff price.

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.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners. In 2023/24 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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 1.5 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 1.6 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. 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 schemes are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are 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. Full pension note can be found at Note 10.

Note 1.7 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 1.8 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 functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- ❖ form part of the initial setting-up cost of a new building or a refurbishment of a ward or unit, irrespective of their individual or collective cost;
- ❖ professional fees such as legal costs, design costs, planning fees and feasibility studies incurred in the construction/bringing the asset into use.

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 (ie 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.

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 (straight line method). 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'.

A Desk-top valuation exercise was carried out during the year by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last independent "full" asset valuations were undertaken on 31 March 2020 by Cushman and Wakefield (MRICS).

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 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.

Leased Assets

Leased assets are accounted for as 'on-Statement of Financial Position' by the rust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability.

Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement 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 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 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 price increases, the Trust remeasures the 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. any maintenance charge is recognised in operating expenses in the Statement of Comprehensive Income.

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 | Max life |
|--------------------------------|-----------------|-----------------|
| | Years | Years |
| Land | N/A | N/A |
| Buildings, excluding dwellings | 23 | 55 |
| Dwellings | 28 | 28 |
| Plant & machinery | 5 | 15 |
| Transport equipment | 7 | 7 |
| Information technology | 3 | 10 |
| Furniture & fittings | 2 | 5 |

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.

Intangible fixed assets are capitalised when:

- ❖ They are capable of being used in Trust activities for more than one year;
- ❖ They can be reliably valued; and
- ❖ They have a cost of at least £5,000.

Purchased computer software licenses are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the license and their useful economic lives.

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 current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. 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 | Max life |
|-------------------|-----------------|-----------------|
| | Years | Years |
| Software licences | 3 | 7 |

Note 1.10 Inventories

Inventories 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.

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, fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost, fair value through comprehensive income.

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.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

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).

Management use their judgement to decide when to write off receivables or to provide against the probability of not being able to collect the outstanding debt. Credit losses cover contract receivables as well as private patients' debt.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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.

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.

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% |
| | 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: 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 38.3 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 39 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 39, 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-trustsand-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 of 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 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 1.19 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 1.20 Third party assets

The received no gifted assets belonging to third parties during the year.

Note 1.21 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 1.23 Early adoption of standards, amendments and interpretations

Standards, amendments or interpretations that have been issued but are not yet effective or adopted for the public sector have been identified as:

IFRS 14 – Regulatory Deferral Accounts – this has not been UK endorsed therefore does not apply to DHSC bodies.

IFRS 17 – Insurance Contracts – this is not yet adopted by the Frem, but expected from April 2025.

IAS 19 – The limit on a defined Benefit Asset, Minimum Funding Requirements and their Interaction – relevant only where DHSC bodies have employees who are members of the Local Government Pension Scheme.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

No Standards, amendments or interpretations that have been issued but are not yet effective or adopted for the public sector have been identified

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 rust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Categorisation of leases as operating or finance leases

Lease arrangements are categorised as either operating leases or finance leases in line with the accounting policy above IFRS 16 (see note 1.14).

There are considered to be no critical accounting judgements that require disclosure within 2023/24.

Note 1.26 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 the Trust's Estate

A valuation of the Trust's land and buildings was undertaken with an effective date of 31 March 2024 by the Trust's valuer, Cushman and Wakefield. The valuations have been undertaken applying the principles of IAS 16 *Property, Plant and Equipment* and RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions:

- ❖ the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or
- ❖ the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health and Social Care has indicated that for NHS assets it requires the former assumption to be applied for operational assets; this is the approach that was taken by the valuer. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

The Trust estimates the pattern of consumption of property, plant and equipment by writing assets down on a straight- line basis over useful economic lives. The useful economic lives determined for each asset or group of assets are informed by historical experience or specific information provided by the valuer where appropriate.

Provisions

Estimates and judgements are also made in respect of provisions for liabilities and charges (see note 27) where there is some uncertainty at the Statement of Financial Position date to either the timing or the amount of the Group's financial liability.

Where the effect of the time value of money is significant, the estimate risk-adjusted cash flows are discounted using the discount rates published and maintained by HM Treasury. Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 3.51% (2021/22 0.95%).

Provision for credit loss of contract receivables

Management use their judgement to decide when to write-off receivables or to provide against the probability of not being able to collect the outstanding debt. Credit losses cover contract receivables as well as private patient debt.

Annual Leave provision

In accordance with the requirement of IAS 19 Employee Benefits, the Trust provides for unpaid annual leave carried forward by staff at the year end. The total number of annual leave days that each of the Trusts employees has not taken at the year-end is accounted for within the financial statements. The number of unused days is multiplied by the employees' average salary per day, to give the total cost on individual cost centres.

Note 2 Operating Segments

The Trust Board as 'Chief Operating Decision Maker' considers that all of its activities fall within one material segment, which is the provision of healthcare services. The segmental reporting format applied to these accounts reflects the Trust's management and internal reporting structure.

The Trust has identified five operating segments based on expenditure, being identified by the corporate performance report presented monthly to the board. All five operating segments have similar characteristics, the nature of services is similar, and also the type or class of customer and nature of the regulatory environment are the same. The five operating segments are all active in the same business being the provision of healthcare, thus reporting a single segment of Healthcare is consistent with IFRS 8.

The provision of healthcare is within one main geographical segment being the United Kingdom, and materially from Departments of HM Government in England.

| | GROUP | | | |
|---------------------------------|----------------|---------------|----------------|---------------|
| | 2023/24 | | 2022/23 | |
| | £000's | £000's | £000's | £000's |
| Income from Whole HM Government | 121,532 | 89.60% | 114,428 | 91.21% |
| Income from non-HM Government | 14,103 | 10.40% | 11,031 | 8.79% |
| | 135,635 | 100.00% | 125,460 | 100.00% |

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

| Note 3.1 Income from patient care activities (by nature) | 2023/24 | 2022/23 |
|---|----------------|----------------|
| | £000 | £000 |
| Acute services | | |
| Income from commissioners under API contracts - variable element* | 61,901 | |
| Income from commissioners under API contracts - fixed element* | 56,713 | 111,826 |
| Other NHS clinical income | 2,419 | - |
| All services | | |
| Private patient income | 4,115 | 3,360 |
| National pay award central funding*** | 71 | 2,189 |
| Additional pension contribution central funding* | 2,919 | 2,602 |
| Other clinical income | 1,397 | 1,854 |
| Total income from activities | 129,534 | 121,831 |

*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.

<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.

***Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

| Income from patient care activities received from: | 2023/24 | 2022/23 |
|---|----------------|----------------|
| | £000 | £000 |
| NHS England | 35,375 | 32,683 |
| Clinical commissioning groups | | 19,428 |
| Integrated care boards | 88,648 | 64,497 |
| Non-NHS: private patients | 4,115 | 3,360 |
| Injury cost recovery scheme | 124 | 9 |
| Non NHS: other | 1,273 | 1,854 |
| Total income from activities | 129,534 | 121,831 |
| Of which: | | |
| Related to continuing operations | 129,534 | 121,831 |
| Related to discontinued operations | - | - |

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services, Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure.

The Trust has deemed all income from patient care activities as being in relation to commissioner related services except for any private patient income.

Included within Contract system envelope is £2.919m (2022/23: £2.602m) relating to additional pension contribution.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

Overseas patient income received during the year was nil (2022/23; nil).

Note 4 Other operating income (Group)

| | 2023/24 | | | 2022/23 | | |
|---|--------------------|----------------------------|--------------|--------------------|----------------------------|--------------|
| | Contract income | Non- contract income | Total | Contract income | Non- contract income | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Research and development | 529 | - | 529 | 461 | - | 461 |
| Education and training | 3,100 | - | 3,100 | 2,661 | - | 2,661 |
| Income in respect of employee benefits accounted on a gross basis | 1,084 | - | 1,084 | 1,500 | - | 1,500 |
| Charitable fund incoming resources | | 195 | 195 | | 118 | 118 |
| Other income | 1,264 | - | 1,264 | 1,078 | - | 1,078 |
| Total other operating income | 5,977 | 195 | 6,172 | 5,700 | 118 | 5,818 |

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

| | 2023/24 £000 | 2022/23 £000 |
|--|-----------------|-----------------|
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 1,233 | 273 |

Note 5.2 Transaction price allocated to remaining performance obligations

| | 2023/24 £000 | 2022/23 £000 |
|--|-----------------|-----------------|
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: within one year | | |
| after one year, not later than five years | | |
| after five years | | |
| Total revenue allocated to remaining performance obligations | <u><u>-</u></u> | <u><u>-</u></u> |

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Income from activities arising from commissioner requested services

The Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

| | 2023/24 £000 | 2022/23 £000 |
|--|-----------------------|-----------------------|
| Income from services designated as commissioner requested services | 131,591 | 124,289 |
| Income from services not designated as commissioner requested services | 4,115 | 3,360 |
| Total | <u><u>135,706</u></u> | <u><u>127,649</u></u> |

Note 5.4 Profits and losses on disposal of property, plant and equipment

During the year there are no profits or losses on disposal of property, plant and equipment to report.

Note 6 Operating expenses (Group)

| | 2023/24 | 2022/23 |
|---|-----------------------|-----------------------|
| | £000 | £000 |
| Purchase of healthcare from NHS and DHSC bodies | 4,684 | 3,366 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 25,670 | 16,177 |
| Staff and executive directors costs | 79,072 | 75,058 |
| Remuneration of non-executive directors | 151 | 146 |
| Supplies and services - clinical (excluding drugs costs) | 2,228 | 3,761 |
| Supplies and services - general | 1,022 | 1,021 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 1,922 | 1,423 |
| Consultancy costs | 152 | 295 |
| Establishment | 1,568 | 1,522 |
| Premises | 6,624 | 7,239 |
| Transport (including patient travel) | 115 | 129 |
| Depreciation on property, plant and equipment | 5,507 | 4,890 |
| Amortisation on intangible assets | 382 | 366 |
| Net impairments | 346 | (1,215) |
| Movement in credit loss allowance: contract receivables / contract assets | 93 | 2,671 |
| Change in provisions discount rate(s) | (106) | - |
| Fees payable to the external auditor | | |
| audit services- statutory audit | 142 | 100 |
| other auditor remuneration (external auditor only) | - | - |
| Internal audit costs | 121 | 135 |
| Clinical negligence | 2,373 | 2,681 |
| Legal fees | 45 | 130 |
| Insurance | 168 | 142 |
| Research and development | 31 | 49 |
| Education and training | 546 | 703 |
| Expenditure on low value leases | 1,294 | 897 |
| Car parking & security | 148 | 147 |
| Losses, ex gratia & special payments | 2 | 12 |
| Other services, eg external payroll | 221 | 346 |
| Other NHS charitable fund resources expended | 308 | 151 |
| Other | 4,858 | 2,946 |
| Total | <u>139,687</u> | <u>125,288</u> |
| Of which: | | |
| Related to continuing operations | 139,687 | 125,288 |
| Related to discontinued operations | - | - |

Note 6.1 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

Expenditure is disclosed net of recoverable VAT. Where VAT is irrecoverable the gross cost is disclosed.

Note 7 Impairment of assets (Group)

| | 2023/24 | 2022/23 |
|---|--------------|----------------|
| | £000 | £000 |
| Net impairments charged to operating surplus / deficit resulting from: | | |
| Changes in market price | 346 | (1,215) |
| Total net impairments charged to operating surplus / deficit | 346 | (1,215) |
| Impairments charged to the revaluation reserve | 2,814 | 152 |
| Total net impairments | 3,160 | (1,063) |

Note 7.1 Revaluation of Assets (Group)

| | 2023/24 | 2022/23 |
|---|--------------|--------------|
| | £000 | £000 |
| Opening Revaluation Reserve as at 1 April | 3,356 | 681 |
| Net Impairments | (2,814) | (152) |
| Revaluations | 957 | 2827 |
| Closing Revaluation Reserve as at 31 March | 1,499 | 3,356 |

The impairments and revaluations shown above are a result of the annual revaluation of land and buildings undertaken by the valuation partners. There have been no changes to the value of Land all changes relate to the revaluation of Buildings.

Note 8 Employee benefits (Group)

| | 2023/24 | 2022/23 |
|--|---------------|---------------|
| | Total | Total |
| | £000 | £000 |
| Salaries and wages | 58,100 | 54,123 |
| Social security costs | 5,723 | 5,507 |
| Apprenticeship levy | 268 | 254 |
| Employer's contributions to NHS pensions | 9,019 | 8,493 |
| Pension cost - other | 20 | 17 |
| Temporary staff (including agency) | 5,858 | 6,595 |
| NHS charitable funds staff | 84 | 69 |
| Total gross staff costs | 79,072 | 75,058 |
| Recoveries in respect of seconded staff | - | - |
| Total staff costs | 79,072 | 75,058 |

Note 8.1 Retirements due to ill-health (Group)

During 2023/24 there were no early retirements from the rust agreed on the grounds of ill-health (none in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is nil (nil in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 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 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 at 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 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 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

| | 2023/24 | 2022/23 |
|---------------------------------------|----------------|----------------|
| | £000 | £000 |
| Interest on bank accounts | 366 | 247 |
| NHS charitable fund investment income | 47 | 42 |
| Total finance income | 413 | 289 |

Note 10.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

| | 2023/24 | 2022/23 |
|-------------------------------------|------------|------------|
| | £000 | £000 |
| Interest expense: | | |
| Interest on lease obligations | 351 | 177 |
| Total interest expense | <u>351</u> | <u>177</u> |
| Unwinding of discount on provisions | 79 | (122) |
| Total finance costs | <u>430</u> | <u>55</u> |

Note 11 Other gains / (losses) (Group)

| | 2023/24 | 2022/23 |
|--|----------|----------|
| | £000 | £000 |
| Gains/(losses) on termination of finance leases (lessor) | 1 | - |
| Total other gains | <u>1</u> | <u>-</u> |

The gain in lease termination arises from the Trusts vacation of the property at Bayliss Close.

Note 12 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's (deficit) for the period was (£3.695 million) (2022/23: £1.502 million). The Trust's total comprehensive (expense) for the period was (£5,113) million (2022/23: (£4.096) million).

| Note 13 Intangible assets (Group)Group | Software licences | Total |
|---|------------------------------|---------------------|
| | £000 | £000 |
| Valuation / gross cost at 1 April 2023 - brought forward | 3,998 | 3,998 |
| Additions | 24 | 24 |
| Valuation / gross cost at 31 March 2024 | <u>4,022</u> | <u>4,022</u> |
| Amortisation at 1 April 2023 - brought forward | 2,659 | 2,659 |
| Provided during the year | 382 | 382 |
| Amortisation at 31 March 2024 | <u>3,041</u> | <u>3,041</u> |
| Net book value at 31 March 2024 | 981 | 981 |
| Net book value at 1 April 2023 | 1,339 | 1,339 |

Note 13.1 Intangible assets - 2022/23

| Group | Software licences £000 | Total £000 |
|--|---------------------------------------|-----------------------|
| Valuation / gross cost at 31 March 2023 | 3,998 | 3,998 |
| Amortisation at 1 April 2022 - as previously stated | 2,293 | 2,293 |
| Provided during the year | 366 | 366 |
| Amortisation at 31 March 2023 | 2,659 | 2,659 |
| Net book value at 31 March 2023 | 1,339 | 1,339 |
| Net book value at 1 April 2022 | 1,536 | 1,536 |

All intangible assets within the Group are related to the Foundation Trust, none are related to the Charity.

Note 14 Property, plant and equipment - 2023/24

| Group | 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 | 6,025 | 35,437 | 559 | 488 | 16,010 | 84 | 8,745 | 181 | 67,529 |
| Additions | - | 821 | 56 | 1,341 | 1,018 | - | 174 | - | 3,410 |
| Impairments | - | (4,289) | - | - | - | - | - | - | (4,289) |
| Reversals of impairments | - | 1,093 | 36 | - | - | - | - | - | 1,129 |
| Revaluations | - | 10 | (21) | - | - | - | - | - | (11) |
| Reclassifications | - | 863 | (19) | (844) | - | - | - | - | - |
| Valuation/gross cost at 31 March 2024 | 6,025 | 33,935 | 611 | 985 | 17,028 | 84 | 8,919 | 181 | 67,768 |
| Accumulated depreciation at 1 April 2023 - brought forward | - | 10 | - | - | 11,054 | 38 | 5,406 | 99 | 16,607 |
| Provided during the year | - | 957 | 21 | - | 944 | 9 | 716 | 9 | 2,656 |
| Revaluations | - | (947) | (21) | - | - | - | - | - | (968) |
| Accumulated depreciation at 31 March 2024 | - | 20 | - | - | 11,998 | 47 | 6,122 | 108 | 18,295 |
| Net book value at 31 March 2024 | 6,025 | 33,915 | 611 | 985 | 5,030 | 37 | 2,797 | 73 | 49,473 |
| Net book value at 1 April 2023 | 6,025 | 35,427 | 559 | 488 | 4,956 | 46 | 3,339 | 82 | 50,922 |

Note 14.1 Property, plant and equipment - 2022/23

| Group | 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 | 5,021 | 31,411 | 540 | 164 | 16,111 | 84 | 7,203 | 151 | 60,685 |
| IFRS 16 implementation - reclassification to right of use assets | - | - | - | - | (951) | - | - | - | (951) |
| Additions | - | 1,892 | - | 481 | 850 | - | 1,542 | 30 | 4,795 |
| Impairments | - | (240) | - | - | - | - | - | - | (240) |
| Reversals of impairments | 412 | 891 | - | - | - | - | - | - | 1,303 |
| Revaluations | 592 | 1,326 | 19 | - | - | - | - | - | 1,937 |
| Reclassifications | - | 157 | - | (157) | - | - | - | - | - |
| Valuation/gross cost at 31 March 2023 | 6,025 | 35,437 | 559 | 488 | 16,010 | 84 | 8,745 | 181 | 67,529 |
| Accumulated depreciation at 1 April 2022 - as previously stated | - | - | - | - | 10,253 | 29 | 4,864 | 91 | 15,237 |
| Provided during the year | - | 881 | 19 | - | 801 | 9 | 542 | 8 | 2,260 |
| Revaluations | - | (871) | (19) | - | - | - | - | - | (890) |
| Accumulated depreciation at 31 March 2023 | - | 10 | - | - | 11,054 | 38 | 5,406 | 99 | 16,607 |
| Net book value at 31 March 2023 | 6,025 | 35,427 | 559 | 488 | 4,956 | 46 | 3,339 | 82 | 50,922 |
| Net book value at 1 April 2022 | 5,021 | 31,411 | 540 | 164 | 5,858 | 55 | 2,339 | 60 | 45,448 |

Note 14.2 Property, plant and equipment financing - 31 March 2024

| Group | 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 |
| Owned - purchased | 6,025 | 31,811 | 611 | 985 | 4,960 | 37 | 2,797 | 73 | 47,299 |
| Owned - donated/granted | - | 2,104 | - | - | 70 | - | - | - | 2,174 |
| NBV total at 31 March 2024 | 6,025 | 33,915 | 611 | 985 | 5,030 | 37 | 2,797 | 73 | 49,473 |

Note 14.3 Property, plant and equipment financing - 31 March 2023

| Group | 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 |
| Owned - purchased | 6,025 | 32,313 | 559 | 488 | 4,916 | 46 | 3,339 | 82 | 47,768 |
| Owned - donated/granted | - | 3,114 | - | - | 40 | - | - | - | 3,154 |
| NBV total at 31 March 2023 | 6,025 | 35,427 | 559 | 488 | 4,956 | 46 | 3,339 | 82 | 50,922 |

Note 16 Donations of property, plant and equipment

There is no restriction by the Donor on the use of donated assets.

Note 17 Revaluations of property, plant and equipment

Land and buildings are held at revalued valuation carried out as at 31st March 2024, by a professional independent valuation specialist, Cushman & Wakefield. This was a desk top valuation with the full revaluation having taken place in 2020.

The valuation is to be prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards (“IVS”) and the RICS UK National Supplement (the “RICS Red Book”), edition current at the Valuation Date. It follows that the valuation is compliant with IVS.

GAM requires items of property that are operational and therefore providing service potential for the Trust, to be measured for their service potential either as Existing Use Value (EUV) or Depreciated Replacement Cost (DRC). The valuers opinion of the EUV of the property has been primarily derived using the depreciated replacement cost approach because of the specialised nature of the asset. The RICS Red Book defines specialised property as: “A property that is rarely, if ever, sold in the market, except by way of a sale of the business or entity of which it is part, due to the uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise”.

The DRC will be subject to the prospect and viability of the continued occupation and use by the Trust. The valuers would confirm that the Fair Value for readily identifiable alternative uses would not be higher than the Existing Use Value reported herein. Upon cessation of the existing use by the Trust the Fair Value would be materially lower.

The DRC approach assumes that the current cost of replacing an asset with its a modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimization, and not a building of identical design, with the same service potential as the existing asset. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery. The ultimate objective of the valuation is to place a value upon the asset, and in this the value of the land in providing a modern equivalent facility must be considered. The modern equivalent asset may be located on a new site out of town or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied at current.

Note 18 Leases - The Royal Orthopaedic Hospital NHS Foundation Trust as a lessee

The Trust has entered into leases under the classifications of land - in relation to Car Parking facilities, Buildings - in relation to use of Modular Theatres and use of Equipment in relation to medical assets.

Note 18.1 Right of use assets - 2023/24

All Property, Plant and Equipment is held on behalf of the Trust, there are none applicable to the Charity.

| Group | Property (land and buildings) £000 | Plant & machinery £000 | Total £000 |
|---|---|------------------------------|---------------|
| Valuation / gross cost at 1 April 2023 - brought forward | 18,542 | 2,289 | 20,831 |
| Additions | 756 | - | 756 |
| Disposals / derecognition | (211) | - | (211) |
| Valuation/gross cost at 31 March 2024 | 19,087 | 2,289 | 21,376 |
| Accumulated depreciation at 1 April 2023 - brought forward | 2,207 | 423 | 2,630 |
| Provided during the year | 2,217 | 634 | 2,851 |
| Reclassifications | (204) | 204 | - |
| Disposals / derecognition | (30) | - | (30) |
| Accumulated depreciation at 31 March 2024 | 4,190 | 1,261 | 5,451 |
| Net book value at 31 March 2024 | 14,897 | 1,028 | 15,925 |
| Net book value at 1 April 2023 | 16,335 | 1,866 | 18,201 |

Net book value of right of use assets leased from other NHS providers

Net book value of right of use assets leased from other DHSC group bodies

Note 18.2 Right of use assets - 2022/23

| Group | Property (land and buildings) £000 | Plant & machinery £000 | Total £000 |
|---|---|------------------------------|---------------|
| Valuation / gross cost at 1 April 2022 - brought forward | - | - | - |
| IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets | - | 951 | 951 |
| IFRS 16 implementation - adjustments for existing operating leases / subleases | 14,614 | 670 | 15,284 |
| Transfers by absorption | - | - | - |
| Additions | 2,252 | 668 | 2,920 |
| Remeasurements of the lease liability | 1,676 | - | 1,676 |
| Valuation/gross cost at 31 March 2023 | 18,542 | 2,289 | 20,831 |
| Accumulated depreciation at 1 April 2022 - brought forward | - | - | - |
| Provided during the year | 2,207 | 423 | 2,630 |
| Accumulated depreciation at 31 March 2023 | 2,207 | 423 | 2,630 |
| Net book value at 31 March 2023 | 16,335 | 1,866 | 18,201 |
| Net book value at 1 April 2022 | - | - | - |

Net book value of right of use assets leased from other NHS providers.

Net book value of right of use assets leased from other DHSC group bodies.

All Right of Use assets are related to the Trust none are related to the Charity.

Note 18.3 Revaluations of right of use assets

Right of use assets, due to their recognition at the present value of future minimum lease payments are not revalued with the exception of Land. Land, though leased is at a nominal peppercorn rental where the recognition of future lease payments would not reflect the true replacement cost, for this reason land is carried at revalued cost.

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 36.1.

| | Group | | Trust | |
|--|---------------|---------------|---------------|---------------|
| | 2023/24 | 2022/23 | 2023/24 | 2022/23 |
| | £000 | £000 | £000 | £000 |
| Carrying value at 1 April | 18,339 | 951 | 18,339 | 951 |
| IFRS 16 implementation - adjustments for existing operating leases | - | 15,284 | - | 15,284 |
| Lease additions | 756 | 2,920 | 756 | 2,920 |
| Lease liability remeasurements | - | 1,676 | - | 1,676 |
| Interest charge arising in year | 351 | 177 | 351 | 177 |
| Early terminations | (182) | - | (182) | - |
| Lease payments (cash outflows) | (3,119) | (2,669) | (3,119) | (2,669) |
| Carrying value at 31 March | 16,145 | 18,339 | 16,145 | 18,339 |

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 6, cash outflows in respect of leases recognised, and they are disclosed in the reconciliation above.

Income generated from subleasing right of use assets is nil.

Note 18.5 Maturity analysis of future lease payments at 31 March 2024

| | Group | Trust |
|---|---------------|---------------|
| | Total | Total |
| | 31 March | 31 March |
| | 2024 | 2024 |
| | £000 | £000 |
| Undiscounted future lease payments payable in: | | |
| - not later than one year; | 3,190 | 3,190 |
| - later than one year and not later than five years; | 10,197 | 10,197 |
| - later than five years. | 4,200 | 4,200 |
| Total gross future lease payments | 17,587 | 17,587 |
| Finance charges allocated to future periods | (1,442) | (1,442) |
| Net lease liabilities at 31 March 2024 | 16,145 | 16,145 |

Of which:

Leased from other NHS providers

Leased from other DHSC group bodies

Note 18.6 Maturity analysis of future lease payments at 31 March 2023

| | Total 31-Mar-23 £000 | Total 31-Mar-23 £000 |
|---|-------------------------------------|-------------------------------------|
| Undiscounted future lease payments payable in: | | |
| - not later than one year; | 2,872 | 2,872 |
| - later than one year and not later than five years; | 10,574 | 10,574 |
| - later than five years. | 6,672 | 6,672 |
| Total gross future lease payments | 20,118 | 20,118 |
| Finance charges allocated to future periods | (1,779) | (1,779) |
| Net finance lease liabilities at 31 March 2023 | 18,339 | 18,339 |
| Of which: | | |
| Leased from other NHS providers | - | - |
| Leased from other DHSC group bodies | - | - |

Note 19 Other investments / financial assets (non-current)

| | Group | | Trust | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2023/24 £000 | 2022/23 £000 | 2023/24 £000 | 2022/23 £000 |
| Carrying value at 1 April - brought forward | 907 | 987 | - | - |
| Movement in fair value through OCI | 55 | (80) | - | - |
| Carrying value at 31 March | 962 | 907 | - | - |

Note 20 Other investments / financial assets (current)

| | Group | | Trust | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 March 2024 £000 | 31 March 2023 £000 | 31 March 2024 £000 | 31 March 2023 £000 |
| Other current financial assets | 164 | 119 | - | - |
| Total current investments / financial assets | 164 | 119 | - | - |

Note: all investments are held by the trust's associated charity which has been consolidated into these financial statements.

Note 20.1 Short-term investments and deposits

The Consolidated group held short-term cash deposits within a multi-asset fund of £164,000 (2022/23: £119,000) managed by Cazenove Capital. The Trust does not hold any short-term cash deposits (2022/23: £nil).

Note 21 Analysis of charitable fund reserves

The charitable funds shown below have all been consolidated within this set of accounts.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Unrestricted funds: | | |
| Unrestricted income funds | 735 | 765 |
| Restricted funds: | | |
| Other restricted income funds | <u>1,269</u> | <u>1,447</u> |
| | <u>2,004</u> | <u>2,212</u> |

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 22 Inventories

| | Group | | Trust | |
|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 March 2024 £000 | 31 March 2023 £000 | 31 March 2024 £000 | 31 March 2023 £000 |
| Consumables | <u>1</u> | <u>19</u> | <u>1</u> | <u>19</u> |
| Total inventories | <u>1</u> | <u>19</u> | <u>1</u> | <u>19</u> |
| of which: | | | | |
| Held at fair value less costs to sell | - | - | - | - |

Inventories recognised in expenses for the year were £1,940k (2022/23: £1,763k). Write-down of inventories recognised as expenses for the year were nil (2022/23: nil).

Note 23 Receivables

| | Group | | Trust | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 March 2024 £000 | 31 March 2023 £000 | 31 March 2024 £000 | 31 March 2023 £000 |
| Current | | | | |
| Contract receivables | 5,481 | 8,651 | 5,481 | 8,651 |
| Allowance for impaired contract receivables / assets | (3,578) | (3,485) | (3,578) | (3,485) |
| Prepayments (non-PFI) | 5,918 | 7,197 | 5,918 | 7,197 |
| PDC dividend receivable | - | 69 | - | 69 |
| VAT receivable | 329 | 405 | 329 | 405 |
| Other receivables | 43 | 2 | 43 | 2 |
| NHS charitable funds receivables | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total current receivables | <u>8,194</u> | <u>12,839</u> | <u>8,194</u> | <u>12,839</u> |
| Current | 2,021 | 3,192 | 2,021 | 3,192 |
| Non-current | - | - | - | - |

Note 23.1 Allowances for credit losses - 2023/24

| | Group | | Trust | |
|--|--|-----------------------|--|-----------------------|
| | Contract receivables and contract assets | All other receivables | Contract receivables and contract assets | All other receivables |
| | £000 | £000 | £000 | £000 |
| Allowances as at 1 Apr 2023 - brought forward | 3,485 | - | 3,485 | - |
| Changes in existing allowances | 93 | - | 93 | - |
| Allowances as at 31 Mar 2024 | 3,578 | - | 3,578 | - |

Note 23.2 Allowances for credit losses - 2022/23

| | Group | | Trust | |
|---|--|-----------------------|--|-----------------------|
| | Contract receivables and contract assets | All other receivables | Contract receivables and contract assets | All other receivables |
| | £000 | £000 | £000 | £000 |
| Allowances as at 1 Apr 2022 - as previously stated | 814 | - | 814 | - |
| New allowances arising | 2,671 | - | 2,671 | - |
| Allowances as at 31 Mar 2023 | 3,485 | - | 3,485 | - |

Note 24 Exposure to credit risk

The majority of the Trust's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. Due to COVID-19 normal payments by results contracts have moved to block contracts which has reduced the credit risk further in relation to public sector bodies.

The maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the Trade Receivables note 23.

Note 25 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.

| | Group | | Trust | |
|---|--------------|---------------|--------------|---------------|
| | 2023/24 | 2022/23 | 2023/24 | 2022/23 |
| | £000 | £000 | £000 | £000 |
| At 1 April | 8,790 | 11,891 | 7,591 | 11,147 |
| Net change in year | (6,207) | (3,101) | | (3,556) |
| At 31 March | 2,583 | 8,790 | 7,591 | 7,591 |
| Broken down into: | | | | |
| Cash at commercial banks and in hand | 885 | 1,201 | 1 | 2 |
| Cash with the Government Banking Service | 1,698 | 7,589 | 1,698 | 7,589 |
| Total cash and cash equivalents as in SoFP | 2,583 | 8,790 | 1,699 | 7,591 |

Note 26 Trade and other payables

| | Group | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Trade payables | 6,923 | 6,195 | 6,923 | 6,195 |
| Capital payables | 676 | 110 | 676 | 110 |
| Accruals | 3,609 | 11,683 | 3,609 | 11,683 |
| Social security costs | - | 724 | - | 724 |
| VAT payables | - | 19 | - | 19 |
| Other taxes payable | 1,718 | 661 | 1,718 | 661 |
| PDC dividend payable | - | - | - | - |
| Pension contributions payable | 970 | 837 | 970 | 837 |
| NHS charitable funds: trade and other payables | 7 | 13 | 7 | - |
| Total current trade and other payables | 13,903 | 20,242 | 13,903 | 20,229 |
| Total non-current trade and other payables | - | - | - | - |
| Of which payables from NHS and DHSC group bodies: | | | | |
| Current | 3,909 | 5,840 | 3,909 | 5,840 |
| Non-current | - | - | - | - |

Note 26.1 Early retirements in NHS payables above

There are no early retirements for the Trust.

Note 27 Other liabilities

| | Group | | Trust | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Deferred income: contract liabilities | 1,233 | 273 | 1,233 | 273 |

Note 27.1 Borrowings

| | Group | | Trust | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Lease liabilities | 3,190 | 2,872 | 3,190 | 2,872 |
| Total current borrowings | 3,190 | 2,872 | 3,190 | 2,872 |
| Non-current | | | | |
| Lease liabilities | 12,955 | 15,467 | 12,955 | 15,467 |
| Total non-current borrowings | 12,955 | 15,467 | 12,955 | 15,467 |

Note 28 Reconciliation of Liabilities arising from financing activities (Group)

| Group - 2023/24 | Other loans | Lease liabilities | Total |
|---|----------------|----------------------|---------------|
| | £000 | £000 | £000 |
| Carrying value at 1 April 2023 | - | 18,339 | 18,339 |
| Cash movements: | | | |
| Financing cash flows - payments and receipts of principal | - | (2,768) | (2,768) |
| Financing cash flows - payments of interest | - | (351) | (351) |
| Non-cash movements: | | | |
| Lease liability remeasurements | - | 756 | 756 |
| Application of effective interest rate | - | 351 | 351 |
| Early terminations | - | (182) | (182) |
| Carrying value at 31 March 2024 | - | 16,145 | 16,145 |

| Group - 2022/23 | Other loans | Lease liabilities | Total |
|--|-------------|----------------------|---------------|
| | £000 | £000 | £000 |
| Carrying value at 1 April 2022 | 106 | 951 | 1,057 |
| Cash movements: | | | |
| Financing cash flows - payments and receipts of principal | (106) | (2,492) | (2,598) |
| Financing cash flows - payments of interest | - | (177) | (177) |
| Non-cash movements: | | | |
| IFRS 16 implementation - adjustments for existing operating leases / subleases | - | 15,284 | 15,284 |
| Additions | - | 2,920 | 2,920 |
| Lease liability remeasurements | - | 1,676 | 1,676 |
| Application of effective interest rate | - | 177 | 177 |
| Carrying value at 31 March 2023 | - | 18,339 | 18,339 |

Note 28.1 Provisions for liabilities and charges analysis (Group)

| Group | Pensions: injury benefits | Legal claims | Other | Total |
|--|---------------------------------|-----------------|--------------|--------------|
| | £000 | £000 | £000 | £000 |
| At 1 April 2023 | 154 | 12 | 1,163 | 1,329 |
| Change in the discount rate | (14) | - | (92) | (106) |
| Utilised during the year | (24) | - | - | (24) |
| Reversed unused | - | - | (91) | (91) |
| Unwinding of discount | 40 | - | 39 | 79 |
| At 31 March 2024 | 156 | 12 | 1,019 | 1,187 |
| Expected timing of cash flows: | | | | |
| - not later than one year; | 13 | - | - | 13 |
| - later than one year and not later than five years; | 44 | 12 | - | 56 |
| - later than five years. | 99 | - | 1,019 | 1,118 |
| Total | 156 | 12 | 1,019 | 1,187 |

The provisions included under legal claims are for employee and public liability, and are subject to changes in value and timing by either third party insurers or NHS Resolution depending on the incident date.

Early retirement provisions are discounted using HM Treasury's pension discount rate. All Other claims are discounted using the real discount rate set by HM Treasury.

Note 28.2 Clinical negligence liabilities

At 31 March 2024, £10.145 million was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Royal Orthopaedic Hospital NHS Foundation Trust (31 March 2023: £11.201 million).

Note 29 Contractual capital commitments

| | Group | | Trust | |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 March 2024 £000 | 31 March 2023 £000 | 31 March 2024 £000 | 31 March 2023 £000 |
| Property, plant and equipment | 2,086 | 2,073 | 2,086 | 2,073 |
| Intangible assets | 146 | 140 | 146 | 140 |
| Total | 2,232 | 2,213 | 2,232 | 2,213 |

Note 29.1 Financial risk management

The Royal Orthopaedic Hospital NHS Foundation Trust seeks to minimise its financial risks and through its treasury management policy, does not buy or sell financial instruments. Trust treasury activity is subject to review by the Trust's internal auditor on a rotational basis.

Currency Risk

The Trust is principally a domestic organisation with the great 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 fluctuation.

Interest Rate Risk

The Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. The Foundation Trust is not, therefore, exposed to significant interest-rate risk.

Credit risk

The majority of the Trust's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. Due to COVID-19 normal payments by results contracts have moved to block contracts which has reduced the credit risk further in relation to public sector bodies.

The maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the Trade Receivables and Other Receivables note.

Liquidity Risk

The Trust's operating costs are incurred under contracts with NHS Clinical Commissioning Groups who are financed annually from resources voted from Parliament. Such contract income is received in accordance with the NHS funding mechanism Payments by Results with payments of one twelfth of the contract value made monthly and a quarterly adjustment made to bring payments in line with actual activity. The Trust aims to fund capital schemes by internally generated funds. In addition, the Trust can borrow from the Department of Health's financing facility or commercially. The Trust is therefore not exposed to significant liquidity risk.

Note 29.2 Carrying values of financial assets (Group)

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Held at fair value through OCI £000 | Total book value £000 |
|--|--------------------------------------|--|--|--------------------------------|
| Carrying values of financial assets as at 31 March 2024 | | | | |
| Trade and other receivables excluding non financial assets | 1,757 | - | - | 1,757 |
| Cash and cash equivalents | 1,699 | - | - | 1,699 |
| Consolidated NHS Charitable fund financial assets | 2,011 | - | - | 2,011 |
| Total at 31 March 2024 | 5,467 | - | - | 5,467 |

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Held at fair value through OCI £000 | Total book value £000 |
|--|--------------------------------------|--|--|--------------------------------|
| Carrying values of financial assets as at 31 March 2023 | | | | |
| Trade and other receivables excluding non financial assets | 5,168 | - | - | 5,168 |
| Cash and cash equivalents | 7,591 | - | - | 7,591 |
| Consolidated NHS Charitable fund financial assets | 2,225 | - | - | 2,225 |
| Total at 31 March 2023 | 14,984 | - | - | 14,984 |

Note 29.3 Carrying values of financial liabilities (Group)

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Total book value £000 |
|---|--------------------------------------|--|-----------------------------|
| Carrying values of financial liabilities as at 31 March 2024 | | | |
| Obligations under leases | 16,145 | - | 16,145 |
| Trade and other payables excluding non financial liabilities | 10,307 | - | 10,307 |
| Total at 31 March 2024 | 26,452 | - | 26,452 |

| | Held at amortised cost £000 | Held at fair value through I&E £000 | Total book value £000 |
|---|--------------------------------------|--|-----------------------------|
| Carrying values of financial liabilities as at 31 March 2023 | | | |
| Obligations under leases | 18,339 | - | 18,339 |
| Trade and other payables excluding non financial liabilities | 18,825 | - | 18,825 |
| Provisions under contract | 1,037 | - | 1,037 |
| Total at 31 March 2023 | 38,201 | - | 38,201 |

Note 29.4 Fair values of financial assets and liabilities

It is considered that the book value equates to the fair value.

Note 29.5 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.

| | Group | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | £000 | £000 | £000 | £000 |
| In one year or less | 13,497 | 21,697 | 13,497 | 21,697 |
| In more than one year but not more than five years | 10,197 | 10,633 | 10,197 | 10,633 |
| In more than five years | 4,200 | 7,941 | 4,200 | 7,941 |
| Total | 27,894 | 40,271 | 27,894 | 40,271 |

Note 30 Losses and special payments

| Group and Trust | 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 | | | | |
| Bad debts and claims abandoned | 2 | - | 12 | 2 |
| Total losses | 2 | - | 12 | 2 |
| Special payments | | | | |
| Ex-gratia payments | 6 | 2 | 9 | 10 |
| Total special payments | 6 | 2 | 9 | 10 |
| Total losses and special payments | 8 | 2 | 21 | 12 |

Note 31 Related parties

The Royal Orthopaedic Hospital NHS Foundation Trust is a public benefit corporation which was established under the granting of authority by the independent regulator for Foundation Trusts, Monitor (now NHS Improvement) on February 1 2007.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with The Royal Orthopaedic Hospital NHS Foundation Trust.

The consolidated group's ultimate controlling party is the Department of Health and Social Care.

During the year The Royal Orthopaedic Hospital NHS Foundation 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. In addition, the

Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. These entries are listed below.

Under IAS 24 entities which are related parties because they are under the same governmental control are permitted to give reduced disclosures on those transactions. This note has therefore been prepared under this basis.

The Trust has had material dealings with the following bodies during 2023/24:

Birmingham Women's and Children's NHS Foundation Trust
Calderdale & Huddersfield NHS Foundation Trust
Milton Keynes University Hospital NHS foundation Trust
Oxford Health NHS Foundation Trust
The Robert Jones and Agnus Hunt Orthopaedic Hospital NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
Warrington and Hatton Teaching Hospitals NHS Foundation Trust
West Suffolk NHS Foundation Trust
University Hospitals Sussex NHS foundation Trust
East of England Ambulance Service NHS Trust
Royal National orthopaedic Hospitals NHS Trust
Sandwell and West Birmingham Hospitals NHS trust
University Hospitals Coventry and Warwickshire NHS Trust
The Royal Wolverhampton NHS Trust
NHS Bath and North East Somerset, Swindon and Wiltshire ICB
NHS Bedfordshire, Luton and Milton Keynes ICB
NHS Birmingham and Solihull ICB
NHS Black Country ICB
NHS Bristol, North Somerset and South Gloucestershire ICB
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB
NHS Cambridge and Peterborough ICB
NHS Cheshire and Merseyside ICB
NHS Cornwall and the Isles of Scilly ICB
NHS Coventry and Warwickshire ICB
NHS Derby and Derbyshire ICB
NHS Devon ICB
NHS Dorset ICB
NHS Gloucestershire ICB
NHS Greater Manchester ICB
NHS Hampshire and the Isle of Wight ICB
NHS Herefordshire and Worcestershire ICB
NHS Humber and North Yorkshire ICB
NHS Kent and Medway ICB
NHS Lancashire and South Cumbria ICB
NHS Leicester, Leicestershire and Rutland ICB
NHS Lincolnshire ICB
NHS Mid and South Essex ICB
NHS Norfolk and Waverley ICB
NHS North central London
NHS North East and North Cumbria ICB
NHS North East London ICB
NHS North West London ICB
NHS Northampton ICB
NHS Nottingham and Nottinghamshire ICB
NHS Shropshire and Telford and Wrekin ICB
NHS Somerset ICB
NHS South East London ICB
NHS South West London ICB
NHS South Yorkshire ICB
NHS Staffordshire and Stoke-on-Trent ICB
NHS Suffolk and North East Essex ICB

NHS Surrey Heartlands ICB
NHS Sussex ICB
NHS West Yorkshire ICB
Health Education England
NHS Resolution
NHS England
Department for Work and Pensions
NH Revenue and Customs
Ministry of defence
NHS Pension scheme
Welsh Health Bodies
Royal Orthopaedic Hospital NHS Foundation Trust Charity

The Trust has also received revenue payments from the associated charitable funds where the Trustees are also members of the NHS Trust Board. The Trust charged the charity for finance administration services totalling £113k during the year (2022/23: £75k). The contract to provide these services is renewable annually.

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