Putting Patients First

4ward

NHS
Worcestershire
Acute Hospitals
NHS Trust

ANNUAL REPORT

2022 - 2023

Putting patients first

Contents

Chief Executive's Welcome

Welcome to Worcestershire Acute Hospitals NHS Trust's 2022/23 Annual Report

We find ourselves in an unusual position in providing the introduction to this year's annual report. The period covered by this report has seen many achievements and positive developments, while also bringing more than its fair share of challenges, and we look back with pride on how our teams have seized the opportunities and risen to the challenges of another eventful year.

At the same time, we cannot ignore the fact that as we write this introduction we are both preparing to leave the Trust. By the time this report is published, our Trust will have a new Chair and Chief Executive who will be tasked with leading the Board and the rest of the Trust 4ward.

With that in mind, we would like to thank every single member of Team Worcestershire Acute not just for everything they have achieved in the period covered by this report but for their unwavering commitment over many years and their continued dedication to putting our patients first.

In terms of 2022/23, over the last 12 months our dedicated and hard-working teams have continued to deal with unprecedented demand on our services, combined with the additional challenges that continuing Covid pressures, and the recent and unprecedented series of strikes from nursing staff, junior doctors, physiotherapists and colleagues in the ambulance service which have added a significant extra burden to what is already an extremely demanding day job for our teams.

Matthew Hopkins
Chief Executive

Anita Day
Chair

And yet, despite all of these challenges, a collective team effort from our Trust staff, our partners across the health and care system, the voluntary sector, and our wider communities means that we have still moved 4ward together on some major transformational projects. This includes the next phase of the successful roll out of our new Electronic Patient Record which is transforming the way we manage patient information to support further improvements in quality, safety and efficiency; the implementation of robotic surgery at the Alexandra Hospital; the opening of our new Community Diagnostic Centre at Kidderminster Hospital and Treatment Centre providing increased access and capacity to imaging and endoscopy services; and increasing numbers of colleagues across the organisation completing their training in our 4ward Improvement System which is designed to support and promote a culture of continuous improvement across all our services to ensure we continue Putting Patients First.

> “A Care Quality Commission inspection report published in April 2023, from their November 2022 visit, also recognised improvements in Urgent and Emergency Care services across both sites with the overall rating in this area moving from ‘Inadequate’ to ‘Requires Improvement. This means the Trust is no longer rated inadequate in any area across any of our hospitals.”

Building work has also continued on our new multi-million pound Urgent and Emergency Care facilities at Worcestershire Royal Hospital which will see a relocation and expansion of the Emergency Department and a wide range of diagnostic treatment services when they open in the autumn. This will help to reduce waiting times, improve ambulance handovers as well as provide improved facilities for our clinical colleagues. The Board also remains steadfast in its commitment to establishing a culture of inclusion and respect towards our patients, relatives, carers, staff and the wider public, The launch of a new Behavioural Charter across the Trust in September 2022 set out how we will respond to poor behaviour from both staff and patients, to encourage and empower everyone to stand up to discrimination or incivility and to help nurture a culture of kindness, respect, courtesy and compassion in all parts of our organisation.

The health and wellbeing offer for our colleagues also continues to develop. In the last year we are delighted to have achieved Timewise Flexible Working accreditation; earned ‘Employer with Heart’ status for our enhanced Family Leave policy and signed the Menopause Workplace Pledge, which means we recognise that the menopause can be an issue in the workplace and that our staff need support.

Supporting our teams in what we know are very challenging circumstances, building a more compassionate and inclusive culture, and investing in further improvements to our services and facilities are all crucial enablers for us to achieve our shared purpose of putting patients first. We have come a long way 4ward together and we would like to wish each and every member of Team Worcestershire Acute all the very best for the future.

Matthew Hopkins
Chief Executive

Anita Day
Chair

Our mission, vision & values

Our purpose, vision and values are set out in our strategic 'Pyramid.'

- Our **purpose** is plain and simple: Putting Patients First. That's why we're all here.
- Our **purpose** shapes our **vision:** Working in partnership to provide the best healthcare for our communities, leading and supporting our teams to move 4ward.
- Our **purpose** and **vision** shape our **objectives:**

▶ **Best Services for Local People:** We will develop and design our services with patients, for patients. We will work actively with our partners to build the best sustainable services which enable people in the communities we care for to enjoy the highest standards of health and wellbeing.

▶ **Best experience of care and best outcomes for our patients:** We will ensure that the care our patients receive is safe, clinically excellent, compassionate and an exemplar of positive patient experience. We will drive the transformation and continuous improvement of our care systems and processes through clinically-led innovation and best use of technology.

▶ **Best use of resources:** We will ensure that services – now and in the future – meet the highest possible standards within available resources for the benefit of our patients and the wider health and care system.

▶ **Best people:** We will invest in our people to ensure that we recruit, retain and develop the right staff with the right skills who care about, and take pride in, **putting patients first**.

These objectives are underpinned by our 4ward behaviours which we will all strive to model as positively as we can as often as we can

- We Do What We Say We Will Do
- We Listen, We Learn, We Lead
- We Plan for No Delays, Every Day
- We Work Together, We Celebrate Together

Better never stops, and our Clinical Services Strategy provides a clear future vision for our Trust, our hospitals, our services and our role in the wider health and care system. The delivery of the Clinical Services Strategy is supported by a number of enabling strategies, and their aims and objectives have also shaped our three-year plan that will take us 4ward to 2025.

That plan will help us make further progress on our Vision and Strategic Objectives over the next three years on the following priority areas:

- Our **patients** cared for safely and compassionately by services which are clinically and financially sustainable now and in the future
- Our **people** working in supported and engaged teams, where morale is high, innovation encouraged and everyone is focussed on improvement
- Our **partners** working alongside us to improve health and health outcomes for our communities
- Every **pound** of taxpayers' money spent wisely and effectively, and our underlying deficit reduced significantly
- **Proof** that we are doing what we have said we will do, evidenced by more positive patient feedback, year-on-year progress in our staff survey and improved feedback and ratings from our regulators

Continuous Improvement – the 4ward Improvement System

- The 4ward Improvement System empowers our colleagues to develop skills and mind set to make improvement part of their everyday work.
- We are in partnership with the Virginia Mason Institute who are supporting us with our improvement journey.
- The Transformation Guiding Board (consisting of the Executives, Divisional Directors and Director of Continuous Improvement) meet monthly to ensure the successful delivery and implementation of the 4ward Improvement system.
- Trust-wide priority areas for improvement are known as **Value Streams** and our focus is;
  - Recruitment of new staff
  - Patient Flow for Pathway 0 patients who are medically fit for discharge
- There are 4 levels of training available to staff: Foundation, Practitioner, Leader and World Class Management.

Our Values and behaviours

4ward sits at the heart of our purpose: Putting Patients First and is the HOW to how we will deliver both our strategic objectives and our vision.

For colleagues across the organisation, 4ward is how we will deliver the best possible care and best services for our patients and that we are always putting them first in everything we do.

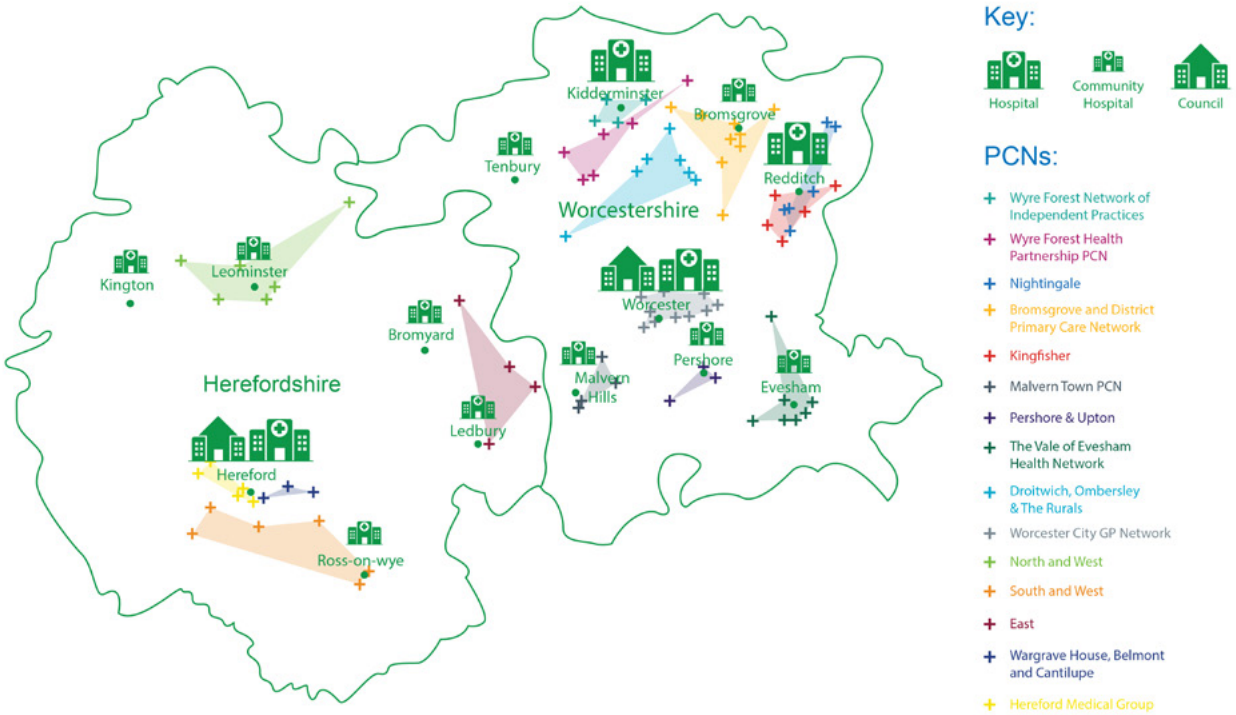
We've built the 4ward behaviours into our identity and used our 'we do this by's' to help build supportive, effective teams, with colleagues focused on improving the quality, safety and efficiency of the care we provide. That helps make our Trust a better place in which to be cared for, and a better place to work.

Herefordshire and Worcestershire Integrated Care System

Herefordshire and Worcestershire Integrated Care System (ICS)

Our system at a glance:

- 8 Local Authorities
- 79 GP Practices
- 96 Dentists
- 4 NHS Trusts (inc. WMAS)
- 15 Primary Care Networks
- 123 Community Pharmacies
- 64 Optometrists
- Two counties (Places), each with a Healthwatch
- More than £1.5bn public spend
- 800,000 people served
- Nearly 20,000 staff in statutory sector bodies
- Thousands of VCSE bodies



A reminder: What are Integrated Care Systems aiming to achieve?

What is a Provider Collaborative?

A provider collaborative can be defined as a partnership that brings together two or more NHS Trusts to work together at scale to benefit their populations and is designed to:

- Improve service resilience
- Reduce unwarranted variation in outcomes and access
- Reduce population health inequalities
- Improve workforce capability, easier recruitment, more options to offer staff we want to retain

Why form a Provider Collaborative?

- From July 2022, all NHS Trusts providing acute and mental health services will need to join a provider collaborative
- WAHT are currently in a collaborative with SWFT group (Associate member for improvement); with networks (WM Cancer Alliance and South Midlands Pathology Network)
- Proposed new collaborative for WVT (acute to acute) and HWHCT (place)

Benefits of working in collaboration

- Ensure patients experience more joined up and reliable services
- Ensure patients access wider range of services working to common standards and service models
- Through working collectively, manage recruitment and retention whilst offering more varied roles in teams with wide ranging skills and services
- Increase service resilience – develop prior agreements to help/ work together when necessary
- Learn from best practice amongst collaborators, clinical and administrative

Three Year Plan – Stepping Forward to 2025

- Our 3YP is a strategic framework to set out our intentions for the next 3 years to achieve our vision.
- The plan is underpinned by self-assessments undertaken by our clinical specialities and corporate departments focusing on; quality, productivity, workforce and use of resources.

- Our four key priority areas are: outpatients, theatres, recruitment and patient flow.
- Our key focus is on elective recovery and reset following the COVID-19 pandemic

Our Three Year Plan – Stepping Forward to 2025 is a strategic framework which guides our work over the next three years to ensure we can be a healthy, clinically and financially sustainable organisation into the future so that we can provide the best services for our patients.

The plan demonstrates our determination to deliver our vision and relies on our commitment to our 4ward behaviours and the 4ward Improvement System to be successful.

It builds on our Clinical Services Strategy; consolidates our learning from the COVID pandemic; reset of services; development of enabling strategies and the 4ward Improvement System. It also acknowledges that the pandemic and legislative changes mean that things are changing across our wider health and care economy, against a backdrop of economic uncertainty.

Some of the main drivers for change addressed in the plan are:

- the need to reduce the elective backlog
- staff fatigue
- workforce shortages
- the need to reduce health inequalities
- the need to work more closely with our partners to develop integrated care pathways
- our financial position

The Three Year Plan is underpinned by self-assessments based on benchmarking data undertaken by each of our 42 clinical specialties and our corporate departments which focus on quality, productivity, workforce and use of resources.

This self-assessment showed us where our most significant challenges are and gave us 4 priority areas on which to focus attention to improve productivity:

- Outpatients
- Theatres
- Recruitment
- Patient Flow

The last two of these are value streams being progressed using the 4ward Improvement System. To deliver our four strategic objectives (i.e. best services for local people; best experience of care and outcomes; best people; best use of resources) we have identified the following priorities.

Higher quality
- Care that is safe
- Improved outcomes for patients
- Infrastructure investment
- Getting the basics right

Improving access
- Elimination of waiting lists
- Resilient urgent and emergency care services
- Integrated working in ICS

Healthier lives

- Improving staff physical and mental wellbeing
- Reduction in health inequalities
- Empowered, well led and right-sized workforce
- Meeting the climate challenge

Delivering value

- Waste reduction
- Delivering better value for same cost

Our key focus is on elective recovery and reset - delivering activity to clear the backlog which has arisen as a result of the pandemic with particular emphasis on long waiters and cancer.

We are focusing on reducing the time patients have to wait for procedures; working with system partners to deliver transformational change including outpatient transformation, and embedding delivery of elective hubs for inpatients at the Alexandra hospital and day case at Kidderminster.

Green Plan

In October 2020, the Greener NHS National Programme published its new strategy, Delivering a net zero National Health Service. This report highlighted that climate change will disrupt care, with poor environmental health contributing to major diseases, including cardiac problems, asthma and cancer. The report set out actions for the entire NHS to reach net zero carbon emissions by 2040 for the emissions it controls directly, and 2045 for those it can influence (such as those embedded within the supply chain).

Our Trust Green Plan was approved at Trust Board in April 2022, which signifies the commitment and importance our Trust has in regards to sustainability.

The Plan identified ten workstreams for sustainable healthcare services and requires a balance between environmental, economic and social values to deliver optimal outcomes for our patients and communities now and in the future. Each Workstream is led by an Executive Sponsor, with the overall Green Plan delivery being led by the Director of Strategy, Improvement and Planning.

The ten workstreams are as follows:

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

Look back at 2022/2023

Worcestershire Acute Hospitals NHS Trust formally recognised as 'Veteran Aware'

Worcestershire Acute Hospitals NHS Trust was formally recognised as 'Veteran Aware' by the Veterans Covenant Healthcare Alliance (VCHA) in June 2022.

The Trust celebrated the achievement and marked the start of Armed Forces Awareness Week with a flag raising ceremony and minute's silence for staff, patients and visitors at Worcestershire Royal Hospital, accompanied by a Salvation Army bugler.

The VCHA is a group of NHS healthcare providers in England committed to providing the best standards of care for the Armed Forces community, based on the principles of the Armed Forces Covenant.

The Armed Forces Covenant - which recently passed into law - is a promise by the nation ensuring that those who serve, or who have served, in the Armed forces, and their families, are treated fairly. The aim is to develop, share and drive the implementation of best practice that will improve armed forces veterans' care, while at the same time raising standards for everyone across the NHS.

Clinical Research Team named 'Team of the Year'.

> The Clinical Research Team at Worcestershire Acute Hospitals NHS Trust won 'Team of the Year' at the National Institute for Health and Care Research (NIHR) Clinical Research Network West Midland's Awards.

The NIHR awards celebrate the range of clinical research taking place here in the West Midlands - from studies to improve future treatments for mental health conditions, to COVID-19 vaccines and examining and understanding the increased risk of contracting COVID-19 among healthcare workers.

The award recognises the team's contribution in the Worcestershire Covid-Trial Response Team working together with colleagues at Herefordshire and Worcestershire Health and Care NHS Trust, CRN West Midlands Primary Care and Across Teams, University of Birmingham Students, which came together to support the delivery of the national priority Covid-19 trials

The trials included the 'RECOVERY Trial' which helped increase the knowledge of which existing treatments may be beneficial for people hospitalised with suspected or confirmed COVID-19.

The research team are involved in 66 research projects that help to improve patient care and outcomes.

Vibrant memorial for lives lost during the pandemic unveiled during special ceremonies.

Vibrant memorials have been created on each of our hospital sites to provide a poignant reminder of the lives lost across the NHS by colleagues caring for patients with Covid-19.

After listening to and learning from feedback from the BAME Staff Network about the disproportionate effects of the pandemic on colleagues from BAME backgrounds, the Network teamed up with the Worcester Mela Partnership to organise the memorials as well as a ceremony at each site to unveil them.

Each of our three hospitals have now received their own unique commissioned memorial artwork, that provide a focal point to reflect on everything we have been through together and of the lives lost whilst caring for patients during the pandemic.

Members of the Mela Partnership presented the artwork as a gesture of appreciation to all those in the NHS. The unveiling of the artworks was followed by celebrations of food, dance and music. Sabrina Mollah performed a moving fusion of contemporary South Asian dances, dedicated to members of her own family that were lost during the pandemic.

Each of the installations show carved flowers: Lotus representing growth; Water Lily representing hope; Hibiscus representing unity; and Jasmine representing the countries from the Indian sub-continent and the wider world. In addition to symbolising unity, growth and community, the art installations also represent Trust colleagues working together through adversity, in a spirit of mutual support and respect as they tackle the challenges they face and make the most of opportunities that the future will bring.

Worcestershire Acute Hospitals NHS Trust recognised as 'Employer with Heart'

Worcestershire Acute Hospitals NHS Trust was recognised an 'Employer with Heart' after becoming one of the first in the NHS to offer a package of support which includes periods of paid leave for staff who are undergoing fertility treatment, or who experience baby loss or have a premature birth.

The Trust has put in place an extended Family Leave policy to ensure colleagues have the time and space to process, grieve and begin to heal at a time when they need it most.

In addition, the Trust has also signed The Smallest Things' Charter which sets out its intentions as an employer to support staff through early childbirth, and has been awarded an 'Employer with Heart' charter mark by the charity because of this.

£10 million-plus boost for hospital services in Worcestershire

Patients of all ages from across Worcestershire and beyond will benefit from a range of service improvements following the approval of more than £10 million in funding in January 2023 to expand facilities at the Alexandra Hospital, Redditch, and Worcestershire Royal Hospital in Worcester.

The £10.5 million funding will enable the expansion of endoscopy services at the Alexandra and, at Worcestershire Royal, a series of im-

provements to maternity and children's services, including a second dedicated obstetric theatre and maternity triage and assessment unit, re-modelling of the Riverbank Children's ward and a new combined paediatric assessment unit and children's clinic.

> Worcestershire Acute Hospitals NHS Trust has been awarded the funding by the Department of Health and Social Care and NHS England following the approval of the Trust's final business case.

The Alexandra endoscopy suite and WRH maternity improvements are due to be completed by the end of 2023, with the paediatric developments completed by the end of 2024.

Garden Suite returned to the Alexandra Hospital

The Garden Suite chemotherapy unit moved back to its permanent home at the Alexandra Hospital, Redditch in February 2023.

The unit provides a range of outpatient chemotherapy treatments to cancer patients, mainly from Redditch and surrounding areas. It was temporarily relocated to Kidderminster Hospital during the Covid pandemic to protect patients using it from the risk of infection.

Now, Garden Suite has settled into a new home at the Alexandra following the refurbishment of the hospital's Ward 1.

Chemotherapy services also continue to be provided at Kidderminster and Worcestershire Royal Hospitals.

Work completed on new community diagnostic centre at Kidderminster Hospital and Treatment Centre.

A brand new CT scanner, ultrasound room and three room endoscopy unit opened to patients at Kidderminster Hospital and Treatment Centre.

The new facilities form part of the Community Diagnostic Centre (CDC) work at Kidderminster Hospital and Treatment Centre, increasing the capacity of the existing unit and providing much-improved facilities for patients and staff.

The Community Diagnostic Centre provides increased access and capacity for the people of Worcestershire to imaging and endoscopy services with the aim of reducing waiting times for patients in need of diagnostic scans and endoscopy procedures and aiding a quicker diagnosis and treatment.

The new CDC is part of the government's £350 million investment across the UK to provide scans more quickly and to help manage backlogs in imaging tests that have developed after Covid. Better capacity should enable faster access to more diagnostic tests as part of the national programme of improvement.

Successful launch of electronic patient record system

One of the UK's most transformational electronic

patient record systems is now live across Worcestershire Acute Hospitals NHS Trust.

Sunrise Electronic Patient Records (EPR), which is being used by colleagues across our three hospitals, means patient information is available electronically, on screen, at any hospital location, at any time.

EPR will update in phases over the next two years and once fully capable, it will transform the way we admit, treat and discharge our patients and will make a huge contribution to the safe and effective management of patient information.

It will also result in more timely diagnosis and treatment, reduce risk and improve patient safety as well as freeing up many thousands of hours that colleagues currently spend managing paper records.

Sunrise EPR is an important tool on our journey of continuous improvement, and is a key system that forms our overarching Digital Care Record, for recording all patient information.

Arrival of robotic surgery at the Alexandra Hospital

Plans to bring state-of-the-art robot assisted surgery to Worcestershire came to fruition with the arrival of the surgical robot on site at the Alexandra Hospital, enabling senior clinicians aim to

begin providing robot-assisted prostate surgery for men with prostate cancer.

The delivery of the robot followed the upgrade and refurbishment of an operating theatre which included reinforcing the theatre floor to take the weight of the robot as well as upgrading the ventilation system, general refurbishment and redecoration.

For those patients who are able to have it, Robotic-assisted Radical Prostatectomy (RARP) can offer equivalent or better outcomes, less pain, shorter stays in hospital and quicker recovery for patients with prostate cancer, which is the most common form of cancer in men.

Previously any prostate cancer patient from Worcestershire who wanted this type of surgery as part of their treatment had to travel out of the county for it.

> The robot is a further addition to the range of high quality elective (planned) surgical services already provided at the hospital for patients from across Worcestershire and beyond.

The Trust is investing more than £3.5 million in the new service. Thanks to the generosity of local supporters, a fundraising appeal in aid of robotic surgery had already raised around £500,000, before plans for the development were paused during the Covid-19 pandemic.

A £10,000 award boosts efforts to encourage more people with disabilities to work at Trust

Donna Scarrott, Chair of the Staff Disability Network

Members of the Staff Disability Network at Worcestershire Acute Hospitals Trust (WAHT) celebrated after putting in a successful bid for funding from the Workforce Disability Equality Standard Innovation Fund (WDES). It has been used to enable and encourage people with a disability or long-term condition to apply for roles within the Trust.

The WDES was introduced across the NHS to advance disability workplace equality.

Staff Recognition Awards bigger and better than ever

Our Staff Recognition Awards returned this year, bigger and better than ever! The event in November was a memorable evening that showcased some of the brilliant work that has been going on across our hospitals and recognised

some of the most outstanding people and their extraordinary efforts to put patients first.

#Stepping4Ward to the future with partners and patients at first event of its kind.

Delivering our Trust's strategy to 2025 and beyond was the theme of the day as we welcomed over 100 leads, clinicians, partners and patients to our first Stepping 4ward event.

Held at Worcestershire Cricket Club, the day provided a chance to get together in person and discuss seizing future opportunities and tackling challenges over the next three years.

As well as talks, the day included table workshop sessions focused on realistic collaborative ideas for future working with groups keen to share their thoughts with the room.

Urgent and Emergency Care developments continue at Worcestershire Royal Hospital

Exciting developments took place in our work to further expand and improve urgent and emergen-

cy care services at Worcestershire Royal Hospital. Our Acute Medical Unit (AMU) and Ambulatory Emergency Care service (AEC) moved to the first floor of the refurbished Aconbury East building at the end of 2022.

This was the next step in the creation of an 'emergency village' on the ground and first floors of Aconbury East which will also include an expanded Emergency Department in the autumn of 2023.

Patient and Public Involvement

Engaging with our patients, carers and our local community helps us to continue to understand and improve the patient experience across our hospitals.

We aim to provide the highest quality of care and experience and central to this is the involvement of our patients, carers and their families and friends, who we have continued to invite to work with us as partners in their own individual care and treatment.

We know that engaged patients have better health outcomes and this has continued to inform how we work throughout 2022-2023. We have continued to develop and support an approach which we see as essential and which encourages active participation from and within our community in the design, planning and delivery of services.

We have continued to share patient and staff stories at our monthly Trust Board meetings. Our online meetings are broadcast publically and our first in-person meeting since the start of the pandemic was open to the public to attend. Our stories are shared by our patients and/or carers, family or staff and this is one way that we can understand experiences first hand – these are often experiences of positive care and stand as examples of exemplary healthcare provision. These stories support our awareness of good practice and provide an opportunity for the patient voice and understanding of the patient experience to sit at the pinnacle of our leadership structure. This approach coupled with our ability to explore and develop our understanding of the patient experience through additional mechanisms such as with our volunteers, our community, partnership events and one to one interactions, supports us to meet our Trust objectives about best experience of care and best outcomes and enhances our ability to meet our core values about patient respect, dignity and quality of care.

We have continued to work alongside our Patient and Public Forum, a group of patients, carers and/or patient/carer representatives who work in partnership with the Trust and who actively contribute to a wide range of service improvements. The Patient and Public Forum reflect patient and carer experiences and provide honest and constructive feedback which supports us to draw on a range of viewpoints, skills and experiences to help inform and influence the development of our service provision.

The Patient and Public Forum volunteers have met with our Trust six times in 2022-2023 at dedicated meetings with a joint agenda between forum members and the Trust – these meetings have been taking place online since the beginning of the pandemic however the group was invited to come to an Away Day in September 2022 at the Co-Lab in Kidderminster. The Away Day was an opportunity to come together in person and the day included a focus on training such as our new 4ward Single Improvement Foundation training and Infection and Prevention and Control training to prepare for onsite ward and clinic visits. The day also included presentations on projects and opportunities including the annual Patient Led Assessment of the Care Environment (PLACE). Throughout the year the Patient and Public Forum has met with staff at all levels including Matrons, Governance Leads, Managers, Lead Nurses and Heads of Departments. Members of the group have supported us with patient leaflets, audits and visits in clinical areas, have joined us as equal members

on committees and groups, have supported with public consultations and have even supported with volunteering in our Accident and Emergency Department.

We would like to formally thank our Patient and Public Forum and to the many other individuals, groups, representatives and local organisations who have supported us in our purpose of Putting Patients First. In our Annual Report we have showcased some of the approaches we have taken. For us it is important that better never stops and we very much welcome engagement with groups and individuals who would like to continue the conversation with us into 2023-2024 and beyond, developing, enhancing and creating partnerships to support our continued understanding and improvement of the patient and carer experience across our hospitals.

We have provided a snapshot of our work in 2022-2023 below. We also invite people to find out more about our work in our annual Equality and Diversity report and our annual Quality Account. These documents can be found on our Trust website:

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

Quality Assurance:

The Trust runs a regular schedule of Quality Assurance Visits (QAVs). The Quality Assurance Visit (QAV) programme is owned by the Healthcare Standards Team.

The purpose of both announced and unannounced Quality Assurance Visits (QAVs) is to provide actual observation of a department or ward from a team of specialists and stakeholders. QAVs are a method of observations of care, one aspect of Care Quality Commission (CQC) six evidence categories to triangulate evidence and give assurance that a particular area is providing quality of care and supports Senior Teams with planning Quality Improvement.

QAVs are mapped in the Healthcare Standard's Annual Planner and the department being visited is determined by areas of risk and reporting intelligence provided by the Patient Safety Team.

The visiting inspection teams are assembled of diverse and specialist roles of nursing leaders, Non-Executive and Executive Directors, external staff from the Trust's partnerships such as the ICB and the Patient and Public Forum. These teams are provided with review documentation written in conjunction with various healthcare standards and national regulations, made specialist for each department visit.

QAVs are concluded with a high level feedback session, praising the successes of departments and highlighting challenges for the teams. This is followed up by a comprehensive report collated from the review documentation and agreed actions are continually monitored through to completion with evidence between the department and Healthcare Standards Team.

These help to provide ongoing assurance to the Board that the Trust is proving a high quality standard of care.

> We have continued to put an emphasis on working with and responding to our local community

Patient Experience and Engagement snapshot: helping everyone to be part of the conversation

We have contracts in place to support with interpreting and translation for any patient who does not communicate in spoken English as a first language. As part of our engagement approach, we reached out to representatives from the local d/Deaf community to work in partnership with our Head of Patient, Carer and Public Engagement and member of the Chaplaincy team to secure a contract to provide British Sign Language at our hospitals. Word360 Limited was awarded the new contract and began to work with our Trust from June 2022.

Our approach to support d/Deaf awareness throughout 2022-2023 has been to empower our patients and carers and to empower our staff and we have achieved this through our ongoing engagement with the local d/Deaf community. We have been invited to and welcomed at d/Deaf Coffee mornings and d/Deaf Café, we have co-delivered community engagement sessions and consultation workshops, we have delivered a joint awareness event for staff and we have co-produced resources including community cards, posters and British Sign Language films.

We worked with our local community to design resources to give our patients confidence about accessing our services. The cards were suggested by our local d/Deaf community. We produced a pilot version first, then we held engagement sessions to inform an updated version which we also created in partnership with d/Deaf patients and carers. We will be rolling out the new card from April 2023 onwards.

Image showing Dr Baljinder Singh, David Southall Chaplain, Anna, Head of Patient, Carer and Public Engagement with John and William from the local d/Deaf community at the December Worcestershire Acute Hospitals Trust Board meeting 2022.

We have also delivered staff training through our partnership with Word360 Limited and created communication resources.

We have rolled out a trial of communication support machines in our Emergency Departments to support with emergency and "on demand" interpreting which was in response to community and staff feedback. We are interested in opportunities to harness digital innovation to enhance the quality of care delivered across our hospitals and we will monitor the impact of these machines in early 2023-2024.

We showcased our work and approaches in International Week of d/Deaf People in September 2022 and our Communications team have showcased our work in our internal 4ward Showcase series which is shared with all of our staff. We have also shared our approaches with local health and voluntary network leads and volunteers.

We have led on conversations with other health providers across the county in 2022-2023, to support developments for the d/Deaf community when accessing a variety of services in Worcestershire. We will continue our engagement with these groups into 2023-2024.

Our Accessibility Guides continue to be accessed by our patients, carers and families

Worcestershire Acute Hospitals NHS Trust is working with AccessAble to create detailed accessibility guides to facilities, wards, and departments at Worcestershire Royal Hospital, Alexandra Hospital, and Kidderminster Hospital and Treatment Centre. The Worcestershire Acute Hospitals NHS Trust Accessibility Guide consists of 152 Detailed Access Guides. These Access Guides are published on www.AccessAble.co.uk and the AccessAble App.

We welcomed trained surveyors from AccessAble back into our hospitals in February 2023 as part of our 5-year partnership project to help patients, carers, visitors and staff plan their journeys to and around our hospitals. These guides help to give confidence to people because they highlight in visual and audio detailed guides on what accessibility measures are in place at Worcestershire Acute Hospitals NHS Trust.

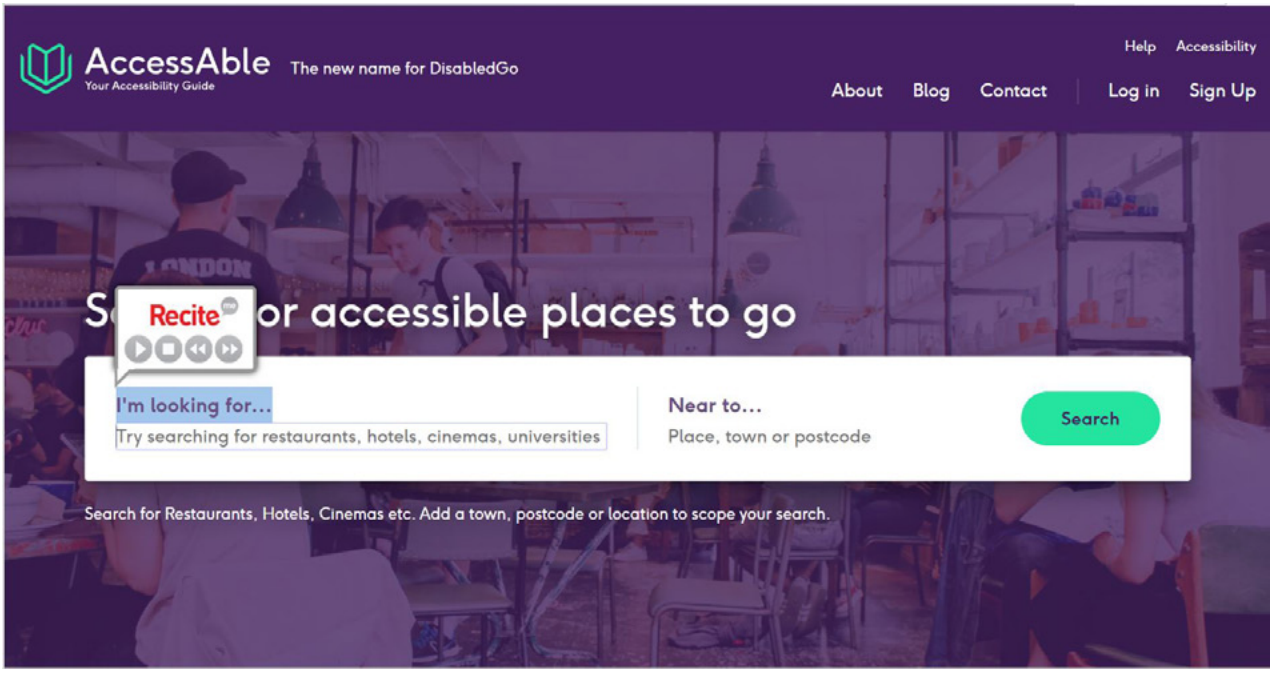
Pictured: Michelle, Senior Sister Accident and Emergency and Anna, Head of Patient, Carer and Public Engagement showing delivery of a WoW machine in The Alexandra Hospital A and E Department, March 2023. The machines are on loan and have been installed as a result of patient, carer and staff feedback about how we can support our patients in an emergency.

"Anna is working closely with William and myself as a part of Deaf community, which she has given a lot of useful information where it has been helpful to both William and myself to understand how the various NHS structure organisations work in Worcestershire.

We are grateful for Worcestershire Acute Hospitals NHS Trust for including us as representatives for the Deaf community to give our input such as being in the BSL Interpreting Agencies interviewing process for the Worcestershire Acute Hospitals NHS Trust services contract and allowing us to put our views before the Worcestershire Acute NHS Board as well as regular update meetings with Anna, and forums to get the publicity notices and cards right for equally Deaf people and NHS staff alike to understand and smoothly access booking interpreters for appointments.

Of course, we have to find ways to improve the booking structure for interpreters outside Worcestershire Acute because it is difficult for Deaf people to access. We hope to progress this work in 2023 along with continuing our partnership with Worcestershire Acute and our engagement to continue to provide a quality service."

John and William



AccessAble

- Our partnership with AccessAble supports us to meet the needs of patients and carers who have a disability, impairment or sensory loss. Our detailed accessibility guides can give confidence to our patients and carers, to navigate their way around our hospitals – this supports our patients to prepare before coming to hospital.
- Our accessibility guides can be listened to or viewed via the AccessAble App, AccessAble website or via our Trust website: www.worcsacute.nhs.uk/accessable
- The image above shows the audio feature "recite" to support anyone with a visual impairment.

Our reach – the statistics:

We have seen significant growth in the number of people downloading and using our online detailed Accessibility Guides. Between January 2021 and December 2021, our Accessibility Guides had 3,826 users and 9,731 page views. Between January 2022 and December 2022, our Accessibility Guides had 21,268 users and 33,187 page views.

- The number of people using our Guides in 2022 has increased by 455.8% and our page views has increased by 241%
- This breaks down to a monthly average in 2022 of 1,772 users and 2,765 page views.

Representatives from the Patient and Public Forum were invited to review the guides in 2022 to support ongoing development and ensure that the guides could be access in different ways. One member shared:

> "These guides are important to ensure that coming into hospital can be planned and you can understand how your needs can be met. I tested them out with my screen reader and welcome the audio feature for people whose vision is impaired. We heard at our forma meeting that the estates team review the detailed guides about where improvements can be made which is really good. John, member of the Patient and Public Forum."

Engaging, working with and listening to our local community

We launched our annual Big Quality Conversation in 2023 to find out about the public's experiences of safety, effectiveness and care at our hospitals.

The approach that we take with our Big Quality Conversation supports our aim of giving our local community a voice that we will listen to and helps us to meet the needs of the local population. The results from the survey and engagement workshops will inform the work that we do by influencing the Trust's Quality Priorities.

You can find out more in our annual Quality Account: www.worcsacute.nhs.uk/our-trust/corporate-information/annual-report-and-review-of-the-year/quality-reports.

We extended our reach even further this year by engaging with **52%** more people than in the previous year.

889 patients, carers and family engaged with our survey and our community engagement workshops.

How we engaged and carried out our survey in 2023 – a snapshot:

- We ran our second "mixed mode" paper and online digital survey from January-March 2023
- We developed a British Sign Language film to explain the survey
- Local Deaf representatives made their film to invite people to an engagement workshop which we co-delivered with the local community
- The Survey was accessible in 95 languages in comparison to 40 the previous year
- We worked with Learning Disability Nurses to ensure that the voices of our patients with a learning disability were included
- We worked in partnership across local networks, charities, dedicated community groups and Councils
- We increased our partnerships with local health care providers and voluntary/community organizations to help us reach as many people as possible
- We ran a social and local media campaign

The images show our survey poster with QR code and our Easy Read version which we created for the first time to offer choice with how people engage with our survey and to support our patients who have a Learning Disability.

Our key findings from community feedback:

- We identified 5 themes across feedback. The themes were Facilities, Communication, Access to Services, Diagnosis and Treatment, Values and Behaviours.

- People shared that car parking at the hospital was important to them as well as Infection Prevention and Control, Involvement in Care Planning and Decision Making, Pain Management and Staff Showing Kindness and Respect.

The Big Quality Conversation has been a successful tool to support continued and increased engagement with our patients and carers. This supports the Trust to continue to be responsive, working in partnership with the local community to develop and deliver quality improvements in line with public need.

Our Next Steps:

- The results of the survey have been analysed and will support the creation of the Trust's Quality Priorities for 2023-24.

- We will share the results of the survey with our staff and explore ways to share the results with the public.

- We will report on the themes and our actions in the Quality Account 2022-2023.

"I really valued coming on site to our hospitals and speaking with patients to find out about their experiences of care. It's important to reach out to the people that services affect and The Big Quality Conversation is one way that Worcestershire Acute can do this….I definitely hope to do this again"

Simon, member of the Patient and Public Forum who worked with our Patient Experience and Engagement team in February 2023.

We would like to thank Simon, other members of the Patient and Public Forum and our hospital volunteers for working in partnership with our staff to engage with our patients and carers.

We have also continued to offer a variety of ways for people to feedback about their experiences throughout the year which we record, monitor and learn from, this includes the Friends and Family Test, recording compliments and regular CQC Patient Experience surveys.

We recorded **3293** compliments from patients, carers, friends and family in 2022-2023. This was an increase of 43.6% from 2021-2023.
We continue to share positive feedback and good practice in different ways across staffing groups and in May 2022 we changed our systems so that any member of staff can record a compliment.

Listening to our patients, their carers, friends and family

Friends and Family Test: Our Friends and Family Test is one way for us to understand people's experiences of care. This is a national survey that we run locally. In the height of the Covid 19 Pandemic, the Trust stopped using Friends and Family Test cards because of infection control risks and we focused on text messaging. The Patient Experience and Engagement team are pleased to be relaunching cards as part of Patient Experience Week at the Trust in April 2023, which will provide greater choice for our patients, their carers, family and friends about how

people can share feedback.
The Trust has also been developing a "Friends and Family Optimisation Project" as a trial to support greater understanding from the Friends and Family Test feedback. The trial will be focused in Urgent Care and Outpatients departments and will ask additional questions around safety of care, communication and dignity and respect. The aim is to support greater identification of good practice as well as areas for improvement. The pilots will be launched in 2023 with the aim of rolling out across the Trust. This approach aims to create a stronger mechanism for more in-depth feedback.

We are aware from patient, carer, friends and family feedback that coming into hospital can be a stressful and worrying time. We have continued to actively listen to what our patients and carers are telling us so that we can do what we can to reassure, calm and provide a positive patient experience – this supports our aim of Putting Patients First. Our staffing teams regularly share spotlights with our Patient Experience team, volunteers and Patient Representatives and we have included just a few examples below:

This includes:

- Wellbeing packs created in partnership with parents using our Neonatal Unit. The packs include information on wellbeing support, a poem, mindfulness activities and QR codes linking to our social media and support teams.
- We reintroduced visiting across our wards with controls in place to support the safety of patients, carers, visitors and staff (we had previously operated compassionate and limited visiting).
- Therapy Dogs returned to our hospital and put a smile on the faces of our patients and staff – on the first three afternoons of coming back on site, the Therapy Dogs team visited 34 different wards and departments!
- We have continued to work in partnership with local schools to develop our "Art in a Hurting Place" project which supports with the healing environment in hospital. We would like to thank St Augustine's High School in Redditch especially, who now curate their own wall of art at The Alexandra Hospital and create new displays regularly.
- We have widened access for comfort and reassurance for patients by distributing 250 Quran cubes which enables patients on wards to listen personally to the sacred Scripture of Islam.
- We welcomed volunteers into our Accident and Emergency departments to support with comfort and providing drinks for our patients and we aim to develop these roles into 2023-2024 to further support our patients.
- During International Week of Deaf People in September 2022, we invited our staff to a training session about how staff can support Deaf patients, including how to book an interpreter and useful tips on effective communication. We also co-delivered an event with representatives from the local d/Deaf community to raise awareness. We created staff resources to further support with communication.
- We have continued to do what we say we will do and have #CallMe conversations with our patients so that it becomes standard practice. #CallMe is a national award winning Worcestershire Acute Hospitals Trust initiative which has changed hospital wristbands and labels to ensure we can all call patients by their preferred name.
- On Avon 4 our patients love to read and look through newspapers – our staff have been picking up free newspapers on their weekly shop and handing these out to patients.
- We have been playing music to patients in side rooms to calm and reduce anxiety – this has included three members of staff joining a patient to sing along with Vera Lynn.

Spotlight on volunteering:

We welcomed our volunteers back onto our wards in 2022-2023, following changes in national guidance and local safety measures due to the Covid19 pandemic. Our volunteers support with many aspects of the patient experience and support our staff.

"It was also lovely to be back with the patients again, helping in any way that I can."
Laurel 3 volunteer

Our volunteers say:

I was so pleased to return as a ward volunteer at the Worcestershire Royal Hospital, after a two-and-a-half-year absence due to the Covid pandemic. It felt good to be back. I was a little apprehensive but that feeling soon went as I walked back on to the ward to a very warm welcome from staff, who clearly appreciate the contribution that volunteers make.

What our patients say about our volunteers:

Volunteers are invaluable, I am in and out of hospital a lot and know how busy staff are, volunteers make such a difference

The image shows our first volunteer back on our wards in 2022. Our volunteers are part of the caring team at Worcestershire Acute Hospitals NHS Trust, working with our staff to support our patients and carers.

- We increased our volunteer numbers across all roles in 2022-23 by 53.4 % (April 2022-March 2023)
- We grew ward and outpatient volunteers from 0-23 volunteers from Autumn through the Winter of 2022-23
- We have doubled the number of roles that volunteers can carry out to support at our hospitals and we now have in place 10 volunteer role profiles with volunteers,

compared to 5 volunteer role types available in 2021-2022.

- We have continued to recruit into the roles of Wayfinders, ward volunteers, chaplaincy volunteers, Emergency Department, Admin support, cardiac rehabilitation and Patient and Public Forum
- We have started to recruit and welcome back Macmillan Volunteers and our Breast-feeding Volunteers to support our patients who have given birth
- We have recruited into new roles across Out-patient Day Clinics including Chemotherapy and Ophthalmology.
- We continue to receive 100% feed back on positive volunteering experience and support from all active and returning volunteers - and all department staff. We thank our volun-teers for continuing to support our patients and carers with a positive patient experience in a number of roles from drinks rounds, to wayfinding and reading newspapers.

We would like to thank our volunteers for recording with us, 6506 hours of support from April 2022 to March 2023. This was an increase of 34.5%. We have developed a new way to enable volunteers to record their volunteering hours at our hospitals (via an App on phones and ipads as well as paper) and we hope to be able to capture more of these hours in 2023-2024.

A Focus on Learning Disabilities:

The Trust was one of over 200 that participated in the NHS Benchmarking Network's fourth An-nual National collection of data, on performance against the four learning disability improvement standards:

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

The project entailed a three-pronged approach of organisational, staff and patient level informa-tion data collection which gives a holistic view of the workforce, activity, service models, and quality of services. The three methods of data collection were live between 31st October 2022 and 17th February 2023.

The organisational survey was submitted in January 2023 and the Trust is awaiting a tool kit from NHS Benchmarking and a report including the results. In the interim our internal review has formed the basis for the development of a Trust wide Learning Disabilities Action Plan, in line with the four Improvement standards.

In addition, a deep dive of fourteen patients' electronic records was undertaken by the Trust's Patient Experience Nurse and the Hereford-shire and Worcestershire Health and Care Trust Learning Disability Liaison Nurses in April 2023, and is currently being collated into a report for our Trust Board. The results will provide a gap analysis of where the Trust is currently, in terms of Learning Disability provision and where im-provement is required. This is continuous work in progress and will provide the System Partners with important information on developments for Learning Disabilities service outcomes and developments.

Developing strategy - together

We would like to share a big thank you to everyone who came together with us at our first Leadership Strategy event in November 2022. The event was an opportunity to bring people together to discuss some of the challenges and opportunities in the NHS and how we can work together. The event brought together healthcare system partners and local community groups and representatives. We are continuing the conver-

sation with the Patient and Public Forum as well as local groups to understand how best the Trust can genuinely continue to involve patients/carers in improvement, co-design and delivery.

Feedback from the event was very positive. The day focused on patient experiences by putting the patient voice at the heart of conversations – we did this by inviting a patient to share their story and by focusing workshops on themes of experiences of our patients and carers at our hospitals as shared by our patients and carers through feedback.

Public and staff feedback was positive:

"What a great event. It was fantastic to see so many people coming together and all talking about solutions"

Staff member

"I was invited by the Trust and it has been really interesting actually, I have enjoyed being here"

Patient Representative

Patient Representative spotlight: supporting the patient experience through collaboration

The Patient and Public Forum, is an independent group of patient representatives who work in collaboration with the Trust. We would like to formally thank the group for continuing to work with our Trust throughout 2022-2023 in a number of ways, some of which are highlighted below:

- Reviewing patient leaflets
- Equal stakeholders with our staff on our Quality Governance Committee, Equality and Diversity Committee, Learning Disability Steering Group and Patient, Carer and Public Engagement Steering Group
- Supporting with assessments including Quality visits
- Supporting with the annual "PLACE" (Patient Led Assessment of the Care Environment) inspections which took place with staff, patient representatives, Healthwatch and volunteers from our hospitals, which we restarted in September 2022).
- Helping us to develop an audit programme for 2023 so that the Trust can continue to develop services in response to patient and carer engagement and feedback
- Working with staff across the Trust to develop our 4ward Improvement Programme
- Engagement in the design of our new Urgent Care facility at Worcestershire Royal Hospital
- Working on a variety of projects including

Transformation, Improvement works, Mealtime Observations and Staff Awards

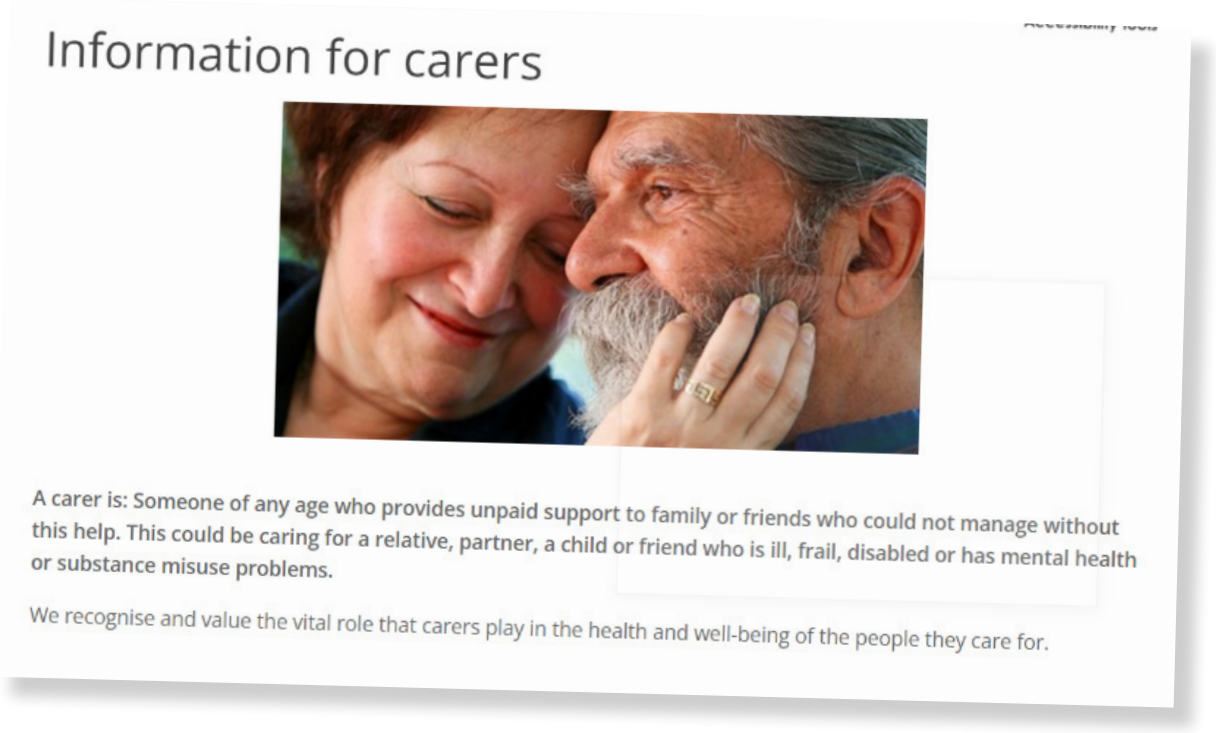
- Monitoring local media and connecting with local community networks to gauge public opinion about hospital experiences and share these back with our staff
- Meeting with lead staffing teams formally six times throughout the year on a joint agenda
- Mystery Shopping and feeding back examples of good practice and recommendations for continued improvement
- We have continued to support the recruitment of new members into the forum throughout 2022-2023

We have also continued to work with advisory and peer support groups throughout 2022-2023. These groups include Worcestershire Maternity Voices Partnership, Healthwatch, Cancer Support groups, Worcestershire Association of Carers and Macmillan. We have developed stronger links with the Voluntary and Community Sector and specific sensory groups. We would like to thank everyone for their continued partnership with our Trust.

Thank you to members from the Patient and Public Forum who joined our staff (in the image above) in the annual PLACE inspection programme which re-started in September 2022. Members from the local community and staff came together to assess non-clinical environments at our hospitals across three sites. This is a national programme which we have tailored to support our ongoing quality improvements by including our own audits as part of the process. We will monitor any arising actions through Trust steering groups and in discussion with our volunteers and patient representatives into 2023-2024.

'Everybody was very, very good. The staff were excellent and helpful. It was very, very good indeed. And it was incredible, actually. I met so many people which was really nice also. [PLACE assessments] are a good thing and I think we'll do a lot to help.'

Patient Representative following PLACE inspections in 2022


Information for carers

A carer is: Someone of any age who provides unpaid support to family or friends who could not manage without this help. This could be caring for a relative, partner, a child or friend who is ill, frail, disabled or has mental health or substance misuse problems.

We recognise and value the vital role that carers play in the health and well-being of the people they care for.

Working with and listening to Carers

Worcestershire Acute Hospitals NHS Trust became part of a local team who worked together to evaluate the newly published Provision of Adult Carers Hub in Worcestershire. As part of this process with worked with partners to secure a provider to support Carers. Worcestershire Association of carers was successful in their bid and we look forward to continuing to work with them and other partners including Worcestershire County Council into 2023-2024 and beyond. We are also a member of our local Carer's Reference group partnership which supports our ongoing dialogue about carers and ensures that our work is aligned with carers' needs and local strategy across the county.

We have developed a series of pledges, along with other local organisations which we call our Commitment to Carers and we feed back our progress on this to local partners. Our local partnerships are important to us as they support us to continue to find ways to support the engagement of carers across our work to influence service design and delivery. We have updated our website (image below) to provide additional support and signposting for carers in Worcestershire.

My Story – "in my words":

We have continued to provide the opportunity to increase our understanding of the patient, carer and staff experience at our Trust.

We have continued to provide space to share patient, carer, volunteer and staff stories at the beginning of our Trust Board meetings in 2022-2023. This provides an opportunity for our Trust Board members to experience patient, carer and staff stories in "their own words".

Patient Stories take place at the beginning of our Trust Board meetings and this provides opportunity to consider, reflect, celebrate and understand together how we can learn from experiences at our hospitals. This has included examples of innovation and good practice.

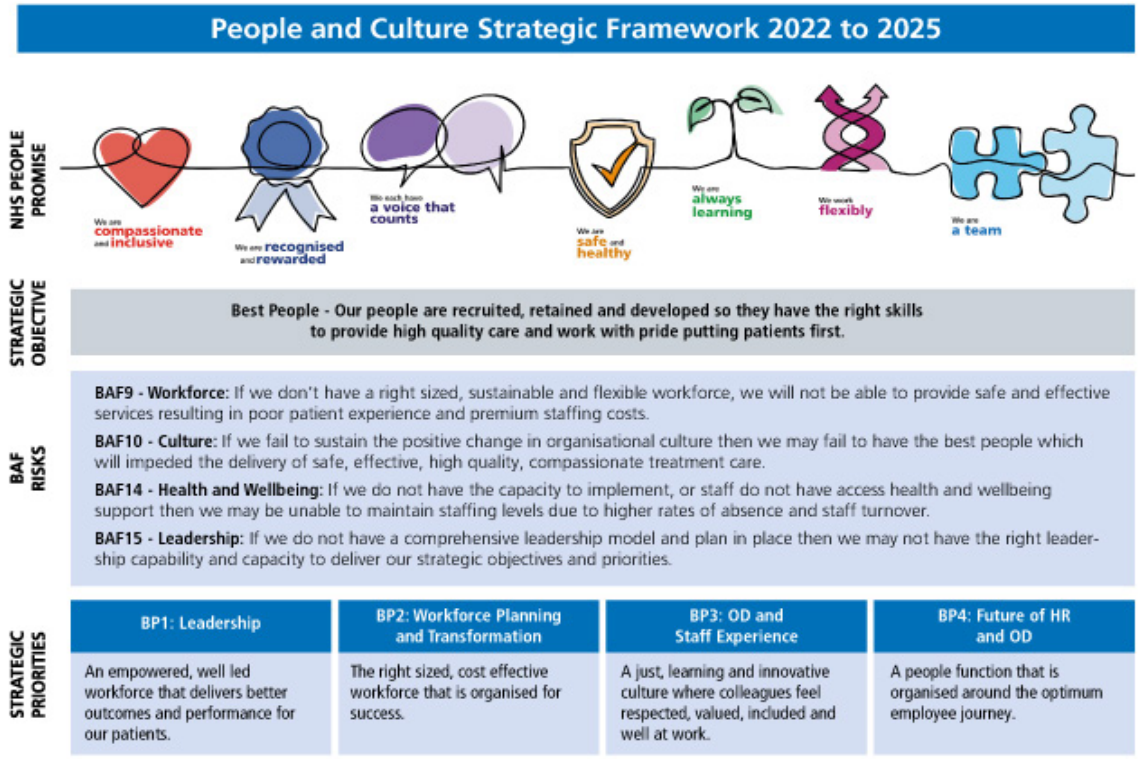
Developing an understanding of how people experience our hospitals is vital to ensure that

we can continue our journey and the process of continual improvement.

We analyse patient and carer feedback in detailed monthly and quarterly reports, which are discussed at our Committee and Engagement groups. We publish a variety of reports which analyse and highlight our learning and improvements from patient and carer feedback and we publish these on our Trust website. This includes our Annual Quality Account, Annual Complaints and Patient Advice and Liaison Report and our Inclusion, Diversity, Accessibility and Equality report. Our Annual Reports can be accessed via our website: www.worcsacute.nhs.uk/our-trust/corporate-information/annual-report-and-review-of-the-year

Staff Report – Best People

We have refreshed our people and culture priorities to support the Trust's 3 year plan which are set out in the following strategic framework



The annual themes for our 3 year plan are set out below

Annual Themes of the 3 year Plan

Year 1 (2022/23)	Supporting our people to reset and recover	Getting the basics right
Year 2 (2023/24)	**Focusing on embedding and continuous improvement**	**Step up**
Year 3 (2024/25)	Focusing on stability and transformation	Step 4ward

Highlights of year 1 of the plan (2022/23)

The key achievements for this year are set out in the table below:

Theme	Year 1 (2022/23) achievements
Leadership development offer	We have developed 548 leaders in this past year and introduced a Manager Essentials Development Programme to support new managers and two leadership programmes designed to build trust in teams and help Leaders, lead with compassion.
Sickness absence	We are 0.4% better than Acute Trust average for sickness absence. We have performed consistently well with our absence rates during the year due to the health and wellbeing support available to staff.
Staff Turnover	Our staff turnover has been on a downward trend since January 2022 – however this remains high at 13%.
Equality and diversity	We are better than average for colleagues reporting discrimination by colleagues or managers. We have launched the Rainbow Badge Initiative and won funding from the Workforce Disability Equality Scheme Innovation fund.
Staff Inclusion Networks	Supporting our BAME, Disabled and LGBTQ+ staff through our networks which are thriving. Work on anti-racism, disability history month and Worcester Pride to name just a few of the achievements this year.
4ward Behaviours and Behaviour Charter	A comprehensive engagement event was undertaken to help further develop our 4ward behaviours. Engaging over 300 colleagues and collecting over 500 pieces of feedback to help inform the new behaviours and our Behavioural Charter.
Apprenticeships	We have seen a growth of apprenticeships with 120 current apprentices.
Statutory Mandatory training	The overall compliance for Mandatory Training remains on target at 89% and has remained at this level throughout the year.
Flexible Working	We are now better than average for colleagues being satisfied with the opportunities for flexible working. We have achieved Timewise accreditation and have agreed our flexible working 3 year plan.
Wellbeing Conversations	Wellbeing conversation were implemented October 2021. January 2022 pulse survey identified 50% of staff had a wellbeing conversation in last 3 months and 71% found it supportive.

The priorities for year 2 of the plan (2023/24) are set out below:

Ref	Theme	Priorities	Delivery Vehicle	Governance
BP1	**Leadership**	Improved leadership capacity and capability by: • Developing a minimum of 250 leaders • Implementing the leader set of standards	Leadership Plan Year 2	4ward Steering Group
BP2	**Right Sized Workforce**	Meet our workforce plan by focussing on: • Recruitment • Retention • Establishment control	2023/24 Workforce Plan Recruitment Plan Retention Plan Establishment Control Policy	People Forum
BP2	**Cost Effective Workforce**	Reduce premium staffing costs by: • Supporting divisions and corporate directorates to identify, develop and deliver agency PEP schemes	PEP programme Agency reduction plan	People Forum
BP2	**Organised for Success**	Align the workforce to operating models by: • Supporting the Chief Operating Officer to review specialty alignment within/ across divisions • Supporting the Chief Medical Officer and Chief Nursing Officer to review out of hours (5pm to 8am) staffing models		People Forum

Ref	Theme	Priorities	Delivery Vehicle	Governance
BP2	Staff Offer	Improve our staff offer by: • Supporting the Director of Estates to get the basics right for staff (car parking, welfare facilities, food and nutrition, and space utilisation) • Refreshing our staff health and wellbeing offer • Embedding flexible working practices/introducing new patterns of working		People Forum
BP3	Staff Experience	Continue our culture improvement journey through: • The relaunch of the 4 signature behaviours • The 4ward improvement system (led by the Improvement Team) • The refresh and relaunch of the 4 step process • Implementation of the Behaviour Charter • Creating the movement through our 4ward Advocates (led by Lead 4ward Advocate)	4ward phase 2 4ward Improvement System Culture plans (Trust and divisional level) Culture heatmap	4ward Steering Group
BP4	People Function	A people function that is fit for purpose by: • Ensuring appropriate recruitment and medical resourcing capacity to meet Trust needs • Reducing the time to hire • Contributing to the review of education, learning and development provision (led by the Clinical Education Team) • Ensuring appropriate workforce analytical/reporting capability and capacity (in conjunction with the Chief Digital and Information Officer)		

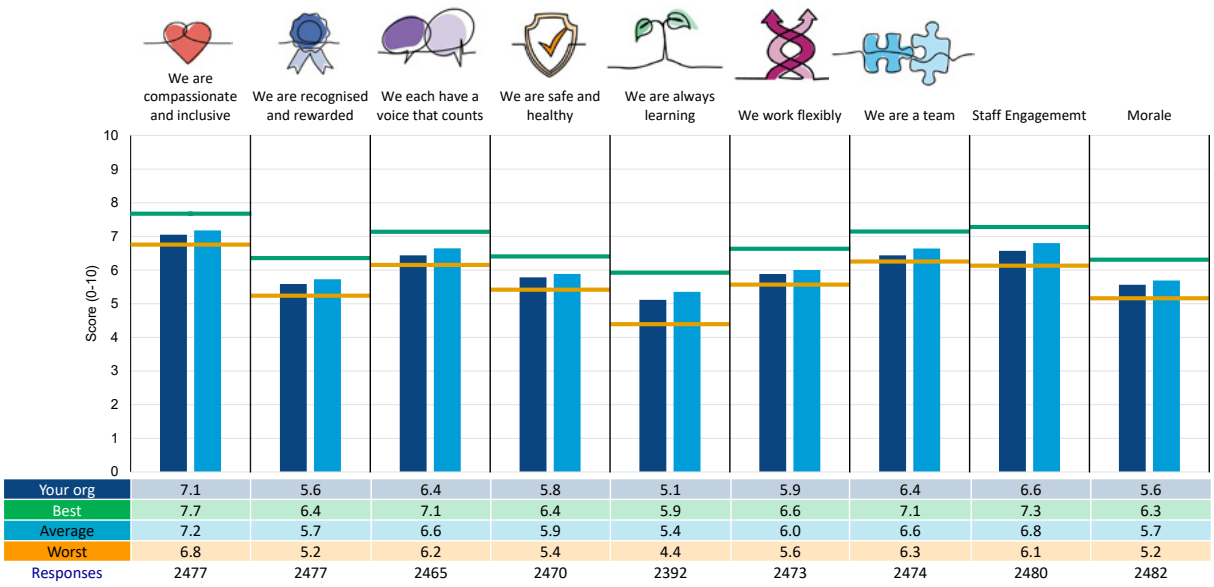
Staff Survey Results 2022

The results of the latest national NHS Staff Survey were published on 9th March 2023. Our final response rate for the 2022 survey was 36% (2,482 colleagues) compared to 43% last year. This represents a 7% drop and is lower than the median response rate for Acute Trusts of 46% which was disappointing. Nationally, response rates were down 2%.

The Trust's survey results are largely reflective of the national trend, particularly in relation to reward, engagement and morale.

Overall scores for the People Promise elements were largely comparable to the previous year's results. The lower scores are for the elements 'We are recognised and rewarded' and 'We each have a voice that counts'. Staff engagement and morale has also seen a slight reduction in scores, with engagement considered significantly lower than the previous year.

The following table shows this year's results when compared against the benchmarking group of 124 similar organisations, showing how our Trust compares with the average, best and worst results:



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagememt	Morale
Your org	7.1	5.6	6.4	5.8	5.1	5.9	6.4	6.6	5.6
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	2477	2477	2465	2470	2392	2473	2474	2480	2482

The table below shows the themes where we have scored lower than last year:

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.1	2874	7.1	2477	Not significant
We are recognised and rewarded	5.7	2860	5.6	2477	Significantly lower
We each have a voice that counts	6.6	2853	6.4	2465	Significantly lower
We are safe and healthy	5.8	2866	5.8	2470	Not significant
We are always learning	5.2	2753	5.1	2392	Not significant
We work flexibly	5.9	2847	5.9	2473	Not significant
We are a team	6.5	2855	6.4	2474	Not significant
Themes					
Staff Engagement	6.7	2881	6.6	2480	Significantly lower
Morale	5.7	2881	5.6	2482	Not significant

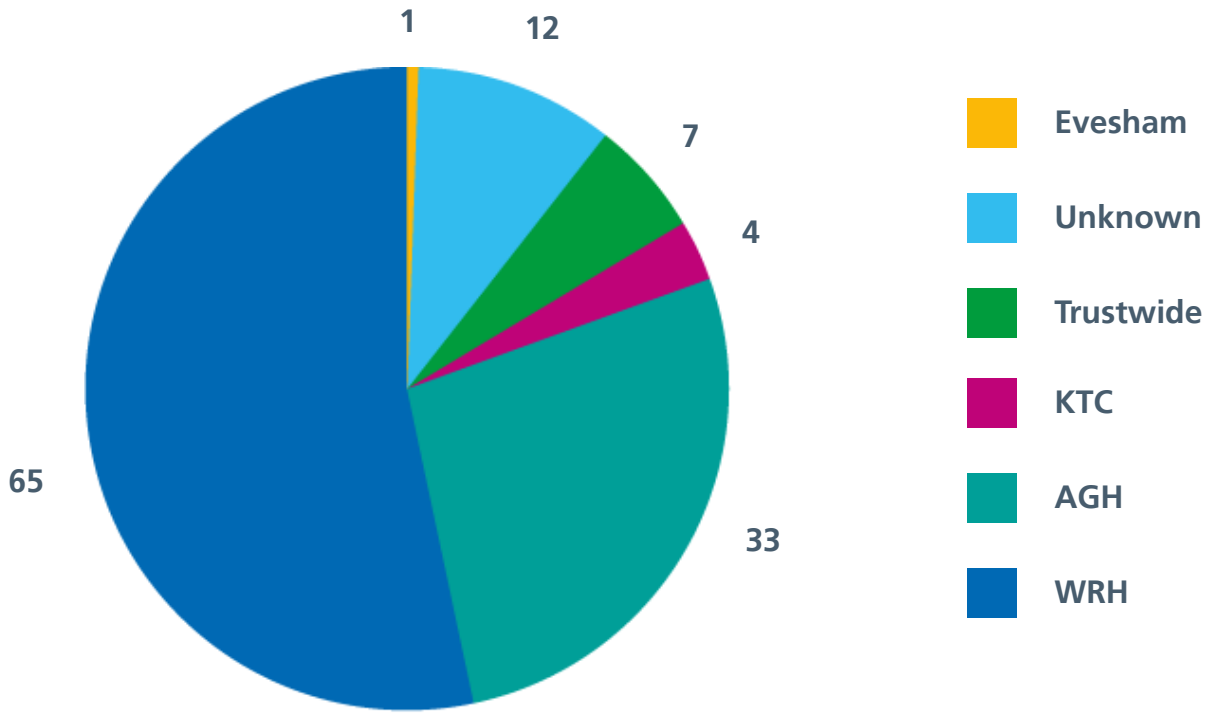
Specific projects including the 4ward behaviours refresh, the development of a behavioural toolkit, the embedding of the Behavioural Charter with a zero-tolerance approach and the establishment of our 'staff offer' will all help to address key themes identified in the survey, particularly around raising concerns and recommending the Trust as a place to work.

As well as the ongoing delivery of these projects, the areas of the Trust requiring most support will be identified through analysis of survey heat maps, with subject matter experts from HR, OD and Improvement then working with teams to develop specific action plans and tailored solutions.

Freedom to Speak Up (FTSU)

During 2022 we have continued to raise the profile of FTSU with regular bulletins from our Guardian and launch of our FTSU Portal so that staff can access support via one click.
The Guardian is supported by a network of FTSU champions across our three sites and the 4ward advocates now undertake some FTSU training to support also

FTSU Cases by Site



The following tables provide an overview of the concerns raised through the FTSU Guardian in 2022/23. The majority of the cases raised cover the themes of inappropriate behaviour and attitudes including bullying and harassment.

The advent of the portal has also seen an increase in anonymous concerns, the majority being around attitudes and behaviour.

Summary of concerns raised to the Freedom to Speak Up Guardian in 2022/23

Total number of speak up incidences	Total number of speak up incidences reported anonymously	Total number of speak up incidences where there was a bullying or harassment element	Total number of speak up incidences where there was a patient safety or quality element	Total number of speak up incidences where there was a perception of detriment to the reporter
123	**56**	**32**	**14**	**0**

Themes of concerns raised to FTSU in 2022/23:

The level of reporting has increased from 112 to 123 in the same period from the previous 12 months demonstrating a culture where more concerns are being raised.

Theme	Number of times issue raised
Bullying and harassment	32
Staff Levels	16
Attitudes and behaviours	78
Policy and Procedures	23
Quality and Safety	14
Worker Safety and well-being	25
Other	17
GRAND TOTAL	123 cases (some with multiple issues)

There has been an increase in reported cases since the advent of the portal in October 2020. The breakdown of the cases over the last 4 years is as follows:

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

Headlines from the FTSU data:

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

The main theme continues to be attitudes and behaviour despite publicity surrounding civility and respect and the behaviour charter. With the advent of the behavioural indicators underpinning the signature behaviours this may result in a further increase as unacceptable behaviour is called out. The FTSU Guardian has also just completed the Active Bystander training with a view to implementing and rolling out across the Trust.

FTSU Policy and Process

The Freedom to Speak up Policy has been reviewed in line with the National Guardian Office's framework and has been ratified by the Joint Negotiating and Consultative Committee. This saw the addition of an appendix on detriment. The National Guardians Office has just released a National Policy which the guardian is reviewing and adding any local information required before launching.

FTSU reflection and planning tool

The FTSU along with Director and Deputy Director of People and Culture have undertaken the FTSU reflection and planning tool in conjunction with the Gap analysis undertaken after the findings of the West Suffolk Review West Suffolk Review (england.nhs.uk), which was commissioned in response to events that followed on

from an anonymous letter sent and the speaking up arrangements within that Trust. The National Guardians office recommended a Gap analysis be conducted in response to the findings coupled with the self-assessment tool. The action plan has highlighted good areas of practice including:

- The appointment and training of the FTSU Guardian
- Allocated time to the FTSU role
- Support to the FTSU Guardian and triangulation of FTSU data
- Support that the FTSU Guardian receives
- Maintenance of confidentiality
- FTSU champions are clear on their roles

The tool has also identified gaps that we now need to address as identified in the following tables:

"Development areas to address for FTSU in the next 6–12 months"	Target date	Action owner
Merge of National policy with local policy including detriment and disadvantageous treatment	March 23	FTSU Guardian
Self-assessment and Gap analysis to be shared with Trust Management Executive	March 23	FTSU Guardian/Director of People & Culture
Board Development session incorporating Follow Up training	June 23	FTSU Guardian/Director of People & Culture
FTSU training to be mandated for all staff	December 23	FTSU Guardian/Director of People & Culture
Review and implement cover to avoid any gaps in FTSU service	March 23	FTSU Guardian/Director of People & Culture
Roll out of staff experience group and cultural heat map	June 23	FTSU Guardian/Director of People & Culture
Engage with Non Executive Directors and ensure they are up to date and informed	March 23	FTSU Guardian/Trust Chair

FTSU Development areas to address in the next 12–24 months	**Target date**	**Action owner**
Review of communications strategy	Jan 24	FTSU Guardian/Communications Team
Yearly self-assessment review	Feb 24	FTSU Guardian/Director of People & Culture
FTSU survey through 4ward advocates and champions	Feb 24	FTSU Guardian

FTSU Good news

The portal continues to grow and the Trust is now host for the neighbouring Trust which is using the portal. We have added protected characteristics so the FTSU Guardian is now able to provide the data and in the last month we have added a feedback survey which is automatically sent to cases when they are closed to enable us to continuously improve on the service.

Marketing of FTSU

Marketing continues with the following:

- National training for new champions
- All 4ward advocates now have elementary FTSU training
- The recruitment of a BAME FTSU champion
- Champions posters developed and printed and distribution across the three sites
- Attendance at divisional/directorate meetings
- Representation at the BAME, LGBT+, disability network and the faith and spirituality network
- Ordering and distribution of new FTSU champion badges to increase visibility
- A slot on the Trust Induction
- Walkabouts in clinical areas and GENBA walks

FTSU Governance

The progress on and a review of the FTSU programme is reported to:

- The FTSU working Group (Chaired by Director of People and Culture) bi-monthly
- The People and Culture Committee twice yearly
- The Board twice yearly
- The Audit and Assurance committee annually
- The Chief Executive on a quarterly basis

FTSU Learning

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

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

Our Workforce

The recruitment and retention of our staff remains a key priority with staff turnover, sickness and vacancy numbers impacted by the pandemic, although we are starting to see signs of recovery. Our substantive vacancy rate has increased by 2.62% to 11.63% this year, primarily due to an increase in the number of leavers (particularly retirements and work life balance). Our funded establishment has also increased by 422 Whole Time Equivalent (WTE) to staff surge areas, Aconbury moves and Pathway Discharge Unit. During some of 22/23 we have continued to provide covid activity such as pods, vaccination clinics and other national requirements. The majority of the 203 WTE growth in staff in post was recruitment to swap out from bank and agency.

Snapshot of key workforce performance indicators (KPI):

KPI	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Cumulatve Sickness Absence Rate	4.27%	4.17%	4.20%	4.72%	4.96%	5.43%	5.83%
Actual staff in post in full time equivalent (FTE)	5,106	5,200	5,316	5,567	5,827	5,881	6,084
Headcount staff in post	5,951	6,055	6,207	6,453	6,748	6,806	7,015
Mandatory Training Cormpliance	89%	89%	84% **	89%	90%	90%	89%
Appraisal Completion %	76%	65%	77%	81%	79%	76%	81%
Staff Turnover	12.57%	11.04%	12.30%	11.12%	9.50%	12.43%	12.14%

** Drop in compliance in 2018/19 for Mandatory Training is due to breaking competencies down into levels rather than reporting at base level.

Sickness Absence

In the last year the cumulative absence rate has deteriorated by 0.4% to 5.83%. We monitor our sickness rates against the national and peer median via the Model Hospital. Our sickness was better than the national average on Model Hospital in March 2022 which is the most up to date comparison data. Our sickness was 5.8% on Model Hospital (Quartile 2 (Good) compared to national average of 6.2%. Monthly Sickness rates are 0.18% lower than the same period last year. Our sickness rates equate to an average of 18.09 days lost per employee which is the highest on our records and compares to under 13.65 days per employee pre-pandemic. Some of this increase will be due to the national rules which means that Covid absence was not counted towards triggers and thus more difficult to manage. We have also seen an increase in staff absence due to stress and anxiety.

Staff Sickness	2017 -2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total FTE Days lost	76,071	80,266	88,100	99,853	115,401	126,903
Total staff (headcount)	6,055	6,207	6,453	6,748	6,806	7,015
Average number of working days lost	12.56	12.93	13.65	14.8	16.96	18.09

Absence due to Covid-19

The levels of Covid related absence have significantly improved this year and was overtaken during the winter period by absence for cough colds and flu. The national return to sickness rules where staff do not receive enhancements during covid will have had a positive impact on sickness levels, particularly with cost of living increases. From April 2022 Healthcare workers were no longer required to isolate if they have a positive household contact which has improved attendance at work

"Absences due to Covid Self Isolation on 31st March (Snapshot)"	Absences 31st March 2023 (Snapshot)	Absences 31st March 2022 (Snapshot)	Absences 31st March 2021 (Snapshot)
COVID Household Member Symptoms	0	30	0
COVID Lateral Flow Test Isolation	0	65	1
COVID Symptomatic	41	72	24
COVID Track & Trace	0	21	0
Non Covid Related Absence	314	254	270
Grand Total	**355**	**442**	**295**

Staff safety during Covid

The Trust has focussed much time during 2021/22 on encouraging all staff to complete a Covid Health Risk Assessment so that steps can be taken to mitigate their risk including the issue of PPE to all staff, and the offer of redeployment for those who have a "red" risk. As at 31st March 2022 95% of our staff had an up to date risk assessment. This has dropped to 83% in March 2023 due to turnover.

Staff Turnover

Our overall staff turnover had been reducing year on year since July 2015 from 12.97% to 9.5% in March 2021 when staff were not moving jobs during the pandemic. However, this returned to pre-pandemic levels last year and is currently 12.14% which is above our target of 11.5%. This trend appears to be comparable with other Trusts as we are at Quartile 1 (best) for Registered Nurses and Additional Scientific and Technical. We are also Quartile 2 (good) for Registered Midwives, HCAs, HealthCare Scientists and Allied Health Professionals. Administrative and Clerical are of concern at Quartile 4 and Estates and Ancillary at Quartile 3. (Latest Model Hospital data is as at November 2022)

Workforce Demographics

The analysis of WTE employed as at 31st March 2023 are below by category and staff group is as follows:

Number of Employees as at 31 March 2023 (WTE)	Permanent	Fixed Term T	Locum	Grand Total
Add Prof Scientific and Technic	140.14	4.11		144.24
Additional Clinical Services	1115.31	26.46		1141.76
Administrative and Clerical	1060.02	63.97		1123.98
Allied Health Professionals	418.73	8.45		427.18
Estates and Ancillary	305.68	3		308.68
Healthcare Scientists	173.76	2.4		176.16
Medical and Dental	326.93	410.41	1.1	738.48
Nursing and Midwifery Registered	1998.46	25.21		2023.67
Grand Total	**5539.02**	**544.01**	**1.13**	**6084.16**

Our FTE breakdown by staff group as at 31st March 2023 is as follows:

WORKFORCE PROFILE	FTE					
Staff Group	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar23
Add Prof Scientific and Technic	174	191	193	204	145	144
Additional Clinical Services	977	995	1050	1085	1075	1142
Administrative and Clerical	967	996	1043	1095	1100	1124
Allied Health Professionals	345	363	356	374	438	427
Estates and Ancillary	260	279	294	305	313	309
Healthcare Scientists	179	179	174	167	163	176
Medical and Dental	582	607	653	676	689	738
Nursing and Midwifery Registered	1692	1,698	1800	1871	1958	2024
Students	24	9	2	52		
Grand Total	**5,200**	**5,316**	**5567**	**5827**	**5881**	**6084**

Our profile of Senior Managers (Band 8 and above) by gender as at 31st March 2023 is as follows:

Senior Managers Profile as at 31 Mar 2022 (Headcount)				
Staff Category	**Band 8**	**Band 9**	**Trust Board**	**Total**
Trust Board (Female)			12	12
Trust Board (Male)			7	7
Senior Manager (Female)	241	9		250
Senior Manager (Male)	67	2		69
Total	**308**	**11**	**19**	**338**

From the staff on our payroll on ESR as at 31st March 2023 we had the following assignment categories:

Assignment Category as at 31st March 2023	FTE	Employee Headcount
Fixed Term Temp Locum	545.14	584
Permanent	5,539.02	6431
Grand Total	**6,084.16**	**7015**

The total staff costs for 2022/23 were as follows:

Staff Cost 2022/23	Permanent £'000	Other £'000	Total £'000
Salaries and Wages	262,510	0	262,510
Social Security Costs	27,295	2,225	29,520
Apprenticeship Levy	1,322	0	1,322
NHS Pension Costs	43,462	1,136	44,598
Other Pension Costs	81	3	84
Temporary Staff	0	60,223	60,223
Less: recoveries in respect of outward secondments (where treated net)		0	0
Total Staff Costs	**334,670**	**63,587**	**398,257**

Vacancies

The Trust has continued to rely on a high percentage of agency workers to address additional capacity due to the opening of additional wards and response to the Covid pandemic. The breakdown of staff and workers as at 31st March 2023 is as follows:

Substantive / Bank / Agency as at M12 ADI 2022/23	Funded WTE	Contracted WTE	Vacant WTE	Worked WTE
Agency	30.93	0	30.93	403.25
Bank	23.22	5	18.22	477.48
Substantive	6885.07	6098.74	786.33	5955.53
TOTAL	**6939.22**	**6103.74**	**835.48**	**6836.26**

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

Health and Wellbeing

Our nurse led SEQOHS accredited Occupational Health and Wellbeing service (OH) promotes and helps improve the health and wellbeing of people in work – both within our Trust and for external public and private sector organisations.

The service offers independent advice both to managers and employees, which includes pre placement health screening, absence management advice, workplace assessments and health surveillance programmes. We also offer physiotherapy support for staff with musculoskeletal problems.

Immunisation clinics are implemented across all 3 sites on a weekly basis and OH have a proactive role in the planning and delivering of the annual Flu campaign which has also included Covid-19 booster vaccinations during 2021 and 2022. For 2022 Our flu target was 90% of front line staff, however we offered the vaccination to all staff.

FLU VACCINES AS AT 3/1/23			
Division	**Yes**	**Grand Total**	**%**
365 Corporate	333	640	52%
365 Digital	45	93	48%
365 Estates & Facilities	166	372	45%
365 Specialised Clinical Services Division	1038	2105	49%
365 Specialty Medicine	666	1446	46%
365 Surgery	393	967	41%
365 Urgent Care	229	607	38%
365 Women & Children	348	816	43%
Grand Total	**3218**	**7046**	**46%**

OH are also actively involved in Trust webinars/ health and wellbeing events to promote the role of OH and support our staff. OH report quarterly on all activity which can then be used to highlight any patterns or areas of concern. For example: here is a breakdown of OH referrals for work related stress. Cases increased from 146 in 2019 to 241 in 2021 and 286 in 2022. There has been a slight decrease in 2022/23 to 219:

Work Related Stress OH appointments			
COVID including compulsory vaccinations in addition to the reasons given last year	6	2.7%	Decrease
Relationship Issues with colleagues	20	9.2%	Decrease
Relationship issues with manager	18	8.3%	Increase
Workload (inc staffing levels)	84	38.0%	Increase
Working hours	18	8.0%	Decrease
Working environment	11	5.0%	Decrease
Investigation/incident at work/ Performance management	30	13.8%	Decrease
Redeployment to other areas	1	0.6%	Decrease
Not identified in notes	3	1.5%	Decrease
Combination	28	12.9%	Increase
GRAND TOTAL	**219**		**Decrease of 67**

Wellbeing Information for Staff

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

Our Health and Wellbeing plan is based on the following:

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

Staff Appraisals

The Trust believes appraisals are vital in valuing staff and all staff should have an appraisal every year. However, there was some dispensation given for appraisals during the Pandemic. The Trusts appraisal rate for non-medical staff as at 31 March 2023 was 81% compared to 76% the previous year. This compares favourably to the Model Hospital average of 76.3%. Appraisal will continue to be a focus for managers as we move through the recovery and restoration phase following the pandemic particularly for admin and clerical staff who have been impacted by working from home, and ancillary staff who have increased levels of sickness.

Electronic Staff Record (ESR) – Self Service

The Trust rolled out ESR Employee Self Service in October 2017. This enables all staff to view the information that is recorded about them on the payroll system, access their payslips and pensions statements, and to update their own personal information. It also enables them to view their training compliance via a Competency Matrix which is RAG rated and sends them reminders four months before their training is due to expire.

ESR Employee Self Service continues to be a key tool in improving and maintaining our training compliance. Throughout the Pandemic we have maintained high levels of Mandatory Training Compliance at around 90% which is better than the Model Hospital average of 88%. Current compliance as at 31st March 2023 is 89%.

During this year we have rolled out a new Essential to Role (E2R) topics for Insulin and Donning and Doffing and have an agreed plan for further topic roll out. Compliance is currently 87% across the board for E2R topics compared to 88% last year.

E-Rostering

The Trust uses a suite of rostering solutions from Allocate Software as recommended in the Carter Report. Previously E-Rostering was limited to Nurses but in 2020 we rolled out Medics Ros-

tering and Locum on Duty which facilitates early booking of locum shifts via bank staff in the first instance with a view to reducing premium agency costs.

HealthRoster is the route for booking and recording all absence which has improved transparency and triangulation of our absence data. The Rostering Team support managers across all disciplines to implement full Rostering and encouraging both auto-rostering and self-rostering to improve our Flexible Working offer to staff. HealthRoster has played a key part in our incident management for both Covid and latterly during strike action due to its reporting functionality.

Flexible Working

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

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

Employee Policies

We have a programme for reviewing and consulting on changes to staff policies prior to approval at the JNCC. All agreed policies and any other information for staff are subject to an Equalities Impact Assessment and are available through email, Worcestershire Weekly and on the intranet.

Workforce Key Performance Indicators

We regularly monitor our workforce KPIs at JNCC, People and Culture Committee, Trust Management Executive and Trust Board. During the pandemic key KPIs have also been reported through the Gold Command structure.

Equality and Diversity

The Trust recognises that a diverse workforce (that is represented across all levels) brings a range of experiences, ideas and creativity essential for delivering high quality, safe healthcare. As at 31st March 2023 the ethnic breakdown of our staff was as follows:

Headcount by Ethnicity as at 31 Mar 2023			
Ethnicity	Female	Male	Total
Asian or Asian British	790	309	1099
Black or Black British	93	36	129
Mixed Race	76	32	108
Not Stated / Undisclosed	17	7	24
Other	97	57	154
White	4,675	826	5,501
Grand Total	**5,748**	**1,267**	**7,015**

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

Inclusive Recruitment

In April 2022, we introduced a new inclusive recruitment approach for senior leadership roles at AFC Band 8a and above within the organisation. To ensure consistency throughout the organisation, managers were provided with a new toolkit explaining the new requirements of this programme of work.

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

A new role of recruitment champions has been introduced at shortlisting and interview stage to ensure that these processes are evidence-based and free from bias. Their role is to identify and explore further issues of culture, and behaviour, where staff may be being treated less favourably, potential discrimination and unconscious or conscious cultural bias. All of which could be present, observed and ignored during informal or formal processes. The Recruitment Champions role is to be curious about these issues, make them transparent and create dialogue to establish the potential impact on the outcome. Inclusive Interview Questions and specific questions for Leadership roles have been developed to be asked at interviews in support of this new initiative.

Staff Inclusion Networks

Disability Network

Over the last 12 months, the Network has built lasting relationships with managers who have sought support to ensure they do the "right thing" for their staff who identify as having a disability, this includes making reasonable adjustments and managing the absence levels of members of staff with disabilities. The Network has been instrumental in ensuring that Disability leave is fully embedded into the organisational sickness absence policy.

Our biggest achievement this year has been our successful bid to the Workforce Disability Innovation fund for funding to look at innovative ways we recruit staff with disabilities. Work has already commenced with a disability-specific recruiting platform that will advertise roles on our behalf directly to potential applicants with a disability. In 2023, we will be holding disability-confident job fairs. The Network also continues to support staff with a disability to enhance their experience in the Trust.

In 2023 we will continue our work to actively increase the number of applications we receive from people with a disability and work with the Trust to look at innovative ways we can engage staff that have a disability to update the staff record on ESR accordingly. We plan to look at the development and implementation of health ability passports to ensure staff and managers have the required support when to different departments in the organisation. We will also continue our work to further the Trust Disability Confident status with the Disability Confident scheme.

LGBTQ+ Network

2022 was a very successful year for the LGBTQ+ network. After a re-launch in January 2022, membership to the network has increased, which has helped us to complete our key objective. Much of the year was spent working on the NHS Rainbow Badge project, for which the Trust was awarded an 'Initial Stage' status. Whilst the report highlighted many areas for improvement, it was reassuring to see that many of the action points were already in progress. The network secured some initial training for staff on gender

identity with the Sussex Partnership Trust.

Other work has included completing the Healthwatch 2020 action plan. The Network has worked closely with the Trust to promote the use of pro-nouns and help to educate staff on its importance. We are pleased to have developed a new intranet site for our staff with educational resources and a new internet site for our patients, highlighting what the Trust does to help our LGBTQ+ patients. 2023 will begin with the launch of the NHS Rainbow Badge in February, to link in with LGBT History Month. We will be encouraging our staff to sign up for the scheme, which will involve attending an LGBTQ+ Awareness training session. Our focus will then turn to the recommendations made in the NHS Rainbow Badge assessment, which will include developing new mandatory training, ensuring that all Trust wide policies use inclusive language and have appropriate equality impact assessments and facilities across our three sites.

BAME Network

2022 has been a very busy year for our network. Network members have been providing ongoing support to the key organisational work streams for the Trust Behavioural charter, our new organisational approach to Inclusive recruitment and the cultural ambassador and women advancing in leadership programmes.
In 2023 we will be providing further contributions to the key work streams, inclusive policy development and review and work; we will begin a new initiative to link the network to our international nurse colleagues.

Our Network priorities for 2023 are:

- Work with the Trust to understand legitimate discrimination.
- Producing an EDI newsletter for staff in conjunction with our other Networks
- Racism awareness events throughout the year

The Faith and Spirituality Network

The network is the newest of the staff inclusion networks, having started in the Summer of 2022, and now into a regular monthly pattern of meetings on Teams. Our network aims to provide staff with a "Safe space" where individuals can express their 14 beliefs and concerns without discrimination, harassment, and victimisation. It is there as well to enable staff to communicate with patients and colleagues appropriately, and to provide advice and guidance on how patients' religious and philosophical beliefs can be met by all members of staff, aligning with the Trust 4Ward behaviours, including we 'listen, learn and lead'.

Gender Pay Gap

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

It is a legal requirement for all relevant employers to publish their gender pay report within one year of the 'snapshot' date: this year's date being 31st March 2022.

The Trust's Gender Pay Gap, in summary:

- The Trust's mean gender pay gap is 31.72%
- The Trust's median gender pay gap is 16.02%
- The Trust's mean bonus gender pay gap is 39.68%

- The Trust's median bonus gender pay gap is 40.13%
- The proportion of males receiving a bonus payment is 5.94%
- The proportion of females receiving a bonus payment is 0.50%

Performance Report

Performance Overview

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

What we do

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

We provide a wide range of services to a population of more than 592,158 people in Worcestershire as well as caring for patients from surrounding counties and further afield.

Over the course of the year

- 165,086 patients attended our Accident and Emergency departments at Worcestershire Royal and Alexandra Hospitals and our Minor Injuries Unit at Kidderminster Hospital and Treatment Centre
  - 46,122 patients were conveyed by an ambulance
  - 118,694 patients self-presented
- 142,923 patients were admitted to our hospitals
- 54,498 were emergencies
- 88,425 were planned
- 592,548 patients attended an outpatient clinic
- 4,803 women gave birth to 4,875 babies

Performance Measurement

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

Our priorities for 2022/23 were aligned to our strategic objectives and delivered through actions in relation to:

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

The key risks and issues impacting on the Trust's delivery of its strategic objectives are included the in the Board Assurance Framework. The summary BAF and the Trust's risk management processes are described in detail in the Annual Governance Statement at sections 4 – 6.

A YEAR IN NUMBERS 22/23

2,854
COVID INPATIENTS

14.8
DAYS IN HOSPITAL (FOR COVID PATIENTS)

2,513
PATIENTS DISCHARGED (COVID PATIENTS)

470,693
OUTPATIENTS (FACE TO FACE)

122,758
OUTPATIENTS (VIRTUAL)

118,964
WALK-IN PATIENTS (A&E)

46,122
PATIENTS ARRIVING BY AMBULANCE

143,956
INPATIENTS

4,875
BIRTHS

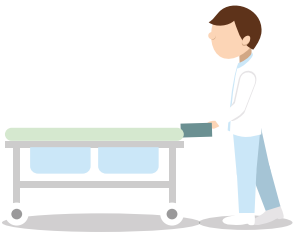
2,320
EMERGENCY OPERATIONS

14,841
ELECTIVE OPERATIONS

2,218
TRAUMA OPERATIONS

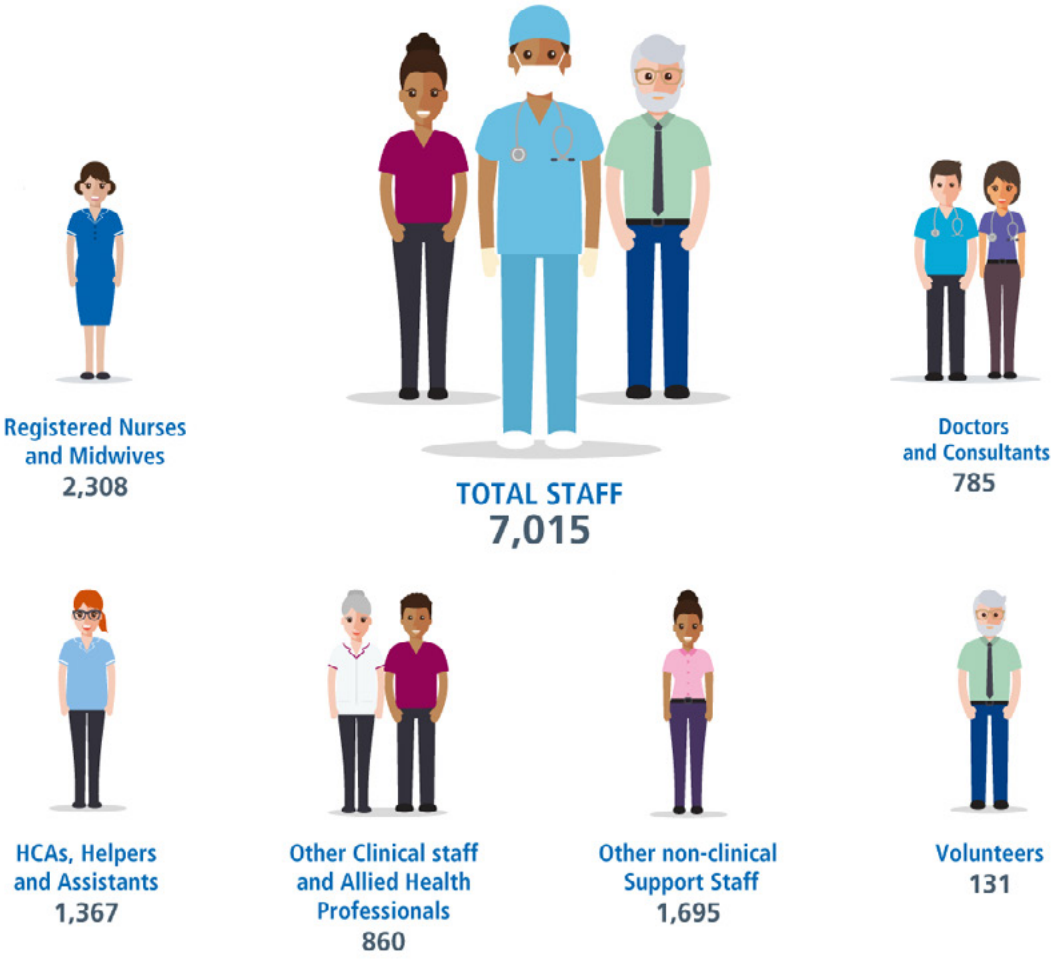
6.6
AVERAGE LENGTH OF STAY

481,876
NUMBER OF MEALS SERVED

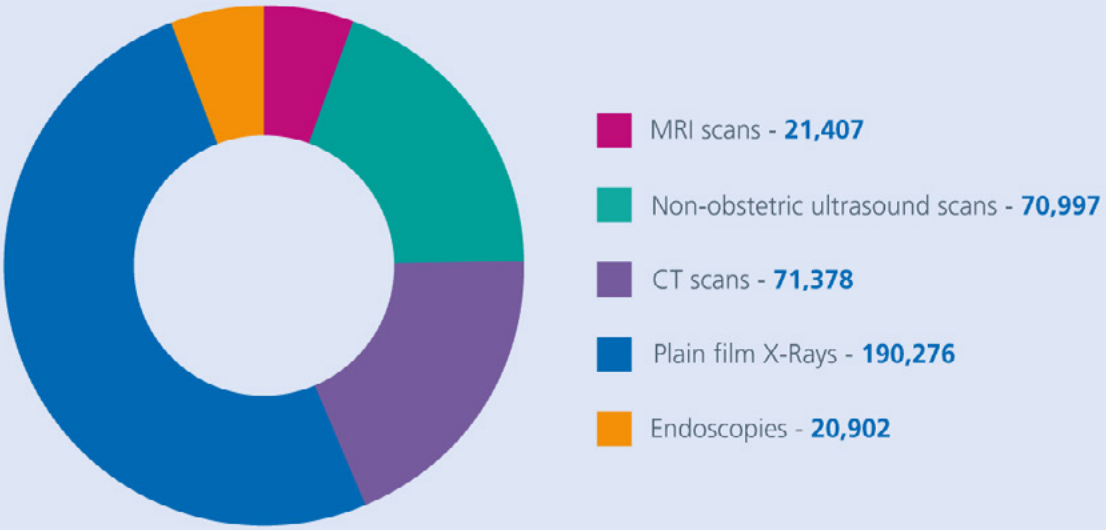


1,008,894
NUMBER OF SHEETS LAUNDERED

£58.2m
VALUE OF PRESCRIPTIONS ISSUED



Diagnostics



Care Quality Commission

The Care Quality Commission (CQC) carried out an unannounced inspection in November 2022 at both the Alexandra and Worcestershire Royal Hospitals.

The visits were part of a wider inspection of our local health and care system. The following core services were inspected:

- Urgent and emergency service
- Medical care (including older people's care)

The final inspection report will be published in 2023/24

Ratings for the whole Trust:

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

Ratings for the acute services/acute Trust:

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Worcestershire Royal Hospital	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Alexandra Hospital	Requires Improvement	Requires Improve-ment	Good	Requires Improvement	Good	Requires Improvement
Kidderminster Hospital and Treatment Centre	Good	Good	Good	Requires Improvement	Good	Good
Evesham Community Hospital	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Overall Trust	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement

Performance Summary

Description	Indicator	2021/22 Target	Year End	Period
Quality				
Mortality	HSMR – Hospital Standardised Mortality Ratio	<=100	98.98 (as expected)	Rolling 12 months to January 2023
	SHMI – Summary Hospital Mortality Indicator	<=1	1.0444 (as expected)	Rolling 12 months to October 2022
Infection Control	Clostridium Difficile	<=72	99	April 2022 – February 2023
	MRSA	0	0	April 2022 – February 2023
Prevention	VTE - Venous Thromboembolism Risk Assessment	>=95%	96.3%	April 2022 to March 2023
Patient Experience	Mixed Sex Accommodation Breaches	0	160	April 2022 - March 2023
Operational				
Cancer	2 Week Wait: All Cancer Two Week Wait (suspected Cancer)	>=93%	71.7%	April 2022 – February 2023
	2 Week Wait: Wait for symptomatic breast patients (Cancer not initially suspected)	>=93%	70.7%	April 2022 – February 2023
	28 Day Faster Diagnosis	>=75%	58.6%	April 2022 – February 2023
	31 days: Wait for first treatment: All Cancers	>=96%	92.3%	April 2022 – February 2023
	62 days: Wait for first treatment from urgent GP referral: All Cancers (unadjusted)	>=85%	44.2%	April 2022 – February 2023

Description	Indicator	2021/22 Target	Year End	Period
Quality				
18 Weeks Waiting Time	RTT - Referral to Treatment: Incomplete - 92% in 18 weeks	>=92%	45.7%	February 2023
Diagnostic Waiting Time	6+ week Diagnostic Waits (% of breaches on the waiting list)	<=1%	16.8%	February 2023
ED Waiting Time	4 Hour Waits (%) - Trust inc MIU	>=95%	64.9%	April 2022 - January 2023
Stroke	80% of patients spend 90% of time in a Stroke Ward	>=80%	45.70%	April 2022 - January 2023
	Direct admission (via A&E) to Stroke Ward	>=90%	16.60%	April 2022 - January 2023
	TIA - Transient Ischaemic Attack - High Risk Patients seen within 24 hours	>=70%	92.20%	April 2022 - January 2023
	CT scan within 24 hours of arrival	>=80%	47.70%	April 2022 - January 2023
Patient Experience				
Friends and Family Test	Acute Wards (% recommend)	-	98.0%	April 2022 – February 2023
	Acute Wards (Response Rate %)	>=30%	36.8%	April 2022 – February 2023
	A&E (% recommend)	-	90.0%	April 2022 – February 2023
	A&E (Response Rate %)	>=20%	21.0%	April 2022 – February 2023
	Maternity (% recommend)	-	100.0%	April 2022 – February 2023
	Maternity (Response Rate %)	>=30%	4.7%	April 2022 – February 2023

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Performance Management Framework

The Trust's Performance Management and Accountability Framework continues to be revised to ensure it aligns itself with the Trust's operating model whilst drawing on best practice across the NHS.

Performance is reviewed in line with the four following priorities

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

The divisional performance matrix aligns metrics to these four themes whilst ensuring that all of the annual priorities have been accounted for. Performance is monitored against the targets set out in the NHS Oversight Framework and against NHSE's Elective recovery priorities and operational planning guidance. In all other cases targets or improvement trajectories are agreed with Divisions.

Performance tracking is based on these general principles:

- High quality care and patient safety is the over-riding goal.
- Transparency of performance metrics and reporting.
- Decisions are based on transparent quality, timely and reliable information built on clinical leadership of data quality.
- Information is shown in trends; using SPC charts where appropriate (aligned to NHS - Making Data Count)
- Clear targets are set reflecting national and local priorities.
- Targets provide a balanced view of performance across the NHS Outcomes Framework themes.
- Key performance indicators are established, with clear links to drivers so that changed be understood, and subject to continual review.
- Corporate objectives/priorities targets are broken down to Divisions and sub specialities and where appropriate team and individual targets, in order to enhance accountability.

The restoration of services continued to be prioritised, led by the Elective Task and Finish Group and its sub-committees. A new Performance Management Framework has been drafted and once approved will be implemented.

The Trust also ensures that its performance is not affected by fraud and our approach to anti corruption is set out in the Annual Governance Statement at section 49.

The impact of Covid-19 on the Delivery of Operational Performance Standards

The Trust is committed to delivering the operational performance standards and ensuring safe, high quality, efficient services, which provide a good experience for the patient and their families.

The four key national standards in relation to Emergency Access, Referral To Treatment (RTT), 62 day Cancer waiting time and Diagnostics have not been met during 2022/23.

Plans to improve performance are highly dependent on the availability of beds, the capacity to respond to the unknown, unmet, demand that will result from the anticipated increased levels of GP referrals and the treatments required, and delivery of service restoration.

The summary of performance can be seen within the Performance Summary section, page 62 and is described in more detail below.

Emergency Access Standard: 95% of patients treated/admitted from ED within 4 hours of arriving in ED

Performance for the Emergency Access Standard has not met the national target of 95% for more than 7 years. With 65.2% of patients admitted, transferred or discharged within 4 hours, the EAS performance for the year has decreased in 2022/23 by 7 percentage points compared to the 2021/22 performance of 72.2%. The principal reason for the performance level remains the lack of bed availability caused by delays in discharging patients following completion of their hospital based treatment. Bed capacity at peak times during 22/23 was extremely limited due to a lack of patient flow out of our hospitals which resulted in the number of patients waiting more than 12 hours in the A&E Departments from the point at which a decision had been made to admit them increasing significantly from 1,248 in 21/22 to 3,473 in 22/23.

Referral to Treatment (validated at Feb-23): 92% of patients to be treated within 18 weeks of referral

The Trust has not met the 92% standard in 2022/23. At the end of February 2023 45.7% of patients were within 18 weeks of referral compared to 47.0% the previous March. The size of the waiting list has grown from 57,151 at the end of March 2022 to 67,210 at the end of February 2023. Over the course of the year, activity levels fluctuated, however they were not above 2019/20 levels which was the expectation from NHS England. The number of patients over 52 weeks for their treatment fluctuated from month to month throughout 2022/23, starting at 5,849 in March-22 and finishing at 7,158 at the end of February 2023. The ambition to have no patients waiting over 104 weeks was realised during 2022,23 and although we did not achieve the requirement to have zero patients breaching 78 weeks at the end of the year, we did reduce the potential cohort from 23,000 to 343 (TBC) at 31st March 2023.

Cancer (validated to Feb-23): 85% of cancer patients to commence treatment within 62 days of referral

Over the year 44.2% of patients commenced treatment within 62 days. This is a decrease from the previous year which saw 58.8% of patients commencing treatment within the required timescales. This is despite an increase in the number of patients treated; 2,415 in 2022/23 compared to 2,228 in 2021/22. The increase in cancer referrals experience in 21/22 continued into 22/23 continued to put significant pressure on our clinical capacity and the timeliness of cancer pathways resulting in more patients breaching the waiting times standards. Over the course of the year, significant improvements were made in reducing the backlog of patients waiting 62+ days for diagnosis and/or treatment; from its peak of 830 in September to 243 at year end.

Diagnostics (validated at Feb-23): No more than 1% of patients to wait more than 6 weeks for a diagnostic test

The Diagnostics standard has not been met in 2022/23 with 16.8% of patients waiting more than 6 weeks at the end of February 2023. However, this is an improvement on the previous year's performance in 2021/22 when 27.4% of patients were waiting more than 6 weeks. Delays in patients receiving diagnostic tests do have an adverse impact on the time elapsed before cancer treatment commences as well as other non-cancer treatment pathways. To support this improvement, we delivered more diagnostic test activity in 22/23 than in 19/20 (the NHS England benchmark of successful recovery) which reduced the number of patients waiting 6+ and 13+ weeks.

Signed:

Christine Blanshard
Deputy Chief Executive
Date 13 July 2023

Financial Performance in 2022/23

The 2022/23 financial year continued to present challenges in recovering from the pandemic. Despite this backdrop the Trust achieved the financial plan agreed with the Herefordshire & Worcestershire Integrated Care Board and NHS England at the start of the year by returning a financial performance deficit of £19.8m against a planned deficit of £19.9m.

The adjusted financial performance deficit (excluding the impact of impairments and donated assets) was £(19.8)m as outlined in the summary table below.

Financial Position - Income and Expenditure	Actual 2021/22 £000's	Actual 2022/23 £000's
Operational (Adjusted) financial performance surplus / (deficit)	(1,356)	(19,775)
Adjust Remove I&E impact of capital grants and donations	(151)	125
Adjust Remove net impairments not scoring to the Departmental expenditure limit	238	9,658
Adjust Remove net impact of inventories received from DHSC group bodies for COVID response	273	(27)
Surplus / (deficit) for the period	**(1,716)**	**(29,532)**

Our Productivity and Efficiency Programme target for 22/23 was a challenging £15.7m (2.6%). A number of productivity and efficiency schemes were delivered in line with plan in year, totalling c.£10m (64%) of which c.£8.5m of the delivered savings were achieved recurrently and included savings on the reduction of high cost agency expenditure.

The Trust ended the year with a positive cash balance of £33.5m ensuring compliance with its external financing limit. No interim revenue borrowing was requested or received during 2022/23.

The Trust received £38.3m of Public Dividend Capital (PDC) to support capital developments that are largely related to supporting the recovery of post pandemic services including the development of a new Urgent and Emergency Care Centre, Diagnostic and Elective Theatre Capacity and Frontline Digitisation programme. In total the Trust spent c£50.6m on capital developments including the annual requirement to improve backlog maintenance and equipment replacement programmes.

The Better Payments Practice Code (BPPC) targets NHS Bodies with paying Creditors within 30 days of receipt of goods or an undisputed invoice (whichever is later) unless payment terms have been agreed. The Trusts Better Payment Performance in 2022/23 was 95% by number (95% in 2021/22) and 94% of value (96% in 2021/22) which are a broadly consistent position.

BPPC Target Performance : 95%	Number	£000
Non NHS Payables		
Total Non-NHS Trade Invoices Paid in the Year	96,580	336,241
Total Non-NHS Trade Invoices Paid Within Target	91,831	314,771
% of Non-NHS Invoices Paid Within Target	95%	94%
NHS Payables		
Total NHS Trade Invoices Paid in the Year	2,067	13,232
Total NHS Trade Invoices Paid Within Target	1,609	10,723
% of NHS Invoices Paid With-in Target	78%	81%
Total Payables		
Total Invoices Paid in the Year	98,647	349,473
Total Invoices Paid within Target	93,440	325,494
% of Invoices Paid Within Target	95%	93%

Looking forward to 2023/24 and beyond

The year ahead remains extremely challenging given the national economic climate and the drive for restoration of services to pre pandemic levels and beyond to address the continued backlog of elective activity. The funding available for 2023/24 will mean that the Trust will need to target savings of £28m representing 4.3% of our turnover. To put this into context this is 2.8 times what we delivered in 2022/23. However, we do know that there is significant opportunity for improvement in our financial performance. The Trust has a high underlying cost base compared to peer multi-site hospital Trusts driven in particular by higher temporary staffing costs and a non-standard PFI contract as one of the early implementers in the NHS.

Our 4Ward Improvement Programme (4WIP) will be at the heart of how we will address this challenge. We have well developed work under way on improving value to patients through the removal of waste in recruitment that will speed up our processes, help attract talent into the

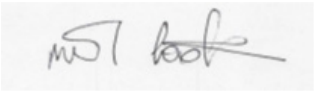
organisation, and retain a valuable and dedicated workforce by addressing the high temporary workforce numbers and costs. We have similar value streams under our 4WIP covering the timely Flow & Discharge of patients, and will be adding Out Patients and Theatres to our schedule in the year ahead.

We are in the process of developing our 5-year financial strategy to assess how and when we can return to financial sustainability.

The Trust capital resources for 2023/24 now form part of an overall system capital envelope. This is collectively prioritised against the most urgent schemes and has been agreed for 2023/24. Due to the re-phasing and brokerage of capital schemes from 2022/23 into 2023/24, the Trust has limited capital resources available for the urgent schemes and back log maintenance. The system internally generated capital resources remain limited, and there is recognition that interim support funding over and above internally generated cash will be required. The Trust is in discussions with regional and national schemes for additional support in 2023/24 for the urgent schemes.

The Trust faces a range of risks and operates in a challenging financial environment. In February 2023 the Board made an assessment of the risks, opportunities and uncertainties it faces and considers itself to be a going concern in line with published guidance. The published accounts are therefore produced on a going concern basis. There is clear evidence of continued provision of services being planned by NHSE and Commissioners with the Trust playing an active role in the Integrated Care System to address the elective backlog, improve A&E waiting times and develop services for local residents.

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



Neil Cook
Chief Finance Officer

Finance - Remuneration Report

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

Role of the Remuneration Committee

The Committee establishes pay ranges, progression and pay uplifts for the Chief Executive, Executive Directors and other Senior Manager posts including their terms of employment.

Membership of the Remuneration Committee

The membership of the Trust's Remuneration Committee comprises of two Non-Executive Directors, plus the Chair.

Chair Sir David Nicholson – up to 31 August 2022

Ms Anita Day commenced from 1 September 2022 until the present date.

Non-Executive Directors:
Ms Anita Day from 1 January 2021 to 31 August 2022
Dame Julie Moore from 1 September 2022 until the present date.
Dr Simon Murphy from 1 April 2021 until present date.

Senior Manager's Remuneration Policy

Seniors Manager's Remuneration is determined by the Remuneration Committee with reference to national guidance, pay awards made to other staff groups through national awards and by obtaining intelligence from independent specialists in pay and labour market research. In line with NHS Improvement requirements the Committee also undertakes a review of executive director performance each year which includes benchmarking pay against comparative roles within the NHS.

All Executive Directors are on permanent contracts. Notice and termination payments are made in accordance with NHS Improvement guidance and contracts of employment.
New Executive Directors appointed this year:
Neil Cook (Chief Finance Officer) from 1 August 2022.
Jacqueline Edwards (Interim Chief Nursing Officer) from 1 January 2023.

Robert Toole (Chief Finance Officer) resigned from the post on 31 July 2022.
Sir David Nicholson (Trust Chair) resigned on 31 August 2022.
Paul Brennan resigned on 19 March 2023.

New Non-Executive Directors appointed this year:
Tony Bramley, Karen Martin and Michelle Lynch from 9 January 2023
Sharon Thompson (Non-Executive Director) resigned on 31 July 2022.

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

Name	Job title (and period of office if relevant)	Expected Sign	2022/23 Salary & fees (in bands of £5k) £000s (Band of £5k)			2022/23 All taxable benefits (total to the nearest £100) £s (nearest £100)	2022/23 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)			2022/23 Total (bands of £5k) £000s (Band of £5k)			2021-22 Salary & fees (in bands of £5k) £000s (Band of £5k)			2021-22 Taxable benefits (total to the nearest £) £s (nearest £100)	2021-22 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)			2021-22 Total (bands of £5k) £000s (Band of £5k)		
Matthew Hopkins	Chief Executive	+	215		220	0				215		220	210		215	0				210		215
Paul Brennan	Chief Operating Offcer & Deputy Chief Executive - to 19 March 2023	+	185		190	0				185		190	185		190	0				185		190
Robert D Toole	Chief Finance Officer - to 31 July 2022	+	55		60	0				55		60	150		155	0	37.5		40	190		195
Neil Cook	Chief Finance Officer - from 1 August 2022	+	100		105	0	172.5		175	275		280										
Joanna Newton	Director of Strategy & Planning	+	130		135	0	32.5		35	165		170	120		125	0	27.5		30	150		155
Richard Haynes	Director of Communications & Engagement	+	105		110	0	40		42.5	145		150	100		105	0	25		27.5	125		130
Tina Ricketts	Director of People & Culture	+	145		150	200				145		150	135		140	0				135		140
Helen Lewis (known as Vikki)	Chief Digital Officer	+	135		140	0	45		47.5	180		185	120		125	0	30		32.5	150		155
Paula Gardner	Chief Nursing Officer	+	135		140	0				135		140	135		140	0				135		140
Jacqueline Edwards	Chief Nursing Officer - Interim - from 1 January 2023	+	30		35	0				30		35										
Christine Blanshard	Chief Medical Officer	+	215		220	0				215		220	90		95	0				90		95

NOTES: All taxable benefits relate to cars and the benefits in kind are based on the HMRC guidance. Pension related benefits have been calculated in line with the 2022/23 Group Accounting Manual. There is no performance pay, long-term performance pay or bonuses for the directors in either 2021/22 or 2022/23.

Notes

Chair
Sir D. Nicholson was the Chair to 31 August 2022

Chair
Ms A. Day commenced as the Chair on 1 September 2022 (previously Vice Chair and Non Executive Director

Chief Executive
Mr M. Hopkins remains as the Chief Executive

Chief Finance Officer
Mr R. Toole was the Chief Finance Officer to 31 July 2022

Chief Finance Officer
Mr N. Cook commenced as Chief Finance Officer on 1 August 2022.

Chief Operating Officer
Mr P. Brennan remains as the Chief Operating Officer to 19 March 2023.

Chief Nursing Officer
Ms P Gardner remains as Chief Nursing Officer.

Interim Chief Nursing Officer
Ms Jacqueline Edwards commenced as Interim Chief Nursing Officer on 1 January 2023

Chief Medical Officer
Dr C Blanshard remains as Chief Medical Officer

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

Non-Executive Directors

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

Name	Job title (and period of office if relevant)	Expected Sign	2022/23 Salary & fees (in bands of £5k) £000s (Band of £5k)			2022/23 All taxable benefits (total to the nearest £100) £s (nearest £100)	2022/23 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)			2022/23 Total (bands of £5k) £000s (Band of £5k)			2021-22 Salary & fees (in bands of £5k) £000s (Band of £5k)			2021-22 Taxable benefits (total to the nearest £) £s (nearest £100)	2021-22 All pension-related benefits (in bands of £2.5k) £000s (Band of £2.5k)			2021-22 Total (bands of £5k) £000s (Band of £5k)		
David Nicholson	Trust Chair - to 31 August 2022	+	15	-	20	0		-		15	-	20	35	-	40	0		-		35	-	40
Anita Day	Chair - from 1 September 2022	+	40	-	45	1,100		-		40	-	45	20	-	25	1,200		-		20	-	25
Colin Horwath	Non Executive Director	+	10	-	15	0		-		10	-	15	10	-	15	0		-		10	-	15
Julie Moore	Non Executive Director	+	10	-	15	0		-		10	-	15	10	-	15	0		-		10	-	15
Richard Oosterom	Associate Non Executive Director	+	10	-	15	0		-		10	-	15	10	-	15	0		-		10	-	15
Waqar Azmi	Non Executive Director - 31 December 2022	+	5	-	10	0		-		5	-	10	10	-	15	0				10	-	15
Sharon Thompson	Non Executive Director - to 31 July 2022	+	0	-	5	0		-		0	-	5	10	-	15	0				10	-	15
Simon Murphy	Non Executive Director	+	10	-	15	0		-		10	-	15	10	-	15	0				10	-	15
Susan Sinclair	Associate Non Executive Director	+	10	-	15	0		-		10	-	15	5	-	10	0				5	-	10
Tony Bramley	Non Executive Director - from 9 January 2023	+	0	-	5	0		-		0	-	5		-		0					-	
Karen Martin	Non Executive Director - from 9 January 2023	+	0	-	5	0		-		0	-	5		-		0					-	
Michelle Lynch	Non Executive Director - from 9 January 2023	+	0	-	5	0		-		0	-	5		-		0					-	

NOTES: All taxable benefits relate to cars and the benefits in kind are based on the HMRC guidance. Anita Day was a Non Executive Director on the Trust board before being appointed Chair from 1 September 2022

Pension Benefits

Pension related benefits represent the benefit in year from participating in the NHS Pension Scheme, including any previous posts held in the Trust prior to becoming a Very Senior Manager (Board Member). The amount is calculated by taking the full pension due to the Director upon retirement if they were to retire at 31 March 2023 and deducting the equivalent value from the amount due at 31 March 2022. This includes lump sum and annual pension entitlement and uses a factor of 20 for grossing up purposes in accordance with the HMRC method (derived from section 229 of the Finance Act 2004). Where no figures are calculated for 2022/23 the Director was either not a Director at the beginning of the year or is not a member of the NHS Pension Scheme.

Salary and Pension Entitlements of Senior Managers – Pension Benefits

	Real increase in pension at pension age (bands of £2,500)	Real increase in Lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2023 £000	Cash Equivalent Transfer Value at 01 April 2022 £000	Real increase in Cash Equivalent Transfer value £000	Employer's contribution to stakeholder pension £000
Matthew Hopkins	0	0	0	0	0	0	0	0
Tina Ricketts		0	0	0	0	0	0	0
Richard Haynes	2.5-5	0-2.5	25-30	40-45	454	416	38	0
Paul Brennan	0	0	0	0	0	0	0	0
Helen Lewis (known as Vikki)	0-2.5	0-2.5	35-40	65-70	717	670	47	0
Robert D Toole	0	0	15-20	0-5	237	197	40	0
Paula Gardner	0	0	0	0	0	0	0	0
Christine Blanshard	0	0	80-85	235-240	13	0	13	0
Joanna Newton	2.5-5	0 - 2.5	10-15	0-5	162	141	22	0
Neil Cook	5-7.5	10-12.5	50-55	125-130	1,046	873	173	0
Jacqueline Edwards	0	0	0	0	0	0	0	0

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

Notes

Matthew Hopkins, Tina Ricketts, Paul Brennan and Paula Gardner chose not to be covered by the pension arrangements during the reporting year.
Helen Lewis opted out of the pension on 1 September 2022, the figures above have been pro-rata accordingly.
Dr Christine Blanshard opted out of the pension on 1 September 2022, the figures above have been pro-rata accordingly.
Jacqueline Edwards opted out of the pension on 1 January 2023, and therefore there are no balances to report for her role as Chief Nursing Officer – Interim from 1 January 2023.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member as a particular point in time. The CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme.

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

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

The table above details the current pension benefits of the Trust's senior managers. As Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of Non Executives. Where the Executive Director in post at 31 March 2023 is not a member of the NHS Pension Scheme, there are no pension benefits to be disclosed.

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

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the Scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The Real Increase in CETV does not include the effects of inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement (a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design.

Exit Packages

The figures disclosed below relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff cost and expenditure notes in the accounts. A single Exit Package can be made up of several components, each of which is counted separately in this note.

Exit Package Cost Band (including any special payment element	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £	Number of Other Departures Agreed	Cost of Other Departures Agreed £	Total Number of Exit Packages	Total Cost of Exit Packages £	Number of Departures Where Special Payments Have Been Made	Cost of Special Payment Element included in Exit Packages £
Less than £10,000	0	0	3	8,000	0	0	0	0
£10,000 to £25000	0	0	3	37,000	0	0	0	0
£25,001 to £50000	0	0	1	28,745	0	0	0	
£50001 to £100000	0	0	0	0	0	0	0	0
£100001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200000	0		0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**0**	**0**	**7**	**73,745**	**0**	**0**	**0**	**0**

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

Other Exit Packages - disclosures (excluding compulsory redundancies)	Number of Exit Package Agreements	Total Value of Agreements £
Voluntary Redundancies Including Early Retirement Contractual Costs	0	0
Mutually Agreed Resignations (MARS) Contractual Costs	0	0
Early Retirements in the Efficiency of the Service Contractual Costs	0	0
Contractual Payments In Lieu Of Notice	0	0
Exit Payments Following Employment Tribunals or Court Orders	7	73,745
Non-Contractual Payments Requiring HM Treasury Approval	0	0

Off Payroll Engagements

When a vacancy or project post is to be filled, the Trust considers if an off-payroll Business Case Approval needs to be completed and submitted to NHS Improvement to gain their approval before the worker is engaged. With the changes to IR35 rules in April 2017 the Trust established a review process for any off payroll posts as per the HMRC guidance. The Trust was audited in 2017 by CW Audit around its IR35 processes and received "full assurance".

Off-payroll engagements longer than 6 months: For all off payroll engagements as at 31 March 2023, for more than E245 per day and that last longer than six months.	Number of Engagements
Number of existing engagements as at 31 March 2023	2
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	2

When an engagement is agreed whereby the worker is not directly employed by the Trust, then the relevant checks are made to assess against the IR35 rules using HMRC guidance and the online assessment tool.

New off payroll engagements: All new off payroll engagements, or those that have reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months	Number of Engagements
Number of new engagements, or those that reached six months duration between 1 April 2022 and 31 March 2023	2
of which:	
Number assessed as within the scope of IR35	
Number assessed as not within the scope of IR35	2
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	
Number of engagements reassessed for consistency/assurance purposes during the year	
Number of engagements that saw a change to IR35 status following the consistency review	

Fair Pay Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/member in the Trust against the 25th percentile, median and 75th percentile of the remuneration of the Trust's workforce. Remuneration in this context includes salary and allowances, performance related pay and bonuses payable, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For the purposes of this disclosure, the Trust only pays salary and allowances and therefore there is no further breakdown required for the split between total remuneration and salary components (salary and allowances, performance related pay and bonuses payable) as noted above.

Year	25th percentile salary ratio	Median salary ratio	75th percentile salary ratio
2022/23	9:4:1	6:6:1	5:2:1
2021/22	9:8:1	6:7:1	5:4:1

The banded remuneration of the highest paid director/member in the Trust in the financial year 2022/23 was £215,000-£220,000 (2021/22 was £210,000-£215,000). The relationship to the remuneration of the Trust's workforce is disclosed in the table below.

2022/23	25th percentile	Median	75th percentile
Salaray and Allowances (£)	23,177	32,934	41,659
Pay Ratio Information	9:4:1	6:6:1	5:2:1
2021/22	**25th percentile**	**Median**	**75th percentile**
Salaray and Allowances (£)	21,777	31,534	39,467
Pay Ratio Information	9:8:1	6:7:1	5:4:1

There has been a reduction from 2021/22 to 2022/23, this is due to the to the highest paid director having a 3% increase and Agenda for Change staff a pay increase of at least 4%, worth at least £1,400, meaning a newly qualified nurse received a 5.5% increase and those on the lowest salaries received a pay increase of 9.3%

	Percentage change for highest paid director	Percentage change for employees as a whole
Salary and Allowances	**3%**	**5%**

The above change for employees includes the national 4% National pay increase for AfC and Medical and Dental staff.

In 2022/23, 1 employee received remuneration in excess of the highest paid director. In 2022/23, no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £5,338 and £312,857 for 2022/23. The annualised salary of £312,857 is for a consultant who is contracted to work 1 PA per week (4 hours). The range of remuneration for 2021/22 was between £5,338 and £211,458.

Corporate Governance Report

Directors' Report

The Board of Worcestershire Acute Hospitals NHS Trust sets the strategic direction for the Trust. The Trust is committed to setting high standards and the whole Board has signed up to the Nolan principles, requiring honesty and integrity in all matters.

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

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

As a result of Covid-19, the majority of the Board meetings were held virtually and broadcast live via the Trust's Youtube channel.

In 2022/23 the Board met in public on 11 occasions. In the period covered by this annual report, the Board also held development sessions covering a wide range of topics including Provider Collaboratives, Well-Led, strategic development and cancer deep dive.

The Trust Board

The voting members of Trust Board during 2022/23 and their attendance are as follows:

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

Name	Role	Dates	Attendance
Waqar Azmi	Non-Executive Director	Until December 2022	5/8
Paul Brennan	Chief Operating Officer/ Deputy CEO	Until March 2023	11/11
Anita Day	Non-Executive Director/ Chair	Chair from September 2022	11/11
Christine Blanshard	Chief Medical Officer		10/11
Colin Horwath	Non-Executive Director		10/11
Matthew Hopkins	Chief Executive		11/11
Dame Julie Moore	Non-Executive Director		10/11

Name	Role	Dates	Attendance
Paula Gardner	Chief Nursing Officer	Until December 2022	7/8
Jackie Edwards	Interim Chief Nursing Officer	From January 2023	3/3
Sir David Nicholson	Chair	Until August 2022	4/4
Robert Toole	Chief Finance Officer	Until July 2022	4/4
Neil Cook	Chief Finance Officer	From August 2022	7/7
Simon Murphy	Non-Executive Director		11/11
Karen Martin	Non-Executive Director	From January 2023	2/3
Tony Bramley	Non-Executive Director	From January 2023	3/3

Non-voting members of Trust Board

Name	Role	Dates	Attendance
Richard Haynes	Director of Communication and Engagement		11/11
Colin Horwath	Non-Executive Director		10/11
Vikki Lewis	Chief Digital Officer		10/11
Jo Newton	Director of Strategy and Planning		11/11
Richard Oosterom	Associate Non-Executive Director		6/11
Rebecca O'Connor	Company Secretary		11/11
Tina Ricketts	Director of People and Culture		11/11
Sue Sinclair	Associate Non-Executive Director		11/11
Sharon Thompson	Associate Non-Executive Director	Until July 2022	2/4
Michelle Lynch	NExT Director	From January 2023	3/3

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

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

Audit & Assurance Committee

The membership of the Audit & Assurance Committee is as follows:

Name	Role	Notes
Anita Day	Non-Executive Director	Audit Chair (Until August 2022)
Colin Horwath	Non-Executive Director	Audit Chair from September 2022
Simon Murphy	Non-Executive Director	
Tony Bramley	Non-Executive Director	From February 2023
Karen Martin	Non-Executive Director	From February 2023

Full details of membership of all of the Board's Committees can be found on page 97 in the Annual Governance Statement.

Personal Data Incidents 2022/23

Details of Information Governance related incidents can be found on page 90 in the Annual Governance Statement.

The Trust updated its Modern Slavery Statement in April 2022 setting out its approach to compliance with the Act; this available at https://www.worcsacute.nhs.uk/publication-2/documents/3029-modern-slavery-statement-april-2022

Statement on disclosure to auditors

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

Signed: 

Christine Blanshard
Deputy Chief Executive

Date: 13 July 2023

Annual Governance Statement 2022-23

1. Introduction

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

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 Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Worcestershire Acute Hospitals NHS Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

I am accountable for risk management across all activities within the Trust and have delegated this responsibility to the following executive leads:

Area	Executive Lead
Clinical risk management	Chief Nursing Officer
Clinical governance	Chief Nursing Officer
Medical education, audit and effectiveness and research and development	Chief Medical Officer
Patient safety, medicines optimisation, learning from deaths and medical revalidation	Chief Medical Officer
Information governance	Chief Digital Information Officer
Financial risk and anti-fraud	Chief Finance Officer
Digital risk	Chief Digital Information Officer
Corporate governance	Director of Corporate Governance
Data Protection Officer	Director of Corporate Governance

The Trust has a systematic approach to the identification and management of risks in order to ensure that risk assessment is an integral part of clinical, managerial and financial decision making. The Board and its Committees collectively review the most significant risks, each of which has a named executive lead.

The Risk Management Strategy is an integral part of the Trust's approach to continuous quality improvement and is intended to support delivery of our strategic objectives as well as meeting the requirements of the NHS Constitution. The Board approved its Risk Appetite Statement in June 2022. Audit and Assurance Committee provides assurance on the implementation of the Risk Management Strategy and has reviewed the efficacy of these arrangements in year.

Staff are made aware of their risk management responsibilities as part of the induction process. Staff training needs in relation to risk management are assessed a training needs analysis with staff receiving training appropriate to their authority and duties. The role of individual staff in managing risk is supported by a framework of policies and procedures which promote learning from experience and sharing of good practice.

4. The risk and control framework

Effective risk management is embedded within the Trust including throughout its Committee structure; all staff are expected to identify and manage risk. The risk management team is responsible for providing risk management training and a training programme is embedded across the Trust to help staff assess and evaluate risk. Staff are also provided with training in incident investigation and in undertaking root cause analyses as appropriate.

The Trust identifies risks from a range of internal, external, proactive and reactive sources.

Risk assessments are completed via a 5x5 matrix assessing a combination of consequence and likelihood; the risks and mitigating actions are documented on the risk register.

The key risks on the Corporate Risk Register during 2022/23 relate to:

- Staffing/Workforce supply
- Clinical delivery of care (capacity and flow)
- Asset management

The Risk Management Group has been operational throughout 2022/23 and approves risks for inclusion onto the Corporate Risk Register. High rated risks that are not able to be mitigated to tolerable level are presented to the Risk Management Group, which recommends risks for inclusion within the Corporate Risk Register to Trust Management Executive (TME).

In relation to clinical risks, TME oversees the mitigations for each risk with an assurance report to the Quality Governance Committee. The Finance and Performance Committee overseas mitigations for the finance and digital and operational performance risks and the People and Culture Committee overseas mitigations for the staff risks.

Risks related to Covid were managed through the Trust Command and Control structure during the main period of the pandemic. During 2023, these risks were reviewed and either closed or transitioned back to Divisional and Corporate Risk registers as appropriate, for management within these areas.

The Trust is not fully compliant with the registration requirements of the Care Quality Commission and is subject to Enforcement Undertakings. There is more information about our CQC ratings in section 7.

Compliance with the "Developing Workforce Safeguards" is overseen by the Chief Nursing Officer with monthly safer staffing reports submitted to either the People & Culture Committee (on the months that it meets) or directly to the Board. Regular acuity audits using recognised evidence based tools are undertaken to inform the Trust's staffing models. The Trust has also adopted the safer staffing module on Allocate to ensure daily oversight of staffing levels.

5. Data security risks

The Audit and Assurance Committee has received reports in 2022/23 on progress across the domains of data and cyber security. The Trust has approved capital investments to remediate the aged IT infrastructure and this investment is aligned to the Trust's priorities and risks.

Cyber security is reported on the BAF, corporate risk register and supported by a robust Cyber Security Action Plan. This plan is monitored by the Information Technology Security and Risk forum, overseen by the Information Governance Steering Group.

The Digital Clinical Reference Group and other key clinical leaders and Divisional Directors have participated in cyber awareness training. A Board development session was held in March 2023 on cyber security awareness facilitated by external subject matter experts.

Following capital investment, good progress has been made in updating of critical infrastructure, including new networking, perimeter firewall security and backup services across all Hospital sites. Improvements to strengthening password policies has been implemented along with the setup of security information systems. Assurances relating to Business Continuity Plans and operational processes have been provided to NHS Digital.

6. Board Assurance Framework

The Trust has a robust Board Assurance Framework (BAF) which is reviewed at TME, Board Committees and Trust Board. The Audit and Assurance Committee has oversight of the efficacy of the BAF in line with its responsibility for assessing the overall system of internal control. The internal audit annual plan is driven by the BAF and provides an independent source of assurance around the effectiveness of the key controls that are in place.

The Trust's Risk Management Strategy includes agreed levels of risk appetite against the key governance domains (i.e. safety, effectiveness, innovation, financial position and partnership), with the risk appetite for each BAF risk defined. The Trust has continued to embed the BAF in year, has reviewed and approved its Risk Appetite Statement and how its own risk appetite aligns with that of the system.

The strategic risks, controls and mitigations presented to the Board through the Board Assurance Framework, identified by the Board and monitored through the Committees, are as follows:

Risk	Risk Area	Strategic Objective	Risk Appetite	Current Risk Score	Level of Assurance
If we are unable to increase elective activity, remove long waits and reduce waiting list size in a timely and cost effective manner, then patient outcomes will suffer, patient care will be compromised and/or costs will increase	Elective Activity	Best experience of care and outcomes for our patients	Low	20	5
There is a risk that services and patient care/treatments will be disrupted by staff shortages due to possible (ongoing) industrial action by the NHS trade unions resulting in delays to patient care, patient harm and a poor patient experience.	Industrial Action	Best experience of care and outcomes for our patients	Low	20	3
If we do not ensure that all actions are in place to enable discharge at the point of being ready for clinical discharge then we will adversely impact patient experience and inhibit flow	Urgent Care	Best experience of care and outcomes for our patients	Low	20	3
If we fail to address the drivers of the underlying deficit and fail to respond effectively to the new financial regime (post COVID-19), then we will not achieve financial sustainability (as measured through achievement of the structural level of deficit [to be fully determined]) resulting in the potential inability to transform the way in which services operate, and putting the Trust at risk of being placed into financial special measures.	Finance	Best use of Resources	Low	20	3
If we are not able to secure financing then we will not be able, to address critical infrastructure risks as well as maintain and modernise our estate, infrastructure, and facilities; equipment and digital technology resulting in a risk of business continuity and delivery of safe, effective and efficient care.	Infrastructure	Best use of Resources	Moderate	20	3

Risk	Risk Area	Strategic Objective	Risk Appetite	Current Risk Score	Level of Assurance
If we do not have effective system wide working to enhance patient flow and to ensure patients are managed in the most appropriate environment, then we will not be able to manage the level of urgent care activity and patient experience for patients who are clinically ready for discharge, but have not been, will suffer	System working	Best Services for Local People	Low	16	3
If we do not have assurance on the technology estate lifecycle maintenance and asset management then we could be open to a cybersecurity attack or technology failure resulting in possible loss of service.	Cyber Security	Best use of Resources	Low	16	3
If we have a poor reputation this will result in loss of public confidence in the Trust, lack of support of key stakeholders and system partners and a negative impact on patient care.	Reputation	ALL	Moderate	16	4
If we do not have a right sized, sustainable and flexible workforce, we will not be able to provide safe and effective services resulting in poor patient and staff experience and premium staffing costs.	Workforce	Best People	Moderate	16	5
If we do not have in place robust systems and processes to ensure improvement of quality and safety and to meet the national patient safety strategy, then we may fail to deliver high quality safe care resulting in negative impact on patient experience and outcomes.	Quality	Best experience of care and outcomes for our patients	Low	12	4
If we do not make best use of technology and information to support the delivery of patient care and supporting services, then the Trust will not be able to deliver the best possible patient care in the most efficient and effective way	Digital	Best Services for Local People/ Best Use of Resources	Low	12	6

Risk	Risk Area	Strategic Objective	Risk Appetite	Current Risk Score	Level of Assurance
If we do not implement the Clinical Services Strategy then we will not be able to realise the benefits of the proposed service changes in full, causing reputational damage and impacting on patient experience and patient outcomes.	Clinical Services Strategy	Best experience of care and outcomes for our patients	Moderate	12	4
If we fail to effectively involve our staff and learn lessons from the management of change and redesign / transformation of services, then it will adversely affect the success of the implementation of our Clinical Services Strategy resulting in missed opportunity to fully capitalise on the benefits of change and adversely impact staff engagement, morale and performance	Engagement with staff	Best Services for Local People/Best People	Low	12	5
If we fail to effectively engage and involve our patients, the public and other key stakeholders in the redesign and transformation of services then it will adversely affect implementation of our Clinical Services Strategy in full resulting in a detrimental impact on patient experience and a loss of public and regulatory confidence in the Trust.	Engagement with patients, public and partners	Best Services for Local People	Moderate	12	4
If the Trust fails to capitalise on the benefits of integrated care at Place, System or intra System level then this will result in missed opportunities to improve quality of care, patient experience, efficiency or financial sustainability	ICS	Best Services for Local People	Low	12	3
If we do not have a comprehensive leadership model and plan in place then we may not have the right leadership capability and capacity to deliver our strategic objectives and priorities	Leadership	Best People	Moderate	12	4
If we fail to sustain the positive change in organisational culture, then we may fail to have the best people which will impede the delivery of safe, effective high quality compassionate treatment and care.	Culture	Best People	Moderate	10	5

Risk	Risk Area	Strategic Objective	Risk Appetite	Current Risk Score	Level of Assurance
If we do not have the capacity and capacity to implement, or staff do not access, health and wellbeing support then we may be unable to maintain safe staffing levels due to higher rates of absence and staff turnover	Health & Wellbeing	Best People	Moderate	10	6

7. Quality

The Trust conducts an annual review of services and submits any changes to the Care Quality Commission (CQC) as per registration requirements.

In November 2022, the CQC initiated an inspection and conducted an unannounced visit of 'Urgent and Emergency Care services' and 'Medical Care (including older people's care)' at Worcestershire Royal Hospital and the Alexandra Hospital as part of their system wide review. The inspection report from the November 2022 visit was published on the 6th April 2023 and our overall rating for the Trust did not change. Improvements were recognised in Urgent and Emergency services across both sites and the overall ratings went up from "Inadequate" to "Requires Improvement". This means we are no longer rated inadequate in any area across any of our hospitals.

During 2022/23, the Trust has remained proactively engaged with the CQC, and facilitated a number of engagement meetings, which included:

- A day of virtual engagement in August 2022 including; showcasing the new Family Leave Policy, wellbeing offers available to staff including the Financial Wellbeing Hub, the 4ward Improvement System and meetings with Critical Care & Maternity Teams.
- Regular monthly meetings with the CQC involving the Chief Nursing Officer and Deputies, Chief Medical Officer, and the Healthcare Standards Team.

The Trust has maintained its overall quality rating of "Requires Improvement". The Trust continues to be rated positively "Good" in the "Effective" and "Caring" domains, and "Requires Improvement" in the "Safe", "Responsive" and "Well-Led" domains.

A full breakdown of the ratings for acute services is within the Annual Report at page 61.

8. Quality and Patient Safety Plan

Our Quality and Patient Safety Plan will utilise our 4ward improvement system and aims to support our Clinical Services Strategy to deliver our strategic objectives to putting patients first.

The plan will provide:

1. A roadmap of our key quality targets to improve patient experience and safety
2. Link with our 3-year plan to develop our services and improve patient care

3. Ensure we continue to use patient feedback to drive service improvements
4. Align with national patient safety strategy & the expectations of our regulatory and oversight bodies

Our quality priorities and outcomes have been identified through our "Big Quality Conversation", robust risk assessment process, engagement with stakeholders, partners and forums, to reflect the things that matter most to us. These priorities and outcomes will be monitored through our Clinical and Quality Governance Committees and external reporting.

9. Quality Governance

The Quality Governance Committee (QGC) remains a crucial component in our quality governance processes, and is supported by the Clinical Governance Group (CGG). The CGG consists of the Trust senior clinical staff who assure the QGC on the work of the Trust-wide Groups and Divisions.

CGG is supported by the Divisional Governance Forums and specialist departments covering areas such as Infection Prevention Control, Clinical Effectiveness and Safeguarding. Attendance by divisions is excellent and they present their quality exception reports, key risks and mitigations through the corrective action statements.

The CGG provides an escalation report after each meeting to the Trust Management Executive to the Quality Governance Committee for assurance.

Worcestershire Acute Hospitals NHS Trust works with a number of partner agencies to ensure adults, children and young people who are at risk of /experiencing abuse and /or neglect are safeguarded.

The Trust has met all of its legal and statutory duties (including the Prevent Duty) in this regard during 2022/23.

10. Serious incidents and never events

During 2022-23 the Trust reported 144 serious incidents (SIs) through the serious incident system (STEIS) and to the CCG. Of these, three were also reported to HSIB. Of the 144, the trust recorded 4 never events. An apology and explanation was given to all patients as part of Duty of Candour. Each of these incidents have been subjected to a rigorous root cause analysis investigation; development of an action plan to address system or process concerns and the implementation is reviewed and monitored. These incident investigation reports are used to learn and bring about improvements in the care we deliver.

The Trust's multi-disciplinary Serious Incident Review and Learning Group (SIRLG) is chaired by the Chief Medical Officer and ensures robust identification and management of incidents and sharing of learning. The group reviews completed investigation reports into all SIs, and considers whether all aspects of the SI have been examined and addressed. They also consider incidents which may meet the criteria of a serious incident, determining the level of investigation to be conducted and agreeing those which may require external notification. Where identified, the group assesses opportunities to share learning from serious incidents across the Trust via a lesson of the week.

A quarterly report on patient safety is submitted to the Clinical Governance Group and Quality Governance Committee which escalates to the Trust Board.

17. Complaints

The Trust is committed to ensuring we do not delay in responding to complaints and investigating serious incidents. In 2022-23 complaint numbers have significantly exceeded previous years for the first time, with an increase of 23.4% when compared to 2021-22. Unfortunately, owing to this marked increase, the Trust only responded to 66.9% of complaints within 25 working days in 2022-23 and so did not achieve the KPI of >80%. At the end of the financial year in March 2023 there were 41 complaints overdue, compared with 12 in March 2022; a backlog of complaints had accumulated as a result of the increase, particularly in the Surgical Division. The Complaints Team have liaised with the Divisional Management Teams to provide additional focus and support to resolve and close overdue cases and ensure systems are in place to prevent a recurrence of this backlog, which is reducing at the time of reporting.

18. Learning lessons

The Trust continues to learn lessons in a variety of ways, including for example from incidents, never events, complaints and compliments, internal and external reviews and data sources.

Learning from the never events to date, highlighted the importance of equipment design in making it easy to distinguish between different components at a glance; recognising the impact of the pandemic on delays to routine planned procedures can mean there is a risk that significant anatomical changes may occur that alter the accuracy of the information obtained at the initial consultation, and; the importance of giving consideration to how the standard support mechanisms in place for patient safety are maintained when seeking to prioritise the needs of the individual patient that sit outside of standard arrangements.

In addition, the lesson of the week, which shares learning from serious incidents, is included in the Weekly staff newsletter. Some lessons shared during this period have related to: the importance of respecting patients wishes, understanding the importance of early cervical spine imaging in suspected trauma, clarifying local safety standards for invasive procedures, and the importance of Diabetes management. Lessons of the week are available on the Trust's intranet site and accessible via the front page.

19. Quality Assurance Visit Programme

The purpose of both announced and unannounced Quality Assurance Visits (QAVs) is to provide observation of a department or ward from a team of specialists and stakeholders. QAVs are a method of observations of care, one of CQC's six evidence categories, to triangulate evidence and give assurance that a particular area is providing quality of care and supports planning of quality improvement.

QAVs are mapped determined by areas of risk and reporting intelligence provided by the Patient Safety Team. The visiting inspection teams include nursing leaders, non-executive and executive directors, external stakeholders including the ICB and Patient Public Forum. These teams are provided with tailored review documentation written in conjunction with healthcare standards and regulations.

QAVs conclude with a high level feedback session, praising the successes and highlighting challenges for teams. This is followed up by a comprehensive report collated from the review documentation, with agreed actions monitored through to completion with evidence.

The intention of the QAV programme is to work congruently with the Path to Platinum initiative and further supports the Ward to Board lines of

communication and to provide assurance to all levels of leadership.

20. Learning from Deaths

During 2022/23 the Learning from Deaths Group has reviewed its terms of reference and has appointed a new Learning from Deaths Clinical Lead.

The vision for Learning from Deaths is to demonstrate that clinicians are sighted clearly on specific areas of concern around mortality rates, that they are completing specific patient care pathways and meeting KPIs which are proven to reduce mortality.

Overall mortality remains in line with national benchmarking via HSMR and SHMI, although mortality rates nationally have increased, for reasons that are not yet identified. Locally, we continue to review and learn through our SILRG group, Structured Judgement Reviews and Divisional Mortality and Morbidity meetings.

The Medical Examiner service is fully recruited and has embedded the process of contacting all relatives after death of a loved one. Concerns are raised and triangulated through the Learning from Deaths Group.

The End of Life Committee continues to monitor and take steps to improve the quality of end of life care and a proposal to align or amalgamate this work with the Learning from Deaths Group is underway to improve learning and improve efficiency and effectiveness.

21. Regulation 28 letters

During the year, the Trust received 1 Regulation 28 letter (a report to prevent future deaths) from the Coroner.

22. Quality impact assessments

Quality impact assessments (including equality and diversity) are undertaken for all developments, in particular the measures required to protect patients and staff related to the restoration of activity, and cost improvement plans that could have an impact on quality. These are reported to the TME and Quality Governance Committee.

23. Research & Innovation

During 2022-2023 1,426 participants were recruited into 47 different studies across 15 different clinical specialties. We opened 5 new commercial studies (4 in cardiology and 1 in oncology), with more planned in the coming months (2 in haematology, 1 in oncology and 4 in cardiology).

The Clinical Research and Innovation strategy is one of the building blocks of our Trust vision of putting patients first. Delivery in accordance with our 4ward signature behaviours will contribute to our strategic objectives of providing the best services for local people, delivered by the best people.

Our research participants will have the best experience of care, and we will ensure that our research team makes the best use of the resources we are provided with from the NIHR, research funders and charitable funding.

The strategy was approved by the Trust Board in April 2022 and with the appointment of a new Associate Medical Director for Research and Innovation, and a new Head of Research Operations, the implementation of the strategy will be the focus of 2023/24.

24. People and Culture

Our People & Culture Strategic Framework (2022 – 2025) sets out how we will support the Trust to achieve its strategic vision and 3 year plans. Our framework is built around the NHS People Promise, our 'Best People' strategic objective, and our People & Culture BAF Risks of Workforce, Culture, Health & Wellbeing, and Leadership. Our strategic framework has 4 Strategic Priorities:

- **Leadership** – An empowered, well led workforce that delivers better outcomes and performance for our patients
- **Workforce** – The right sized, cost effective workforce that is organised for success. A staff offer that attracts and retains the best people
- **Staff Experience** – A just, learning, and innovative culture where colleagues feel respected, valued, included and well at work.
- **People Function** – A people function that is organised around the optimum employee journey

Our key achievements in the last twelve months include:

- **Leadership development offer** - We have trained 548 delegates in this past year and introduced a Manager Essentials Development Programme to support new managers and two leadership programmes designed to build Trust in teams and help Leaders, lead with compassion.
- **Sickness absence** - 0.4% better than acute trust average. We have performed consistently well with our absence rates during the year
- **Staff Turnover** - We have been on a downward trend since January 2022 – but turnover remains high at 13%
- **Equality and diversity** - We are better than average for colleagues reporting discrimination by colleagues or managers. We have launched the Rainbow Badge Initiative and won funding from the WDES Innovation fund.
- **Staff Inclusion Networks** - Supporting our BAME, Disabled and LGBTQ+ staff our networks are thriving. Work on anti-racism, disability history month and the new NHS rainbow badge initiative to name just a few of the achievements this year
- **4ward Behaviours and Behaviour Charter** - We completed a wide spread engagement to help develop our 4ward behaviours. Engaging over 300 colleagues and collecting over 500 pieces of feedback to help inform the new Behaviours and Charter. This will help us now embed both into teams and improve the overall culture and by extensions quality of care we provide.
- **Apprenticeships** - Growth of apprenticeships. 120 current apprenticeships (employees: 99, new recruits (Early Careers: 21)
- **Statutory Mandatory training** - The overall compliance for Mandatory Training is 'green' at 89% and has remained at this level throughout the year
- **Flexible Working** - We are now better than average for colleagues being satisfied with the opportunities for flexible working. We have achieved timewise accreditation and have agreed our flexible working 3 year plan
- **Wellbeing Conversations** - Implemented October 2021. January 2022 pulse survey identified 50% of staff had a wellbeing conversation in last 3 months and 71% found it supportive

The People and Culture Committee has oversight of the short, medium and long-term workforce strategies on behalf of the Board. The Committee meets bi-monthly and receives regular updates on progress against the Trust's people and culture strategy and strategic workforce

plan. In addition, key workforce metrics including establishment, vacancy rates and bank and agency usage are reported through the monthly Integrated Performance Report.

25. Mandatory training

Staff are able to undertake a large part of mandatory training through e-learning and can attend any of the Trust's libraries for support. The monitoring of mandatory training levels takes place through the performance management system and is monitored via the Trust Management Executive and the People and Culture Committee. There has been significant improvement in both the data quality and mandatory training levels attained by all staff across all subject areas.

26. Culture

We have undertaken considerable work as a Board to define the culture we wish to nurture and to be ambassadors for our 4ward behaviours. We keep track and monitor our culture through the triangulation of the NHS staff survey results and themes raised through the Freedom to Speak Up Guardian, HR casework, Occupational Health and staff engagement events. This analysis had confirmed that there is further work to do to improve our culture with actions being identified to address the root causes. We will continue to ensure that we demonstrate our 4 signature behaviours at every opportunity.

27. Staff Survey Results 2022

The results of the latest national NHS Staff Survey were published on 9th March 2023.

Our Trust response rate was 36% or 2,482 responses. This represents a drop of 7% compared to 2021 and is below the average response rate for similar organisations. Nationally response rates were 42% (-2% on last year)

The results show we maintained our 2021 overall scores in 3 themes; "We are compassionate and inclusive", "We are Safe and healthy", and "We work flexibly" In the 5 of the other themes we scored 0.1 below 2021 and except in "We have a voice that counts" where this result was 0.2 below the previous year.

These latest results, although slightly behind last year, reflect our continued People & Culture work focussing on health & wellbeing, flexible working and inclusive leaders and workplace culture.

Our ambition remains on improving the experience of all our staff to make WAHT an exemplar/ employer of choice.

28. Leadership development

A full programme of leadership and management development is in place. The latest staff survey results evidence the impact these programmes are having within the Trust.

29. Strategic workforce plan

Our strategic workforce plan has been further developed as part of the annual planning round. We are working with the ICS partners to develop a system strategic workforce plan as we recognise that workforce is a key element to the success of our ICS and there are finite staff who work within the Herefordshire and Worcestershire footprint.

30. Recruitment

The recruitment and retention of our staff remains a key priority and we are proud that significant reductions in vacancy numbers and staff turnover have been sustained despite the

Pandemic across most staff groups.

31. Safe Staffing

Senior nursing staff review records our staffing levels at every shift and ensure we continue to provide the best care and treatment for our patients. Following reviews of nurse and midwifery staffing reports to Board we can confirm that we have an establishment that affirms safe staffing across ward areas.

32. Freedom to Speak Up

Our Freedom to Speak Up Guardian, appointed in February 2020, is working to take the role forward and recruit more local champions. There are regular reports to the People and Culture Committee and Trust Board on her work and the Audit and Assurance Committee have a role in reviewing the systems and processes in place to ensure staff have every opportunity to discuss workplace attitudes. A Freedom to Speak Up Portal has been set up so that staff can access support via one click.

33. 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.

34. Equality, diversity, human rights

Control measures are in place to ensure that all our obligations under equality, diversity and human rights legislation are complied with. We have published both our equal pay report and our equality and diversity annual report.

We work in partnership with Staff Side colleagues through the formal Joint Negotiation and Consultative Committee, which meets monthly. In addition, we encourage participation from Staff Side representatives, and staff at all levels from across the Trust, to take a role within our People and Culture initiatives and Equality and Inclusion networks.

35. High Cost Bank and Agency

In August 2022 an internal audit was undertaken into processes and controls around engagement and payment of bank and agency medical staff. The result of the audit was a 'no assurance' rating. An action plan was developed with the internal auditors, with comprehensive actions to address the gaps in control, with progress updates reported to Audit & Assurance Committee.

Management and oversight of different aspects of the engagement and payment of temporary medical staff crosses between the Chief Medical Officer's Directorate, Human Resources, Finance and Operations with the Chief Medical Officer as the Accountable Officer for Temporary Medical Staff expenditure, and the governance around the engagement of temporary medical staff.

The key deliverables following the audit have been monitored via the Doctors and Associates Workforce Group (DAWG), chaired by the Chief Medical Officer. Improvements have now been put in place including a revised Standard Operating Process for booking bank and agency medical and dental staff which includes enhanced governance arrangements for sign off of bank and agency spend above agreed limits. The DAWG meeting now receive detailed infor-

mation on medical workforce numbers, vacancies, bank and agency fill rates and expenditure, and NHS Providers performance metrics so that improvements in governance and assurance can be sustained.

36. Industrial action

Industrial action has had a considerable impact on the workforce during the second half of the 22/23 financial year. The Trust has needed to respond to industrial action across various staff groups, including nursing and medical and dental, which has impacted on operational delivery and the health and wellbeing on the staff supporting the Trust response. There has also been an indirect impact when West Midlands Ambulance Service employees have undertaken strike action. There is a risk on the Trust risk register that service delivery will be impacted if colleagues decide to participate in industrial action resulting in poor patient experience and an increase in waiting lists. To reduce the severity of this risk an Industrial Action Tactical Command group has been utilised as required with a trust wide plan in place supported by critical services business continuity plans. Throughout periods of industrial action staff have been reminded about the staff and well being support available.

37. Digital

The five year Digital Strategy continues to provide the strategic basis for digital improvements within the Trust. A refresh of the strategy will take place in 2024, and will take into account the new priorities in the recently refreshed ICS Digital Strategy.

The capital programme has included a new data network at the Worcester site and further improvements to wifi. Phase 1 implementation of the Electronic Patient Record (EPR) took place in January 2023, with the roll-out progressing smoothly and on schedule, despite periods of Industrial Action. There has been excellent engagement around suggestions for further optimisation opportunities from all staff groups.

The Trust has secured three years of capital investment following a successful bid to the NHS Digital Unified Tech Fund Frontline Digitisation category, and this will further support accelerated optimisation, to provide front-line clinical benefit.

38. Trust Board

The Trust Board sets the strategic direction for the Trust. The Trust is committed to setting high standards and the Board is committed to adhering to the Nolan Principles. The Non-Executive Directors (NEDs) bring a wealth of external experience to the Trust Board, and are supported by Associate Non-Executive and NeXT Directors.

Board and Committee agendas are driven initially by the BAF and then the operational needs of the Trust. Where necessary, some Committee meetings have been reduced and/or divisional attendance stood down to support the Trust's operational response, but at all times a quorum was maintained. Patient and Staff stories are shared at Trust Board, QGC and P&C meetings with exploration of learning from experiences.

Minutes and actions of Committee meetings are produced, with an escalation report provided to Trust Board. Committee workplans are under review following the annual update of terms of reference.

During 2022/23 the Board met in public on 11 occasions. The majority of Board meetings were held virtually and broadcast live via the Trust's Youtube channel. The Trust held its first face to face public Board meeting since the lockdown period in December 2022. I have held monthly

virtual meetings with the Chair and the non-executive directors and the Chair continues to have a regular presence on both main hospital sites.

39. Board Membership and Composition

The voting members of Trust Board during 2022/23 and their attendance are as follows:

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

Name	Role	Dates	Attendance
Waqar Azmi	Non-Executive Director	Until December 2022	5/8
Paul Brennan	Chief Operating Officer/ Deputy CEO	Until March 2023	11/11
Anita Day	Non-Executive Director/ Chair	Chair from September 2022	11/11
Christine Blanshard	Chief Medical Officer		10/11
Colin Horwath	Non-Executive Director		10/11
Matthew Hopkins	Chief Executive		11/11
Dame Julie Moore	Non-Executive Director		10/11
Paula Gardner	Chief Nursing Officer	Until December 2022	7/8
Jackie Edwards	Interim Chief Nursing Officer	From January 2023	3/3
Sir David Nicholson	Chair	Until August 2022	4/4
Robert Toole	Chief Finance Officer	Until July 2022	4/4
Neil Cook	Chief Finance Officer	From August 2022	7/7
Simon Murphy	Non-Executive Director		11/11
Karen Martin	Non-Executive Director	From January 2023	2/3
Tony Bramley	Non-Executive Director	From January 2023	3/3

40. Non-voting members of Trust Board

Name	Role	Dates	Attendance
Richard Haynes	Director of Communication and Engagement		11/11
Colin Horwath	Non-Executive Director		10/11
Vikki Lewis	Chief Digital Officer		10/11
Jo Newton	Director of Strategy and Planning		11/11
Richard Oosterom	Associate Non-Executive Director		6/11
Rebecca O'Connor	Director of Corporate Governance		11/11
Tina Ricketts	Director of People and Culture		11/11
Sue Sinclair	Associate Non-Executive Director		11/11
Sharon Thompson	Associate Non-Executive Director	Until July 2022	2/4
Michelle Lynch	NExT Director	From January 2023	3/3

41. Board Committees

During 2022/23 the following Board Committees have been in operation:

Committee	Purpose	Chair
Audit and Assurance	• Reviews the governance and assurance processes upon which the Trust Board places reliance, ensuring that the organisation operates effectively and meets its strategic objectives. • Monitors the effectiveness of internal control systems on behalf of the Board	Until December 2022

Committee	Purpose	Chair
Charitable Funds	• Manage the Trust's Charitable Funds on behalf of the Trust Board as the Charity Corporate Trustee	Colin Horwath until November 2022 now Simon Murphy
Finance and Performance	• Provides assurance on management of financial and operational performance of the Trust • Monitors and supports the financial planning and budget setting process. • Reviews business cases with a significant financial impact • Oversees developments in financial systems and reporting	Richard Oosterom
People and Culture	• Oversees the development and implementation of the Trust's People and Culture Strategy and associated plans Monitors the effectiveness of the strategy and reports on progress against plan. • Assesses the workforce implications of the Trust strategic objectives, national HR workforce strategies, employment legislation and local initiatives. • Provides assurance on the operation of effective and robust HR, workforce and organisational development practices and governance frameworks.	Dame Julie Moore until October 2022 now Dr Sue Sinclair
Quality Governance	• Provides assurance that the quality of care within the Trust is of the highest possible standard. • Ensures there are appropriate clinical governance systems and processes and controls are in place throughout the Trust to: • Promote safety and excellence in patient care· Identify, prioritise and manage risk arising from clinical care • Review and comment on compliance with avoidable mortality incidence • Ensure the effective and efficient use of resources through evidence based clinical practice	Dame Julie Moore

Committee	Purpose	Chair
Remuneration	• Reviews the structure, size and composition of the Board, making recommendations for changes where appropriate. • Considers succession planning for the Chief Executive and Executive Directors. • Setting the remuneration of executive members of staff, senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay.	Sir David Nicholson until August 2022 now Anita Day

All Committees of the Trust Board are chaired by a Non-Executive member, have met regularly throughout 2022/23 and reported to the Trust Board. The Chair has reviewed the assignment of Non-Executive Directors across the Committee structure and key roles. Audit Committee has reviewed Committee efficacy during the year. Committee terms of reference have been reviewed and approved by the Trust Board.

42. Declaration of interests

The Trust has published its register of interests, including gifts and hospitality, for decision-making staff (defined by the Trust as Executive Directors, Consultants and other staff on Band 8d and above) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

This is available on the Trust website at https://www.worcsacute.nhs.uk/our-trust/our-board

43. Provider licence conditions

The Trust Board has considered its compliance with conditions FT4 and G6 of the provider licence (as at 31 March 2023).

NHS England reviewed the Trust's Enforcement Undertakings in July 2022. A Compliance Certificate, Discontinuation Notice and revised Enforcement Undertakings were issued.

The Trust declares that as a result of its Enforcement Undertakings that it is not compliant with conditions FT4 and G6.

44. System Oversight Framework

The Herefordshire and Worcestershire ICS have a System Oversight Framework in place which is monitored through ICS governance structures. The Trust has been assessed at segment 3.

45. Climate Change

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. This delivered through the Trust Green plan, consistent with our strategic priorities and in our role as an anchor institution. To this end we source 100% electricity from renewable energy tariffs, and we have achieved elimination of Desflurane (harmful gas) from clinical practice within the Trust which is a year ahead of target. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are

complied with.

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

Review of economy, efficiency and effectiveness of the use of resources
The Trust has a forward planning process in place with the Integrated Care Board that ensures the appropriate planning of services prior to submission of effective and agreed forward plans to NHS England based on the issued national planning priorities.

A robust Productivity & Efficiency Programme and Quality Impact Assessment process is in place. During the year the Board of Directors and it's sub Committees have received regular Integrated Performance Reports providing information on all aspects of performance underpinning economy, efficiency and effectiveness in the use of resources. The Board has adopted statistical process control as a mechanism of reporting to enable more informed use of the data and given the challenges in Urgent & Emergency Care has commissioned a more granular report on all aspects of flow and discharge impacting on performance.

Finance

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

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

The Trust's Annual Plan for 2022/23 was developed in conjunction with ICS partners as part of the annual planning process required by NHSE and culminated in a planned deficit of £(19.9) m. The final plan included a late requirement to improve our plan by £2.4m in June. The Board acknowledged that the plan was ambitious and would require tight management to deliver the performance standards and objectives within this financial resource envelope.

The plan included £15.7m (2.6%) of Productivity and Efficiency Programme (PEP) savings and a required increase in elective activity volumes of 104% of 2019/20 levels in order to retain Elective Recovery Fund (ERF) resources of £15.7m (2.6%) that were assumed in the plan signed off by Board.

The 2022/23 plan forms the first year of our emergent 3-year plan and focuses on the key priorities of quality, improving access, and supporting healthier lives for our communities and staff, underpinned by a drive for improved financial stability in line with our strategic pyramid. Investment in our 4ward improvement system supported by a partnership with Virginia Mason Institute has been implemented to drive forward the cultural change that will play a pivotal role in driving up quality, improving our performance and ensuring better use of our resources.

As at 31 March 2023 the Trust's adjusted financial performance excluding impairments and the impact of donated assets was a deficit of £19.7m which is £0.2m better than plan.

A number of productivity and efficiency schemes were delivered in year, totalling c.£10m representing 1.6% of the adjusted operating ex-

penses. c£8.4m of the delivered savings were achieved recurrently.

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

- Approval of annual budget (and in year material changes) by the Trust Board.
- Detailed monthly review by the Finance and Performance Committee on key performance indicators covering finance and activity.
- Monthly oversight of the delivery of PEP Plans by the Finance and Performance Committee.
- Monthly Trust Management Executive meetings where key operational decisions are made and financial performance reviewed.
- Monthly Divisional performance review meetings.
- Regular Budget Holder meetings.
- Regular ICS Finance Forum where review of the financial performance and forecasts of system partners is overseen
- Quarterly ICS 'stock take' review meetings with NHSE Regional Office.
- Monthly Capital Planning & Delivery Group.
- Monthly Strategic Programme Board from 27th October 2022
- PEP Work stream meetings including two-weekly Theatres Group and monthly Out Patients and Workforce groups (DAWG, NWAG)
- 4Ward Improvement Programme Value Stream rapid improvement events and report out meetings reflecting benefits improvement to be targeted and captured

No interim revenue borrowing was requested or received during 2022/23 as a result of the positive in-year cash position which is largely as a consequence of slippage on the Trusts £62m capital programme.

The Trust received £38.3m of Public Dividend Capital (PDC) to support targeted capital schemes, largely related to restoration of elective services supporting the COVID response; the national digitalisation agenda, backlog maintenance, new equipment and the rationalisation of acute services.

Internal Audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The internal audit reports provide an assessment of assurance in these areas. The Head of Internal Audit Opinion is included in the section below titled "Review of effectiveness".

The Trust outsources elements of its transactional financial services and employment services (Payroll) to a third party supplier. Assurance on the effective operation of the control environment is gained through measures including independent Auditor reports.
In April 2023, the Trust received the supplier's Finance and Accounting and Employment Services ISAE3402 reports. These covered Finance and Accounting and associated general IT controls, and Employment Services controls for the period 1 April 2022 to 31 March 2023.
The Finance and Accounting audit identified an exception in 2 out of the 25 control objectives and an unqualified opinion was issued. We have reviewed the audit report and management response and are satisfied that no material control weaknesses were identified.

The Employment Services audit identified exceptions in 10 out of 14 control objectives and an unqualified opinion was issued. The service auditor advises that in all material respects, except for the matters identified the controls were suitably designed and have operated effectively

during the period. We have reviewed the audit report and management response and are satisfied that no material control weaknesses were identified.

47. Auditors

External Audit

The External Auditors 20/21 Value for Money (VfM) assessment resulted in a number of recommendations which the Trust has sought to address during 2022/23. Progress reports have been provided to TME and Audit and Assurance Committee throughout the year.

Internal audit

Internal Audit provides assurances on internal controls, risk management and governance systems to the Audit and Assurance Committee and to the Board. All internal audit reports are presented to Trust Management Executive prior to review at Audit and Assurance Committee. Those reports with a finding of lower than moderate assurance are presented in conjunction with relevant Executive Director, with Committee monitoring progress in implementation of agreed actions.

The following internal audits were undertaken during 2022/23 and a summary of the findings are as follows:

Full	Significant	Moderate	Limited	No
Board Assurance Framework	Financial Systems and Payroll	Estates		Bank and agency
	Financial Sustainability	Waiting List Management *		
	Workforce Planning *			
	Workforce divisions *			

(* at draft report stage)

An overview of the actions taken in response to the Bank and Agency report can be found at page 95 (section 35 of AGS).

Internal Audits not attracting formal assurance levels were also undertaken in relation to:

- Strategic capital

The Head of Internal Audit Opinion for 2022/23 was:

> "My overall opinion is that moderate assurance can be given that there is a generally sound system of internal control, designed to meet the organ-

isation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.

It is my view that an Assurance Framework has been established which is designed and operating to meet the requirements of the 2022/23 Annual Governance Statement and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation. "

48. Compliance with key national targets and standards

The Trust is committed to delivering all national and contractual targets and standards.

At 31 March 2023, the Trust was non-compliant with the following key targets:

- Emergency Access Targets
- 18 weeks referral to treatment – incomplete pathways
- Cancer waiting times
- Diagnostics waiting times
- C-Diff and MSSA

49. Counter Fraud

As an NHS Provider the Trust ensures that NHS funds and resources are safeguarded against those minded to commit fraud, bribery or corruption and follows the national NHS counter fraud strategy.

The Trust's Local Counter Fraud Specialist takes a multi-faceted approach that is both proactive and reactive. They undertake a programme of work for the Trust which includes awareness and deterrence training; fraud detection and prevention; and investigations

The Audit Committee receives regular reports relating to the Counter Fraud Annual plan and the Trust actively seeks redress and legal sanctions where appropriate.

50. Information Governance

We place a high priority on the secure handling and accurate recording of personal identifiable information (PII) on behalf of our patients and staff. Staff are provided with an IG awareness session at induction. Our staff are aware of their responsibilities in relation to handling PII in a confidential and secure manner through completion of the national Data Security Awareness training. As at 31 March 2022, 92% of current staff had completed their annual training and work continues to improve the compliance which includes an escalation process, in order to meet the nationally required target of 95%. Regular guidance is provided and communicated to staff to support the secure handling of PII.

The Board has completed Cyber Security Awareness training and cyber training will be rolled out to staff in specific roles during 2023. Specialised training has been provided to support the roles of the Senior Information Risk Owner (SIRO); the Data Protection Officer (DPO); the Caldicott Guardian and the Senior Information Asset Owners (SIAO).

The IG and cyber security governance structure is formalised through delegating system level information risk ownership to relevant SIAOs across the Trust. SIAOs have all signed a letter of delegation, completed their training and will be

appointing Information Asset Owners at departmental and system level. SIAOs are aware of the IG and cyber agenda through attendance of the Information Governance Steering Group (IGSG).

The IGSG provides assurance to TME that the Trust has effective policies and management arrangements covering all aspects of Information Governance. The IGSG has three subcommittees;

- Information and Technology Security Forum; focussing on cyber security risks and compliance with the IT elements Data Security and Protection Toolkit;
- Data Quality Steering Group; provides assurance that the Trust is fulfilling its duties to accurately record all patient activity on a timely basis and to ensure the Trust has effective data quality policies and management arrangements.
- Health Records Group provides assurance on the capture and usability of clinical information; the quality, availability and storage of clinical documentation as well as supporting the development and implementation of the Digital Care Record.

The Trust measures its compliance with the mandated nationally defined standards contained within the Data Security and Protection Toolkit. The Trust status is 'Standards Met' and this will remain until the final submission in the 30th June 2023. Work is being completed to provide the required evidence of compliance in order to achieve 'Standards Met' for the 2023/2024 toolkit submission.

All new systems and processes have a Data Protection Impact Assessment completed to ensure any information risks are assessed and where possible mitigated. In order to reduce the risk of data breaches a data mapping exercise is taking place to map all flows of Personal Identifiable Information. This information will support the publication of a Register of Processing Activities which along with the Privacy Notice will inform the public who we share information with and how their data is handled.

The Trust has reported two incidents to the Information Commissioners Office (ICO) in 2022/23; in one April 2022 and a second in September 2022. The Information Governance Manager reports all potential incidents to the SIRO for review and decisions regarding internal or external reporting to the ICO. Following repeat incidents or those of a serious nature reports and guidance are provided to reduce the risk of further incidents and ensure lessons are learned.

51. Data Quality

The Trust supports a culture of valuing high quality data and strives to ensure all data is accurate, valid, reliable, timely, relevant and complete. Identified risks and relevant mitigation measures are included on the risk register.

The Data Quality Steering Group (DQSG) meets bi-monthly and is chaired by the Trust Clinical Lead for Data Quality. The DQSG provides assurance for the Information Governance Steering Group which in turn assures the Audit and Assurance Committee.

DQSG has responsibility for investigating and monitoring any recommendations relating to data quality from external audits including the value for money audits that take place annually. It monitors the data quality of national and regulatory data submissions, including areas of mandated improvement.

internal data quality issues that may impact patient safety, experience or care are logged, reviewed systematically and escalated for intervention where required. Routine data quality audits

are also discussed with all outcomes reviewed and, where necessary, plans of action are designed and implemented.

The Trust's Data Quality Maturity Index Score compliance is 92.3%, compared to a national average of 88.6%. The data quality team and clinical lead work with the RTT validation team to improve the data quality error rate on waiting lists and assisting with the elective recovery programme, supporting the health inequalities agenda, and strengthening data transfer with General Practitioners to ensure patients only have to tell their stories once.

The Data Quality team were significantly involved in the data cleansing and priming phases of the Sunrise Electronic Patient Record (EPR) Implementation Programme. The team also supports the Trust with its 4Ward waste reduction programme, and works alongside the Improvement Team to identify and remove erroneous data so that we can be assured that improvements are related to transformation of services and not just improvements in data quality.

52. Waiting time elective data

The implementation of the fully electronic Holistic Patient Tracking List (PTL) in April 2022 has been critical in supporting the Elective Recovery Programme, and its fully integrated data quality functionality enables instant visibility of erroneous data that can be mitigated in a timely way, ensuring only those that need to remain on the waiting list do so.

The Trust is required to achieve no more than 2% of data errors on their patient tracking list by March 2023. The Trust delivered c5% however that was a 17% improvement compared to the start of the year.

The Data Quality Team work in collaboration to mitigate poor data quality once it has been identified. Improvement this year include data not compliant with the Elective Access Policy which resulted in rigorous quality assurance mechanisms, checks on patient level daily reporting, regular internal training around use of systems and RTT rules and the use of RTT status.

53. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance Committee, Quality Governance Committee and the People and Culture Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The following key processes have been applied to test the effectiveness of the system of internal control on which I base my review.

- The Board Assurance Framework provides evidence of the effectiveness of controls to manage risks to the Trust in achieving its key objectives. This is reviewed regularly by the Board and its Committees

- An assurance mapping process become operational during 2022/23 to support review and scrutiny of the extent of assurance the Trust receives
- Internal auditors have a risk-based plan of reviews to test the major control systems across the Trust in order to provide assurance about the rest of the internal control system
- External auditors have reviewed the annual accounts and annual report
- Where scope for improvement was identified during an audit review, appropriate recommendations were made, actions agreed with management with implementation monitored at Audit & Assurance Committee.
- Quality Governance Committee reviews clinical governance processes, including the management of serious incidents and clinical effectiveness
- Audit & Assurance Committee scrutinises the financial and other controls in place as part of their work programme
- The Board carried out an assessment against the Well Led Framework to ensure the Trust is best placed to continue to improve moving into 2023/24.
- Care Quality Commission unannounced inspection reported no Trust site having any inadequate rated areas.
- I am supported by the Executive Team consisting of the Executive Directors. The Divisional Structure ensures the Trust is clinically led and managerially supported with robust governance and accountability processes.

56. Conclusion

I consider that the Trust had five significant issues during the year 2022/23 as detailed below.

Issue 1 - CQC/Regulatory

The Trust remains registered with the Care Quality Commission (CQC) and the Trust has maintained its overall quality rating of Requires Improvement. We are in Segment 3 of the System Oversight Framework.

The Trust had an unannounced CQC inspection of our urgent and emergency care services and medical care during 2021/22, and have remained proactively engaged with the CQC. The inspection report from the November 2022 visit was published on the 6th April 2023 and our overall rating for the Trust did not change. Improvements were recognised in Urgent and Emergency services across both sites and the overall ratings went up from "Inadequate" to "Requires Improvement". This means we are no longer rated inadequate in any area across any of our hospitals.

The Trust had a review of its Enforcement Undertakings in July 2022. A Compliance Certificate, Discontinuation Notice and revised Enforcement Undertakings were issued.

The Trust expects well led and maternity inspections will take place during 2023/24

Issue 2 – urgent care

Key to the Trust being able to provide services in a timely manner is to ensure that there is flow through the hospitals which will enable patients arriving at the emergency departments to be seen and treated in a timelier manner and, where necessary, admitted in a timely basis. It is widely accepted and acknowledged that the challenges faced in urgent care require a trust and system wide response to support flow and reduce overcrowding. During 2023 the Trust continued to struggle to maintain flow and ambulance handovers over 60 minutes were steadily increasing. However, in November 2022 we expedited the opening of a new (same day emergency care) SDEC service which streams patients away from emergency departments

and contributed to improvements in ambulance handovers in Q4.

As a system we continue to manage and monitor improvements through the Home First Worcestershire (HFW) programme which will be reset for 23/24 to encompass actions and recommendations from recent reviews and improvement programmes and in response to this years' requirement to achieve 76% emergency access standard. The focus is to improve safety and enhance the efficiency and performance of the urgent and emergency care pathways across the whole system, ensuring patients are accessing the appropriate service and avoiding attendance at emergency departments where other services can better meet their care needs, that flow throughout the acute and community services is efficient, that admissions are avoided and other pathways considered to support patients in the community and at home.

We have a series of key schemes coming on line in 2023 to support improvement of flow which include, expansion of pathways utilising SDEC and other assessment areas, opening of a new emergency department with co-located medical SDEC and final steps to achieve our surgical reconfiguration which supports the Worcestershire Royal site as our emergency surgical site enabling improved flow and access for urgent and emergency care.

The HFW programme will continue to oversee work streams, with each work stream having a clear improvement plan with actions, timescales and owners. Each action also has a series of metrics expected to be impacted upon as a direct result of that action. These include initiatives such as:

- Adherence to Internal Professional Standards to support timely referral and assessment of patients
- Reconfiguration and adoption of frailty pathways to prevent admissions and ensure our frail older patients are cared for in an environment that reduces occurrence of functional decline.
- Use of all SDEC and specialty assessment areas to avoid ED attendance and supporting direct referrals and admissions from GPs and ambulance transfers

HFW has a dashboard used to ensure that the actions are delivering the desired outcomes and also assist in identifying any new challenges. Along with the actions, these metrics are monitored through the Trust Management Executive and the Finance and Performance Committee, as well as Trust Board.

Issue 3 Restoration and Recovery/delivery of national standards

The Trust still faces significant challenges in delivering key national standards following the impact of the COVID-19 pandemic on elective care and following an exceptionally challenging winter where we saw high volumes of covid and seasonal respiratory and influenza infection and lost activity due to industrial action. Standards that were impacted included the 4-hour Emergency Access Target, 18 weeks' referral to treatment – incomplete pathways, cancer waiting time standards and diagnostic waiting times.

Urgent Care 4 hours EAS remains a challenge and we have unfortunately moved from quartile 3 to quartile 4 during 2022-23, although ambulance handovers over 60 minutes had been increasing steadily during the year, Q4 has shown improvements which we hope to continue into 23/24. Improvements in the same day emergency care 'pull' model have made a contribution towards this improvement. System wide improvement plans which will have a direct impact on achievement of EAS and attainment

of this year's 76% target will be monitored and managed through the established Home First Worcestershire programme.

During 2022/23, improvements were made across all cancers standards. We met the standard for patients on 2 week wait (2WW) pathways for suspected cancer for last four months of the year (including Breast symptomatic standard for the last three months of the year). This was despite an increase in cancer referrals during 22/23. We remain in the top quartile for both 2 WW standards.

The volume of patients waiting more than 104 days for cancer treatments significantly improved from a high of more than 300 in October 22 to 144 in March 23. This continues to be a priority for the Trust. The volume of patients waiting more than 63 days has a similar profile with significant improvement since September from more than 900 to a year end position of 337. This improvement has moved the Trust from Quartile 4 to mid-point in quartile 3 (latest published data Feb 23).

We just missed the faster diagnosis standard finishing the year at 73% against a 75% standard, but there had been a linear improvement since September 2022 so we are confident that this will continue to improve into 23-24.

Referral to treatment (RTT) waiting list has reduced from over 70,000 during 23-24 to a March position of c67k, and we maintained a year end position of 0 104 week breaches.

Although the national target was to have zero 78 week breaches by March 2023, we had internally predicted 1300 at the start of the year, but had actively managed this down to c300.

Diagnostic performance for patients waiting no more than 6 weeks for a diagnostic has improved from quartile 3 to quartile 2 during 22-23 (latest data Feb 23), and has sustained quartile 2 for patients not waiting longer than 13 weeks. The diagnostic services delivered 21k more diagnostic tests than the nationally comparable year of 19/20.

As a Trust we are focussed on improving our elective recovery and have Executive sponsored improvement programmes for both outpatients and theatres, utilising GIRFT principles and metrics to drive improvements, with the aim of ensuring patients are treated in a timely manner, in the right place, in efficient and safe services, adopting innovative new ways of working to maximise productivity, reduce patient waiting times, improve outcomes and ensuring sustainably improved systems are maintained.

We will be completing surgical reconfiguration, further increasing the elective work at the Alexandra site as our main elective hub which provides ring fenced capacity for elective inpatients. We will be opening two new theatres on the Alexandra site and extending our endoscopy facilities at Kidderminster in 2023 to provide increased capacity to help reduce the waiting time for patients waiting for diagnostics and planned surgical procedures.

Alongside the improvement programmes and new facilities, an elective recovery task force group has been set up to focus specifically on rapid improvement and interventions to eliminate patients waiting 78 week waiters by Q2 23/24 and to ensure that as a Trust we sustainably meet this year's target of having no patients waiting in excess of 65 weeks beyond March 2024.

Issue 4 - finance

The Trust delivered a £(19.8)m adjusted financial Position in 2022/23, adverse to the planned

breakeven position The Trust's Annual Plan for 2022/23 was developed in conjunction with the system partners as part of the required ICS plan with a planned deficit of £(19.9)m. The board acknowledged that the plan is ambitious and required tight management to deliver the performance and objectives.

The 2022/23 plan forms the first year of our emergent 3-year plan and focuses on the key priorities of quality, improving access, and supporting healthier lives for our communities and staff, underpinned by financial stability. Investment in our 4ward improvement system to challenge and change our approach plays an underpinning role as part of our strategic pyramid to deliver the change required.

The Trust's underlying financial position remains a material deficit, requiring ongoing action and focus on financial sustainability to mitigate this issue. The Trust is in the process of developing an initial 5-year financial strategy to access how and when it can return to financial sustainability. We continue to work with the ICS so a collective approach is taken to financial sustainability and improve overall Use of Resources and productivity.

A second internal audit was requested on Strategic Capital Programmes due to the volume of late requests coming through for amendments to the original business case and design brief leading to significant over spends on the UEC Programme in particular. CW Audit undertook the audit which highlighted that much of the pressure was due to external factors driven by the way NHSE operates. The Trust was heavily advised by NHSE to develop a short form business case (under £15m) to improve the UEC facilities on site. A business case was subsequently approved in September 2020 and needed to be value engineered in order to remain under the threshold to attract the funding and deliver improvements in line with NHSE expectations. Unfortunately, with the passage of time since the original business case was approved, subsequent changes that were required to the clinical model and inflationary pressures, much of the initial value engineering has now been found to be flawed and led to subsequent actions to reverse many of these decisions leading to increased spend on the UEC Programme. Additionally, NHSE is pushing out more and more central capital funding to support the restoration of services and clear the elective backlog leading to further pressure on Trust resources to develop business cases without the usual level of diligence required. The Trust recognised these concerns and implemented a new Strategic Programme Board (SPB) to oversee the implementation of major strategic programmes including large centrally funded capital schemes and Transformation Programmes. The SPB reports into TME and the F&P having taken steps to improve controls of key programmes via oversight of progress. Furthermore, it affords the benefit of an ICS representative, providing a direct link back to the ICB investment Committee and also address the lines of oversight, governance and control.

Issue 5 – workforce

The recruitment and retention of our staff remains a key priority with staff turnover, sickness and vacancy numbers impacted by the pandemic, although we are starting to see signs of recovery. Our staff turnover has been on a downward trend since January 2022, however this remains high at 12.14%. Our substantive vacancy rate has increased by 2.62% to 11.63% this year, primarily due to an increase in the number of leavers (particularly retirements and work life balance), resulting in a continued reliance on bank and agency workers.

Industrial action has had a considerable impact on the workforce during the second half of the

22/23 financial year and will continue to pose a risk going into 2023/24. We have responded to industrial action taken by a number of Unions covering various staff groups as well as being impacted by industrial action taken by unions within the West Midlands Ambulance Service. The Trust has been able to reduce the severity of this risk by introducing an Industrial Action Tactical Command group supported by critical services business continuity plans. Throughout periods of industrial action staff have been reminded about the staff and wellbeing support available.

Colleague health and wellbeing has been a key priority for 2022/23 and whilst our absence rate of 5.57% remains high we are 0.4% better than acute trust average for sickness absence. A comprehensive wellbeing package is in place for staff and a managers toolkit is in place which sets out all of the wellbeing interventions we have in place.

A decision was made during the year to undertake an interim audit of the escalating medical agency costs to ensure that controls were operating adequately particularly in respect of processes for ensuring:

- procedures were documented and being adhered to
- appropriate approvals were in place
- robust mechanisms are in place for checking employment status and compliance with working time directive
- payments made were backed up with robust documentation and reconciled to monthly reporting summaries
- regular reporting and monitoring is in place

The report identified some serious control weaknesses resulting in a 'No Assurance' audit report issued by CW Audit with 3 of the 6 control objectives reported as providing 'no assurance' and the remaining 3 providing 'limited assurance'. All 17 recommendations were accepted by the Trust and responses provided with a timeline for response by management to implement the actions by the end of the financial year. The Chief Medical Officer had already formed a new group (Doctors and Associates Workforce Group) to review the high cost of medical workforce and in particular high cost agency and excessively high payments made for Non Resident On Call shifts and subsequently agreed to lead the response to the Internal Audit and ensure controls were reinforced and operating effectively. Members of DAWG engaged with the Medical Staffing Team and senior leaders to implement a new workable Standard Operating Procedure and policies for additional clinical payments including Non Resident On Call payments. As at 31st March 2023 there are 10 actions completed, 23 partially complete and 4 actions still outstanding.

Signed

Christine Blanshard
Deputy Chief Executive

Date: 13 July 2023

Statement of the Chief Executive's responsibilities as the accountable officer of the Trust

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

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

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

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

Signed

Christine Blanshard
Deputy Chief Executive

Date: 13 July 2023

Statement of directors' responsibilities in respect of the accounts

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

In preparing those accounts, the directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

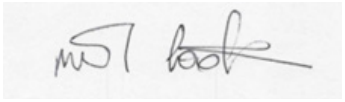
The Directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Trust's performance, business model and strategy.

By order of the Board

Signed

Deputy Chief Executive
Date: 13 July 2023

Signed



Chief Finance Officer
Date: 13 July 2023

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for Worcestershire Acute Hospitals NHS Trust

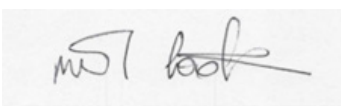
Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2021/22 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:

    - the financial records maintained by the NHS Trust,
    - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and,
    - the template NHS provider accounting policies issued by NHS England, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.

2. I certify that the TAC schedules are internally consistent and that there are no validation error which has been accepted by NHSI and Auditors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.



Chief Finance Officer
Date: 13 July 2023

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS England.
2. I have reviewed the schedules and agree the statements made by the Chief Finance Officer above.

Deputy Chief Executive
Date: 13 July 2023

Independent auditor's report to the directors of Worcestershire Acute Hospitals NHS Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Worcestershire Acute Hospitals NHS Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2022-23 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider 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 this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2022-23; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body

incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or

- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 22 May 2023 we referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 in relation to Worcestershire Acute Hospitals NHS Trust's ongoing breach of its breakeven duty for the year ending 31 March 2023.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

  - Large and unusual journals and those journals with a direct impact on the financial performance of the Trust; and
  - Potential management bias in determining accounting estimates, especially in relation to the calculation of the Trust's land and buildings valuation, and the implementation of the new Financial Reporting Standard IFRS 16 in the financial year.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large and unusual items;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations and IFRS 16 implementation;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communicated with management and the Audit Committee in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to land and building valuations, and IFRS 16 implementation.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements –the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter except:

- On 17 September 2021 we identified a significant weakness in the Trust's arrangements for improving economy, efficiency, and effectiveness: This was in respect of the Trust's estates costs, which are high in relation to similar Trusts and are a factor driving the Trust's deficit, and the lack of an approved estates strategy to drive more effective use of property assets. We recommended that the Trust should develop its estates strategy and strengthen its PFI contract management to secure improved value from the arrangements. As part of our work on the Trust's arrangements for improving economy, efficiency and effectiveness for the year ended 31 March 2023, we have reviewed the Trust's progress against our recommendations. We found that the Trust still needs to undertake further work to ensure its estates strategy is aligned to interdependent strategies and is underpinned by a clear prioritisation of capital projects based on available financial resources. There also needs to be continued focus on strengthening PFI contract management processes and securing more value from the arrangement. Therefore, the significant weakness in arrangements remains in place.
- On 17 September 2021 we identified a significant weakness in the Trust's arrangements for improving economy, efficiency, and effectiveness: This was in respect of the Trust's high bank and agency costs, which are factors behind the Trust's deficit, and the lack of a sustainable workforce model or human resources strategy. We recommended that the Trust should accelerate the work on understanding the drivers of the high cost of its workforce and its dependency on bank and agency nursing, which should then drive a workforce strategy developed in conjunction with system partners. As part of our work on the Trust's arrangements for improving economy, efficiency and effectiveness for the year ended 31 March 2023, we have reviewed the Trust's progress against our recommendations. We found that the Trust is taking action to address these issues at a local and system level. However, it is taking time to embed new processes and the challenges remain significant. Therefore the significant weakness in arrangements remains in place.
- On 30 June 2022 we identified a significant weakness in the Trust's arrangements for financial sustainability. This was in relation to the Trust reporting a cumulative deficit of £343.6 million in its financial statements at 31 March 2022 and budgeting for a £21 million deficit in 2022/23. We recommended that the Trust work with its partners in the Integrated Care System to develop a robust medium term financial plan that enables it to deliver a recurring breakeven position. As part of our work on the Trust's arrangements for financial sustainability for the year ended 31 March 2023, we have reviewed the Trust's progress against our recommendation. We found that the Trust reported a deficit of £19.8 million in its financial statements at 31 March 2023 and has budgeted for a deficit of £68.4 million in 2023/24. Therefore, the significant weakness in arrangements remains in place.

Responsibilities of the Accountable Officer

As explained in the Statement of Accountable Officer's Responsibility as the accountable officer of the Trust, the Deputy Chief Executive, as Acting Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of Worcestershire Acute Hospitals NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Masci

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

14 July 2023

The date and venue of the Annual General Meeting of Worcestershire Acute Hospitals NHS Trust has yet to be agreed

Further information can be obtained by writing to:
Rebecca O'Connor
Director of Corporate Governance
Worcestershire Acute Hospitals NHS Trust
Charles Hastings Way
Newtown Road
Worcester
WR5 1DD

Alternatively further information can be obtained from our website www.worcsacute.nhs.uk

Worcestershire Acute Hospitals NHS Trust

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Statement of Comprehensive Income

		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	3	608,792	565,160
Other operating income	4	36,175	31,231
Operating expenses	7, 9	(651,590)	(577,210)
Operating surplus/(deficit) from continuing operations		**(6,623)**	**19,181**
Finance income	11	737	24
Finance expenses	12	(15,301)	(13,027)
PDC dividends payable		(8,527)	(7,455)
Net finance costs		**(23,091)**	**(20,458)**
Other gains / (losses)	13	182	(439)
Surplus / (deficit) for the year from continuing operations		**(29,532)**	**(1,716)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	809	10,854
Revaluations	17	2,912	8,318
Total comprehensive income / (expense) for the period		**(25,811)**	**17,456**

		2022/23	2021/22
	Note	£000	£000
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(29,532)	(1,716)
Remove net impairments not scoring to the Departmental expenditure limit		9,658	238
Remove I&E impact of capital grants and donations		126	(151)
Remove net impact of inventories received from DHSC group bodies for COVID response		(27)	273
Adjusted financial performance surplus / (deficit)		**(19,775)**	**(1,356)**

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	14	6,412	6,804
Property, plant and equipment	15	378,680	349,769
Right of use assets	18	33,057	-
Receivables	19	1,558	2,307
Total non-current assets		**419,707**	**358,880**
Current assets			
Inventories	18	11,554	10,113
Receivables	19	36,192	17,870
Cash and cash equivalents	21	33,541	59,181
Total current assets		**81,287**	**87,164**
Current liabilities			
Trade and other payables	22	(97,791)	(81,131)
Borrowings	24	(6,320)	(4,880)
Provisions	25	(2,939)	(5,145)
Other liabilities	23	(4,724)	(4,338)
Total current liabilities		**(111,774)**	**(95,494)**
Total assets less current liabilities		**389,220**	**350,550**
Non-current liabilities			
Borrowings	24	(88,361)	(61,480)
Provisions	25	(2,326)	(3,047)
Other liabilities	23	(3,873)	(3,866)
Total non-current liabilities		**(94,560)**	**(68,393)**
Total assets employed		**294,660**	**282,157**

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	Note	31 March 2023 £000	31 March 2022 £000
Financed by			
Public dividend capital		623,724	**585,410**
Revaluation reserve		105,070	**103,886**
Other reserves		(861)	**(861)**
Income and expenditure reserve		(433,273)	**(406,278)**
Total taxpayers' equity		**294,660**	**282,157**

Name: Christine Blanshard
Position: Deputy Chief Executive
Date: 13th July 2023

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**585,410**	**103,886**	**(861)**	**(406,278)**	**282,157**
Surplus / (deficit) for the year	-	-	-	(29,532)	**(29,532)**
Other transfers between reserves	-	(2,537)	-	2,537	**-**
Impairments	-	809	-	-	**809**
Revaluations	-	2,912	-	-	**2,912**
Public dividend capital received	39,114	-	-	-	**39,114**
Public dividend capital repaid	(800)	-	-	-	**(800)**
Taxpayers' and others' equity at 31 March 2023	**623,724**	**105,070**	**(861)**	**(433,273)**	**294,660**

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**548,787**	**86,722**	**(861)**	**(406,570)**	**228,078**
Surplus/(deficit) for the year	-	-	-	(1,716)	**(1,716)**
Other transfers between reserves	-	(1,970)	-	1,970	**-**
Impairments	-	10,854	-	-	**10,854**
Revaluations	-	8,318	-	-	**8,318**
Transfer to retained earnings on disposal of assets	-	(38)	-	38	**-**
Public dividend capital received	36,623	-	-	-	**36,623**
Taxpayers' and others' equity at 31 March 2022	**585,410**	**103,886**	**(861)**	**(406,278)**	**282,157**

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.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(6,623)	19,181
Non-cash income and expense:			
Depreciation and amortisation	7.1	16,944	12,937
Net impairments	8	9,658	238
Income recognised in respect of capital donations	4	-	(318)
Amortisation of PFI deferred credit		(669)	(463)
(Increase) / decrease in receivables and other assets		(18,062)	3,177
(Increase) / decrease in inventories		(1,441)	(1,685)
Increase / (decrease) in payables and other liabilities		24,068	15,271
Increase / (decrease) in provisions		(2,975)	(8)
Net cash flows from / (used in) operating activities		**20,900**	**48,330**
Cash flows from investing activities			
Interest received		737	24
Purchase of intangible assets		(2,620)	(1,996)
Purchase of PPE and investment property		(52,585)	(41,561)
Sales of PPE and investment property		263	303
Initial direct costs or up front payments in respect of new right of use assets (lessee)		(8)	
Net cash flows from / (used in) investing activities		**(54,213)**	**(43,230)**

	Note	2022/23 £000	2021/22 £000
Cash flows from financing activities			
Public dividend capital received		39,114	36,623
Public dividend capital repaid		(800)	-
Movement on loans from DHSC		(1,246)	(1,446)
Capital element of lease liability repayments		(1,506)	-
Capital element of PFI, LIFT and other service concession payments		(3,619)	(2,638)
Interest on loans		(302)	(328)
Interest element of lease liability repayments		(315)	-
Interest paid on PFI, LIFT and other service concession obligations		(14,638)	(12,740)
PDC dividend (paid) / refunded		(9,015)	(6,917)
Net cash flows from / (used in) financing activities		**7,673**	**12,554**
Increase / (decrease) in cash and cash equivalents		**(25,640)**	**17,654**
Cash and cash equivalents at 1 April - brought forward	**21**	**59,181**	**41,527**
Cash and cash equivalents at 31 March		**33,541**	**59,181**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 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 account-

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ing policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

In April 2023 the Board made an assessment of the risks, opportunities and uncertainties it faces and considers itself to be a going concern in line with published guidance.

The Trust, with system partners submitted the operational and financial plan for the year ending 31 March 2023. Nationally funded block payment regime has been in place throughout 2021/22 and 2022/23. The assessment of the board is that DHSC temporary revenue support arrangements will continue as and when required, to support providers with demonstrable cash needs.

Note 1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Contract payments in year have been based on expected contract value divided by calendar month. The adjustment at year end for final settlement is to be settled in April 2023.

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 income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

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. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Education and Training Income
Education and Training income (note 4) relates to the NHS Education Contract of £14.9m. The Trust contracts with the NHS Education who provides all education training and learning activity commissioned by Health Education England from the Multi–Professional Education and Training (MPET) levy funding.

It establishes a framework for the delivery of practice learning and teaching to support the workforce development.

The agreement includes training for medical and dental students, non-medical professional and vocational students, postgraduate training for doctors, learning beyond registration, learning before registration and education and training infrastructure.

Revenue from research contracts
Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme
The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.4 Other forms of income

Grants and donations
Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where

a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income
The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

The Trust accounted for the increase in pension contribution at 20.6% from the 1st April 2019. The rates have been agreed from the 1st April 2019 to 31st March 2023 at 20.6% of pensionable pay for both the 1995-2008 pension scheme and the 2015 pension scheme. The employers contribution is set through a scheme valuation which is carried out every four years, where the 2016 valuation identified the need to increase the employer contribution from 14.3% to 20.6% from 1st April 2019.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs.Assets are revalued, adjusted for impairments and depreciated when the assets are complete and brought into use..

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to

the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Note 1.8 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. 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 of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to

finance costs in the Statement of Comprehensive Income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI asset, including finance costs; and
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

In 2013 the PFI provider was found to be in default of the service agreement, due to building defects. A settlement was reached between the Trust and the PFI provider in June 2016. The Deed of Variation included two broad elements; a lump sum compensation payment (£6.5m) and alterations to future service charges (£7.3m). The lump sum payment was credited to other operating revenue. In 2016/17 the Trust recognised the revenue coming from future service charges price alterations in other operating revenue. The Trust looked at the reduction in future service provider margins that would not have been agreed without the building defects. The contractual value was used as the basis for the calculation, allowing both for cost of capital adjustments and future service price increases based on predicted RPI changes. The gain on the alteration to future service charges was recognised in other operating revenues to be consistent with the recognition of the lump sum compensation payment. This gain reduced the PFI liability as the settlement related to the compensation for the building defects. By adopting this accounting treatment, annual Unitary Payments from 2018/19 do not reflect the full value of the service received. The future service charges element of the Unitary Payment is adjusted by an amount equivalent to the full value of the service received and the PFI liability is increased. This adjustment will 'unwind' the 2016/17 revenue recognition over the remaining life of the PFI contract.

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	2	90
Dwellings	48	64
Plant & machinery	1	50
Transport equipment	7	8
Information technology	5	9
Furniture & fittings	7	10

Note 1.9 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at 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 Years	Max life Years
Information technology	5	5
Software licences	5	5

Note 1.10 Inventories

Inventories (excluding drugs) are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the typically high turnover of stocks.

Drugs inventories are valued using the weighted average cost method.

The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

The Trust's inventory balance of £11.6m is material to the Trust's accounts. The Trust is satisfied that its inventory balance is presented fairly in all material respects: the Trust has well-established stocktake procedures which are regularly reviewed and continue to use the digital app introduced last year to aid data collection. Trust staff were able to complete the stock counts for 2022/23 and the Trust's auditor was able to fully attend the relevant year-end inventory counts and the balances as at 31st March 2023.

From 2020/21 up to and including 2022/23, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

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, ie, when receipt or delivery of the goods or services is made.

Classification and measurement
Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost
Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets 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).

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
The lease term begins at the commencement date and includes any rent-free periods provided to the lessee by the lessor. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee. At the commencement date of the lease. the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised. After the commencement date, a lessee is only required to reassess the lease term upon the occurrence of a significant event or a significant change in circumstances that is within control of the lessee and affects whether the lessee is reasonably certain to exercise, or not exercise, an option which previously informed the assessment made regarding the lease term. A significant change during the lease terms includes Significant leasehold improvements or a significant modification to the underlying asset that was not anticipated at the commencement date of the lease.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the

underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term . Irrecoverable VAT on lease payments is expensed as it falls due.

Upon the commencement of the new IFRS16 policy on Lease Transitions, the Carrying amounts of the right of use asset and finance lease liability should remain the same as they were immediately before the date of initial application.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been 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 have only been 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 have not been 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 has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been 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 has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset as required.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

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 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

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 2023:

		Inflation rate	Prior year rate
Year 1		7.40%	4.00%
Year 2		0.60%	2.60%
Into perpetuity		2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Note 1.15 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 27.2 but is not recognised in the Trust's accounts.

Note 1.16 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 1.17 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 28 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.18 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.19 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 1.20 Corporation tax

Under the Corporation Tax Act 2010 section 986, a Health Service body is not liable to corporation tax.

Note 1.21 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 1.22 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.

Note 1.23 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.24 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 (Note 31).

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 1.25 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases - application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Other standards, amendments and interpretations

An Amendment to IFRS 16 - Leases on sale and leaseback will take effect in 2023/24 which includes the requirement for sale and leaseback transactions to explain how the trust accounts for a sale and leaseback after the date of transaction. The effect of this has not yet been quantified.

Note 1.28 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Note 1.28.1 PFI

Valuation guidance issued by the Royal Institution of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Note 1.28.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Valuation of property, plant and equipment (see note 15) is based upon an assessment undertaken by professional property valuers which by its nature includes an element of subjectivity.

- The Trust engaged a professional property adviser to undertake a desktop revaluation in 2022/23 after having a full revaluation in 2018/19. However, an interim valuation was undertaken to ensure all build rates have been renewed to the current date.

- The valuation exercise was carried out between December 2022 and March 2023 with a valuation date of 31 March 2023. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), the valuer has stated that the UK continues to experience heightened uncertainty with regard to market conditions in the valuation report. The valuer considers that inflationary pressures continue to weigh on the economy and whilst having peaked still remain at high levels having a material effect on higher cost of living expenses. Base rates have increase rapidly to combat the infationary conditions and the expectation is for further rises still to come. The cost of debt has risen, and its availability reduced which together with the outward movement in gilt yields from historically low levels has weighed on investor sentiment and had an adverse impact on property values. Confidence in the banking sector is fragile as seen in the recent actions around a handful of banks but mostly Credit Suisse and this is likely to result in the further tightening of debt available to investors. With regard

market uncertainity over building safety, market participants continue to be affected by details of construction, health and safety, and particularly fire protection, mitigation and means of escape from buildings where people sleep. The Government's proposed legislation is far reaching and will provide a new regime for building regulations compliance. In the light of these circumstances, this valuation has been undertaken in the context of a changing regulatory environment and we would therefore recommend that it is kept under regular review. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. The valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

- The valuation report recommends the importance of the valuation date in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19.

97.1% of the value of the Trust property assets is in respect of specialised properties, and therefore valued on a Depreciated Replacement Cost basis. The valuation for such assets, with the exception of the Land component, is based on comparable build cost information published by the RICS Building Cost Information Service (BCIS), up to and including the valuation date of 31 March 2023. Whilst these published build costs remain 'provisional' and therefore subject to fluctuation, it is not anticipated that there would be a significant change.

The DRC approach assumes that the current cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, 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.

Note 2 Operating Segments

IFRS 8 sets out the criteria for identifying operating segments and for reporting individual or aggregated segmental data. The Trust Board has considered the requirements of IFRS 8 and whilst it does receive budgetary performance information at a specialty group level based upon groups of services (including for example medical specialties, surgical specialties etc.), this information is limited in that:

- Costs associated with any one specialty or service provided by the Trust are split across several specialty groups;
- Cross charging for services between specialty groups is not widely undertaken; and
- Many services provided by the Trust are not operationally independent.

In addition to the above key factors, consideration has also been given to the principles around aggregation of operating segments set out in IFRS 8 which concludes that segments may be aggregated if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

a. the nature of the products and services:
The services provided are very similar in that they represent the provision of healthcare to ill/vulnerable people. Furthermore many of the services are interconnected with care for an individual being shared across different specialties and departments.
b. the nature of the production processes:
Services are provided in very similar ways (albeit to differing extents) to the majority of patients including outpatient consultations, inpatient care, diagnostic tests, medical and surgical interventions.
c. the type or class of customer for their products and services:
The Trust's customers are similar across all services in that they are ill/vulnerable people – whilst certain patient groups may be more susceptible to different healthcare needs, most services are provided to customers of all ages, gender etc.
d. the methods used to distribute their products or provide their services:
The majority of services are delivered to customers through attendance at hospital as outpatients, day cases or inpatients.
e. if applicable, the nature of the regulatory environment:
The regulatory environment in which the Trust's services are provided is NHS healthcare.

Financial Performance Reporting

The Trust Board receives reports on the Trust's financial performance based upon the Statement of Comprehensive Income (or Net Expenditure) which is adjusted in accordance with HM Treasury rules on measuring financial performance. These adjustments are set out below the Statement of Comprehensive Income (or Net Expenditure) and in note 35 relating to breakeven performance.

Income Sources

Key information on the Trust's sources of income is as follows:

Clinical Commissioning Groups (CCGs) from which £120.1 million and ICB is £373.6 million (£470.5 million in 2021/22 for both NHS bodies) was received and NHS England from which £110.0 million (£89.4 million in 2021/22) was received. Including reimbursement and top-up funding."

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)

	2022/23 £000	2021/22 £000
Income from commissioners under API contracts*	515,552	497,880
High cost drugs income from commissioners (excluding pass-through costs)	46,730	46,218
Other NHS clinical income	2,624	2,907
All services		
Private patient income	0	173
Elective recovery fund	16,343	3,043
Agenda for change pay offer central funding	11,662	-
Additional pension contribution central funding**	13,563	12,873
Other clinical income	2,318	2,066
Total income from activities	**608,792**	**565,160**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will

be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.'

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2022/23 £000	2021/22 £000
NHS England	110,282	89,465
Clinical commissioning groups	120,131	470,549
Integrated care boards	373,582	-
Other NHS providers	2,479	2,907
Non-NHS: private patients	166	167
Non-NHS: overseas patients (chargeable to patient)	103	6
Injury cost recovery scheme	1,314	1,271
Non NHS: other	735	795
Total income from activities	**608,792**	**565,160**
Of which:		
Related to continuing operations	608,792	565,160
Related to discontinued operations	0	0

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2022/23 £000	2021/22 £000
Income recognised this year	103	6
Cash payments received in-year	174	28
Amounts written off in-year	64	10

Note 4 Other operating income

	2022/23			2021/22		
	Contract income £000	Non-Contract income £000	Total £000	Contract income £000	Non-Contract income £000	Total £000
Research and development	933	-	**933**	900	-	**900**
Education and training	14,934	-	**14,934**	13,422	-	**13,422**
Non-patient care services to other bodies	7,701		**7,701**	5,275		**5,275**
Reimbursement and top up funding	2,568		**2,568**	5,140		**5,140**
Receipt of capital grants and donations and peppercorn leases		-	**-**		318	**318**
Charitable and other contributions to expenditure		1,545	**1,545**		1,626	**1,626**
Revenue from operating leases		-	**-**		119	**119**
Amortisation of PFI deferred income / credits		669	**669**		463	**463**
Other income	7,825	-	**7,825**	3,968	-	**3,968**
Total other operating income	**33,961**	**2,214**	**36,175**	**28,705**	**2,526**	**31,231**
Of which:						
Related to continuing operations			36,175			31,231
Related to discontinued operations			-			-

Non Patient care Services to other bodies includes items such as Mortuary Services, Transport Services and Occupational Health services.

Education and Training is mainly from NHS Education £14.9m (Note 1.3)

Note 5.1 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2022/23 £000	2021/22 £000
Income	924	-
Full cost	(2,144)	(1,750)
Surplus / (deficit)	**(1,220)**	**(1,750)**

The income and full costs relate to the Trust car parking which are included in Other Income note 4. Free staff parking continued into 2022/23 for all staff. Patients and visitors charges commenced in September 2022.

Note 6 Operating leases - Worcestershire Acute Hospitals NHS Trust as lessor

This note discloses income generated in operating lease agreements where Worcestershire Acute Hospitals NHS Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Note 6.1 Operating lease income

	2022/23 £000	2021/22 £000
Lease receipts recognised as income in year:		
Minimum lease receipts *	-	119
Variable lease receipts / contingent rents	**-**	**-**
Other		**-**
Total in-year operating lease income	**-**	**119**

Note 7.1 Operating expenses

	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	5,658	5,104
Purchase of healthcare from non-NHS and non-DHSC bodies	8,794	4,825
Staff and executive directors costs *	398,032	357,518
Remuneration of non-executive directors	155	164
Supplies and services - clinical (excluding drugs costs)	60,474	54,414
Supplies and services - general	26,138	24,498
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	58,682	53,194
Inventories written down	274	243
Consultancy costs	240	215
Establishment	4,046	3,430
Premises	20,948	15,396
Transport (including patient travel)	1,383	1,596
Depreciation on property, plant and equipment and right of use assets	15,506	11,913
Amortisation on intangible assets	1,438	1,024
Net impairments	9,658	238
Movement in credit loss allowance: contract receivables / contract assets	511	(181)
Change in provisions discount rate(s)	(651)	103
Fees payable to the external auditor		
audit services- statutory audit	144	126
Internal audit costs	99	90
Clinical negligence	18,062	16,837

	2022/23 £000	2021/22 £000
Legal fees	425	692
Insurance	273	285
Research and development	0	0
Education and training	1,089	780
Expenditure on short term leases (current year only)	349	-
Expenditure on low value leases (current year only)	194	-
Operating lease expenditure (comparative only)		4,680
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	19,039	19,764
Other	630	262
Total	**651,590**	**577,210**
Of which:		
Related to continuing operations	651,590	577,210

* Staff and Executive costs excludes staff capitalised costs of £225k

Note 7.2 Other auditor remuneration

	2022/23 £000	2021/22 £000
Other auditor remuneration paid to the external auditor:		
There has been no other remuneration paid to the external auditor in either 2021/22 or 2022/23.		

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2021/22: £1 million).

Note 8 Impairment of assets

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	9,658	238
Total net impairments charged to operating surplus / deficit	**9,658**	**238**
Impairments charged to the revaluation reserve	(809)	(10,854)
Total net impairments	**8,849**	**(10,616)**

The Trust engaged a professional property adviser to undertake a desktop revaluation in 2022/23 after having a full revaluation in 2018/19. However, an interim valuation was undertaken to ensure all build rates have been renewed to the current date. All land and buildings have been assessed for physical depreciation and obsolescence which has resulted in changes in valuation of the Trusts assets. Any buildings assets which reduced in value were impaired to either the revaluation reserve or to I&E.

Note 9.1 Employee benefits

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	262,510	237,285
Social security costs	29,520	25,653
Apprenticeship levy	1,322	1,217
Employer's contributions to NHS pensions	44,598	42,309
Pension cost - other	84	56
Temporary staff (including agency)	60,223	51,302
Total gross staff costs	**398,257**	**357,822**
Recoveries in respect of seconded staff	-	-
Total staff costs	**398,257**	**357,822**
Of which		
Costs capitalised as part of assets	225	304

Note 9.2 Average number of employees (WTE basis)

	Permanent Number	Other Number	Total Number	2021/22 Total Number
Medical and dental	716	131	847	757
Ambulance staff	3	-	3	2
Administration and estates	741	36	777	1,099
Healthcare assistants and other support staff	1,809	194	2,003	1,358
Nursing, midwifery and health visiting staff	1,955	315	2,270	2,065
Scientific, therapeutic and technical staff	588	23	611	609
Healthcare science staff	172	23	195	172
Total average numbers	**5,984**	**722**	**6,706**	**6,063**

Note 9.2 Retirements due to ill-health

During 2022/23 there were 3 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £114k (£128k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both 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 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2022/23 £000	2021/22 £000
Interest on bank accounts	737	24
Total finance income	**737**	**24**

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23 £000	2021/22 £000
Interest expense:		
Interest on loans from the Department of Health and Social Care	300	327
Interest on lease obligations	315	-
Main finance costs on PFI and LIFT schemes obligations	4,894	5,185
Contingent finance costs on PFI and LIFT scheme obligations	9,744	7,555
Total interest expense	**15,253**	**13,067**
Unwinding of discount on provisions	48	(40)
Total finance costs	**15,301**	**13,027**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2022/23 £000	2021/22 £000
The Trust has not incurred any late payment interest charges in 2021/22 nor 2022/23.		

Note 13 Other gains / (losses)

	2022/23 £000	2021/22 £000
Gains on disposal of assets *	324	273
Losses on disposal of assets	(142)	(712)
Total gains / (losses) on disposal of assets	**182**	**(439)**
Total other gains / (losses)	**182**	**(439)**

* This includes the gain of disposals of PPE £263k and the gain on disposals of the ROU of £61k

Note 14.1 Intangible assets - 2022/23

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	**7,444**	**3,689**	**1,273**	**12,406**
Additions	392	466	188	**1,046**
Reclassifications	546	388	(934)	**-**
Disposals / derecognition	(99)	-	-	**(99)**
Valuation / gross cost at 31 March 2023	**8,283**	**4,543**	**527**	**13,353**
Amortisation at 1 April 2022 - brought forward	**3,742**	**1,860**	**-**	**5,602**
Provided during the year	930	508	-	**1,438**
Disposals / derecognition	(99)	-	-	**(99)**
Amortisation at 31 March 2023	**4,573**	**2,368**	**-**	**6,941**
Net book value at 31 March 2023	**3,710**	**2,175**	**527**	**6,412**
Net book value at 1 April 2022	**3,702**	**1,829**	**1,273**	**6,804**

Note 14.2 Intangible assets - 2021/22

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2021 - as previously stated	**10,211**	**3,575**	**693**	**14,479**
Prior period adjustments	-	-	-	-
Valuation / gross cost at 1 April 2021 - restated	**10,211**	**3,575**	**693**	**14,479**
Transfers by absorption	-	-	-	-
Additions	1,412	-	2,158	3,570
Reclassifications	609	969	(1,578)	-
Disposals / derecognition	(4,788)	(855)	-	(5,643)
Valuation / gross cost at 31 March 2022	**7,444**	**3,689**	**1,273**	**12,406**
Amortisation at 1 April 2021 - as previously stated	**7,756**	**2,436**	**-**	**10,192**
Prior period adjustments	-	-	-	-
Amortisation at 1 April 2021 - restated	**7,756**	**2,436**	**-**	**10,192**
Transfers by absorption	-	-	-	-
Provided during the year	761	263	-	1,024
Disposals / derecognition	(4,775)	(839)	-	(5,614)
Amortisation at 31 March 2022	**3,742**	**1,860**	**-**	**5,602**
Net book value at 31 March 2022	**3,702**	**1,829**	**1,273**	**6,804**
Net book value at 1 April 2021	**2,455**	**1,139**	**693**	**4,287**

Note 15.1 Property, plant and equipment - 2022/23

	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 2022 - brought forward	**41,565**	**243,525**	**1,165**	**39,276**	**50,116**	**264**	**15,623**	**45**	**391,579**
Additions	-	720	-	36,923	3,551	-	7,331	-	**48,525**
Impairments	(423)	(14,642)	(401)	-	-	-	-	-	**(15,466)**
Reversals of impairments	-	6,574	43	-	-	-	-	-	**6,617**
Revaluations	635	(5,269)	(39)	-	-	-	-	-	**(4,673)**
Reclassifications	-	27,573	-	(34,843)	342	-	6,928	-	**-**
Disposals / derecognition	-	-	-	-	(9,443)	(157)	(24)	(8)	**(9,632)**
Valuation/gross cost at 31 March 2023	**41,777**	**258,481**	**768**	**41,356**	**44,566**	**107**	**29,858**	**37**	**416,950**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**927**	**-**	**-**	**30,125**	**264**	**10,454**	**40**	**41,810**
Provided during the year	-	7,696	39	-	3,642	-	2,158	-	**13,535**
Revaluations	-	(7,546)	(39)	-	-	-	-	-	**(7,585)**
Disposals / derecognition	-	-	-	-	(9,301)	(157)	(24)	(8)	**(9,490)**
Accumulated depreciation at 31 March 2023	**-**	**1,077**	**-**	**-**	**24,466**	**107**	**12,588**	**32**	**38,270**
Net book value at 31 March 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**-**	**17,270**	**5**	**378,680**
Net book value at 1 April 2022	**41,565**	**242,598**	**1,165**	**39,276**	**19,991**	**-**	**5,169**	**5**	**349,769**

Note 15.2 Property, plant and equipment - 2021/22

	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 2021 - restated	**39,716**	**222,148**	**827**	**8,134**	**54,981**	**302**	**15,917**	**137**	**342,162**
Additions	-	3,412	-	39,405	5,996	-	182	-	48,995
Impairments	-	(274)	(33)	(4,716)	-	-	-	-	(5,023)
Reversals of impairments	99	15,540	-	-	-	-	-	-	15,639
Revaluations	1,780	38	(29)	-	-	-	-	-	1,789
Reclassifications	-	2,661	-	(3,547)	(646)	-	1,532	-	-
Transfers to / from assets held for sale	-	-	400	-	-	-	-	-	400
Disposals / derecognition	(30)	-	-	-	(10,215)	(38)	(2,008)	(92)	(12,383)
Valuation/gross cost at 31 March 2022	**41,565**	**243,525**	**1,165**	**39,276**	**50,116**	**264**	**15,623**	**45**	**391,579**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**753**	**-**	**-**	**37,247**	**302**	**9,522**	**130**	**47,954**
Accumulated depreciation at 1 April 2021 - restated	**-**	**753**	**-**	**-**	**37,247**	**302**	**9,522**	**130**	**47,954**
Provided during the year	-	6,674	29	-	2,981	-	2,227	2	11,913
Revaluations	-	(6,500)	(29)	-	-	-	-	-	(6,529)
Reclassifications	-	-	-	-	(640)	-	640	-	-
Disposals / derecognition	-	-	-	-	(9,463)	(38)	(1,935)	(92)	(11,528)
Accumulated depreciation at 31 March 2022	**-**	**927**	**-**	**-**	**30,125**	**264**	**10,454**	**40**	**41,810**
Net book value at 31 March 2022	**41,565**	**242,598**	**1,165**	**39,276**	**19,991**	**-**	**5,169**	**5**	**349,769**
Net book value at 1 April 2021	**39,716**	**221,395**	**827**	**8,134**	**17,734**	**-**	**6,395**	**7**	**294,208**

Note 15.3 Property, plant and equipment financing - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	**41,777**	**159,980**	**768**	**41,356**	**13,587**	**17,270**	**5**	**274,743**
On-SoFP PFI contracts and other service concession arrangements	-	97,176	-	-	5,611	-	-	**102,787**
Owned - donated/granted	-	248	-	-	902	-	-	**1,150**
Total net book value at 31 March 2023	**41,777**	**257,404**	**768**	**41,356**	**20,100**	**17,270**	**5**	**378,680**

Note 15.4 Property, plant and equipment financing - 31 March 2022

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	**41,565**	**148,490**	**1,165**	**39,276**	**13,167**	**5,169**	**5**	**248,837**
On-SoFP PFI contracts and other service concession arrangements	-	93,867	-	-	5,803	-	-	**99,670**
Owned - donated/granted	-	241	-	-	1,021	-	-	**1,262**
Total net book value at 31 March 2022	**41,565**	**242,598**	**1,165**	**39,276**	**19,991**	**5,169**	**5**	**349,769**

Note 15.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Not subject to an operating lease	41,777	257,404	768	41,356	20,100	17,270	5	378,680
Total net book value at 31 March 2023	41,777	257,404	768	41,356	20,100	17,270	5	378,680

Note 16 Donations of property, plant and equipment

The Trust has not received any donated property, plant and equipment assets.

Note 17 Revaluations of property, plant and equipment

The Trust engaged a professional property adviser to undertake a desktop revaluation in 2022/23 after having a full revaluation in 2018/19. However, an interim valuation was undertaken to ensure all build rates have been renewed to the current date, see note 1.128

The valuations were carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the DHSC and HM Treasury.

The valuations have been carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for nonspecialised operational property

In line with HM Treasury guidance, the revaluation as at 31st March 2023 was based on the 'Modern Equivalent Asset' approach to valuation.

The Trust commissioned a full revaluation in 2018/19. The Valuers reviewed the Trusts asset base including a condition survey. Each site is defined as the ""property asset"" with the 3 significant components defined as land, buildings and external works.

Note 18 Leases - Worcestershire Acute Hospitals NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Worcestershire Acute Hospitals NHS Trust is the lessee.

The Trust's operating leases for short term fixed leases include equipment and premises. The increase in lease payments due later than five years relates to the Charles Hasting Education Centre, car parking, surgical robot and Kings Court as the agreement is more than a 5 years commitment.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 18.1 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	31,725	2,053	143	33,921
Additions	-	1,328	-	1,328
Disposals / derecognition	-	(368)	-	(368)
Valuation/gross cost at 31 March 2023	**31,725**	**3,013**	**143**	**34,881**
Provided during the year	985	929	57	1,971
Disposals / derecognition	-	(147)	-	(147)
Accumulated depreciation at 31 March 2023	**985**	**782**	**57**	**1,824**
Net book value at 31 March 2023	**30,740**	**2,231**	**86**	**33,057**

Note 18.2 Revaluations of right of use assets

The Trust right of use assets have recently had a rental review and therefore have not been revalued under IAS 16. The right of use assets have a annual review and are therefore valued at cost.

Note 18.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 24.1.

	2022/23 £000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	33,657
Lease additions	1,320
Interest charge arising in year	315
Early terminations	(282)
Lease payments (cash outflows)	(1,821)
Carrying value at 31 March 2023	**33,189**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 18.4 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	1,695	-
- later than one year and not later than five years;	5,883	-
- later than five years.	35,840	-
Total gross future lease payments	**43,418**	**-**
Finance charges allocated to future periods	(10,229)	-
Net lease liabilities at 31 March 2023	**33,189**	**-**

There are no leases from DHSC group bodies.

Note 18.4 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	4,680
Total	**4,680**
	31 March 2022
	£000
Future minimum lease payments due:	
- not later than one year;	2,819
- later than one year and not later than five years;	6,755
- later than five years.	42,521
Total	**52,095**
Future minimum sublease payments to be received	-

Note 18.5 Leases - other information

The only significant residual guarantee relates the right of use asset at Kings Court.

Note 18.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.
The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

This is estimated at £13m in 2022/23 mainly due to the Charles Hasting Education Centre lease term left of 78 years as at 31.3.2023.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	52,095
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**39,218**
Less:	
Commitments for short term leases	(225)
Commitments for leases of low value assets	(162)
Irrecoverable VAT previously included in IAS 17 commitment	(6,467)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(34)
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	405
Amounts payable under residual value guarantees	922
Total lease liabilities under IFRS 16 as at 1 April 2022	**33,657**

Note 18.8 Inventories

	31 March 2023	31 March 2022
	£000	£000
Drugs	4,167	4,021
Work In progress	71	88
Consumables	7,277	5,974
Energy	39	30
Total inventories	**11,554**	**10,113**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £61,306k (2021/22: £56,887k). Write-down of inventories recognised as expenses for the year were £274k (2021/22: £243k).

Through learning from response to the COVID-19 pandemic, the Trust is seeking to modernise its inventory management practices including the acquisition of a modern inventory management system. The Trust expects to modernise practices from 2022/23 via the new inventory system to improve visibility of slow moving, change of use or obsolete inventory. Given the current limited visibility of slow moving and obsolete inventory; the relatively low level of historic inventory write-downs; and the anticipated improvements in inventory management, it has been deemed prudent to make a provision equivalent to 25% of core inventory items (£0.816m) to account for anticipated losses.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £1,329k of items purchased by DHSC (2021/22: £1,434k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 19.1 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	22,388	5,460
Allowance for impaired contract receivables / assets	(1,183)	(1,009)
Deposits and advances	78	61
Prepayments (non-PFI) *	2,918	-
PFI lifecycle prepayments	6,100	6,343
PDC dividend receivable	18	-
VAT receivable	5,205	3,299
Other receivables *	668	3,716
Total current receivables	**36,192**	**17,870**
Non-current		
Contract receivables	1,033	1,923
Other receivables	525	384
Total non-current receivables	**1,558**	**2,307**
Of which receivable from NHS and DHSC group bodies:		
Current	15,969	3,984
Non-current	525	384

Non-Current Contract Receivables relates to the NHS Injury Cost Recovery Scheme, whereby the Trust accounts for expected income.

* Due to the change in accounting policies (IFRS 16), the prior year balances have been moved to other receivables

Note 19.2 Allowances for credit losses

	2022/23 Contract receivables and contract assets £000	2021/22 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**1,009**	**1,551**
New allowances arising	394	117
Reversals of allowances	117	(298)
Utilisation of allowances (write offs)	(337)	(361)
Allowances as at 31 Mar 2023	**1,183**	**1,009**

The Trust's policy for allowances for credit losses is as follows:

Injury cost recovery income: subject to a provision for credit losses of 24.86% (23.76% 2021/22) as per DHSC guidance for 2022/23 receivables.
Non-NHS receivables that are over 3 months old, are subject to a provision for credit losses of 100%
Non-NHS receivables less than 3 months old have been individually assessed and an appropriate provision made based on the information available and the assessed risk to the income.

Note 19.3 Exposure to credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2023 are in receivables from customers, as disclosed in the trade and other receivables note.

Note 20 Non-current assets held for sale and assets in disposal groups

	2022/23 £000	2021/22 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**400**
Prior period adjustment		-
Assets no longer classified as held for sale, for reasons other than sale	-	(400)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**

Note 21 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2022/23 £000	2021/22 £000
At 1 April	**59,181**	**41,527**
Net change in year	(25,640)	17,654
At 31 March	**33,541**	**59,181**
Broken down into:		
Cash at commercial banks and in hand	211	194
Cash with the Government Banking Service	33,330	58,987
Total cash and cash equivalents as in SoFP	**33,541**	**59,181**
Total cash and cash equivalents as in SoCF	**33,541**	**59,181**

Note 22 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	30,878	16,624
Capital payables	6,977	12,854
Accruals	48,594	40,170
Receipts in advance and payments on account	6	185
Social security costs	3,576	3,473
Other taxes payable	3,556	3,179
PDC dividend payable	-	470
Pension contributions payable	4,207	4,167
Other payables	(3)	9
Total current trade and other payables	**97,791**	**81,131**
Of which payables from NHS and DHSC group bodies:		
Current	6,613	3,181
Non-current	-	-

Note 23 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	4,724	4,338
Total other current liabilities	**4,724**	**4,338**
Non-current		
Deferred PFI credits / income	3,873	3,866
Total other non-current liabilities	**3,873**	**3,866**

Note 24.1 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Loans from DHSC	961	1,260
Lease liabilities*	1,388	-
Obligations under PFI, LIFT or other service concession contracts	3,971	3,620
Total current borrowings	**6,320**	**4,880**
Non-current		
Loans from DHSC	9,357	10,306
Lease liabilities*	31,801	-
Obligations under PFI, LIFT or other service concession contracts	47,203	51,174
Total non-current borrowings	**88,361**	**61,480**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.

Note 24.2 Reconciliation of liabilities arising from financing activities - 2022/23

	Loans from DHSC £000	Lease Liability £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	**11,566**	**-**	**54,794**	**66,360**
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,246)	(1,506)	(3,619)	**(6,371)**
Financing cash flows - payments of interest	(302)	(315)	(4,895)	**(5,512)**
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	-	33,657	-	**33,657**
Additions	-	1,320	-	**1,320**
Application of effective interest rate	300	315	4,894	**5,509**
Early terminations	-	(282)	-	**(282)**
Carrying value at 31 March 2023	**10,318**	**33,189**	**51,174**	**94,681**

Note 24.3 Reconciliation of liabilities arising from financing activities - 2021/22

	Loans from DHSC £000	Lease Liability £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2021 - restated	**13,013**	**-**	**57,433**	**70,446**
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,446)	-	(2,638)	**(4,084)**
Financing cash flows - payments of interest	(328)	-	(5,186)	**(5,514)**
Non-cash movements:				
Application of effective interest rate	327	-	5,185	**5,512**
Carrying value at 31 March 2022	**11,566**	**-**	**54,794**	**66,360**

Note 25 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Legal claims £000	Other £000	Total £000
At 1 April 2022	**2,844**	**75**	**5,273**	**8,192**
Change in the discount rate	(651)	-	(465)	**(1,116)**
Arising during the year	36	63	833	**932**
Utilised during the year	(179)	(23)	(5)	**(207)**
Reversed unused	(127)	(6)	(2,462)	**(2,595)**
Unwinding of discount	48	-	11	**59**
At 31 March 2023	**1,971**	**109**	**3,185**	**5,265**
Expected timing of cash flows:				
- not later than one year;	170	109	2,660	**2,939**
- later than one year and not later than five years;	683	-	-	**683**
- later than five years.	1,118	-	525	**1,643**
Total	**1,971**	**109**	**3,185**	**5,265**

Early departure costs or pensions relating to former staff are based upon actuarial estimates and are reviewed annually. Payments are made quarterly to the NHS Pensions Agency in respect of the Trust's liability.

Legal claims relate to employers'/third party liability claims. Cost estimates and timings are based on information held by the Legal Services team who work closely with the NHS Resolution.

Other provisions include exit costs for major contracts and potential tax liabilities.

Through learning from response to the COVID-19 pandemic, the Trust is seeking to modernise its inventory management practices including the acquisition of a modern inventory management system. The Trust expects to modernise practices from 2022/23 via the new inventory system to improve visibility of slow moving, change of use or obsolete inventory. Given the current limited visibility of slow moving and obsolete inventory; the relatively low level of historic inventory write-downs; and the anticipated improvements in inventory management, it has been deemed prudent to make a provision

equivalent to 25% of core inventory items (£0.816m) to account for anticipated losses.

Note 25.1 Clinical negligence liabilities

At 31 March 2023, £282,997k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Worcestershire Acute Hospitals NHS Trust (31 March 2022: £349,181k).

Note 26 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(56)	(12)
Gross value of contingent liabilities	**(56)**	**(12)**
Net value of contingent liabilities	**(56)**	**(12)**
Net value of contingent assets	**-**	**-**

Note 27 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	8,541	10,089
Total	**8,541**	**10,089**

Note 28 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2023 £000	31 March 2022 £000
not later than 1 year	6,175	7,546
after 1 year and not later than 5 years	10,761	14,241
paid thereafter	561	944
Total	**17,497**	**22,731**

Note 29 On-SoFP PFI, LIFT or other service concession arrangements

The information below is required by the Department of Heath for inclusion in the national statutory accounts. The Trust has commitments to the PFI scheme covering the redevelopment of the Worcestershire Royal Hospital site, facilities management services, PACS equipment, a Managed Equipment Service and network and communications equipment.

The Trust retains existing estates at the Worcester site including Aconbury East and West which were not part of PFI originally in addition to new buildings covered by the PFI scheme.

The main PFI contract ends in December 2031. A monthly unitary payment will be paid up to that point. The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 5 years. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification. Non delivery of quality or performance can lead to a reduction in the service charge being paid by the Trust.

The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a financial lease and payments comprise 2 elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are included within the table below.

Note 29.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2023 £000	31 March 2022 £000
Gross PFI, LIFT or other service concession liabilities	**75,109**	**83,623**
Of which liabilities are due		
- not later than one year;	8,515	8,513
- later than one year and not later than five years;	34,122	34,061
- later than five years.	32,472	41,049
Finance charges allocated to future periods	(23,935)	(28,829)
Net PFI, LIFT or other service concession arrangement obligation	**51,174**	**54,794**
- not later than one year;	3,971	3,620
- later than one year and not later than five years;	20,088	18,299
- later than five years.	27,115	32,875

Note 29.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2023 £000	31 March 2022 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**368,143**	**376,883**
Of which payments are due:		
- not later than one year;	37,895	34,439
- later than one year and not later than five years;	161,426	146,718
- later than five years.	168,822	195,726

Note 29.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	31 March 2023 £000	31 March 2022 £000
Unitary payment payable to service concession operator	**38,566**	**36,585**
Consisting of:		
- Interest charge	4,894	5,185
- Repayment of balance sheet obligation	3,619	2,638
- Service element and other charges to operating expenditure	19,039	19,764
- Capital lifecycle maintenance	1,270	1,443
- Contingent rent	9,744	7,555
Total amount paid to service concession operator	**38,566**	**36,585**

Note 30 Financial instruments

Note 30.1 Financial risk management

The financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The treasury activity is subject to review by the Trust's internal auditors.

Credit Risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2023 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are incurred under contract with Clinical Commissioning Groups (CCG), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not therefore, exposed to significant liquidity risks.

Currency risk
The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate risk
The Trust borrows from Government for capital expenditure, subject to affordability. Where funding is provided though loans, borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. Following changes to the national financing regime, funding is primarily now provided as Public Dividend Capital, attracting a nationally set dividend payment of 3.5% on net relevant assets. The Trust therefore has low exposure to interest rate fluctuations.

The Trust also borrows from Government where relevant to support any financial deficit and ensure sufficient cash flow to maintain day to day operations. Since April 2020 any new interim revenue support is provided as Public Dividend Capital and attracts a nationally set dividend payment of 3.5% on net relevant assets.

Note 30.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Total book £000
Trade and other receivables excluding non financial assets	22,903	-	**22,903**
Cash and cash equivalents	33,541	-	**33,541**
Total at 31 March 2023	**56,444**	**-**	**56,444**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book £000
Trade and other receivables excluding non financial assets	6,796	-	**6,796**
Cash and cash equivalents	59,181	-	**59,181**
Total at 31 March 2022	**65,977**	**-**	**65,977**

Note 30.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Total book £000
Loans from the Department of Health and Social Care	10,318	**10,318**
Obligations under leases	33,189	**33,189**
Obligations under PFI, LIFT and other service concession contracts	51,174	**51,174**
Trade and other payables excluding non financial liabilities	90,653	**90,653**
Total at 31 March 2023	**185,334**	**185,334**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Total book £000
Loans from the Department of Health and Social Care	11,566	**11,566**
Obligations under PFI, LIFT and other service concession contracts	54,794	**54,794**
Trade and other payables excluding non financial liabilities	73,824	**73,824**
Total at 31 March 2022	**140,184**	**140,184**

Note 30.4 Maturity of financial liabilities

	31 March 2023 £000	31 March 2022 £000
In one year or less	102,088	83,885
In more than one year but not more than five years	43,585	37,999
In more than five years	75,967	49,571
Total	**221,640**	**171,455**

Note 31 Losses and special payments

	2022/23		2021/22	
	Total number of cases (number)	Total value of cases £000	Total number of cases (number)	Total value of cases £000
Losses				
Cash losses	-	-	3	-
Bad debts and claims abandoned	34	71	77	155
Stores losses and damage to property	1	260	1	243
Total losses	**35**	**331**	**81**	**398**
Special payments				
Ex-gratia payments	34	12	47	53
Total special payments	**34**	**12**	**47**	**53**
Total losses and special payments	**69**	**343**	**128**	**451**
Compensation payments received				

Note 32 Related parties

During the year none of the Department of Health Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Worcestershire Acute Hospitals NHS Trust.

The DHSC is regarded as a related party. During the year Worcestershire Acute Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example:

Related parties may include but are not limited to:

- Department of Health and Social Care ministers
- Board members of the Trust
- The Department of Health and Social Care
- Other NHS providers
- CCGs and NHS England
- Other health bodies
- Other Government departments
- Local authorities
- NHS charitable funds
- NHS Resolution
- NHS Shared Business Services (SBS)
- NHS Business Services Authority

The Trust has also received revenue and capital payments from Worcestershire Acute Hospitals Charity amounting to £700,236 (£413,081 in 2021/2022). All of these payments relate to expenditure made by the Trust on behalf of the Worcestershire Acute Hospitals Charity. As at 31 March 2023, Worcestershire Acute Hospitals Charity owed the Trust £180,816. The Trust Board is Corporate Trustee of the Trust's Charitable Funds. The summary financial statements of the funds held on Trust are included in the annual report and accounts.

Note 32.1 Related Party Balances

	Receivables 2022/23 £000	Receivables 2021/22 £000
Charitable Funds (where not consolidated)	200	147
Total balances with Related parties	**200**	**147**

Note 33 Better Payment Practice code

	2022/23		2021/22	
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	96,580	336,241	93,207	282,344
Total non-NHS trade invoices paid within target	91,831	314,771	88,605	271,875
Percentage of non-NHS trade invoices paid within target	**95.1%**	**93.6%**	**95.1%**	**96.3%**
NHS Payables				
Total NHS trade invoices paid in the year	2,067	13,232	2,142	17,228
Total NHS trade invoices paid within target	1,609	10,723	1,779	15,042
Percentage of NHS trade invoices paid within target	**77.8%**	**81.0%**	**83.1%**	**87.3%**

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 34 External financing limit

The Trust is given an external financing limit against which it is permitted to underspend

	2022/23 £000	2021/22 £000
Cash flow financing	57,583	14,885
External financing requirement	**57,583**	**14,885**
External financing limit (EFL)	58,966	14,885
Under / (over) spend against EFL	**1,383**	**-**

Note 35 Capital Resource Limit

	2022/23 £000	2021/22 £000
Gross capital expenditure	50,899	52,565
Less: Disposals	(363)	(884)
Less: Donated and granted capital additions	(289)	(218)
Charge against Capital Resource Limit	**50,247**	**51,463**
Capital Resource Limit	51,630	54,112
Under / (over) spend against CRL	**1,383**	**2,649**

Note 36 Breakeven duty financial performance

	2022/23 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(19,775)
Breakeven duty financial performance surplus / (deficit)	**(19,775)**

Note 37 Breakeven duty rolling assessment

The Department of Health and Social Care has previously agreed with HM Treasury that the breakeven duty will be assumed to have been met if expenditure is covered by income over a three year period. 2009/10 is assumed to be the first year of International Financial Reporting Standards (IFRS) implementation is a suitable point from which the breakeven duty should now be assessed. (NHS Improvement April 2018 Publication code: CG 57/18).

Breakeven duty financial performance is determined as guided by NHS Improvement, in a manner to be consistent with previous years in this note

The application of breakeven duty means that if a cumulative surplus or deficit is reported (greater than a materiality threshold of 0.5% of operating income), it should be recovered within the subsequent financial years.

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Breakeven duty in-year financial performance		3,135	287	88	17	(14,191)	(25,918)	(59,831)
Breakeven duty cumulative position	(21,854)	(18,719)	(18,432)	(18,344)	(18,327)	(32,518)	(58,436)	(118,267)
Operating income		312,889	321,829	336,594	348,763	346,029	364,656	368,981
Cumulative breakeven position as a percentage of operating income		**(6.0%)**	**(5.7%)**	**(5.4%)**	**(5.3%)**	**(9.4%)**	**(16.0%)**	**(32.1%)**

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Breakeven duty in-year financial performance	(28,748)	(52,562)	(68,790)	(80,844)	6,652	(1,082)	(19,775)
Breakeven duty cumulative position	(147,015)	(199,577)	(268,367)	(349,211)	(342,559)	(343,641)	(363,416)
Operating income	403,348	400,918	411,966	443,722	559,003	596,391	644,967
Cumulative breakeven position as a percentage of operating income	**(36.4%)**	**(49.8%)**	**(65.1%)**	**(78.7%)**	**(61.3%)**	**(57.6%)**	**(56.3%)**

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