Royal Berkshire NHS Foundation Trust

Annual Report and Accounts 2023 – 2024

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The Chief Executive's and Chair's Report

With 1 in 8 days impacted by Industrial Action, an aging hospital estate, a challenging financial situation, and a community requiring more complex and intertwined health care, you might expect the story of this year to be one of simply hunkering down, holding on, and waiting for things to improve. But that would be to under-estimate the incredible colleagues – both staff and volunteers – across all our sites, who come together as a team of thousands to provide great care for our patients every day.

Rather than hunker down they've stepped up, rather than hold on, they've reached out across our communities, and rather than wait for things to improve, they've come together to push the boundaries of innovation, all while supporting each other along the way.

In my more than seven years as the Trust's Chief Executive Officer, I see daily the huge effort and dedication colleagues give of themselves to our local population. It's a testament to the culture each of them has helped to create, that we are able to make great progress despite the challenges we work within.

We continue to provide high quality care in a whole range of different ways. This year our Maternity department maintained their 'good' Care Quality Commission rating, and the CQC also recognised the improvements the team have made specifically in terms of safety. The team delivered 4,600 babies during the year, and our new Maternity Assessment Unit, which is open 24/7 means we can provide consistency of care both in and out of hours. And we continue to build on our work to reach out into the community, with our Poppy Team's innovative 'Seeking Sanctuary' initiative, which in partnership with local authority and primary care colleagues proactively support women and birthing people who are particularly in need, and seldom heard – specifically people who are refugees, asylum seekers, or have been trafficked.

During a year in which we celebrated the 75th birthday of the NHS, the pace and breadth of the innovation we've seen at the Trust is especially striking. Leading the way is our brand new £4.5m Rapid Response Lab at the Royal Berkshire Hospital, meaning the team can process and analyse urgent blood tests in-house quickly and efficiently, getting our patients the targeted treatment they need. At West Berkshire Community Hospital, £220,000 of national Community Diagnostic Centre investment has meant our Radiology team has been able to commission the first Cone Beam Dental unit in the Trust. With its advanced dental imaging, including 3D, it allows our maxillofacial and Dental surgeons to plan surgeries more accurately and to demonstrate to patients in a much more visual way, exactly what their surgery will achieve.

Our Trauma and Orthopaedic colleagues have opened a new 'one-stop' clinic for patients with arthritis in the wrist or hand, taking the time from primary care referral to treatment from up to a year, down to a matter of weeks, making a huge difference to patients living with daily pain and movement issues. We have also seen new Da Vinci surgical robots join the theatres team, allowing our surgeons to perform key-hole surgery to an even greater degree of accuracy, and for patients, reducing the time it takes to recover from an operation.

Innovation comes in partnership too, with colleagues in the Stroke Unit working alongside the South Central Ambulance Service (SCAS) to introduce an 'enroute triage' service to the stroke pathway – with a Clinical Nurse Specialist based in our Emergency Department (ED) able to livestream with the South Central Ambulance Service (SCAS) team on the way to hospital, reducing the time it takes to diagnose a patient who has had a stroke, and giving them the best chance of recovery. Our long-standing relationship with the University of Reading (UoR), through our Health Innovation Partnership (HIP), has also meant the University has been able to secure a £600,000 grant to build on the work we have been doing together to use artificial intelligence to

detect inflammatory arthritis at an early stage, offering hope to patients suffering from the debilitating condition.

Our Meet-PEET (patient engagement) work, focused on improving equality in access to health care, has also expanded with the help of additional funding from the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB). This means, with local authority and voluntary sector partners we are able to offer health checks to more groups in the community, going to where they are, supporting them to manage their health, and prevent conditions from developing unchecked.

A welcome ripple effect of the fantastic work taking place at the Trust is the number and range of ways we have been recognised. Our Call 4 Concern patient-activated initiative – in place at the Trust for nearly fifteen years – has informed the development of the national 'Martha's Rule' approach, which will help families who feel they need to raise concerns and request a rapid review from a separate care team. Colleagues in Rheumatology, Elderly Care, Urology, and Radiology have received University Department Accreditation from the University of Reading, which is a great achievement, giving them the chance to expand their research opportunities and the quality of care we give to our patients. This year's Thames Valley Health Research Awards celebrated several members of our Research team, and our Vascular Access Improvement Group were recognised with the Infection Prevention Society Impact Gold Award for their work to reduce the risk of line-associated infections.

Alongside this technical innovation, we have arranged and run 694,199 outpatient appointments, helping people to manage chronic conditions, recover from acute illnesses, and receive on-going treatment. Our outpatient departments have also carried out 165,912 procedures including ultrasounds, and steroid treatment for arthritis. Our Emergency Department has again been the first port of call for many, with 149,120 visits to the department, with a June day in 2023 seeing our highest single day attendance of 676. And colleagues at our Prince Charles Eye Unit (PCEU) have shown great resilience and team working, maintaining a full service, providing care to thousands of patients, all while having to relocate unexpectedly wholesale from Windsor to our Bracknell Healthspace site.

A crucial part of our success is the resilience and enthusiasm of the people who make up our teams. This is reflected in our incredible 2023 Staff Survey results with our highest ever response rate – 60% of staff taking part, against a backdrop of an NHS average of 45%. I'm delighted that we have been rated as one of the best acute Trusts to work for in England. We have also improved in every area of the NHS People Promise placing us among the top scoring Trusts nationally in five metrics, including 'I feel that my role makes a difference to patients/service users' and 'My organisation acts on concerns raised by patients/service users'. We are also the top acute Trust for 'I am able to make improvements happen in my area of work' – supported by our Improving Together approach to Continuous Quality Improvement.

In no small part, these results stem from the peer-to-peer initiatives taking place right across the Trust, helping staff both new and long-standing to feel valued, respected, and able to carry out their work to the best of their abilities. Be it our Carers, Neurodiversity, Veteran, or Ethnic Minority networks to name just a few. It's evident in the very existence of these groups, how much colleagues across all teams respect and value each other, often putting in time over and above their core roles to make the Trust a great place to be.

Our Royal Berks Charity has also continued to thrive and provide charitable funding to enhance the care and experience for patients and staff at the Trust. From funding medical equipment to enhancing amenities and the hospital environment, the impact of their fundraising activities highlights their continued commitment to support excellence in healthcare delivery.

We have continued to focus on our strategic objective of financial sustainability. However, the 2023/24 financial year has resulted in a £7.50m deficit, which reflects the challenging operating

environment we are in. Our current and future plans continue to focus on how we can drive improvement in our underlying financial performance.

We remain engaged with the national New Hospital Programme (NHP), working together to understand our timeline and secure the necessary funding to drive the redevelopment or relocation of the Royal Berkshire Hospital (RBH). Our current site has its challenges, prompting us to launch a comprehensive ground survey this year with the aim to find out if it is feasible to build a new hospital on the Reading site. The Board is clear on their vision: a new hospital on an alternative site if the funds allow. We've already started looking at potential locations in collaboration with local Councils. And we're engaging with staff and communities to make sure we have captured the key criteria in our search. Behind the scenes the team are working with the wider system to predict future demand and capacity to make sure we 'right size' the hospital and provide the services our population needs for many, many years to come.

Before I close, I want to thank Dr Janet Lippett who was Acting Chief Executive Officer while I was on secondment at the BOB ICB, as well as the whole of the rest of the Executive and Leadership team who supported Dr Lippett during this time.

And looking forward, this year we celebrate the Royal Berkshire Hospital's 185th birthday, it's incredible to think of how far we've come, and how far we continue to strive forward together to care for our communities. I have no doubt we will rise to whatever challenges the next year has in store for us - innovating, working in partnership, and always looking for ways to do what we do even better, with our CARE values of being Compassionate, Aspirational, Resourceful, and Excellent at the heart of everything we do.

The Chair's supplemental closing:

By way of a final comment, everything above should make us all feel so proud of the work we do here in the Royal Berkshire, despite the challenges we face, we look after the population across a major part of England.

Doing this doesn't just happen and so, I would want to recognise and acknowledge our magnificent teams across every part of the Trust. My thanks to our Governors for their support for the Board, and all my Non-Executives and the corporate governance team who bring us independence and challenge.

Last but not least, to Steve and his executive team who lead the whole organisation and step up constantly to ensure we really do strive to deliver the best care possible to anyone that comes in to one of our facilities. Thank you all.

Signed

Steve McManus
Chief Executive Officer

Signed

Graham Sims
Chair of the Trust

Performance Report: Overview

The Performance Report provides information about the Royal Berkshire Foundation Trust (RBFT), its main objectives and an overview of how the Trust performed during the period 1 April 2023 – 31 March 2024.

About the Royal Berkshire Foundation Trust

The Trust is the main provider of hospital services for the populations of Reading, Newbury, Henley, Wokingham and the surrounding villages of Berkshire West and South Oxfordshire. The Trust delivers care from a network of facilities across the area including facilities in Bracknell, Henley-on-Thames, Thatcham and Windsor.

The Trust provides a full range of district general hospital services and, in addition, provides specialist care including Cancer, Cardiology and Renal services to a wider population of up to 1 million. At our heart we are a local hospital that works with NHS and social care partners to provide excellent healthcare services for those who live in our host commissioners' area and beyond.

Our Strategy: Improving Together

In 2022, the Trust launched its refreshed strategy 'Improving Together'. This built on the foundations of our 'Vision 2025' strategy which was the culmination of an engagement process with staff, patients and other stakeholders.

Improving Together identifies our vision, mission, and our five strategic priorities that will help us to deliver the vision. Each of the strategic priorities are supported by three goals and a range of

enabling activities to drive our progress. These are underpinned by a set of metrics and targets derived by ongoing work in continuous quality improvement. Together with our CARE values and supporting strategies, this framework will support us in delivering our strategy and in achieving our mission.

2023-24 has seen the Trust make good progress towards delivering our five strategic priorities and the Trust Strategy, “Improving Together”.

Key highlights include:

Provide the highest quality of care for all

- Our Maternity Service was rated ‘Good’ by the Care Quality Commission (CQC) and improved its safety rating since the previous inspection.
- The phased redevelopment of Intensive Care Unit (ICU) has created a new, dedicated reception for visitors to the unit as well as an improved waiting area for visitors.
- This winter, the Trust implemented a rapid response laboratory in pathology and reopened an Emergency Department (ED) Observation bay to deliver a dedicated older peoples emergency care area and a safe observation space for our mental health attendees.
- A fourth computed tomography (CT) scanner has also been installed in the main radiology department on the Reading site, allowing outpatients, inpatients and ED patients to have dedicated scanners, reducing delays and improving the efficiency of these distinct pathways.
- The Trust was nationally recognized for our ‘Call 4 Concern’ scheme and its positive effects on patient safety.

Invest in our staff and live out our values

- The Trust achieved its highest ever response rate to the staff survey, and our people rated us as the 6th best Acute Trust to work for in the country and the best in the South East region.
- The Recognizing Individual’s Success and Excellence (RISE) Talent Management Programme was launched this year, which supports staff development at all levels and helps them towards the next step in their career.
- We launched the Womens+ network and welcomed the 3rd cohort to the Ethnic Minority Aspiring Senior Leadership Secondment Programme.

Deliver in partnership

- We have piloted 3 joint clinics and multidisciplinary (MDT) meetings with primary care, taking care closer to patients and sharing expertise with GP colleagues.
- In partnership with the University of Reading, the Trust opened a new, Clinical Simulation Training Suite, which enables our staff to be trained and educated in a purpose-built environment, with state-of-the-art equipment.
- Our Meet-PEET team, focused on inequalities in care, has also expanded with the help of additional funding from the Buckinghamshire, Oxfordshire and Berkshire Integrated Care Board (BOB ICB), meaning with local authority and voluntary sector partners we are able to offer health checks to more groups in the community.

Cultivate innovation and improvement

- We have seen continued success with the rollout out of our continuous improvement methodology, Improving Together, with 40 Frontline, 21 Directorate and 7 corporate teams now trained. This is alongside the embedding of Improvement Huddles as business as usual for 41 Frontline teams. This was reflected in our staff survey results, coming top in England for being able to make improvements at work.
- RBFT have been the first to recruit nationally on several studies and been included in over 130 research publications in high profile journals.
- We now have 9 departments accredited with Recognition of Excellence awards for delivering clinical quality, cross discipline engagement, education and research, including 3 new departments Urology, Rheumatology and Elderly Care achieving the status this year.
- In conjunction with the University of Reading, in 2024, we launched the Health Data Institute (HDI) to harness and optimise the value and use of the health data generated at the Trust to drive innovation and improve health outcomes.
- More than 3,000 patients have received scans with the support of artificial intelligence (AI) in the Acute Stroke Unit.

Achieve long-term sustainability

- The Trust continued to recruit to substantive positions and reduce the need for temporary labour and worked with budget managers and suppliers to secure savings in non-pay expenditure.
- As part of the New Hospital Programme we have completed a review of the future viability of our site and received a massive response to our survey on what's important to patients in the location of their new hospital.

Our Partnerships

Since 2022 the Trust has been a member of the Buckinghamshire, Oxford and Berkshire West Integrated Care System (BOB ICS) working closely with a variety of partners to care for our patients, support our people and make wide scale changes for our populations. We work closely with health, social care and voluntary sector partners across the BOB ICS to deliver joined-up and integrated care for our populations.

The Trust also plays an important role in several networks and collaborations to deliver and improve clinical services. These include the Thames Valley Cancer Alliance, Berkshire & Surrey Pathology Services (BSPS) and the BOB Acute Provider Collaborative to name a few.

We work collectively with our partners to agree priorities and ambitions for our local health system through the Joint Forward Plan and Place-based strategy and have actively supported making progress against these.

This includes, but is not limited to, working with Berkshire West Primary Care Alliance (BWPCA) and the ICB Executive Director of Place's team are working together to set out a sustainable, same day access, long-term model for primary care, working with the BOB Acute Provider Collaborative Elective Care Board to our 65 week waits for elective procedures and working with the Thames Valley Cancer Alliance to place specific focus on improving diagnostics and cancer waiting times.

Risks

The risks faced by the Trust are detailed throughout this report but it is worth noting that, in common with many in the NHS, the issues of responding to the emerging needs of our population and recovering services, workforce fatigue, ageing infrastructure and financial sustainability are important for the Trust.

Meeting the national and regional performance objectives, along with realigning the financial run rate to more normal levels and continuing to seek improvements in the care that is provided to patients, is our focus for 2024-25 and beyond. This will be dependent on several factors including the level of demand in the emergency pathways, the impact of industrial action, the rate of inflationary cost pressures, resources NHS England (NHSE) make available for recovery, the willingness of our workforce to work over and above their core hours and the pace at which patients are referred from Primary Care.

As highlighted above, the Trust currently occupies a portfolio of buildings, with some having been opened in 1839 that have a range of issues associated with them including impacts on quality and costs. The Trust's estate related challenges have been recognized and the estate redevelopment has been included in the Government's New Hospitals Programme. This could be impacted dependent on the level of resource that is provided as part of the HIP2 Programme.

Further information on the Trust's risks is set out in the Annual Governance Statement.

Overview: Going Concern

After making enquiries the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Trust seeks to position itself to be best placed to cope with the challenges that affect the environment within which it operates. These challenges include factors outside the control of the organisation, such as the economic and political environment, the general instability that accompanies public sector and political reform, the need to drive on-going efficiencies through savings programmes and the dependence of some elements of funding on achieving national targets.

In addition to the general factors above, the changing nature of service delivery and remaining ongoing Infection, Prevention & Control measures following the Covid-19 pandemic is still being felt. The resulting increased cost of service delivery has in part been built into the block contract through collaborative working with BOB ICS. This has ensured that within the national NHSE structure of funding allocations, the Trust has certainty of Patient Care Income for the majority of its Patient Care Activity. As a result, the directors maintain their expectation of continued operations for the foreseeable future.

As part of their review of going concern the Directors have considered the Trust's future cash flows and concluded that the Trust can continue in operation without any form of working capital facility.

The Trust's business and capital planning arrangements ensure that all types of cost and risk are considered as part of the decision-making process. The deficit position of the revenue budgets has necessitated setting a £22m overall capital plan for financial year 2024/25 (£21m in 2023/24) for which the Trust has finalised its planned prioritisation. Based on capital spend trends over the last few years, there was considerably more demand on the plan than there were funds available. Continued rationing of capital spends will lead to increased pressure in repairs

and maintenance demands, resulting in additional risk on achieving a challenging revenue budget, so it is important that the Executives maintain a balance of capital requirements whilst continuing to monitor and control revenue spend to ensure that the Trust achieves its overall plans.

The counterpoint to a reduced capital plan is the continued risk to loss of services that are heavily dependent on equipment beyond their economic life. This might impact income generation if such equipment should fail during the year. The Executive's prioritisation of the capital plan seeks to minimise this risk to income of service loss, while managing other demands on revenue spends as part of the overall cash requirements of the Trust.

Performance analysis

For 2023/24 the Trust has continued to focus on safe delivery of services, appropriate prioritisation of patients and reduction of waiting times at individual stages of treatment. The Trust is balancing the need to reduce waiting times and improve services. However, this is against a backdrop of increasing demand, industrial action and on the day challenges. When comparing performance in 2023/24 with previous years, we can see that broadly, elective access standards have made some improvement albeit they remain non-compliant against the respective standards where our performance across the non-elective pathway has deteriorated. The use of triage across both elective and non-elective pathways is being explored to support intervention through 2024/25 as we seek to improve performance against each of the standards.

- Performance against ED 4-hour (95%) standard remains significantly compromised, reporting 65.7% down from 70.6%, driven by sustained unprecedented levels of demand through the department. Whilst performance against the standard remains below expected levels, this is comparable with local benchmark organisations and demonstrates the challenges being faced across the health and care system. When compared with previous years, attendance numbers have remained high and conversion to admission has remained low, signalling that performance is being driven by this increased demand, predominantly in Minors. Throughout the year the Trust has recorded zero 12 hour (trolley) waits. The Trust is currently considering the provision of non A&E urgent services for our population including where changes should be made to ensure we have appropriate coverage of services for our local population.
- The 2023/24 elective programme has held performance against the Referral to Treatment (RTT) performance standard above 80%, whilst managing the impact of industrial action, sustained increase in cancer pathway demand and changes to the funding allowances for additional sessions. Whilst performance has deteriorated from 87% to 83%, through a combination of targeted validation and operational focus on the individual stages of treatment, the RTT Patient Tracking List (PTL) has remained at near pre-pandemic levels, however the RTT PTL profile is expected to deteriorate through 2024/25 without significant focus on reducing waiting times to first assessment and diagnostics.
- Performance against the headline RTT standard (92% <18 weeks) has improved from 57% in April 22 to 83% in March 24.
- The Trust has zero pathways waiting above 104 or > 78 weeks and has maintained a low number of pathways >52 weeks throughout the year.
- The number of >52-week waits is currently below 20, which is expected to be maintained through the early part of 2024/25, however industrial action and the potential for continuation of this disruption adds significant risk to this position and the Trusts ability to

remain to focused on removing the causes of long waits, in particular long waits to first Outpatient Appointment.

- The Trust has seen success from taking a two-pronged approach to reducing the over-all waiting list size and profile, focusing on the treatment of the longest waits whilst also increasing outpatient capacity in order to clear the long-standing impact of COVID (backlog) within the early stages of a patient's pathway. Reducing the time to assessment and decision making is considered to be the most effective approach to managing risk within the waiting list and is driving the Trust towards sustainable recovery. Through 2024/25 the Trust will be deploying its locally developed e-Triage platform and Master Waiting List approach to supporting faster assessment times, reduced stage of treatment waiting times and enhanced prioritisation capability.

- The Diagnostic Monitoring (DM01 – 99%) standard remains significantly compromised (80%), in particular across Endoscopy modalities. The Trust has continued to prioritise cancer pathways awaiting diagnostic test which, as result of capacity and resource constraints, continues to impact the routine waiting times. The Trust has made significant improvement through 23/24 to its diagnostic waiting times across CT and MRI and actions to improve capacity and resource within Endoscopy is well under way. In addition the Trust is working closely with independent sector providers and the ICS to maximize use of additional capacity across the endoscopy modalities.

- The Trust has seen a sustained increase in referral numbers on the Two Week Wait (2WW) Cancer Pathway (c.50%) which has driven delays across the 2WW, diagnostics and over all 62 day treatment standards. This was further complicated by a large reduction in pathology workforce/capacity which resulted in extended turnaround times for test results in 22/23 and early 23/24. Whilst mitigating action has been taken this has resulted in a significant inflation of the cancer patient tracking list (PTL) size (proportionally higher in the >63 day cohort) and variability in performance against the 28 day faster diagnosis standard (28FDS). The Trust aims to further improve and maintain performance against the 28FDS through 24/25 as well as reduction in the overall PTL size.

- The Trust continues to perform well against the 31 day decision to treat to treatment standard, which is felt to be a good indicator of performance for the Trust. However there has been variability in performance through 23/24 linked to capability challenges through the year and the Trust has dipped just underneath the 96% expectation.

Performance Analysis: National Access Standards

Across each of the national access standards the primary risk to delivery remains capacity, physical workforce availability as well as the funding arrangements for additional capacity (rate card).

At the beginning of 2024/25 demand continues to be higher than our capacity predominantly as a result of continued challenges to recovery services post pandemic and the impact of industrial action. As a result the Trust remains significantly challenged in its ability to adhere to the national access standards. Throughout 2023/24 the Trust has attempted to focus on a reduction of waiting times at individual stages of treatment. A theme that will continue in 2024/25, with particular focus on first assessment waiting times in both the elective and non-elective pathways as well as waits for diagnostic procedures.

Table 1. National Access Standards

		National Standards	RBFT 2019/20	RBFT 20221/22	RBFT 2022/23	RBFT 2023/24
Referral to Treatment (RTT)	% of Incomplete Pathways within 18 weeks from referral	*92%*	92.53%	58.16%	87.16%	82.7%
Diagnostic Monitoring (DM01)	% of service users waiting less than 6 weeks from referral for a diagnostic test	*99%*	97.69%	91.79%	69.06%	80.2%
Emergency Department (ED)	% of ED attendances admitted or discharged within 4 hours of arrival (combined)	*95%*	91.90%	77.68%	70.54%	65.7%
Cancer – Core Access	% of service users referred with suspected cancer from a GP waiting no more than two weeks for first appointment	*93%*	95.65%	90.86%	88.97%	71.7%
	% of service users referred urgently with breast symptoms (where cancer is not initially suspected) waiting no more than two weeks for first appointment	*93%*	96.26%	89.49%	96.97%	96.9%
	% of service users waiting no more than one month (31 days) from decision to treat to treatment for all cancers	*96%*	97.45%	96.91%	96.56%	93.9%
	% of service users referred with suspected cancer from a GP waiting no more than two months (62 days) from referral to first definitive treatment for cancer.	*85%*	83.25%	78.19%	71.60%	67.9%
	% of service users waiting no more than two months (62 days) from referral from an NHS screening service to first definitive treatment for cancer	*90%*	89.46%	82.67%	95.42%	73.3%
Cancer – Subsequent Treatments	% of service users waiting no more than one month (31 days) – Anti-Cancer Drug	*98%*	99.03%	99.39%	99.16%	98.1%
	% of service users waiting no more than one month (31 days) – Surgery	*94%*	96.34%	93.89%	89.78%	86.3%
	% of service users waiting no more than one month (31 days) – Radiotherapy	*94%*	94.46%	92.15%	87.45%	88.2%

Financial Performance

The Trust group, which comprises the Trust, the Trust's wholly owned subsidiary and the Trust charity, reported an in-year deficit position of £(11.85)m compared to (£(24.64)m in 2022/23), including a net impairment of assets of £5.06m (£8.27m in 2022/23).

During the financial year, we saw an increase in income to £627.14m (£575.88m in 2022/23). There was again a continuation of Patient Care block contract income from NHS England paid through Buckinghamshire, Oxfordshire & Berkshire West (BOB) Integrated Care Board (ICB). Included in this figure is national funding of £14.03m towards employer pension contributions and £1.01m to cover clinicians' pensions' liability.

The pay bill rose by £19.7m from £355.26m in 2022/23 to £374.96m in 2023/24, which is an increase of 5.5%. This year-on-year increase is driven by activity demands through both elective recovery and non-elective pathway demands which has seen an increase in workforce, as well as industrial action throughout the financial year.

The non-pay costs (excluding depreciation, amortisation, and impairments) increased by £9.38m from £208.44m in 2022/23 to £217.82m in 2023/24, which is an increase of 4.5%. Drugs costs, including those funded through NHS England pass through funding, have increased by 8.3% to £65.23m (£60.24m in 2022/23). The net impact, once these are off set with income, is a movement of £4.26m favourable to plan.

Premises costs have increased by 36.6% to £40.13m (£29.38m in 2022/23) following the power outage major incident in April 2023, as well as the impact of inflation. Clinical Negligence Scheme costs have increased by 24.2% to £24.22m (£19.5m in 2022/23) resulting from the annual reassessment of scheme liabilities by NHS Resolution. Establishment expenses decreased by 12.12% to £3.91m (£4.45m in 2022/23) whilst other non-pay costs, which include Clinical supplies and services of £49.89m, increased by 1.4% to £84.36m (£83.12m in 2022/23).

The Trust remains committed to achieving long term financial balance and is developing its plans for 2024/25 and beyond. Initial planning returns have demonstrated the ongoing challenge with available funding not enabling a breakeven position in 2024/25. Work continues with the BOB ICB to ensure funding is utilised effectively across the ICB, as well as a focus on delivering efficiencies, enabling organisations to return to delivering a sustainable breakeven position in future years.

Capital Expenditure

The Trust recognised £40.52m (£37.37m in 2022/23) of capital expenditure, including additions recognised as leases under IFRS 16. Of this total spend, £18.2m was funded by the Department of Health and Social Care through Public Dividend Capital (PDC), including the following:

	£m
Modular build to increase Elective activity	9.96m
Building Berkshire Together	3.43m

Endoscopy Expansion	1.40m
Community Diagnostic Centre funding - Build and Equipment	2.40m

The Trust's capital expenditure plan focused on infrastructure upgrades within Estates, Medical Equipment and Digital Data and Technology (DDaT) (including intangible assets).

Summary Financial Results – comparison to prior year

£m	**2023/24**	**2022/23**	**Variance**
Income	627.14	575.88	51.26
Pay	(374.96)	(355.26)	(19.70)
Non-Pay excluding impairments	(217.82)	(196.77)	(21.05)
Expenses	(592.78)	(552.03)	(40.75)
EBITDA	34.36	23.85	10.51
Depreciation/Amortisation	(33.86)	(32.22)	(1.64)
Impairments including reversals	(5.06)	(8.27)	3.21
PDC Dividend	(8.56)	(8.36)	(0.20)
Net Interest Payable	2.54	0.56	1.98
Other expenses incl. loss on disposal	(1.27)	(0.20)	(1.07)
Reported surplus/(deficit) for the period	(11.85)	(24.64)	12.79

Cashflow and Statement of Financial Position

The Trust's principal assets consist mainly of land and buildings owned by the Trust and from it provides services to patients. A revaluation of the Trust estate has decreased the value held by £5.98m.

The liquidity of the Trust decreased during the year. At the end of the year, the Trust had cash or cash equivalent assets of £38.81m (£49.21m in 2022/23) with the reduction driven by the Trust's in year financial deficit position.

The Trust had two loans totalling £39m from the Independent Trust Financing Facility. One to finance the development of the Royal Berkshire Bracknell Healthspace and one to finance the Trust's Cerner EPR system. Both loans have been fully drawn down. The loan for the Cerner EPR system was fully repaid within the 2022/23 financial year; the loan for Bracknell Healthspace continues to be repaid. The balance outstanding at the 31 March 2024 was £4.47m (31 March 2023 balance outstanding was £5.97m).

As part of their review of going concern, the Directors have considered the Trust's future cash flows and concluded that the Trust can continue in operation without any form of working capital facility. The Trust manages its cash position closely.

Identifying potential financial risks

The Trust has effective mechanisms in place to manage risk in accordance with its risk management policy and strategy, supported by the Audit and Risk Committee which has Board accountability.

The Trust has low exposure to market risk being the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. In particular, the Trust is not exposed to price risk or credit risk and its exposure to interest risk is small because, with the exception of cash, its financial assets and liabilities are either at nil or fixed interest. The Trust's exposure to liquidity risk is only because of exposure to its challenging cost improvement programme.

- **Market risk**
  This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices.

- **Interest Rate risk**
  All the Trust's financial assets and liabilities, except for cash held in UK banks, carry a nil or fixed rate of interest. The Trust is not, therefore, exposed to significant interest rate risks.

- **Price risk**
  The Trust does not deal with financial instruments other than loans with fixed interest rates and leases. As a result, the Trust is not exposed to a price risk.

- **Credit risk**
  The Trust is exposed to credit losses in relation to non-payment of debt relating to individuals not entitled to NHS treatment or self-funding patients.

Liquidity / cash flow risk

The Trust's exposure to liquidity / cashflow risk in relation to funding provided by the Commissioners is limited as it is government backed.

Charitable Funds

The Trust is supported by several charities. The Trust Charity is the Royal Berkshire NHS Foundation Trust Charity (RBC), which makes charitable grants to the Trust often to contribute to capital projects.

Under IAS 27, the Trust, as the Corporate Trust of the Charity, consolidates the financial statement of the Charity into these Financial Statements.

The Royal Berkshire NHS Foundation Trust Charity prepares its own financial statements, which are submitted to the Charity Commission.

Other Disclosures

The Trust is required to make the following disclosures:

Cost allocation and charging guidance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Political or charitable donations

The Trust did not make any political or charitable donations during the period 1 April 2023 to 31 March 2024.

Better Payment Practice Code – measure of compliance

Currently, the Trust is required to pay all trade creditors in accordance with the Better Payment Practice Code (BPPC). The target is to pay 95% of all trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.

As at March 2024, the percentage number of invoices the Trust pays within 30 days is 72.6%. On 1 April 2022, the Trust replaced its finance ledger system. Due to complications during the post go live period, payments to suppliers were delayed for part of the 2022/23 financial year resulting in a significant drop in the Trust BPPC value, which can be seen below.

The issues identified were resolved and the processing of payments is now starting to return to the previous levels. Analysis of the total annual numbers split by NHS and non-NHS payables can be found in the table below:

	31/03/2024 Number	31/03/2024 £'000	31/03/2023 Number	31/03/2023 £'000	31/03/2022 Number	31/03/2022 £'000
Non-NHS						
Total bills paid	83,772	225,338	82,431	193,511	77,043	209,368
Paid within target	50,433	138,434	40,280	83,751	70,903	173,196
Target achieved	**60.2%**	**61.4%**	**48.9%**	**43.3%**	**92.0%**	**82.7%**
NHS						
Total bills paid	9,305	102,378	1,676	82,262	1,834	72,718
Paid within target	4,714	72,572	502	19,420	1,032	54,796
Target achieved	**50.7%**	**70.9%**	**30.0%**	**23.6%**	**56.3%**	**75.4%**
Total						
Total bills paid	93,077	327,717	84,107	275,773	78,877	282,086
Paid within target	55,147	211,008	40,782	103,171	71,935	227,992
Target achieved	**59.2%**	**64.4%**	**48.5%**	**37.4%**	**91.2%**	**80.8%**

The Trust paid interest of £1k (2022/23 - £12k) to discharge any liability relating to non-payment of invoices within the 30-day period.

Income Disclosures Required by Section 43(2A) of the NHS Act 2006

Details of the performance of the Trust, including the results achieved during 2023/24 can be found in the performance analysis section above.

There is no impact of other income received by the Trust on its provision of goods and services for the purposes of the health service in England.

The Trust has met the requirement as per Section 43(2A) of the NHS Act 2006 that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

Task force on climate-related financial disclosures (TFCD)

NHS England's NHS foundation trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The Chief Finance Officer is the Trust's nominated lead for the Trust's Net Zero targets and the Green Plan. The Trust has put in place a governance structure with mechanisms to enable reporting on its climate-related issues and its progress on the delivery of the Net Zero Carbon (NZC) and Green Plans. These include quarterly reporting to an executive-level committee with care group, operational and executive membership, the Executive Management Committee (EMC) and by exception reporting to the Finance and Investment (F&I), a Board Sub-Committee. Over the 2023-24 reporting period, work has been ongoing in relation to the collation and analysis of the data required to inform these reports and the development of the metrics against which the Trust's performance will be measured. In the interim period, the Trust ensures Board level oversight of critical issues via its Integrated Board Reporting (IPR) which is routinely reviewed at both Finance and Investment Committee and Board of Directors meetings.

The Trust's Board Assurance Framework (BAF) outlines the responsibilities of the Finance and Investment Committee in providing oversight for the actions required to progress the delivery of the net zero carbon and Green plan intentions. These include decision-making in relation to revenue and budget setting to ensure appropriate resource allocation in order to support delivery of the plans and monitoring of the tracking and measurement of in-year carbon reduction. This work is currently in progress. To support this work, the Board of Directors intend to further develop the Trust's sustainability strategy as part of the Vision 2025 strategy reset. This work will include the development of a sustainability action plan.

Over the past year, the Trust has continued to collaborate with its system partners. It is the Health lead on the Reading Climate Change Partnership Board, is a member of the BOB ICB Net Zero Carbon Board and engages with Greener NHS Southeast. We have strengthened our collaboration with the University of Reading through the identification of and participation in joint research projects to address how we achieve NZC and are facilitating greater connections with the NHP in our shared ambition for NZC hospitals. We are now working on the development of a dashboard where we can monitor progress against our plan on a quarterly basis.

Within the Trust, through a Trust network of Carbon Champions, a small project team and a NZC Steering Group of senior leaders, there are many improvements taking place across the Trust in this area.

The Trust is undertaking a review of its performance and the outcome report is due to be presented to the Trust Board in July 2024.

Environmental Impact and Sustainability in 2023/24

The Trust launched its Green Plan in 2022 detailing the Trust's plans to meet the NHS target of 'Delivering a Net Zero Health Service'. The plan is published on the Trust website: https://www.royalberkshire.nhs.uk/media/vdgftr15/final-rbft_greenplan_docrfs.pdf

In April 2022, the Trust Board set a target of achieving Net Zero Carbon (NZC) in scope 1 and 2 emissions by 2030. This was predicated on our position and investment within the New Hospital Programme (NHP), working with other hospitals across the country to design and build a NZC hospital. This position changed in May 2023 when the addition of five hospitals to the NHP delayed the start date for the build of the new hospital to 2031. The Trust will therefore follow the NHS target to be net zero carbon by 2041.

We have continued to collaborate with our system partners as the Health lead on the Reading Climate Change Partnership Board, our membership of the BOB ICB NZC Board and engagement with Greener NHS Southeast to help us in our endeavour. Through a Trust network of Carbon Champions, a small project team and a NZC Steering Group of senior leaders, there are many improvements taking place across the Trust in this area.

We have strengthened our collaboration with the University of Reading through the identification of potential joint research projects to address how we achieve NZC to address how we achieve NZC and are facilitating greater connections with the NHP in our shared ambition for NZC hospitals. We are now working on the development of a dashboard where we can monitor progress against our plan on a quarterly basis.

The Trust's progress against delivery of its Green Plan is detailed below.

Requirement	**Progress up to 31 March 2024**
18.1 In performing its obligations under this Contract the Provider must take all reasonable steps to minimise its adverse impact on the environment.	The Trust has a detailed Green Plan in place which specifies the steps it will take to meet NHS targets for '*Delivering a Net Zero Health Service*'. The plan is published on the Trust website at: https://www.royalberkshire.nhs.uk/media/vdgftr15/final-rbft_greenplan_docrfs.pdf
18.2 The Provider must maintain and deliver a Green Plan, approved by its Governing Body, in accordance with Green Plan Guidance.	The Trust has a detailed Green Plan detailing plans to achieve NHS targets for Carbon Net Zero to include: 1) reducing scope 1 & 2 emissions (carbon emissions from fossil fuels, anaesthetics, NHS Facilities and Fleet and the electricity used; 2) measuring, quantifying, and reducing our scope 3 emissions (which are indirect carbon emissions) and 3) reviewing our hospital redevelopment plan options to optimise the Net Zero carbon impact of the redevelopment option we pursue as a Trust. To support delivery of its Green Plan, the Trust has in place: • a Net Zero Carbon Steering Group formed from key senior management stakeholders and is chaired by the Chief Finance Officer.

	• An RBFT Sustainability Champions Network has been established drawn from RBFT staff who play an active role in helping achieve our aims • Net Zero Carbon working groups support the development of the ongoing aspects of the plan and projects. Their membership is drawn from the Sustainability Champions Network nominations by the Steering Group. • Collaborations with local stakeholders including Reading Borough Council, Wokingham Borough Council, West Berkshire Council, the University of Reading, the Integrated Care System, Academic Health Science Network local business and volunteer networks such as Connect Reading, Reading Voluntary Action, West Berkshire Volunteer Centre, Ethical Reading and Reading Small Business Network to share best practice and resources as required, ensuring we achieve more collectively. RBFT is also a member of the Thames Valley Chamber of Commerce Sustainability group and an active member of Reading CAN Board. The Chief Finance Officer joined the panel of the Reading Leaders' Summit on Climate Change, along with the Vice Chancellor, hosted by the University of Reading on 22 March 2024, to share the progress being made by the Trust.
18.2.1 Provide an annual summary of progress on delivery of that plan to the Co-ordinating Commissioner.	The Net Zero Carbon Steering Group meets on a bi-monthly basis to review the Trust's performance against the plan and identify any corrective action that may be required. Progress on delivery of the Green Plan will be reported via the Executive Management Committee to the Trust Board during July 2024. Work is underway through the 'Improving Together' programme to focus on the reduction of kilowatt hour (Kwh) power usage as a key improvement measure, or 'driver metric', for progress reporting during 2024/25.
18.2.2 Nominate a Net Zero Lead and ensure that the Co-ordinating Commissioner is kept informed.	The Chief Finance Officer is the Trust's nominated lead for the Trust's Net Zero targets and the Green Plan.
18.3 Within its Green Plan the Provider must quantify its environmental impacts and publish in its annual report quantitative progress data, covering as a	The Trust is compiling data to capture the environmental impacts of its greenhouse gas emissions and is establishing a robust mechanism of quarterly update reporting to monitor progress throughout the year.

minimum greenhouse gas emission in tonnes, emissions reduction projections and an overview of the Provider's strategy to deliver those reductions.	The Trust quantified its environmental impacts in its Green Plan as follows: • achieve a stretch target of 7% year on year reduction of carbon emissions on Scope 1, 2 and 3 emissions that will achieve a 76% reduction in Scope 1 and 2 by 2040 • an 84% reduction by 2045 from a 2015 baseline • for scope 3, a 75% reduction by 2040 • an 82% reduction by 2045 against a 2021 baseline In the period of the Trust's Green Plan 2022-2025, we aim to achieve a minimum reduction in our combined carbon emissions of 3% year on year. We also aim to accelerate our pace of decarbonisation, and share best practice with our peers and partner organisations.
18.4 As part of its Green Plan the Provider must have in place clear, detailed plans as to how it will contribute towards a 'Green NHS' with regard to Delivering a 'Net Zero' National Health Service.	The Trust's Green Plan is available on the Trust website at: https://www.royalberkshire.nhs.uk/media/vdgftr15/final-rbft_greenplan_docrfs.pdf
18.4.1.1 Take action to reduce air pollution from fleet vehicles, transitioning as quickly as reasonably practicable to the exclusive use of low and ultra-low emission vehicles.	All newly leased or purchased vehicles and all vehicles offered under the salary sacrifice scheme must be either fully electric or hybrid vehicles. The Trust has six EV charging points at Royal Berkshire Hospital and 10% of our existing fleet are electric vehicles. The Trust plans to install more charging points on RBFT sites.
18.4.1.2 Take action to phase out oil and coal for primary heating and replace them with less polluting alternatives.	The Trust does not use oil or coal for the purpose of primary heating. For resilience, the Trust has generator capacity in the event that mains power is unavailable and these run on diesel fuel. During 2023, the Trust successfully bid for a grant of £1.64m towards the costs of decarbonising the heating system at Bracknell Healthspace. This work is now progressing following the announcement of the award in May 2024.
18.4.1.3 Develop and operate expenses policies for staff which promote sustainable travel choices.	The Trust's Business Travel and Associated Expenses Claim Policy (CG152) stipulates that employees should use sustainable transport in line with the Trust's commitment to reducing its carbon footprint. The Trust has a number of 'Electric Pool Cars' that should be booked and used for local journeys wherever practically possible. The Trust has sourced parking off-site to reduce on-site emissions and encourage walking to work. The Trust supports cycling to work with investments such as the Cycling Village. The Trust has worked with

	Reading Buses and established routes that encourage public transport use, as well as Park and Ride facilities to reduce the number of journeys into the centre of Reading. The Trust's Travel and Transport working group will continue to develop policy updates to reduce our carbon impact.
18.4.1.4 Ensure that any car leasing schemes restrict high emission vehicles and promote ultra-low emission vehicles	The Trust's preferred supplier for car leasing schemes is NHS Fleet Solutions. Only electric and hybrid vehicles may be leased under these schemes.
18.4.2.1 Reduce greenhouse gas emissions from the Provider's Premises in line with targets in Delivering a 'Net Zero' National Health Service.	The Trust has started action to reduce greenhouse gas emissions from its premises as detailed in other sections. The Trust continues to work on digital transformation projects such as outpatient transformation which has been established to reduce unnecessary on site appointments and increase the number of virtual clinics and online bookings for diagnostic and treatment processes. This is intended to deliver system-wide benefits such as reducing air pollution and carbon emissions on the hospital site. Initiatives like the Virtual Wards, telemedicine, telehealth and virtual consultations are growing in capacity year on year, enabling inpatient management to be delivered effectively and safely in a virtual way which also supports a reduction in travel to hospital sites and reduces the impact of wider carbon associated with inpatient admissions. The catering service uses fridges and freezers that use environmentally friendly gases. Packaging and cutlery used for take-away meals is paper based. The Oasis Staff Health & Wellbeing Centre garden offers many opportunities to contribute to the Trust's Green Plan through producing organic fruit and vegetables, showing staff how to cultivate fruit and vegetables to reduce food miles, water conservation, peat-free cultivation, using renewable and re-used or recycled materials for the hard landscaping. The Oasis Health & Wellbeing garden is irrigated with harvested rainwater.
18.4.2.2 In accordance with Good Practice, to reduce the carbon impacts from the use, or atmospheric release, of environmentally damaging gases such as nitrous oxide and fluorinated gases used as anaesthetic agents and as propellants in inhalers, including by appropriately reducing the proportion of desflurane to sevoflurane used in surgery to less than 10% by volume,	Desflurane was removed from Trust anaesthetic machines reducing Desflurane usage and saving more than 413 tonnes of CO_2 per year. The Trust remains committed to the proposals in its Green Plan to optimise the use of and reduce waste from, medical gases. The Trust continues to work towards its Green Plan objective of reducing the carbon impact of inhalers and participating in NHS benchmarking to ensure the Trust

through clinically appropriate prescribing of lower greenhouse gas emitting inhalers, by encouraging Service Users to return their inhalers to pharmacies for appropriate disposal.	is following best practice around brand switching and overall reduction.
18.4.2.3 To adapt the Provider's Premises and the manner in which Services are delivered to mitigate risks associated with climate change and severe weather.	The Trust has continued to, where possible in the confines of restricted capital expenditure, invest in backlog maintenance, which as well as providing resilience to the delivery of clinical services, also addresses active carbon reduction. Examples of this include installation of Southern European specification air handling units which can cope with 30 plus temperatures.
18.4.3.1 To reduce waste and water usage through best practice efficiency standards and adoption of new innovations.	In 2022, the Trust drew down enabling funds from the New Hospitals Programme which enabled the desteaming of the Reading site which saw the replacement of three kilometres of piping across the site saving at least 800 tonnes of carbon and £1.3 million in cost each year. The Trust draws water an aquifer below site to augment water supplies from the local supplier. As part of routine maintenance, taps on sinks and showers are replaced with models which cannot be left running, further avoiding water wastage. The catering service uses heat and water efficient wash ware. Waste oil from catering services is collected and recycled into bio fuel. Ward wastage is monitored and the production of patient meals adjusted accordingly to avoid food wastage.
18.4.3.2 To reduce avoidable use of single use plastic products, including by signing up to and observing the Plastics Pledge.	The Trust is committed to reducing the use of single use products across sites and has already worked with catering and other services to move to sustainable options wherever possible. The Trust catering service has moved to chinaware for eat in and drink in meals and refreshments and has introduced reusable 'keep cups'. The catering service requires all disposables to be either recyclable or compostable. The Trust is now in Year 2 of the Green Rewards app for staff. This platform hosts a number of sustainable activity modules tailored to the goals of the Trust's Green Plan, including avoiding the use of single-use plastics. Net Zero Carbon Champions have enabled the Trust to progress its Green Plan objectives by implementing green initiatives in their wards including installing additional recycling bins, engaging staff in supporting green activities, reducing paper wastage and moving to reusable cups and cutlery.

18.4.3.3 So far as clinically appropriate, to cease use at the Provider's Premises of single-use plastic cutlery, plates or single-use cups made of expanded polystyrene or oxo1degradable plastics	All disposables are compostable or recyclable. China plates are used for all eat-in meals and drinks. Keep Cups (reusable cups) are available.
18.4.3.4 To reduce the use at the Provider's Premises of single use plastic food and beverage containers, cups, covers and lids.	Chinaware is used for all eat-in meals and drink-in refreshments. All disposables are either recyclable or compostable. Sandwich suppliers to the Trust use compostable packaging.
18.4.3.5 To make provision with a view to maximising the rate of return of walking aids for re-use or recycling.	There are collection points at all of the site entrances for patients to drop off 'no longer required' walking aids. These are recycled by cleaning and reissuing to other patients.
18.5 The Provider must ensure that with effect from the earliest practicable date (having regard to the terms and duration of and any rights to terminate existing supply agreements) all electricity it purchases is from Renewable Sources.	The imported energy the Trust purchases from EDF is from renewable sources.
18.6 The Provider must, in performing its obligations under this Contract, give due regard to the potential to secure wider social, economic and environmental benefits for the local community and population in its purchase and specification of products and services, and must discuss and seek to agree with the Coordinating Commissioner, and review on an annual basis, which impacts it will prioritise for action.	This is enshrined in new procurement legislation which will take effect from 1 October 2024; however, the Trust is already active in sourcing services and products from local suppliers for example, food required to provide 1 million meals a year for patients, staff and visitors is primarily sourced locally within Reading and Basingstoke.

Health Inequalities

In November 2023, NHS England published a statement on information regarding health inequalities. The purpose of the statement was to help NHS Trusts and Integrated Care Boards identify the key information and data on health inequalities. NHS Trusts are required to describe in their annual reports, the work they have carried out to address any health inequalities.

The Trust has been working on the capability of its data systems and has progressed work on developing its health equalities dashboard which will collate key information and data on health inequalities. Although the development of the reporting mechanism for these metrics is in progress, the Trust has a good understanding of the health inequalities affecting its local population. In 2023-24, with the appointment of a new Chief Nursing Officer, the Trust has been able to expand its work to address these and continued to collaborate with external stakeholders

to develop programmes that promote equitable health access across the population it serves. Below is a summary of the work carried out in 2023/24.

Meet-PEET (Patient Experience Engagement Team)

Meet-PEET are already established in delivering drop in mini health checks as part of our inequalities programme in several locations around Reading, for example, Whitley Community Development Association, ACRE on Oxford Road, The Atrium Café at Greyfriars Church and Coley Park Community Centre. These sessions are run at these locations once a month.

Since December, a big focus for the Meet-PEET initiative has been on the Community Wellness Outreach (CWO) programme the Trust is delivering in partnership with Reading Voluntary Action, for Reading Borough Council and the BOB ICB. This has a target to undertake 5200 new NHS Health checks by June 2025. To date, the nurses have completed over 500 checks focused on target groups most likely to be affected by health inequalities. The results from these checks are transferred into patient records to support their onward health care.
The Meet-PEET team provide mini health checks which include: blood pressure, blood sugar, pulse, heights and weight (Body Mass Index - BMI). These checks enable the team to have wider MECC (Making Every Contact Count) conversations including about alcohol consumption and smoking. The purpose of these checks is to identify any individuals who have elevated levels and need additional primary care support or those who can be helped by lifestyle changes like exercising and diet.

To date, over 60% of people who undertake the health checks are found to have high BMI, and around 30% have high blood pressure. Around 16% have high cardiovascular risk scores which means that they are at high risk of developing cardiovascular disease in the next 10 years. People who require additional lifestyle support can be referred to social prescribers as part of the project.

Meet-PEET can also provide specialist advice on particular health topics, for example, many of the nurses have expertise in cardiovascular disease, diabetes and diet etc. The team are often accompanied by colleagues from the Trust's various specialty teams including stroke, respiratory and sexual health. Since April 2023, Meet-PEET has completed 228 mini health checks over 18 sessions at their regular locations.

Meet-PEET also attend festivals and larger ad hoc events across Reading and offer mini health checks at those, as well as organising their own larger engagement sessions with particular groups of the community. In 2023/24, Meet-PEET ran engagement sessions with the local Gurkha population with over 120 Gurkha attending. The most recent session focused on kidney care. Since April 2023, we have completed 282 mini health checks at adhoc events / festivals.

In total, since 01 April 2023, Meet-PEET have carried out 510 mini health checks.

Meet PEET has also continued their youth engagement programme (#Health4yth), expanding its Junior Carers programme to two local primary schools and selecting and supporting 8–10-year-old Health Ambassadors. MEET-PEET has also hosted 9 hospital tours for 14–16-year-olds covering over 100 students who will hopefully go on to follow careers in health care. The Youth Forum, which supports the voice of young people in the Trust's work and decisions, now has over 20 representatives aged 16-25 years old who are involved in various projects across the hospital.

Community Liver Health Checks
The NHS Cancer Programme has partnered with the National Hepatitis C Elimination Programme to offer mobile FibroScan scans and other diagnostic activity to people at high risk of cirrhosis and liver cancer. This pilot project aims to ensure that patients at risk are identified and where possible,

to ensure the earlier detection of liver cancer. People identified with advanced fibrosis/cirrhosis are invited for liver surveillance and monitored every six months once on this pathway.

Hepatitis C Virus Elimination Project
As part of NHS England's plans to eliminate the Hepatitis C virus by 2025, the Trust has implemented its 'find and treat' programme in which a dedicated Allied Health Professional visits hostels, Soup Kitchens, refugee centres and drug & alcohol services five days a week to test and treat patients who have the Hepatitis C virus. In addition to the Allied Health Professional, the Trust has a mobile Hepatitis C testing service which provides testing at various centres across the community, four times a month. In the last year, the find and treat programme tested 1061 people.

Accessible Information Standards (AIS)
The Trust is now compliant with the Accessible Information Standards (AIS) regulation and the Electronic Patient Record (EPR) system is now fully AIS enabled. To support this work, the Trust has launched its 'Staff Not!ce Campaign' which aims to create change across the organisation by ensuring staff are appropriately trained in and understand, the AIS standard. Since February 2024, the Trust has filmed and disseminated short films illustrating the impact of the AIS regulation on supporting patients with Aphasia and visual impairment/loss of sight.

Website translation and accessibility tool
To provide accessibility support to neurodivergent patients accessing the Trusts website and patients with different language needs, the Trust's new website includes a translation and accessibility tool. The tool allows screen masking to allow neurodivergent audiences to reduce distractions, by reading one passage at a time; text magnification to enlarge text and read aloud; a webpage simplifier to reduce sensory stimulation for people with autism; Text-to-Speech functionality, and a picture dictionary to display word meaning through illustrations.

Other Community work
The Trust is involved in a number of other projects and initiatives including:
- The UK Research & Innovation (UKRI)'s national, £24 million FoodSEqual project designed to address food needs in deprived communities in Reading and other parts of the UK
- Weighting the Wait List
- DNA AI App
- Smoking Cessation
- Maternity Tobacco Dependence Service
- Targeted Lung Health Checks.

Health Inequalities Conference
On 2 May 2024, the Health Innovation Partnership (HIP) hosted a health inequalities conference to showcase projects tackling health inequalities in West Berkshire. Stakeholders from local councils, the BOB and Frimley ICBs, University of Reading, Berkshire Healthcare Foundation Trust (BHFT), community, and voluntary sectors attended the conference. The conference highlighted the importance of a joined-up approach to addressing health inequalities and embedding health equalities into clinical strategies.

Future work
The multidimensional factors that contribute to health inequalities demands a collaborative approach. As such, the Trust is now part of the Berkshire Health Inequalities Group (BHIG) – made up of public health partners, the University of Reading (UoR), community development groups, and local authorities in the region. As a result of this collaboration, the Trust and the University of Reading are jointly funding a health inequality data integration project between Connected Care, local authorities, and voluntary organisations.

Social, Community, Anti-bribery and Human Rights Issues

The Trust's Human Resources (HR) and Local Counter Fraud Policy covers, amongst other things, bribery and corruption. The policy sets out the key roles and responsibilities and the response plan for any suspected or detected bribery and corruption. Compliance against the HR and Local Counter Fraud Policy is undertaken by the Audit and Risk Committee.

The Trust's Equality of Opportunity Policy covers human rights issues i.e., how it is illegal to discriminate against people with protected characteristics. The policy sets out the key roles and responsibilities and how staff can raise a concern about human rights issues. The policy outlines that all employees undertake mandatory training on equality, diversity and human rights. The Trust monitors compliance of human rights issues through the collation and review of appropriate data.

Important events since balance sheet date

There have been no material events after the reporting dates which require disclosure.

Overseas operations

The Trust has no overseas operations.

Signed:

Steve McManus
Chief Executive Officer **Date: 26 June 2024**

Accountability Report

Directors' Report

The Board of Directors of the Trust is a combined board which is comprised of both Executive (paid staff) and Non-Executive (appointed external) Directors. The Board of Directors of the Royal Berkshire Hospital Foundation Trust as at 31 March 2024 comprised of the following Executive Directors:

Name	Designation
Mr Steve McManus[1]	Chief Executive (seconded to Chair of BOB ICB 1 April 2023 – 2 July 2023)
Dr Janet Lippett[2]	Acting Chief Executive (1 Apr 2023 – 2 July 2023) Chief Medical Officer
Mr Don Fairley	Chief People Officer
Mr Dom Hardy	Chief Operating Officer
Mrs Nicky Lloyd	Chief Finance Officer
Mrs Katie Prichard-Thomas	Chief Nursing Officer

Notes:

1 Steve McManus was appointed Interim Chief Executive for the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (ICB) from 1 April 2023 – 2 July 2023

2 Dr Janet Lippett was appointed Acting Chief Executive of the Royal Berkshire NHS Foundation Trust from 1 April 2023 – 2 July 2023.

The Board also comprised of the following Non-Executive Directors as at 31 March 2024:

Name	Designation
Mr Graham Sims	Chair of the Trust
Mrs Helen Mackenzie	Non-Executive Director
Mr Mike McEnaney	Senior Independent Director Non-Executive Director (from 01 Oct 2023)
Dr Bal Bahia	Non-Executive Director
Mrs Priya Hunt	Non-Executive Director
Professor Parveen Yaqoob	Non-Executive Director
Mike O'Donovan	Non-Executive Director (from 01 Nov 2023)

The following were also Board directors during the 2023-2024 financial year:

- Mr Peter Milhofer: Non-Executive Director (01 Apr 2023 – 30 Sept 2023), Resigned
- Mrs Sue Hunt: Non-Executive Director (01 Apr 2023 – 31 Oct 2023), Resigned
- Mr Eamonn Sullivan: Chief Nursing Officer (01 Apr 2023 – 10 Sept 2023), Resigned
- Ms. Hannah Spencer: Acting Chief Nursing Officer (11 Sept 2023 – 01 Oct 2023), Interim
- Dr. Will Orr: Acting Chief Medical Officer (01 Apr 2023 – 2 July 2023), Interim

The Board of Directors is responsible for:

- providing leadership to the organisation within a framework of prudent and effective controls
- sponsoring the appropriate culture, setting strategic direction, ensuring management capacity and capability, and monitoring and managing performance
- safeguarding values and ensuring the organisation's obligations to its key stakeholders are met
- facilitating the understanding on the part of governors of the role of the Board and the systems supporting its oversight of the Trust
- taking account of the NHS Constitution in all aspects of its work.

The Board carries out the role envisaged within the NHS Foundation Trust Code of Governance, namely that it provides active leadership of the Trust within a framework of prudent and effective controls which enables risk to be assessed and managed. The Chairperson meets with Non-Executive directors on a weekly basis.

As such, the Board:

- is responsible for ensuring compliance with the terms of authorisation, constitution, mandatory guidance issued by NHSE, relevant statutory requirements and contractual obligations

- sets the strategic aims, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives and review management performance

- as a whole is responsible for ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health and Social Care, the CQC, and other relevant NHS bodies. The Board ensures that the Trust exercises its functions effectively, efficiently and economically

- sets the Trust's overall culture, values and standards of conduct and ensures that its obligations to the public, its members, patients and other stakeholders are understood and met.

The role of Board Directors is set out in the Board Charter of Expectations which is set on the Nolan Principles. All of our Board of Directors meet the standards of the 'Fit and proper persons requirement'.

The Trust's Constitution specifies that Non-Executive Directors are appointed for three year terms of office. If a Non-Executive Director has held office for more than four years, any further appointment shall be for a term of one year. Appointments can be terminated in accordance with the NHS England (NHSE) Code of Governance for NHS Provider Trusts (the Code).

The following Non-Executive Directors are considered independent as none have served more than six years in post: Helen Mackenzie, Bal Bahia, Parveen Yaqoob, Priya Hunt, Mike McEnaney and Mike O'Donovan.

In November 2023, the Trust assessed itself against the provisions of the NHS Code of Governance on a 'comply or explain' basis and recognising that the provisions set out best practice recommendations rather than mandatory conditions.

In relation to provision B2.6. which states that the independence of Non-Executive Directors may be impaired if they serve a term of office longer than six years, the Trust considered that it had

deviated from the provision in relation to the extensions of the terms of office for non-executive director, Sue Hunt and Chair of the Trust, Graham Sims. The rationale and disclosures are set out below.

Sue Hunt, Deputy Trust Chair and Chair of the Finance & Investment Committee, served in excess of six years as a Non-Executive Director of the Trust. Her continuation in the role followed processes set out in the Trust's Constitution and was considered by the Governor Nominations & Remunerations Committee and approved by the Council of Governors. In each case, Sue Hunt's significant and specialised expertise in financial and audit matters and her continued high standard of performance was considered and balanced against the risk of incurring a vacant Chair position in the Finance & Investment Committee and the loss of a non-executive member of the Audit & Risk Committee. The Trust departed from the recommendations of the provision to preserve the robust leadership of the Finance & Investment Committee, to retain specialist input at the Audit & Risk Committee and maintain the stability of the Board.

Sue Hunt resigned from her post ending her term of office on 31 October 2023 and was succeeded by Mike O'Donovan.

The Chair of the Trust, Graham Sims, was independent at the time of his appointment and is serving his third and final three-year term as Chair. Each extension of Graham's term of office was duly considered by the Governor Nominations and Remunerations Committee and approved by the Council of Governors. In each case, the Governors deemed that it was in the best interests of the Trust to retain Graham's significant experience and expertise and the stability of the Board via the extension of his term of office. The Governors have not raised any concerns in relation to Graham's independence from the Board or his ability to robustly and appropriately challenge the Board and provide strategic leadership to the Non-Executive Directors. The Trust is currently in the planning process for the recruitment of a new Chair.

Board Member Biographies

Chair of the Trust: Graham Sims
Graham Sims, joined the Trust as Chair in August 2015, bringing a wealth of chair and corporate experience and knowledge in Board governance, strategy, investment, operations and leadership. He has held roles as Chairman and Directorships within large and small organisations including BP, Mobil, Compass, the Home Office and a number of PE backed businesses currently in the UK and internationally. Graham is also involved with charity boards.

Chief Executive Officer: Steve McManus
Steve joined the Trust in January 2017 having previously occupied Board level roles as Chief Operating Officer (COO) at University Hospital Southampton, COO/Deputy CEO at Imperial Healthcare and Managing Director at Basildon and Thurrock University Teaching Hospital. In 2016 Steve was selected as part of the first cohort on the NHS Leadership Academy's national Aspiring Chief Executive Programme. In August 2020 Steve was seconded to NHS Test & Trace taking on key national roles during the Covid pandemic leading the Contain and Trace services. In 2022 Steve took on an 8 month role leading the Buckinghamshire Oxfordshire Berkshire West Integrated Care system as interim Chief Executive returning to the Trust in 2023. Steve regularly contributes across a range of healthcare topics both nationally and internationally particularly regarding patient safety, healthcare technology and leadership development.

Chief Medical Officer: Dr Janet Lippett
Janet was appointed Chief Medical Officer in 2019 and with executive colleagues led the Trust's response to the Covid-19 Pandemic. Recently completing an 8-month interim role as Acting Chief Executive she is also the Executive Lead for our partnership with the University of

Reading. Qualifying as a doctor at St Georges Hospital, London in 1999 she joined RBFT in 2007 as a Consultant Geriatrician establishing a successful Orthogeriatric Service. Moving into management in 2010; as a Clinical Director and then as Care Group Director for Networked Care; Janet works with system partners to ensure high quality care across the community.

Chief Nursing Officer: Katie Prichard-Thomas
After undertaking the Deputy Chief Nurse at Hampshire Hospitals NHS Foundation Trust, Katie joined the Trust in October 2023. After graduating as a Registered Nurse in 2001, Katie began her nursing career at University Hospital Southampton Foundation Trust, specializing in respiratory care, acute medicine, and older person's medicine. Katie joined Hampshire Hospitals NHS Foundation Trust in 2018 as Divisional Chief Nurse, in 2020 she was promoted to Deputy Chief Nurse. Katie holds an MSc in Leadership & Management in Healthcare and is a Florence Nightingale Foundation Scholar, she is passionate about coaching teams to deliver high quality safe patient care.

Chief Finance Officer: Nicky Lloyd
Nicky joined the Trust in January 2019, and leads Finance, Payroll, Estates & Facilities, Procurement, Commercial, and the Trust Charity. She is a Fellow of the Institute of Chartered Accountants in England & Wales, and has held Board positions in the UK and internationally in both Executive and Non-Executive capacities, within and outside the NHS. She has successfully completed the Aspiring Chief Executive Programme. She was Acting CEO in 2020 and 2021 during the second wave of the COVID 19 pandemic. She chairs the South Central Branch and National Audit & Governance Committee of the Healthcare Financial Management Association.

Chief Operating Officer: Dom Hardy
Dom Hardy joined the Trust in December 2019 as Chief Operating Officer. Previously he held the position of Director of Primary Care and System Transformation at NHS England and Improvement. Dom's previous roles at NHS England include Director of Commissioning Operations for Wessex and Regional Assurance and Delivery Director for the South of England. Prior to that, he held posts in central Government, with PricewaterhouseCoopers, and in South Central Strategic Health Authority.

Chief People Officer: Don Fairley
Don was appointed to the Chief People Officer role in May 2016. Don joined the NHS in 1987 and has been a Board Director since 1997. Don has a proven track record of delivery having worked successfully at a senior level in various contexts including: acute, community, mental health, primary care, Region and the Department of Health. In addition to his technical and tactical skills, Don is a qualified mediator, MBTI, WAVE and 16PF practitioner. Don has a Master's in Strategic Human Resource Management, a post-graduate Certificate in the Psychology of OD and is a Fellow of the CIPD.

Non-Executive Director, Parveen Yaqoob
Parveen Yaqoob is Deputy Vice-Chancellor at the University of Reading and works across a broad portfolio, leading on the University's research strategy. She leads on the strategic partnership between the University and the Trust and brings experience of developing and supporting health-related education, research and innovation. Parveen has served on a number of national and international research funding panels, particularly in the area of diet and health, and is a member of the Board of Directors of Advance HE, chairing its Equality, Diversity and Inclusion Committee. She was appointed OBE for services to higher education in 2022.

Non-Executive Director, Priya Hunt
Priya, a non-executive director since October 2021, and the chair of the people committee, has three decades of leadership experience across airlines, telecommunications, and utilities in customer experience design, digital transformation, and customer service. Priya is a certified

Executive coach, accredited by the European Mentoring and Coaching Council and International Coaching Federation. She is the founder and Managing Director of a coaching company specializing in leadership, team coaching/mentoring, and consultancy. She is a PhD researcher in Leadership, Organisation and Behaviour at Henley Business School, University of Reading.

Non-Executive Director, Helen Mackenzie
Helen Mackenzie joined the Trust as a clinical Non-Executive Director in January 2019. Prior to this she was Executive Director of Nursing with Berkshire Healthcare NHS Foundation Trust, the main provider of NHS mental health and community services in Berkshire. Helen qualified as a nurse in 1979 and has held various clinical and managerial roles in the provision and commissioning of local NHS services.

Non-Executive Director, Mike McEnaney
Mike is a highly experienced board director having held finance director positions in both the private sector and the NHS. He has had a broad range of responsibilities, including Finance, HR, IT and Estates, at a number of high-profile organisations including, Honda manufacturing, Avis car rental and at Oxford Health NHS Foundation Trust until 2022. Mike is a NED and Audit Committee chair with South Central Ambulance Services NHS Foundation Trust, a NED and Audit & Risk Committee chair with Royal Berkshire NHS Foundation Trust, a trustee of an Academy of schools and an audit committee member at Oxford Brookes University.

Non-Executive Director: Mike O'Donovan
Mike spent 30 years in the consumer healthcare industry holding managing director positions in the UK and overseas as well as global corporate roles. He left industry to become chief executive of the Multiple Sclerosis Society. He has held a range of non-executive chair, director and trustee positions including founding co-chair of National Voices, the leading patient service user advocacy group, member of the management board of the European Medicines Agency, chair of two NHS Trusts and board member of Frimley Health NHS Foundation Trust. Mike is a Trustee of the South Hill Park Arts Centre.

Non-Executive Director: Bal Bahia
Bal Bahia Joined the Trust in April 2019. Prior to this he was clinical lead for the Berkshire West Clinical Commissioning Group and Vice-Chair of the West Berkshire Health and Wellbeing board. Bal qualified as a Doctor from St George's in 1989 and has since been a partner in General Practice for the last 29 years. Bal is also a director of Recovery in Mind a mental health charity in west Berkshire. Bal trained at the Royal Berkshire Hospital in the 1990s. He is interested in Systems Leadership and thinking for the local population especially health inequalities.

Board Engagement with the Council and Members

The Board takes active steps to ensure it interacts appropriately with the Council of Governors. The Board has agreed protocols in respect of communication with the Council and to help discharge its statutory duties. Non-Executive Directors and the Chief Executive attend Council of Governors meetings which are held four times a year. Other Executive Directors are also invited to provide updates on specific topics. Non-Executive Directors attend the Governors Assurance Committee to provide updates from Board Committees to governors.
Direct engagement with members takes place at the Trust's Annual General Meeting where a review of the year and forward plans are delivered and there is an open question and answer session. The Council of Governor meetings are also open for the public to attend and have the opportunity to raise questions.

Review of Board Performance

The Trust was inspected by the CQC in July 2019 and was rated as 'good' overall. Executive Board members are also appraised on an individual basis. Price Waterhouse Coopers (PWC) conducted a Well-Led review which was presented to the Board in March 2022. The Trust is due to undertake its next Well-Led review in 2024/25.

During 2023-2024, the Trust undertook a detailed review of its Board and Sub-Committees and their Terms of Reference. The review highlighted the positive work progressing on the Continuous Quality Improvement programme and the refresh of the Trust Strategy. The review highlighted the continued improvements in governance over the previous three years.

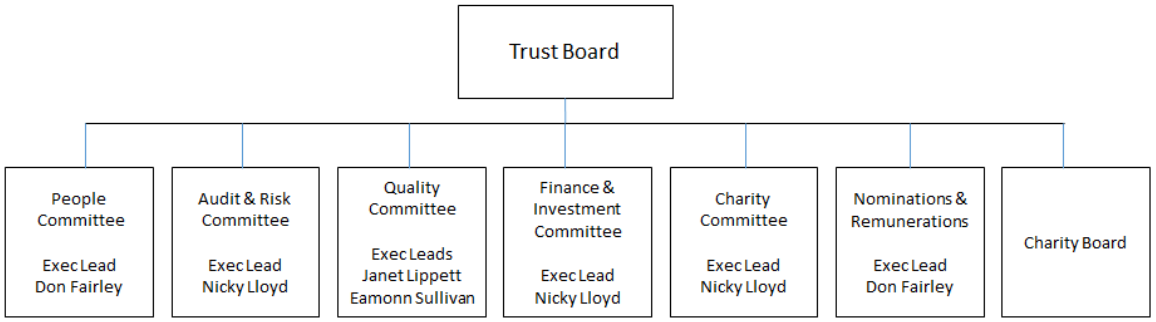
Board attendance 01 April 2023 – 31 March 2024

	Board	Quality	Charity	Nominations and Remuneration	Finance and Investment	Audit and Risk	Council of Governors*	People Committee	Charity Board
Mr Graham Sims	15/15	5/5	5/5	7/7			4/4	4/4	1/1
Mr Steve McManus^	11/12			4/4			1/3		0/1
Mr Don Fairley	13/15		5/5				1/4	4/4	1/4
Mr Dom Hardy	15/15	4/5			9/11		1/4		1/1
Dr Janet Lippett^^	13/15	5/5			11/11		1/4	4/4	1/1
Mrs Nicky Lloyd	14/15				11/11		1/4		1/1
Mrs Katie Prichard-Thomas	4/5	2/2			4/5		1/2		1/1
Dr Will Orr	0/3				2/3		0/1	0/1	
Mr Eamonn Sullivan^^	6/7	2/2			3/5			1/1	
Dr Bal Bahia	12/15	4/5	5/5	6/7			2/4		1/1
Mr Mike O'Donovan	6/6			1/1	5/5	5/5	2/2		1/1
Mrs Priya Hunt	15/15			7/7	9/11		3/4	4/4	1/1
Mrs Sue Hunt	7/8			6/6	6/6	5/5	1/2		
Mrs Helen Mackenzie	15/15	4/5		6/7		10/10	4/4	3/4	1/1
Mr Peter Milhofer	7/7			5/5	6/6	5/5	2/2		
Prof. Parveen Yaqoob	13/15	4/5		5/7			4/4	4/4	1/1
Mr Mike McEnaney	6/7			2/2	5/5	5/5	1/2		1/1

^ For nominations business only
^^ Either Chief Medical Officer or Chief Nursing Officer required to attend Finance and Investment Committee
* The Chief Executive and the Chair are only required to attend half of all the Board Sub Committee meetings.

Board Committees

The formal committee structure of the Board is shown below.



The main roles of each committee and group are as follows:

Audit & Risk Committee

Chair	Mr Peter Milhofer (01 Apr 2023 – 30 Sept 2023) Mr Mike McEnaney (01 Oct 2023 – present)
Members	Mrs Helen Mackenzie Mr Mike O'Donovan (01 Nov 2023 – present) Mrs Sue Hunt (01 Apr 2023 – 31 Oct 2023)

The Committee oversees risk and audit issues within the Trust. It reviews the effectiveness of financial systems for internal control and reporting and reports to the Board of Directors on the levels of assurance. It is responsible for ensuring and monitoring the regular review of risks identified against the board assurance framework and corporate risk register in order to embed risk management within the organisation.

The NHS Foundation Trust Code of Governance (the Code) provision D.2.1 requires the membership of the Audit & Risk Committee to comprise of a minimum of three independent non-executive directors. From 01 April 2023 – 30 September 2023, the Audit & Risk Committee membership comprised of two independent non-executive directors. A third non-executive director, Sue Hunt, had served a term of office greater than six years. Sue Hunt ended her term of office on 31 October 2023. On 01 November 2023, Committee membership became fully compliant with the Code with the appointment of a new independent non-executive director, Mike O'Donovan.

The Audit and Risk Committee report

The Trust Board have delegated authority to the Audit & Risk Committee, a non-executive committee of the Trust Board, to review the establishment and maintenance of an effective system of integrated governance, risk management and financial and non-financial non-clinical internal controls, which supports the achievement of the Trust's objectives.

The Committee does not have executive powers. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

In addition the Committee is required to satisfy itself that the Trust has adequate arrangements for countering fraud, for managing security of resources and has to review arrangements by which staff of the Trust may raise concerns via the Trust's Whistle Blowing policy.

The Audit & Risk Committee consists of not less than three Non-Executive Directors members supported by professional advisors with Trust attendance provided by the Chief Finance Officer. The Chief Executive Officer attends to discuss with the Committee the process for assurance that supports the Annual Governance Statement. Executive leads will be invited to attend the meeting when a high risk rated report has been submitted to the Committee. The Committee meets privately with the Trust's Internal and External Auditors at least once a year. Additional private meetings are held as and when required.

During 2023/24 the Audit & Risk Committee has satisfied itself that the findings within assurance reports and other studies relating to the Trust, are drawn to its attention by the Board or by management. Any reports instigated by NHS England, the Care Quality Commission and other professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.) would be reviewed by this Committee under their Terms of Reference.

The Committee conducts an annual review of its effectiveness with its terms of reference and submits any findings and proposals for changes to the Board of Directors for consideration and once a year prepares an annual report. The 2023/24 review was carried out in March 2024 and presented to the Board on 27 March 2024.

Financial reporting

The Committee reviewed the Trust's accounts and Annual Governance Statement and how these are positioned within the wider Annual Report. To assist this review the Committee considered reports from management and from the internal and external auditors to assist the consideration of:

- the quality and acceptability of accounting policies, including their compliance with accounting standards;
- key judgements made in preparation of the financial statements;
- compliance with legal and regulatory requirements
- the clarity of disclosures and their compliance with relevant reporting requirements;
- whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy.

The Committee reviewed the content of the 2023/24 annual report and accounts and advised the Board that, in its view, taken as a whole:

- it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy;
- it is consistent with the draft Annual Governance Statement, Head of Internal Audit Opinion and feedback received from the external auditors.

Significant financial judgments and reporting for 2023/24

The Committee considered several areas where significant financial judgments were taken which have influenced the financial statements.

The Committee identified, through discussion with both management and the external auditor, the key risk of misstatement within the Trust's financial statements. Discussions took place when the external auditor's audit plan was reviewed, and again at the conclusion of the audit. The Committee also discussed these risks with management during the year. Set out below is a summary of how the Committee satisfied itself that these risks of misstatement had been appropriately addressed:

- Valuation of land, buildings and dwellings and intangible assets:
  The Committee reviewed reports from management which explained the basis of valuations and the consideration of the need to recognise any revaluation or impairment. We also considered the auditors' views on the accounting treatment of these assets.

  The valuers have assumed that there are no abnormal ground conditions that would impact the normal functioning of the Trust estate and have provided the valuation based on existing conditions. Following the Geological Investigation on the main hospital site, the recommendation to visually inspect all structures periodically, and only undertake targeted ground investigations should deterioration be observed, was accepted by the Trust. The valuers have confirmed that there is no measurable impact on their valuation following this, as the Trust has not altered its current or future use of the buildings nor undertaken any corrective works to manage the geological risks.

  The Committee is satisfied that the valuation of these assets within the financial statements is consistent with management intention and is in line with accepted accounting standards.

- Implementation of International Accounting Standard IFRS 16 (Leases):
  The Committee reviewed information provided by management indicating the impact on the Trust's 2023/24 financial statements including judgements made in relation to assets that are below the IFRS 16 time or value criteria which exempts them from treatment as a "right of use" asset under IFRS 16. The Committee also considered the auditors' views on the accounting treatment of these transactions. The Committee is satisfied that the treatment of these assets within the financial statements is consistent with management intention and is in line with accepted accounting standards.

- Capitalisation of assets:
  The Committee reviewed information provided by management on judgments relating to costs capitalised, including the use of vesting certificates at year end. The Committee also considered the auditors' views on the accounting treatment of these transactions, including Value for money considerations. The Committee is satisfied that the treatment of these assets within the financial statements is consistent with management intention.

- Accruals (including Goods Received Not Invoiced – GRNI):
  The Committee reviewed information provided by management as to the adequacy of these transaction (GRNI, unmatched debits, pharmacy inventory management software) as well as the auditors' views on the accounting treatment of these transactions. The Committee is satisfied that the treatment of these liabilities within the financial statements is consistent with management intention and is in line with accepted accounting standards.

External audit

The Trust's External Auditor for the period 2023-24 were:

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Deloitte LLP was re-appointed as External Auditors to the Trust effective from 1 April 2022 for a two year contract period.

Audit and non-audit fees are set, monitored and reviewed throughout the year and are included in note 4.2 of the accounts. Deloitte have provided no non-audit services to the Trust during the year. In the event that any non-audit services were provided the Committee would consider whether these services might result in any impairment of the auditor objectivity and independence.

During the year, the Audit & Risk Committee reviewed the external audit plan for the 2023/24 period. As part of the discussion at this meeting the Committee reviewed key risk areas highlighted by external audit in relation to the valuation of assets and recognition of NHS income.

During the Audit & Risk Committee meeting on the 20 June 2024 the Committee reviewed the 2022-2023 financial statements and Deloitte's ISA260 Audit Highlights memorandum prepared as part of its audit of the Group and Trust financial statements. Following this, the Committee recommended to the Board that it approve the Annual Report and Financial Statements for the period ending 31 March 2024.

Over the course of the year they have delivered a range of reports to the Committee.

These included:

- Their Audit Plan for the period
- Progress update reports on the delivery of their audit work
- Technical update reports highlighting NHS FT and health sector issues of relevance for the Committee
- ISA 260 Audit Highlights Memorandum reports following their audit of the Group financial statements, and the financial statements of HFMS Limited and the Royal Berks Charity.

Deloitte's remuneration for the group audit was £219k excluding VAT for the period 1 April 2023 to 31 March 2024 (£180k 2022/23). See Note 4.2 of Financial Statements for further details.

The liability limits were agreed for 2023/24:
- Product Liability – up to £1m (2022/23 £1m)
- Professional Indemnity – up to £5m (2022/23 up to £5m).

Internal auditor details

The Trust's Internal Auditors for 2023/24 were:

KPMG LLP

15 Canada Square
London
E14 5GL

KPMG LLP were appointed as Internal Auditors to the Trust effective from 1 April 2022. This service covers both financial and non-financial audits according to a risk-based plan agreed with the Audit Committee. The Internal Auditors submitted a number of audit outcome and progress reports to the Committee including:

- Their audit plan for the period
- Progress update reports on the delivery of their reports
- Core Financial Controls: Financials & Fixed Assets
- Infection Prevention & Control & Board Assurance Framework
- Data Quality – Outpatients
- Data Security and Protection Toolkit
- Quality Governance
- Integrated Board Reporting
- Supplier Purchasing (Information Management & Technology)

KPMG's remuneration was £115k including advisory services and provision of internal audit services for the period 1 April 2023 to 31 March 2024.

Internal controls

Through the internal audit plan the Committee reviews the financial and risk controls in the Trust and their effectiveness. In addition, during the year the Committee also looked at the controls specifically relating to data quality, estate and the patient environment, information governance and major projects. Action plans were put in place to address minor issues in operating processes.

Fraud detection processes and whistle-blowing arrangements

BDO LLP were appointed as counter-fraud service provides to the Trust effective from 1 April 2022.

BDO LLP support the Trust to implement the NHS Counter Fraud strategy within the organisation and to investigate professionally, any suspicions of fraud, bribery or human rights issues that may arise. BDO provide fraud awareness training, carry out reviews of areas at risk of fraud and investigate any reported frauds including any disclosed via the Trust's Whistle Blowing policy.

The Committee reviewed the levels of fraud and theft reported and detected and the arrangements in place to prevent minimise and detect fraud and bribery. No significant fraud was uncovered in the past year.

Other areas reviewed

In addition to the above the Committee will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This includes, but is not limited to, receiving updates on the Corporate Risk Register and the Board Assurance Framework and the review of risk and control related

disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the CQC Standards).

In addition the Committee also reviews the underlying assurance processes that indicate the degree of the achievement of corporate objectives along with the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements. Whilst ensuring that the policies for ensuring compliance with relevant regulatory, legal and code of conduct meet all requirements. During 2023/24 regular updates were provided to the Committee on Health and Safety and the Freedom to Speak Up Guardian arrangements at the Trust.

Charity Committee
The Royal Berks Charity (Royal Berks NHS Foundation Trust Charity Fund Registration Number 1052720) is governed by trustees acting through the Charity Committee. They are responsible for the overall management of charitable funds. A governor from the Council of Governors, staff member and patient representative are members of the Committee.

Quality Committee
The Committee gives detailed consideration to all components of the quality of care provided by the trust including clinical effectiveness, patient safety and patient experience.

Finance & Investment Committee
The Committee gives detailed consideration to operational, finance, estates, investment and Digital, Data and Technology. It advises the Executive and Board on issues to achieve the best value for money and use of resources. It seeks to ensure that agreed strategies for finance, estates and IT are developed, implemented, monitored and reviewed.

People Committee
The Committee develops and oversees the delivery of the People Strategy and gives detailed consideration to workforce issues.

Charity Board
The Charity Board oversees the overall management of the Charitable Funds. They also ensure that appropriate policies and procedures are in place to support the Charitable Funds Strategy and support development and review the charitable funds strategy.

Board Register of Interests

The Foundation Trust has published on its website the Board Register of Interests which details any company directorships and other significant interests held by directors which may conflict with their management responsibilities. Additionally, Directors are not permitted to hold simultaneously, positions of Director and Governor of any NHS Trust in accordance with conditions set out in the Trust Governance Handbook. The Register can be accessed at: Our Board of Directors - Royal Berkshire NHS Foundation Trust or from the Trust Secretary by email: foundation.trust@royalberkshire.nhs.uk.

The Trust also operates a Declarations of Interest, Gifts and Hospitality Policy which requires all Board Members and decision-making staff to make annual declarations on the Trust Register of Interests. The Trust Register of Interests is available on the Trust website at: Royal Berkshire NHS Foundation Trust (mydeclarations.co.uk) or from the Trust Secretary by email: foundation.trust@royalberkshire.nhs.uk.

Engaging the staff and public: Trust Membership

Members of the Trust elect governors to the Council. Other governors are appointed by key partners such as local authorities, the UOR and local charity groups. The Council of Governors hold the Non-Executive directors (NEDs), individually and collectively, to account for the performance of the Board of Directors. The Board of Directors comprises both Non-Executive and Executive Directors that lead the organisation and manage the key financial and strategic issues. On behalf of the Board, the Chief Executive and other senior staff, manage the Trust on a day to day basis.

The majority of governors on the Council are publicly elected by public members of the Trust. The Council of Governors appoint the Non-Executive Directors who have a voting majority on the Board. All Board members and governors meet the 'fit and proper person test' as described in our provider licence.

Council of Governors

The Nominated Lead Governor is Dr Sunila Lobo.

The Council of Governors have two key duties which are:

- To hold the Non-Executive Directors to account for the performance of the Board
- Representing the interests of members and the public.

Other duties include:

- Approving the appointment of the Chief Executive
- Appointing and, if appropriate, removing the Chair and Non-Executive Directors
- Appointing the Trust's external auditors
- Approving amendments to the Trust's Constitution.

The Council of Governors meets on a quarterly basis. The Council of Governors is representative of the Trust's constituencies and is of average size in comparison with similar sized trusts. The Council composition is reviewed by the Council of Governors every three years. The roles and responsibilities of the Council of Governors are set out in the Trust Governance Handbook.

The Trust Governance Handbook sets out the process for managing disagreements between the Council of Governors and the Board of Directors in the event that they should arise. In situations where any conflict arises, the decision of the Chair shall normally be the final. However, there may be circumstances where the Chair feels unable to decide owing to a conflict of interest. In such a situation, the Chair will initiate an independent review to investigate and make recommendations. Normally this will be achieved by inviting the Chair of another NHS Foundation Trust to conduct the review, and the choice of individual will be agreed by both the Council and Board.

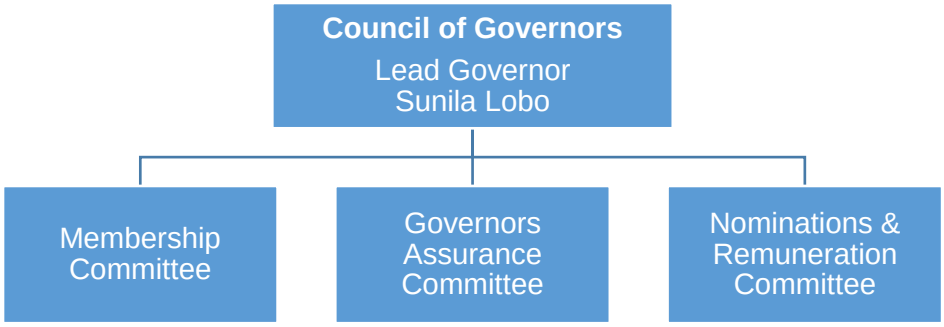
Governors for the Royal Berkshire NHS Foundation Trust

The list of Governors for the Royal Berkshire NHS Foundation Trust is maintained by the Trust Secretary. The latest list can be found on the Trust's website. The list of Governors for the Royal Berkshire NHS Foundation Trust and attendance as at 31 March 2024 was as follows:

Name	Constituency	Term of Office	Actual/ Possible
Mr. Tony Lloyd (Lead)	Wokingham	2023	1/1
Mr. Brian Painting	Reading	2024	1/1
Mr. Jonathan Barker	Reading	2023	4/4
Mr. Paul Williams	Reading	2023	3/4
Ms. Sunila Lobo	Reading	2023	3/4
Ms. Bet Tickner	Reading	2025	0/3
Mr. Clive Jones	Wokingham	2024	4/4
Mr. Benedict Krauze	Wokingham	2024	1/4
Mrs. Beth Rowland	Wokingham	2024	2/4
Mr Martyn Cooper	West Berkshire & Border	2024	1/4
Mrs. Alice Gostomski	West Berkshire & Borders	2025	2/4
Mr. John Bagshaw	West Berkshire & Borders	2025	3/4
Mr. William Murdoch	Southern Oxfordshire	2024	2/4
Mr. Richard Havelock	Volunteer Governor	2025	4/4
Mr. Chris Plumb	Staff: Admin/Management	2024	0/1
Mr. John Crossman	Staff: Allied Health Professionals/Scientific	2023	1/1
Mr James Mugo	Reading	2024	0/3
Mr Douglas Findlay	Wokingham	2026	3/3
Ms Sally Moore	Staff: Admin/Management	2024	1/3
Mr. Andrew Haydon	Staff: Nursing/Midwifery	2024	2/4
Mr. Victor Koroma	Appointed by Alliance for Cohesion and Racial Equality	2020	0/1
Councillor Deborah Edwards	Appointed by Reading Borough Council	2023	2/4
Mr. Adrian Mather	Appointed by Wokingham Borough Council	2023	2/4
Councillor Graham Bridgman	Appointed by West Berkshire Council	2023	0/0
Prof. Carol Wagstaff / Prof. Orla Kennedy	Appointed by University of Reading	2023	3/3
Dr Paul Jenkins	Appointed by University of Reading	2024	0/1
Mr Dhian Singh	Youth Governor	2024	0/3
Vacant	East Berkshire & Borders	2022	-
Vacant	East Berkshire & Borders	2023	-
Vacant	Staff; Health Care Assistant/ Ancillary	2021	-
Mr Tom Lister	Staff: Allied Health Professional/Scientific	2026	0/3
Mr Thomas Duncan	Staff: Medical/Dental	2026	2/3
Ms Miranda Walcott	Appointed by Integrated Care Board	2024	0/3
Councillor Alan Macro	Appointed by West Berkshire Council	2024	0/3
Mr Darren Browne	Appointed by Autism Berkshire	2024	0/3

Notes:
Governors are elected by members of the relevant constituency unless stated otherwise.
Declarations of interest made by Governors are available on the Trust website.
Changes to the Council during the year are set out on page 44.

Governors work to influence the Trust and have an impact in several informal and formal ways. The formal ‘committee structure’ of the Council is shown below.



The main roles of each group are as follows:

Governors Assurance Committee
The Committee receives updates from Non-Executive Directors who highlight significant matters of interest or concern and the Board's response and provide an overview of key issues discussed at Board Sub-Committees. The Committee keeps under review a range of assurance information submitted to the Board. The format of the Governors Assurance Committee has created an open and transparent environment for governors to discharge their duty of holding the Non-Executive Directors to account for the performance of the Board. The Chief Executive attends all Council of Governors meetings and other directors attend when required.

Membership Committee
The Chair is currently a Volunteer Governor, Richard Havelock. The Committee develops policy, implements agreed proposals and keeps under review, the Trust approach to engaging with the membership community.

The Committee also:

- recommends appropriate relationships and methods of communicating between Governors and the membership

- develop, implement and review, annually, a membership strategy for the Trust and to prepare an annual report for the Council and the Annual General Meeting with regard to the steps taken to secure representative membership, the progress of the membership strategy and any changes to the membership strategy

- keep under review the membership of the Trust to ensure that the actual membership is representative of those eligible to be members of each constituency

- consider any disputes concerning membership of a constituency, right to membership of the Trust and the conduct of individual governors

- seek the views of members and the public on material issues being discussed by the Trust and to conduct arrangements for collecting and reviewing views of members and the public on key issues and their experience of the Trust in general

- recommend objectives to the Council of Governors which are achievable and within the resources available

- keep under review the implementation of the objectives

- oversee the annual evaluation of the Council and its performance and to recommend any subsequent action

- recommend a governor training and annual development programme

- make recommendations to the Council on how it interacts with members and the public on Trust strategy and feedback their views to the Council.

Council Nominations & Remuneration Committee

The Nominations and Remuneration Committee considers the salaries and appointments of the Non-Executive Directors of the Board. Further information on the role of the Council of Governors Nominations and Remunerations Committee is available on page 60.

Changes to the Council of Governors

The following were also governors during the year:

- Graham Bridgeman: not re-elected to position; term of office ended May 2023
- Chris Plumb: retired June 2023
- Brian Painting: resigned July 2023
- John Crossman: resigned July 2023
- Victor Koroma: post terminated August 2023
- Tony Lloyd: term of office ended September 2023
- Bet Tickner: deceased January 2024
- Carol Wagstaff: resigned January 2024
- Orla Kennedy: resigned January 2024

Governor representation of members' views is discussed at Governor's Membership Committees and at Council of Governors meetings. The Council of Governors were engaged on the Trust's operating plan, including its objectives and priorities during 2023/24.

Trust Membership

This section sets out who is eligible to become a member of the Trust, our current membership numbers and our strategy and targets for recruiting new members. Our members can stand as governors, and are responsible for electing our governors.

Membership is an expression of public support for the Trust. Members have the opportunity to become involved in a number of areas including:

- being invited to Membership events, including the Annual General Meeting and information seminars
- voting in the election of representatives to the Council of Governors
- being able to stand for election to the Council of Governors
- receiving discounts on a wide range of goods and services by registering on the www.healthservicediscounts.com website
- receiving regular information about the Trust, including our magazine, Pulse
- being consulted, for example, on how the provision of services could be improved by completing surveys

attending Membership Committee and Council of Governor meetings where Members can have the opportunity to ask questions and meet the Council of Governors.

Recruitment of Members

The Trust has a simple process for becoming a Member via an online application on its website and Membership application form which is made available at Membership events and within the hospital. Governors are encouraged to help with the recruitment of Members by engaging with Members of the public who may also be part of other groups outside of their role as Governors.

Eligibility

Membership is open to three main groups:
(a) Public, including patients and carers
- People living within the five constituencies
- People aged 16 and over.

(b) Staff employed by the Trust
- All staff on a permanent contract or a contract of 12 months or more
- All staff who are not already public members.

(c) Volunteers of the Trust
- All volunteers

Categories of staff membership:

- Medical and dental staff
- Nursing and midwifery staff
- Allied health professions and scientific and technical staff
- Healthcare support workers (all disciplines) and ancillary staff
- Administrative, clerical and management staff.

Boundaries of public membership

Reading	All the electoral wards in Reading Borough Council (unitary authority) area
West Berkshire and borders	All the electoral wards in West Berkshire Council (unitary authority) area. Electoral wards from the Basingstoke and Deane Borough Council area of North Hampshire including: Baughurst, Burghclere, Calleva, East Woodhay, Highclere and Bourne, Kingsclere, Pamber, Tadley North and Tadley South The following electoral ward from Test Valley Borough Council area of North Hampshire: Bourne Valley
East Berkshire and borders	All the electoral wards in Bracknell Forest Borough Council (unitary authority) area. All the electoral wards in Slough Borough Council (unitary authority) area.

	All the electoral wards in the Royal Borough of Windsor and Maidenhead (unitary authority) area. The following electoral wards from South Bucks District Council area: Burnham, Beeches, Burnham Church, Burnham Lent Rise, Dorney and Burnham South, Farnham, Royal, Iver Heath, Iver Village and Rickings Park, Stoke Poges, Taplow, Wexham and Iver West.
Southern Oxfordshire	The following electoral wards from South Oxfordshire District Council area: Chiltern Woods, Cholsey and Wallingford South, Crowmarsh, Didcot All Saints, Didcot Ladygrove, Didcot Northbourne, Didcot Park, Goring, Hagbourne, Henley North, Henley South, Shiplake, Sonning Common, Wallingford North and Woodcote.
Wokingham	All electoral wards in Wokingham Borough Council (unitary authority) area

Current membership

At 31 March 2024 our public membership stood at 3571 and our total membership at 10,732. Membership is under-represented in younger age groups with under-representation remaining until the 30+ age groups. Members in the age 60 years and above category are the mostly highly represented. The Trust held an Annual General Meeting in September 2023 and a tour of the new staff Health and Wellbeing Centre in 2023. Further events are planned for 2023-24. The Trust membership remains in line with the average foundation trust membership.

Constituency	Public	% of public membership
East Berkshire and Borders	837	23.4%
Reading	1017	28.5%
Southern Oxfordshire	179	5.0%
West Berkshire and Borders	579	16.2%
Wokingham	854	23.9%
Out of Trust Area	15	0.4%
Not Specified	90	2.5%
Total	**3571**	

Governors' Register of Interests

The Council of Governors' Register of Interests is reviewed throughout the year. Any enquiries about the Governors' Register of Interests should be made to the Trust Secretary, Corporate Governance Department, Royal Berkshire Hospital, London Road, Reading RG1 5AN or by email to foundation.trust@royalberkshire.nhs.uk.

Contacting the members of the Council of Governors

The public are able to contact a member of the Council of Governors through the Corporate Governance Department by writing to the Trust Secretary, Corporate Governance Department, Royal Berkshire Hospital, London Road, Reading RG1 5AN or by email to foundation.trust@royalberkshire.nhs.uk.

Membership Strategy

We recognise membership to be an important part of being a Foundation Trust. An engaged and representative membership enables the Trust to be responsive to the local communities it serves, gauge local views and priorities to help shape the development of services and guides the work we do. Our membership strategy in 2022-24 aimed to maintain and develop a Membership that is representative of the Constituencies that the Trust serves by:

- Encouraging Governors, both public, partner, volunteer and staff Governors, to recruit Members when attending events outside the Trust.
- Making better use of advertising on social media platforms including Facebook, Twitter and Instagram.
- Circulating membership forms in local areas such as GP surgeries and libraries.
- Using governor stands for promoting benefits of membership in events.
- Establishing a younger Member's programme.
- Increasing attendance at local community events including the Reading Pride Festival, to increase awareness of membership across the LGBTQ+, ethnic minority groups and hard to reach communities.
- Holding Membership events.
- Encouraging partnership working for Governors and members at events run by the Trust, local communities partnerships, the Royal Berks Charity and by encouraging interaction between Governors and members.
- Approaching partners across the Integrated Care System (ICS) to host Joint membership events.
- Encouraging staff to become more actively engaged as Members and to increase representation of staff as Governors.

Directors' responsibility for the Annual Report and Accounts

The Board of Directors takes the responsibility for preparing the Annual Report and Accounts of the Trust. The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, public, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

NHS Well-Led Framework

Throughout the year, the Trust continued to build on the actions taken in 2023/24 to strengthen compliance with the framework. To maintain a well-led organisation the Trust is aware of the requirement to carry out an external review every three years to five years in accordance with the NHSE Well-led Framework. The next external well-led assessment is planned in 2024-25. The Trust uses the well-led framework to inform its governance processes, which are described in the Annual Governance Statement that starts on page 81.

Actions taken during the course of 2023/24 included, but were not limited to:

- the review and updating of the Trust's quality priorities

- patient care activities and stakeholder relations - Our Quality Account provides a detailed report on what the Trust is doing to develop its services, engage with our stakeholders and improve patient care. The Quality Account is due to be published in June 2024 and will be available on our website.

- the review of the Quality Governance Structure and the addition of a Corporate Governance item to all Care Group Leadership meetings with assigned members of the Corporate Governance team to attend and advise on all board governance processes

- the use of a quality impact assessment process for COVID-19 changes, where required

- the continued development of the Integrated Performance Report. Further information on the governance structure that supports the organisation can be found in the Annual Governance Statement of this Annual Report

- the review and approval of Freedom to Speak Up Guardian arrangements in the Trust by the Audit & Risk Committee and review of various staff fora by the Quality and People Committees

- the recruitment of a new Chair of the Audit & Risk Committee which resulted in Committee achieving compliance with provision D.2.1 of the NHS Foundation Trust Code of Governance. This provision requires a membership of at least three independent Non-Executive Directors who have not served in excess of six years.

In 2023/24, the Trust received one report from the Care Quality Commission notifying the Trust that its maternity services 'safe' rating had been increased from 'requires improvement' to 'good' and the overall rating remained as 'good'.

Remuneration Report

Annual Statement on Remuneration

The Chief People Officer advised the Remuneration Committee that NHS England had agreed a 5% pay increase for all Very Senior Managers (VSM) backdated to 1 April 2023.

The Chief Medical Officer would receive a 5% on the management allowance backdated to 1 April 2023.

In September 2023, the Director of Information Management and Technology (IM&T) resigned. It was agreed that the Chief Operating Officer would provide interim leadership of the IM&T directorate until such time as the Trust has agreed the permanent arrangements.

An additional payment of £5k per annum would be provided to the Chief Operating Officer for the interim arrangements in relation to the IM&T Directorate.

Senior Managers' Remuneration Policy

Attracting and retaining talented directors and senior managers is essential for the successful delivery of the Trust's strategy and objectives within an increasingly competitive marketplace. The remuneration policy is designed with that in mind. The Trust undertakes benchmarking to set senior manager remuneration levels and looks to be in the top quartile for pay.

The table on page 50 shows the remuneration package for senior managers (Executive Directors) including pension related benefits. The remuneration package for senior managers is

decided in line with Trust policy. The salary paid is inclusive of any overtime or allowances. The table shows the salary/fees paid to Non-Executive Directors. No additional fees or other items, that could be considered to be remuneration in nature, are paid to the Non-Executive Directors. The Trust is satisfied, having undertaken benchmarking, that the salaries of its executives, including those earning above £150k per annum, are in line with trusts of a similar size.

The definition of "senior managers" is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust'. For the purpose of reporting senior manager's remuneration in the table (below) and the pension benefits table this has taken to mean those Executive Directors holding voting rights on the board and also the Trust's Non-Executive Directors.

The senior manager's salary is payment for delivering the Executive Director role and for delivering the short and long-term strategic objectives of the Trust. Each Executive Director post is paid a spot salary. The salaries are reviewed on an annual basis when a decision is made whether to implement a pay award.

There have been no new components added to the remuneration package or any changes to the existing components in this period therefore senior managers have not been consulted regarding their remuneration policy. There are no provisions for withholding payments to senior managers other than re-earnable steps for staff on Agenda for Change terms and conditions.

Service contracts obligations disclosure

A contract for service is in place for any senior managers obtained via temporary, agency or contractor arrangements. The contract for service details the standard terms of business. The Trust will outline separately any specific obligations e.g. key deliverables. There are no further disclosures.

Policy on payments for loss of office

The notice period for Executive Directors is currently six months. A month is classed as four weeks. The notice period for other personnel in senior positions is three months. Payment for loss of office (redundancy) would be in line with national terms and conditions of employment (Agenda for Change) and (Medical and Dental).

Payment for any other type of loss of office would be made in line with contractual requirements and appropriate authorisation would be obtained as outlined in the Trust's Severance Protocol. The main components of the payment for loss of office would be unused annual leave and payment in lieu of notice.

Statement of consideration of employment conditions elsewhere in the foundation trust

The majority of Trust employees are employed on national terms and conditions of employment. The Trust has a very small number of staff on spot salaries. VSM on spot salaries received a 5% increase in November 2023 which was backdated to April 2023. This was in line with the pay award given to staff on national terms and conditions of employment. The Trust also has a small number of staff who are not on national terms and conditions of employment as they were tupe'd into the Trust. All staff have been given the opportunity to move across on national terms and conditions.

The Terms of Reference for the Nomination and Remuneration Committee makes reference to working with parties before making appointments to ensure searches for candidates is undertaken in light of equality legislation and best practice.

Annual report on Remuneration

This section of the report includes information subject to audit

Salaries and allowances

Name and Title	Year to 31 March 2024		
	Salary and fees Bands of £5,000 £000	Pension related benefits Bands of £2,500 £000	Total Bands of £5,000 £000
EXECUTIVE DIRECTORS			
Steve McManus [1] Chief Executive Officer	160 - 165	27.5 - 30	190 - 195
Janet Lippett [2] Chief Medical Officer	220 - 225	0 - 2.5	225 - 230
Will Orr [3] Acting Medical Director	65 - 70	17.5 - 20	85 - 90
Nicky Lloyd [4] Chief Finance Officer	160 - 165	70 - 72.5	230 - 235
Dominic Hardy [5] Chief Operating Officer	165 - 170	5 - 7.5	170 - 175
Don Fairley [6] Chief People Officer	150 - 155	2.5 - 5	150 - 155
Eamonn Sullivan (to 10 September 2023) Chief Nursing Officer	65 - 70	0	65 - 70
Hannah Spencer (between 11 September 2023 and 30 September 2023) Acting Chief Nursing Officer	5 - 10	0 - 2.5	5 - 10
Katie Prichard-Thomas (from 2 October 2023) Chief Nursing Officer	65 - 70	47.5 - 50	115 - 120
NON-EXECUTIVE DIRECTORS			
Graham Sims Chairman	45 - 50	0	45 - 50

Balbinder Bahia	15 - 20	0	15 - 20
Susan Hunt (to 31 October 2023)	5 - 10	0	5 - 10
Peter Milhofer (to 30 September 2023)	5 - 10	0	5 - 10
Helen Mackenzie	15 - 20	0	15 - 20
Michael McEnaney (from 1 October 2023)	5 - 10	0	5 - 10
Michael O'Donovan (from 1 November 2023)	5 - 10	0	5 - 10
Parveen Yaqoob	15 - 20	0	15 - 20
Priya Hunt	15 - 20	0	15 - 20

Notes

[1] Steve McManus (Chief Executive Officer) was seconded out of the Trust from 1 April 2023 to 2 July 2024. Royal Berkshire Foundation Trust paid the salary of Steve from 1 April 2023 to 2 July 2023 and recharged the cost to the Integrated Care Board.

[1] Steve McManus opted out of the pension scheme on 1 July 2021. Payments in lieu of pension contributions have been included in the pension related benefits.

[2] The remuneration for Janet Lippett (Medical Director) is an aggregation of the two roles of Acting Chief Executive Officer from 1 April 2023 to 2 July 2023 and Chief Medical Officer from 3 July 2023 to 31 March 2024. In addition, Janet has maintained clinical duties throughout the Financial Year 2024 and the remuneration for clinical duties alone is in the banding of £10,000 - £15,000

[3] Will Orr was appointed as Acting Medical Director from 1 April 2023. The salary in the table above is for the period 1 April 2023 to 2 July 2023.

[3] Will Orr opted out of the pension scheme on 1 June 2023. Payments in lieu of pension contributions have been included in the pension related benefits.

[4] Nicky Lloyd (Chief Finance Officer) opted out of the pension scheme in 1 February 2024. Payments in lieu of pension contributions have been included in the pension related benefits.

[5] Dominic Hardy (Chief Operating Officer) opted out of the pension scheme on 1 December 2023. Payments in lieu of pension contributions have been included in the pension related benefits.

[6] Don Fairley (Chief People Officer) opted out of the pension scheme on 1 November 2023. Payments in lieu of pension contributions have been included in the pension related benefits.

Pension related benefits of Janet Lippett and Eamonn Sullivan are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increase due to inflation or any increase or decrease due to a transfer of pension rights. The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provided further information on the pension benefits accruing to the individual.
None of the directors received any benefits in kind, annual performance related bonuses or long-term performance related bonuses.

Posts occupied by more than one person during the year	From	To
Chief Executive Officer		
Janet Lippett	01 Apr 23	02 Jul 23
Steve McManus	03 Jul 23	31 Mar 24
Chief Nursing Officer		
Eamonn Sullivan	01 Apr 23	10 Sep 23
Hannah Spencer	11 Sep 23	01 Oct 23
Katie Prichard-Thomas	02 Oct 23	31 Mar 24

Name and Title	Year to 31 March 2023		
	Salary and fees	**Pension related benefits**	**Total**
	Bands of £5,000	**Bands of £2,500**	**Bands of £5,000**
	£000	**£000**	**£000**
EXECUTIVE DIRECTORS			
Steve McManus (To 30 October 2022) [1] Chief Executive Officer	120 - 125	12.5 - 15	135 - 140
Janet Lippett (Acting Chief Executive Officer from 31 October 2022)[2] Chief Medical Officer	215 - 220	105 - 107.5	320 - 325
Will Orr (From 31 October 2022) Acting Medical Director	110 - 115	47.5 - 50	160 - 165
Nicky Lloyd [3] Chief Finance Officer	150 - 155	42.5 - 45	195 - 200
Dominic Hardy [4] Chief Operating Officer	155 - 160	7.5 - 10	165 - 170
Don Fairley [5] Chief People Officer	140 - 145	12.5 - 15	155 - 160
Eamonn Sullivan Chief Nursing Officer	145 - 150	112.5 - 115	260 - 265

NON-EXECUTIVE DIRECTORS			
Graham Sims Chairman	45 - 50	0	45 - 50
Balbinder Bahia	15 - 20	0	15 - 20
Susan Hunt	15 - 20	0	15 - 20
John Petitt (To 31 May 2022)	0 - 5	0	0 - 5
Julian Dixon (To 30 November 2022)	10 - 15	0	10 - 15
Peter Milhofer	10 - 15	0	10 - 15
Helen Mackenzie	15 - 20	0	15 - 20
Priya Hunt	15 - 20	0	15 - 20
Parveen Yaqoob (From 1 January 2023)	0 - 5	0	0 - 5

Notes

1 Steve McManus Chief Executive Officer) was seconded out of the Trust from 31 October 2022. Royal Berkshire Foundation Trust paid the salary of Steve from 31 October 2022 to 31 March 2023 and recharged the cost to the Integrated Care Board.

1 Steve McManus opted out of the pension scheme on 1 July 2021. Payments in lieu of pension contributions have been included in the pension related benefits.

2 The remuneration for Janet Lippett (Medical Director) is an aggregation of the two roles of Chief Medical Officer from 1 April 2022 to 30 October 2022 and Acting Chief Executive Officer from 31 October 2022 to 31 March 2023. In addition, Janet has maintained clinical duties throughout the Financial Year 2023 and the remuneration for clinical duties alone is in the banding of £15,000 - £20,000.

3 Nicky Lloyd (Chief Finance Officer) opted out of the pension scheme in November 2022 after re-joining in earlier part of Financial Year 2023. Payments in lieu of pension contributions have been included in the pension related benefits.

4 Dominic Hardy (Chief Operating Officer) opted out of the pension scheme on 1 November 2022. Payments in lieu of pension contributions have been included in the pension related benefits.

5 Don Fairley (Chief People Officer) opted out of the pension scheme on 1 November 2022. Payments in lieu of contributions have been included in the pension related benefits.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increase due to inflation or any increase or decrease due to a transfer of pension rights. The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provided further information on the pension benefits accruing to the individual.

None of the directors received any benefits in kind, annual performance related bonuses or long-term performance related bonuses.

Posts occupied by more than one person during the year	**From**	**To**
Chief Executive Officer		
Steve McManus	01 Apr 22	30 Oct 22
Janet Lippett	31 Oct 22	31 Mar 23

Chief Medical Officer

Janet Lippett	01 Apr 22	30 Oct 22
Will Orr	31 Oct 22	31 Mar 23

Total Pension Entitlement 2023/24

Name and Title	Real increase in pension at age 60 Bands of £2500	Real increase in pension lump sum at age 60 Bands of £2500	Total accrued pension at age 60 at 31 March 2024 Bands of £5000	Total accrued pension at age 60 at 31 March 2023 Bands of £5000	Lump sum at age 60 at 31 March 2024 Bands of £5000	Lump sum at age 60 at 31 March 2023 Bands of £5000	Cash equivalent transfer value at 31 March 2024	Cash equivalent transfer value at 31 March 2023	Real increase in cash equivalent transfer value
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Executive Directors									
Steve McManus [1] Chief Executive Officer	0	0	0	0	0	0	0	0	0
Dominic Hardy [2] Chief Operating Officer	0	0	30 - 35	50 - 55	85 - 90	85 - 90	775	796	0
Janet Lippett Acting Chief Executive Officer	0	52.5 - 55	60 - 65	55 - 60	165 - 170	100 - 105	1,354	975	255
Will Orr Acting Medical Director	0	7.5 - 10	80 - 85	80 - 85	225 - 230	170 - 175	1,979	1,675	29
Don Fairley [3] Chief People Officer	0	12.5 - 15	55 - 60	60 - 65	160 - 165	135 - 140	1,512	1,337	29
Nicky Lloyd [4] Chief Finance Officer	2.5 - 5	0	30 - 35	25 - 30	0	0	621	421	138
Hannah Spencer Acting Chief Nursing Officer	0 - 2.5	0	10 - 15	5 - 10	0	0	143	103	0
Katie Prichard-Thomas Chief Nursing Officer	0 - 2.5	2.5 - 5	30 - 35	25 - 30	85 - 90	70 - 75	651	508	36
Eamonn Sullivan [5] Chief Nursing Officer	0	12.5 - 15	55 - 60	55 - 60	155 - 160	110 - 115	1,274	1,007	63

Notes

1. Steve McManus opted out of the pension scheme with effect from 1 July 2021. Not in pension for whole year 2023/24
2. Dominic Hardy opted out of the pension scheme on 1 December 2023.
3. Don Fairley opted out of the pension scheme on 1 November 2023.
4. Nicky Lloyd opted out of the pension scheme on 1 February 2023.
5. Eamonn Sullivan left Trust in September 2023

Total Pension Entitlement 2022/23

Name and Title	Real increase in pension at age 60 Bands of £2500	Real increase in pension lump sum at age 60 Bands of £2500	Total accrued pension at age 60 at 31 March 2023 Bands of £5000	Total accrued pension at age 60 at 31 March 2022 Bands of £5000	Lump sum at age 60 at 31 March 2023 Bands of £5000	Lump sum at age 60 at 31 March 2022 Bands of £5000	Cash equivalent transfer value at 31 March 2023	Cash equivalent transfer value at 31 March 2022	Real increase in cash equivalent transfer value
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Executive Directors									
Steve McManus [1] Chief Executive Officer	0	0	0	90 - 95	0	205 - 210	0	1,873	0
Dominic Hardy [2] Chief Operating Officer	10 - 12.5	20 - 22.5	50 - 55	35 - 40	85 - 90	60 - 65	796	595	185
Janet Lippett Acting Chief Executive Officer	5 - 7.5	5 - 7.5	55 - 60	50 - 55	100 - 105	95 - 100	975	861	84
Will Orr Acting Chief Medical Officer	2.5 - 5	0 - 2.5	80 - 85	0	170 - 175	0	1,675	0	36
Don Fairley [3] Chief People Officer	0 - 2.5	0	60 - 65	60 - 65	135 - 140	140 -145	1,337	1,303	17
Nicky Lloyd [4] Chief Finance Officer	0 - 2.5	0	25 - 30	25 - 30	0	0	421	374	32
Eamonn Sullivan Chief Nursing Officer	5 - 7.5	7.5 - 10	55 - 60	50 - 55	110 - 115	105 - 110	1,007	129	97

1. Steve McManus opted out of the pension scheme with effect from 1 July 2021.
2. Dominic Hardy opted out of the pension scheme on 1 November 2022.
3. Will Orr was in post from 31 October 2022 to 31 March 2023. Figures shown for "Real increase in pension at age 60", "Real increase in pension lump sum 53 at age 60" and "Real increase in CETV" have been calculated on a pro rata basis between these two dates.
4. Don Fairley opted out of the pension scheme on 1 November 2022.
5. Nicky Lloyd opted out of the pension scheme on 1 November 2022.

Figures shown for "Real increase in pension at age 60", "Real increase in pension lump sum 53 at age 60" and "Real increase in CETV" have been calculated on a pro rata basis between these two dates.

Where the calculation results in a negative figure zero is submitted.

Fair Pay Disclosure

This section of the report has been subject to audit.

	Year to 31 March 2024	Year to 31 March 2023
Band of Highest Paid Director's Total Remuneration - £000	**270 - 275**	**245 - 250**
Median Ratio	**7.26**	**6.80**

	Year to 31 March 2024	Year to 31 March 2023
a) Percentage change in respect of Highest Paid Director	**10.52%**	**19.28%**
b) Percentage change in respect of employees of the entity	**3.08%**	**9.19%**

The calculation in (a) above is based on the mid-point of the band for each of salary and performance pay and bonuses payable.

The percentage change from the previous financial year in respect of the highest paid director is 10.52%. The highest paid director is the Medical Director and his remuneration includes pay elements related to his clinical role of consultant i.e. clinical excellence award, on-call and additional programme activities. It also includes pension related benefits.

In the 'Salaries and allowances' table of this report the salary range for Medical Director is disclosed in the range of £65,000 - £70,000 which reflects shorter period of the director office held between 1 April 2023 and 2 July 2023. The annualised range is consistent with remuneration banding presented in the table above.

In 2023/24, two employees (2022/23 six employees) received remuneration on an annualised basis in excess of the annualised remuneration of the highest-paid director. The data available to the Trust for agency workers does not enable direct comparison of the individual, annualised underlying remuneration of agency workers for the purposes of this disclosure. The Trust's agency expenditure for the year is consistent with an average of 12 full- time equivalent agency doctors employed at annualised remuneration in excess of the highest paid director. Remuneration ranged from £10k to £300k (2022/23 £7k to £370k).
The calculation in (b) above is the total for all employees on an annualised basis, excluding the highest paid director, divided by FTE number of employees (also excluding the highest paid director).

The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full-time equivalent number of employees) between the years 2022/23 and 2023/24 is 3.08%. This figure will include pay inflation and changes in the composition of the workforce.

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

Pay Ratio Information Table

2023-24	25th percentile	Median	75th percentile
Salary component of total remuneration (£)	**28,266**	**37,658**	**49,464**
Total remuneration (£)	**28,266**	**37,658**	**49,464**
Pay ratio information	**9.64**	**7.24**	**5.51**

2022-23	25th percentile	Median	75th percentile
Salary component of total remuneration (£)	**26,583**	**36,410**	**47,006**
Total remuneration (£)	**26,583**	**36,410**	**47,006**
Pay ratio information	**9.31**	**6.8**	**5.27**

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

The remuneration of the employees at the 25th percentile, median and 75th percentile for financial year 2023/24 and comparative figures for 2022/23 is set above. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce on an annualised, full-time equivalent basis.

The highest paid director's remuneration was 7.24 times (2022/23 - 6.80) the median remuneration of the workforce including medical consultants remuneration, which was £37,658 (2022-23- £36,410).The pay ratio and other disclosures are required to be calculated including agency staff. Due to the availability of data on individuals working on an agency or bank basis, the Trust needed to make assumptions and judgements in calculating the disclosures, which are not expected to have a significant impact on the values reported.

Expenses paid to Directors and Governors

The Expenses paid to Directors and Governors section of this Report has been subject to audit.

The table below lists the total of reimbursable expenses paid to Directors and Governors

	Year to 31 March 2024		Year to 31 March 2023
Directors	**2,930**		**3,414**
Governors	**43**		**43**

Of the amount stated in respect of Directors expenses £2,030 was paid to Non-Executive Directors (2022/23 £2,032).
During the year, inclusive of Non-Executives, there were 18 Directors in post (2022/23 -16). Of these 6 received expenses payments (2022/23 - 5).
Additionally there were 24 governors in post during the year (2022/23 - 22) of which 2 were paid expenses (2022/23 - 2).

Staff Exit Packages

Severance Payments 2023-24

The "Severance Payments" section of this report has been subject to audit

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number and cost (£'000) of exit packages
		£'000		£'000	
<£10,000	0	0	22	75	
£10,000 - £25,000	1	19	8	145	
£25,001 - £50,000	0	0	4	129	
£50,001 - £100,000	0	0	0	0	
£100,000 - £150,000	0	0	0		
£150,001 - £200,000	0	0	1	151	
Total number of exit packages by type	**1**		**35**		**36**
Total resource cost		**19**		**500**	**519**

Exit Packages: Non-Compulsory Departure Payments 2023 - 2024

This section of the report has been subject to audit.

	Payments agreed	Total value of agreements
		£'000
Mutually agreed resignations (MARS) contractual costs	14	224
Exit payments following Employment Tribunals or court orders	1	4
Contractual payments in lieu of notice	22	170

Voluntary redundancies including early retirement contractual costs	2	102
Total:	**39**	**500**

Severance Payments 2022-23

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies £000	Number of other departures agreed	Cost of other departures agreed £000	Total number and cost (£'000) of exit packages
		£'000		£'000	
<£10,000	0	0	14	47	
£10,000 - £25,000	1	15	3	56	
£25,001 - £50,000	0	0	0	0	
£50,001 - £100,000	1	56	0	0	
£100,000 - £150,000	0	0	0	0	
Total number of exit packages by type	**2**		**17**		**19**
Total resource cost		**71**		**103**	**174**

Exit packages: Non-Compulsory Departure Payments 2022-23

	Payments agreed	Total value of agreements
		£'000
Mutually agreed resignations (MARS) contractual costs	0	0
Contractual payments in lieu of notice	16	86
Total:	**16**	**86**

Service contracts

Details of the Non-Executive Directors' service contracts are detailed below.

Name	**Designation**	**Date Appointed**	**End of Term of Office**
Ms Sue Hunt	Non-Executive Director	October 2014	October 2023
Mr Graham Sims	Chair of the Trust	August 2015	August 2024
Mrs Helen Mackenzie	Non-Executive Director	January 2019	January 2025
Dr Bal Bahia	Non-Executive Director	April 2019	April 2025
Ms Priya Hunt	Non-Executive Director	October 2021	October 2024
Mr Peter Milhofer	Non-Executive Director	April 2022	September 2023
Prof Parveen Yaqoob	Non-Executive Director	January 2023	January 2026

Mr Mike McEnaney	Non-Executive Director	October 2023	October 2026
Mr Mike O'Donovan	Non-Executive Director	November 2023	January 2027

The notice period for Non-Executive Directors is one month.

Board and Council Nominations and Remunerations Committees

The Trust has a Board Nominations and Remunerations Committee and a Council of Governors Nominations and Remuneration Committee. The purpose and composition of each are described below.

Board Nominations & Remuneration Committee

The Committee oversees a formal, rigorous and transparent procedure for the appointment of the Chief Executive and the other Board Executive Directors. It advises and makes recommendations to the Board on Executive and senior management remuneration and remuneration policy. The Chief People Officer provides advice or services to the Nominations & Remuneration Committee.

The Nominations & Remuneration Committee uses the following survey guidance:

- NHS England / NHS Improvement Benchmarking Data
- Salary surveys conducted by NHS Providers.

Membership	Mr Graham Sims (Chair) Dr Bal Bahia Mrs Priya Hunt Mrs Sue Hunt (01 Apr 2023 – 30 Oct 2023) Mrs Helen Mackenzie Mr Peter Milhofer (01 Apr 2023 – 30 Sept 2023) Professor Parveen Yaqoob (from January 2023) Mr Mike O'Donovan (from 01 Nov 2023) Mr Mike McEnaney (from 01 Oct 2023)

Board attendance at Nominations and Remuneration Committees are shown on p.34 and p.35.

Responsibilities

The Nominations & Remuneration Committee consists of all Non-Executive Directors and the Chief Executive attends for nominations business only.

Council of Governors Nominations and Remunerations Committee

Membership of the Governors Nominations and Remunerations Committee comprises any Governor wishing to serve.

Remuneration duties

The Committee will make recommendations to the Council of Governors on the following:

- To develop, seeking the advice and recommendations of the Chief Executive, mechanisms to ensure that the Committee and the Council in general is informed of the up to date position on Non-Executive Director remuneration in the public and private sectors, in particular the practice in Foundation Trusts

- To recommend an overall remuneration and terms of service policy for the Non-Executive Directors, taking into account the advice of the Chair of the Trust (other than in respect of their own remuneration), Chief Executive and external advisors to the Committee.

- To recommend levels and terms of service for individual Non-Executive Directors, taking into account the overall policy established by the Trust.

Nomination duties

The Committee will make recommendations to the Council of Governors on the following:

- To establish and keep under review a policy for the composition of Non-Executive Directors, which takes account of the strategic needs of the Trust and the balance of the Board, and the membership strategy

- To consider the skills and experience required in any Non-Executive Director appointment

- To identify appropriate candidates for appointment as Non-Executive Directors with guidance from the Chief People Officer as required and appropriate

- To establish and keep under annual review a policy for the composition of the Council of Governors, which takes account of the membership strategy (the Trust also reviews constituency boundaries on a three yearly basis)

- To oversee the process for the appraisal of the Chair of the Trust and Non-Executive Directors as set out in the protocol agreed between the Board of Directors and Council of Governors

- To keep under review the protocol for the appraisal of the Chair of the Trust and Non-Executive Directors

- Act on behalf of the Council in the arrangements agreed with the Board for the appointment of a Chief Executive

- To keep under review the structure, size and composition of the Board and make recommendations where appropriate

- Keep under review the protocol for the appointment of a Chief Executive.

The Committee reviews these terms of reference annually, making recommendations to the Council of Governors as appropriate.

Board re-appointment process

The process agreed by the Council of Governors, with the support of the Board of Directors, for the re-appointment of Non-Executive Directors is as follows:

a) The reappointment of a Non-Executive Director is considered by the Council's Nominations and Remuneration Committee, which will make a recommendation to the full Council

b) The following information is submitted to the meeting at which the re-appointment is considered:

- A summary of the individual's last three years' appraisals, submitted by the Chair of the Trust. In the case of the re-appointment of the Chair, this information will be submitted to the Committee by the Senior Independent Director

- A summary of the individual's attendance at Board and committee meetings since their appointment (or previous three years if appointed for four years or more)

- An assessment, provided by the Chair of the Trust (or Senior Independent Director in the case of the re-appointment of the Chair), of the balance of skills of the Non-Executive team on the Board and the individual's contribution to this

- As background information to the discussion, the Committee will be provided with the Charter of Expectations, which sets out the skills required from, and the expectations of, Board members, and any employment advice from the Director of Workforce

- A statement by the individual seeking reappointment.

c) The Nominations Committee are entitled to request any further information that they deem necessary to be able to make a recommendation to the Board. Independent external advisers are not permitted to be a member or have a vote on the nominations committee (s) as per the terms of the Trust Governance Handbook.

Governor attendance at Committees are shown on p.41 and 42.

Staff Report

Information on staff turnover can be found via the following link to the NHS Digital publishing service: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/november-2023# Figures are updated monthly.

The Staff Report provides an analysis of staff costs by staff group. The analysis is broken down by those permanently employed and others, which includes agency workers and staff employed through the bank service.

This table has been subject to audit.

Staff WTE	Permanent WTE 2023/24	Other WTE 2023/24	Permanent WTE 2022/23	Other WTE 2022/23
Medical and dental	**377**	**429**	366	405
Administration and estates	**1,040**	**102**	968	116
Healthcare assistants & other support staff	**1,212**	**24**	1,170	29
Nursing, midwifery & health visiting staff	**1,878**	**373**	1,763	436
Scientific, therapeutic and technical staff	**548**	**63**	507	105
Healthcare science staff	**156**	**69**	147	38
	5,211	**1,060**	4,921	1,129

Status	Female	Male
Director	5	4
Employee	5,129	1,510
Senior Manager	69	40
Grand Total	5,203	1,554

Sickness Absence Data

Cumulative Absence Full Time Equivalent (FTE)	FTE (days)	Cumulative Available (FTE days)	Cumulative % Absence Rate (FTE)
	74,164.75	2,132,341.17	3.48%

The Trust's expenditure on consultancy during 2023/24 was £1,683k (£4,267k 2022/23).

A total of 20 HR policies were reviewed and ratified during 2023/24. Most of the policies apply to all staff within the Trust. However, some are specifically for medical staff. The Recruitment and Selection Policy gives full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities.

The Trust has a Human Resources and Local Counter Fraud Policy that covers counter fraud, corruption and bribery. The policy was last updated in June 2022.

Over the past 3 years the Occupational Health (OH) department has seen a sustained increase in overall demand with a 40% increase in 2022/23 and a further 5% increase in 2023/24 with particular reference to manager referrals, self-referral and pre-employment health assessments. Within the past year the department has experienced a 35% increase in the number of pre-employment health assessments being carried out by the OH nurse advisors and Consultant physician.

The previous increased demand for vaccination and blood test appointments during 2022/23 has sustained itself during 2023/24 and additional clinics were added.

The increased demand on the OH department has been recognised by the Trust and as a result additional nurses have been recruited to the team with one starting in March 2024 and another

due to start at the end of April 2024. Once both are fully operational this should have a significant impact on the ability of the service to meet its demands.
OH have now completed the health surveillance for skin and respiratory surveillance for 2023 whilst the OH Consultant Physician has completed the ionising radiation regulations (IRR) medicals in line with the relevant statutory requirements for control of substances hazardous to health (COSHH) and the IRR.

The staff physiotherapy service has seen a sustained increase in demand on the service over the past few years with a further increase of 2.5% in appointments delivered in 2023/24.
With a single handed practitioner delivering the service the increasing demand has resulted in longer waiting times for appointments and reduce ability to meet the 10 day KPI for appointments. As a result the staff physiotherapist has adopted a triage approach to ensure those with acute symptoms are prioritised for assessment and potential treatment.

We are pleased to report that the service continues to receive positive feedback with all 157 staff who were discharged by the service in 2023/24 being very satisfied with the treatment received and their experience.

Of those seen by the staff physiotherapy service there was an increase of 42% (from 54% to 96%) in staff being able to carry out full duties one discharged. The remaining 4% were on restricted duties and of the 11% of staff off work prior to receiving physiotherapy all had returned to work by the time they were discharged.

The service has also expanded its treatment offering in the past year with the physiotherapist training and in steroid injection therapy, this is now offered as deemed appropriate by the physiotherapist. The service has also started to support student physiotherapy placements to widen the students learning experience.

The covid vaccination team was renamed in 2023 to the staff vaccination service to reflect the fact it was not just COVID vaccination is provided. The staff vaccination service has delivered a comprehensive COVID and Flu vaccination programme to staff and patients during 2023/24
The vaccination service lead has continued to not only work locally within our Trust but also regionally and nationally to support the delivery of COVID and Flu vaccination campaigns.

The vaccination service team have delivered COVID vaccinations to those patients who have a long stay in our hospitals as well as visiting some local care homes to vaccinate patients. Other hard to reach groups including pregnant women and those patients considered extremely clinically vulnerable were also been provided COVID vaccinations by the service.
The team achieved a 47.4% uptake for COVID vaccination and 52% uptake for Flu vaccinations both figures are above the national averages and among the top performers nationally.

Co-administration of both COVID booster vaccines and seasonal flu vaccinations again appears to have been an effective approach by the team though where needed the team adopted a roaming approach for seasonal flu vaccinations. The staff vaccination service also supported the ongoing access to lateral flow device testing kits where needed within those area where LFD testing was sustained during 2023/24.

OH has continued to ensure the Trust management and staff are updated with any changes to COVID advice this included a review of the advice to staff with symptoms of a respiratory infection including COVID-19 whilst also reviewing the Trust ‘Pregnancy and COVID-19 risk assessment guide’. The Trust has also continued to require new staff to complete the Trust staff COVID-19 individual risk assessments (CIRA) with their line manager.

The Trust staff Health and Wellbeing (HWB) team have further developed and exampled the support services offered to staff during 2023/24. The Oasis staff health and wellbeing centre has

been firmly established as a focal point for all staff health and wellbeing activities with over 3000 staff visiting the centre in 2023.

The Oasis has delivered a number of engagement and recognition events including international day of the midwife, care certificate awards as well as being the base for a number of Trust recruitment open days. In addition regular classes such as Yoga and Pilates continue to be delivered whilst support services such as Citizens Advice are available to staff on a regular basis via the Oasis.

Our Staff health checks+ project entered its second year and has continued to focus on staff over 40 years old. Over 1000 staff have now received a health check and emerging themes identified include both high blood pressure and the risk of cardiovascular disease. The project is funded by the local stroke network and funding opportunities are being explored to sustained the project.

The Trust staff psychological support service (SPSS) has been established for 1 year now however despite extensive efforts it has been unable to recruit a further psychologist to support our existing clinical lead psychologist. As a result decision was taken to make our clinical lead psychologist full time on a permanent basis and they continue to deliver a wide range of working having engaged with almost 50 different teams across the Trust to date. They have also attended a number of senior team away days to help support leaders and increase the psychological awareness of our people.

The clinical lead psychologist is reviewing the psychological support structures in place in the Trust and has introduced a Post Event Team Reflection (Petr) model which works alongside the existing Trauma Risk Management (TRiM) service which both the clinical lead psychologist and the staff health and wellbeing lead oversee.

In February a suicide prevention symposium was delivered to staff to help increase the awareness of suicide and the support available to our staff. Further plans are in place to deliver this again in May during mental health awareness week.

The Trust has seen a month-on-month reduction in turnover during 2023/24 from 14.1% in April 2023 to 10.77% in March 2024. The Trust has overachieved against the target of 12.5% for 2023/24.

The Trust meets with employee representatives on a regular basis, through the Joint Staff Consultative Committee and the Joint Local Negotiating Committee. These mechanisms enable the views of employees to be taken into account when decisions are made which are likely to affect their interests. We also use these mechanisms to brief staff on the Trust's performance against various key metrics.

The Trust's latest Equality reports, including our Gender Pay Gap; Workforce Race Equality and Workforce Disability Equality Standard reports can be found on our website at:
Equality and Diversity - Royal Berkshire NHS Foundation Trust.

The Trusts Gender Pay Gap report can also be found at the Cabinet Office website: Search for an employer's gender pay gap report - GOV.UK - GOV.UK (gender-pay-gap.service.gov.uk).

In terms of our Strategic direction across the Equality, Diversity and Inclusion agenda, our newly refreshed People Strategy (2023-2027) sets out our ambitions in pursuit of our goal to drive an inclusive culture that celebrates and drives the power of diversity as a source of strength. Our three headline ambitions for the period ahead are:

- Structural and Governance enhancements to elevate and embed EDI profile and focus trust wide
- Invest in, grow and amplify our staff networks
- Representative leadership structures – role exposure; progression and positive action development programmes.

The Trust has an Equity of Opportunity and Diversity Policy, which sets out a range of provisions in key areas including Recruitment and Selection; Reasonable Adjustments; Training and Development; Raising Concerns; Equality Objectives and Equality Impact Assessments. This policy is complemented by additional stand-alone policies in a range of areas including Recruitment and Selection and Dignity at Work Policy.

In pursuit of our strategic and operational priorities a wide range of actions have been delivered in 2023/24 as we continue to drive forward the EDI agenda at the Trust. Some highlights from our work include:

- Mandated inclusion objectives for all senior leaders in the organisation
- Developed a new Leadership Behaviours Framework with Inclusion as one of its core components
- Continued to promote and deliver our See ME First Anti-Racist programme
- E Learning resources supporting Autism Awareness & Menopause Awareness and launch of Oliver McGowan Learning Disability and Autism training
- New Staff Networks, including Womens+ Network; Disability and Wellness Network and Internationally Educated Nurses, AHPS and midwives network
- Commissioned external review of our recruitment processes through a neurodiversity lens
- Staff Empowerment Passports and Autistic Spectrum at Work Guide
- Celebration Events including Reading Pride; Cultural Awareness Celebration Day
- 3rd cohort of aspiring ethnic minority senior leader programme (up to 16 per cohort)
- Re-launch and recommit to Reverse mentoring programme
- Signatory to the Sexual Safety at work charter.

Staff experience and engagement

Our commitment to delivering an excellent staff experience and high levels of engagement is reflected in our strong 2023 NHS Staff Survey Results. Our refreshed People Strategy 2023-2027 provides our strategic roadmap for the period ahead and sets out a broad range of actions and improvement priorities to deliver on our vision to become the best and most inclusive place to work in the NHS.

NHS staff survey

The NHS staff survey is conducted annually. From 2021/22 the survey questions aligned to the seven elements of the NHS ‘People Promise’, and retained the two previous themes of engagement and morale. These replaced the ten indicator themes used in 2020/21 and earlier years. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

The response rate to the 2023/24 survey among trust staff was 60%. In 2022/23 the survey response rate was 57%. The National Average for the Benchmark group in 23/24 was 45%. Scores for each indicator together with that of the survey benchmarking group (Acute and Acute & Community Trusts) are presented below.

Indicators ('People Promise' elements and themes)	2023/24		2022/23		2021/22	
	Trust score	Benchmarking group score	Trust score	Benchmarking group score	Trust score	Benchmarking group score
People Promise:						
We are compassionate and inclusive	7.53	7.24	7.44	7.2	7.4	7.2
We are recognised and rewarded	6.18	5.94	6.01	5.7	6.0	5.8
We each have a voice that counts	7.08	6.70	7.01	6.6	7.0	6.7
We are safe and healthy	6.33	6.06	6.17	5.9	6.2	5.9
We are always learning	5.89	5.61	5.71	5.4	5.6	5.2
We work flexibly	6.42	6.20	6.27	6.0	6.2	5.9
We are a team	7.01	6.75	6.88	6.6	6.8	6.6
Staff engagement	7.30	6.91	7.24	6.8	7.2	6.8
Morale	6.20	5.91	6.0	5.7	6.0	5.7

The Trust 2023 NHS Staff Survey Performance evidences strong in year improvement and a very strong benchmarked position coupled with the highest response rate ever in the Trust.

Performance across all People Promise themes improved, statistically significant improvement in 7 out of 9 themes. Trust performance in all themes is above the National Average and in many cases up amongst the very best acute performers, notably in the themes of 'Staff Engagement' and 'We each have a voice that counts'.

Future priorities and targets

Whilst our benchmarked position is extremely strong, it is still the case that a continued and deliberate focus on delivering an excellent staff experience is required to deliver on our aspiration to be the best place to work in the NHS.

In the year ahead, through our large-scale staff engagement programme – What Matters 2024 - we will continue or focus on engaging with our people on the things that matter at work and look to deliver the very best levels of staff engagement and employee voice across the NHS. Our performance in the 'We Work Flexibly' theme (whilst improving in year and better than average) is an area where the gap between the RBFT and the performance of the very best, is largest. We will focus on continuing to deliver improvements in this theme. We will also maintain our strong focus on driving a compassionate and inclusive culture.

Our new People Strategy, launched in 2023 will provide the strategic focus for our efforts to continue to recruit, support, motivate and develop our people to become the best and most inclusive place to work in the NHS.

A Trust level thematic improvement plan on a page has been developed. However, the key vehicle for continuous improvement will be local development plans developed and delivered by local leaders and managers through engagement with their staff on the key areas 'that matter'.

Monitoring of the 2023 Trust level improvement plan will be overseen by the People Committee and other forums such as the Executive Performance reviews, Joint Staff Side Committee and

the Staff and Patient Experience Committee. Local improvement plans will be monitored through local performance and governance structures.

Trade Union Facility Time

The figures below relate to the period April 2023 - March 2024.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	13.25

Percentage of time spent on facility time

Percentage of Time	Number of employees
0%	15
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time

First Column	Figures
Provide the total cost of facility time	£18,972.77
Provide the total pay bill	£374,700,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.0051%

Reporting high paid off-payroll arrangements

The Trust monitors, on a monthly basis, the reliance on off-payroll engagements by reviewing engagement costs more than £245 per day.

Off-payroll worker engagements as of 31 March 2024

No. of existing arrangements as of 31 March 2024	105
Of which:	
No. that have existed for less than one year at time of reporting	22
No. that have existed for between one and two years at time of reporting	18
No. that have existed for between two and three years at time of reporting	9
No. that have existed for between three and four years at time of reporting	12
No. that have existed for four or more years at time of reporting	44

The Trust can confirm that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual pays the right amount of tax and, where necessary, that assurance is being sought.

All off-payroll workers engaged at any point during the year ended 31 March 2024, for more than £245 per day

Number of off-payroll workers engaged during the year ended 31 March 2024	636

Of which:	
Number assessed as within the scope of IR35	636
Number assessed as not within the scope of IR35	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0
Number of engagements where the status was disputed under provisions in the off-payroll legislation.	0

The Trust has not engaged any individual without including contractual clauses allowing the Trust to see assurance as to their tax obligations.

Any off-payroll engagement of board members and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

Exit Packages: Non-compulsory Departure Payments

	Agreement Number	**Total Value of Agreements £000**
Voluntary redundancies include early retirement contractual costs	2	£172,856.06
Mutually agreed resignations (MARS) contractual costs	14	£223,406.10
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	5	£95,029.99
Exit payments following Employment Tribunals or court orders	1	£4,320.00
Non-contractual payments requiring HMT approval	0	0
TOTAL	**22**	**£495,612.15**
Of which:		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

Signed

Steve McManus
Chief Executive Officer **Date: 26 June 2024**

NHS Foundation Trust Code of Governance

The Trust keeps its governance arrangements under regular review, including membership of Board committees, their terms of reference and Board performance assessments. The NHS Code of Governance, most recently revised in October 2022, is based on the principles of the UK Corporate Governance Code.

The Trust has assessed itself against the provisions of the NHS Code of Governance on a 'comply or explain' basis. In the few cases where the Trust has diverged from the recommended practice set out in the Code of Governance, it has made appropriate disclosures in this Annual Report and has provided explanations as to how its practices are consistent with the principle to which the provision in the NHS Code of Governance relates.

In November 2023, the Board carried out an assessment of its compliance with the NHS Foundation Trust Code of Governance and areas of non-compliance were reviewed by the Audit & Risk Committee. The Board noted that in each case, appropriate grounds for deviation from the code were duly considered and that all appropriate governance processes had been followed. The Trust offers the following disclosures in respect to the Code:

- Provision B2.5. This provision states that the Chair of the Audit & Risk Committee should not, ideally, hold one of the following positions: Deputy Trust Chair, Vice-Chair or Senior Independent Director (SID). Throughout the reporting period 01 April – 31 March 2024, the Chair of the Audit & Risk Committee has also held the position of Senior Independent Director. The Code does not explicitly prohibit the same individual from holding both posts and the current appointment was duly considered by the Governor Nominations and Remuneration Committee and approved by the Council of Governors. The Governors did not raise any objections or concerns. In the future event that the Code is updated to prohibit the appointment of the same individual to both posts, the Board would seek to discuss and redistribute the roles as required.

- Provision B2.6. This provision notes that the independence of a non-executive director who has served more than six years in post may be impaired due to their length of service. From 01 April 2023 – 31 October 2023, both the Chair of the Trust and one non-executive director had served in excess of six years in post. The extension of these terms of office were duly considered by the Governors Nominations and Remunerations Committee and approved by the Council of Governors. Neither the Board of Directors nor the Council of Governors raised any objections or concerns in relation to the independence of either post holder. The Trust has various mechanisms in place to ensure interaction between the Governors, non-executive and executive directors of the Trust. Governors actively engage with non-executive directors in Governors Assurance Committees and Council of Governors meetings. Governors also attend Board of Directors meetings held in public and in private and they provide formal feedback on performance as part of the appraisal process for non-executive directors including the Chair. In the case of both the Chair and the long-serving non-executive director, the Board of Directors and Council of Governors considered that extensions of the terms of office were required to retain the appropriate expertise and specific skills of both individuals and to preserve the stability of the Board.

- Provision B2.7. This provision requires that at least half of the Board of Directors, excluding the Chair, should be non-executive directors whom the Board consider to be

independent. The Board noted that for the period 01 April 2023 – 31 October 2024, the Trust was not fully compliant with the provision due to the length of service provided by non-executive director, Sue Hunt and the Chair of the Trust. The Trust considered that from 01 November 2023 – 31 March 2024, the Trust was compliant with this provision of the Code.

- Provision D2.1. This provision stipulates that the membership of the Audit & Risk Committee should comprise of no less than three independent non-executive directors. The Board considers that the Trust was not compliant with this provision for the period 01 April 2023 – 31 October 2023 as membership comprised of two independent non-executive directors and a third non-executive director who had served more than six years in post. The Trust became compliant with this provision on 01 November 2023 when a third independent non-executive director took up their post.

Overall, the Board declares, that it is largely compliant with the majority of the provisions of the Code of Governance, that any deviations have been reasonably explained and disclosed as required.

Code Provision	Summary of Requirement	Location in Annual Report
A.2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Statement of CEO and Chair Performance Analysis
A 2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	Staff Report
A 2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into	Performance Overview

	which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	
B 2.6	The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director: • has been an employee of the trust within the last two years • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust • has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme • has close family ties with any of the trust's advisers, directors or senior employees • holds cross-directorships or has significant links with other directors through involvement with other companies or bodies • has served on the trust board for more than six years from the date of their first appointment • is an appointed representative of the trust's university medical or dental school. Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.	Directors' Report Remunerations Report Board Register of Interests: Our Board of Directors - Royal Berkshire NHS Foundation Trust.
B 2.13	The annual report should give the number of times the board and its committees met, and individual director attendance.	Directors' Report
B 2.17	For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of	Directors' Report

	matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors	
C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors.	This scenario did not present during the 2023-24 financial year.
C 2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference.	Directors' Report
C 4.2	The board of directors should include in the annual report a description of each director's skills, expertise and experience.	Directors' Report
C 4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.	Director's Report
C 4.13	The annual report should describe the work of the nominations committee(s), including: • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far	Directors' Report Staff Report

	the board reflects the ethnic diversity of the trust's workforce and communities served the gender balance of senior management and their direct reports.	
C 5.15	Foundation trust governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Directors' Report
D 2.4	The annual report should include: • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services.	Performance Analysis Accountability Report
D 2.6	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	Directors' Report
D 2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	Performance Overview Annual Governance Statement

. D 2.8	The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	Annual Governance Statement
D 2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	Performance Analysis
E 2.3	Where a trust releases an executive director, e.g. to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings.	Remunerations Report
Appendix B, para 2.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Directors' Report
Appendix B, para 2.14	The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust's website and in the annual report.	Directors' Report
Appendix B, para 2.15	The board of directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, e.g. through attendance at meetings of the council of governors, direct face-to-face contact,	Directors' Report.

	surveys of members' opinions and consultations.	
Additional requirement of FT ARM resulting from legislation	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2) (aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. *Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). **As inserted by section 151 (6) of the Health and Social Care Act 2012).	The scenario did not present itself in 2023-24.

NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

The Trust's position as at 31 March 2024 is in segment 2.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website.
https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

Statement of the Chief Executive's responsibilities as the Accounting Officer of the Royal Berkshire NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS England.

NHS England has given Accounts Directions which require Royal Berkshire NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Berkshire NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance

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

- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officers Memorandum.

Signed

Steve McManus
Chief Executive Officer **Date: 26 June 2024**

Annual Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer's Memorandum.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Berkshire NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Royal Berkshire NHS Foundation Trust for the year ended 31 March 2024 and up to the date of the approval of the annual report and accounts.

Capacity to handle risk

The Trust has effective mechanisms in place to manage risk, in accordance with its risk management policy and strategy, supported by the Audit and Risk Committee, which has Board accountability.

The Board of Directors has overall responsibility for the management of risk within the Trust.

As Chief Executive, I am directly accountable to the Board of Directors in relation to the performance of the Trust. The operational authority and responsibility for risk management has been delegated for implementation to individual Directors (as set out below) who are supported by their own teams.

- Chief Finance Officer: financial, purchasing, business development and information governance
- Chief Medical Officer: clinical governance
- Chief Operating Officer: clinical services and objectives delivery
- Chief Nursing Officer: patient safety, patient experience, infection control, safeguarding, assurance, litigation and for the development and oversight of the Trust's strategic risk management processes, with support being provided by the Head of Risk for the Corporate Risk Register and the Trust Secretary for the Board Assurance Framework.
- Chief People Officer: human resources and organisational development and health and safety
- Director of Estates and Facilities: the built environment, external estate, environment, travel, security and hotel support services
- Director of Information Management and Technology: IT infrastructure, security, support, data systems, hardware and software.

Risk management is embedded within the organisation in a variety of ways. Managers at all levels within the Trust, have a responsibility to foster a culture of active risk management to improve operational performance and the safety of our patients and staff.

Each Directorate is responsible for maintaining and monitoring their own risk register, which contains key risks that can be escalated to their Care Board or Corporate equivalent risk register and ultimately, to the corporate risk register.

Trust employees are trained and supported to identify, assess and manage risks appropriate to their authority and duties. All those joining the Trust receive information, awareness and signposting on the induction day and then triennially through mandated refresher training. Additionally, Trust staff can access further information and guidance from the Risk Management Team and the Trust intranet.

The Trust seeks to learn from good practice internally through the monitoring of risks via the clinical and non-clinical governance structures, performance reports, audits, incident investigations, root cause analysis and safety programs and campaigns. Externally the Trust peer reviews its processes with other NHS organisations and implements guidance from the Institute of Risk Management and ISO 31000.

During 2023-24 the Trust risk management process was included in the internal audit programme of works. A full review and audit was undertaken and recommendations implemented.

The Risk and Control Framework

Risk management can be guided by a framework, for successful implementation it requires collaboration, commitment, engagement and ownership from all staff within the organisation. The following documents highlight the advantages and encourage the identification and management of risk to improve the Trust's operational performance:

- **Risk Management Policy**: identifies the interlinking relationship of risks and the Trusts approach to risk management and provides the mechanism for identifying, assessing and monitoring risks

- **Board Assurance Framework:** provides a mechanism for the Trust Board to monitor strategic risks and their associated control assurance

- **Trust Risk Appetite Statement:** the Trust Board has identified the boundaries the organisation is willing to accept in pursuit of its objectives. The Trust recognises that the delivery of healthcare has inherent risks which cannot be removed and therefore seeks to mitigate and reduce its risk profile as far as is reasonably possible.

- **Centrally held electronic risk registers**: provides the Trust with the ability to monitor the escalation, de-escalation and reviewing of all its risks. Risks are reviewed at the Ward, Directorate, Care Group Management meeting and Trust Board levels

To facilitate a consistent approach to identifying, describing and managing risks, the Trust provides a grading matrix to ensure hazard, compliance, control and opportunity risks are consistently evaluated.

The work plan of the Board and its committees are aligned to ensure that there is independent and strategic focus on risks and assurance.

Public stakeholders are invited to the Trust Public Board where the corporate risk register is discussed and reviewed.

The Board Assurance Framework

The Board Assurance Framework provides the mechanism for the Board to monitor risks, controls and the assurances that controls are effective. The Board recognises the importance of the Board Assurance Framework in mitigating the Trust's strategic risks. During 2023-2024 the Board Assurance Framework was reviewed by the Board and sections reviewed by the relevant Board sub-committees.

The Board has identified the following strategic risks on the Board Assurance Framework:

- If we allow material lapses in the quality of care, including access to care, the Trust will not meet its regulatory standards for quality and safety
- If we do not deliver our clinical and quality ambitions at the intended pace we will lose opportunities to improve patient outcomes and experience
- If we do not recruit and retain a competent workforce we will fail to deliver on the Trust's strategic objectives
- If we fail to uphold our Values (CARE and Diversity & Inclusion) the Trust will not be an employer of choice or considered an exemplar organisation for staff
- If Berkshire West Place and BOB ICS plans and programmes do not deliver the envisaged improvements in care and value the Trust's financial and operational performance will be impacted
- If we do not realise the opportunities presented by our strategic partnership with UoR we will not deliver on our education, training and research ambitions
- If we do not continue to invest in digital infrastructure and development we will not be able to deliver Our Strategy and our Clinical Services Strategy and we will face challenges in running a modern efficient healthcare service
- If we fail to realise benefits/secure commercial advantage from innovation and digital investments we will face income shortfalls and will not to be able to deliver our efficiency targets
- If the organisation does not generate sufficient cash to meet its day to day liquidity requirements and capital programme the organisation will fail
- If we do not robustly represent the organisation in national and regional and Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System decision making, we will fail to secure sufficient income to deliver Improving Together and strategic objectives
- If we do not create and maintain a built environment suitable for current and future needs, we risk delivery of Our Strategy: Improving Together
- If we do not take action on sustainability agenda we risk impact on the Trust's reputation
- If the Trust is not successful in progressing our case for a new RBH hospital we will be unable to fulfil Our Strategy and will continue to face additional costs and barriers to delivering the highest quality of care.

The Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. The register and Trust's Declarations of Interest, Gifts and Hospitality policy is available on the Trust website.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights are complied with. The foundation 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. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

As of 31 March 2024, the Trust was fully compliant with the registration requirements of the Care Quality Commission (CQC) and did not have any regulatory notices from the CQC.

Compliance with the NHS Provider Licence Section 4 (Governance)

The NHS Provider Licence forms part of the oversight arrangements for the NHS and sets out the conditions that providers of NHS-funded healthcare services in England must meet to ensure it is working effectively for the benefit of patients.

Condition 4 relates to the governance arrangements of a Foundation Trust to enable the Board of Directors to effectively discharge its duties. The Trust has assessed its compliance against the provisions and is assured that it is compliant with the requirements.

In 2023-24, the Trust had the following processes in place which:

- enabled the Board to review and mitigate against risks and to monitor its strategic direction and progress in achieving agreed outcomes
- supported the Non-Executive Directors in their scrutiny and challenge of Executive management action
- maximised the value of Non-Executive Directors' time
- supported the Board's assessment of evidence to enable the Board to make evidence-based unitary decisions
- ensured the timely and accurate submission of information to relevant external stakeholders when required.

These processes are supported by five Board Sub-Committees: Audit & Risk, Finance & Investment, People, Quality and Charity. Each of these committees undertake an annual review of their performance, effectiveness and constitution, in accordance with their Terms of Reference. These annual reviews of effectiveness are submitted to the Board of Directors.

For the reporting period 01 April 2023 – 31 March 2024, the Board considered that it was largely compliant with the NHS Code of Governance and any deviations from the best practice recommendations were duly considered and outweighed the benefits of full compliance. The Board does not consider the nature of the deviations to impact on the Trust's overall compliance with Section 4 (Governance) of the NHS Provider Licence.

Organisational In-Year Risks

The key risks to the delivery of the Trust's strategic objectives are identified in the Board Assurance Framework, with the key risks impacting on the operational performance being identified in the Corporate Risk Register.

The Corporate risks are reviewed at Integrated Risk Management Committee and updates provided to the Board sub-committees including People, Finance and Investment, Audit & Risk Committee, Quality Committee and Executive Management Committee. In addition, risks with specific focus (e.g. infection control or Safeguarding) are reviewed and discussed at the speciality committees including Health & Safety Committee, Infection Prevention and Control Committee, Fire Management and Assurance Group, Estates Management and Assurance Group and joint RBFT Berkshire Healthcare Foundation Trust Mental Health Learning Disability Governance and Partnership and Strategic Safeguarding Committee.

At the end of 2023-24 the Trust identified the following as the key operational risks:

- **North Block East Wing:** Ground pressurisation/stabilisation commenced in Jan 2023 and completed in September 2023. Work will be undertaken on roof repair if building stable and further investment may be required to reduce risk rating.

- **Risk to achieving strategic objective of financial sustainability:** A financial deficit plan is predicted which requires savings to be delivered full year and this is a higher level of savings than the Trust has achieved in recent years against a back drop of continuing growth in urgent care demand, staff shortage in the market and insufficient funding in BOB ICS to fund all of the activities that the Trust is doing as whole system is predicting a deficit. There are risks in terms of the Trust to be able to reduce its run rate of spend sustainably while also meeting and delivering demand for its services on current growth trajectories. The Trust is currently working through finalising budget setting for 2024/25 and has not yet found a route to financial breakeven. As have other organisations, the Trust has experienced industrial action for extended periods. This has adversely impacted the income and expenditure position with further costs of lost activity being evaluated.

- **Fire Safety:** Due to ageing infrastructure and lack of ability to invest at the rate of deterioration in fire safety systems there are increased fire safety risks. The risk is not currently fully mitigated. Mitigations within operational control (fire evacuation training, fire marshals training, LEEPs) ongoing and reduce the risk of improvement notices from RBFRS but do not reduce the risk of likelihood and impact of fire. A fire door replacement in the Battle Block has been completed. The need for prioritised capital requirements (e.g. reconfiguring alarm system and replacing fire doors) with ongoing risks until fully addressed has been escalated.

- **Compliance with cancer standards:** due to capacity issues in some key high volume cancer specialities: There is a risk that the Trust will be unable to comply with cancer standards owing to capacity challenges in key specialities specifically lower Gastrointestinal, gynaecology and dermatology with plastics. Mitigations within Trust control include implementation of risk assessed targeted initiative payments (enhanced sessional rates) to provide additional capacity alongside insourcing activity.

- **Management of Estates Infrastructure/Backlogged Maintenance:** The Trust's has an estate that has grown and developed over many years. For the Trust to deliver on its day to day business and strategic objectives, work is required across its estate to maintain the existing services, address a maintenance backlog and develop infrastructure to support the delivery of its strategic objectives. Current cash and CDEL 'affordability does not enable the Trust to significantly mitigate this risk.

The Trust re-prioritises capital requirements every year, against a 5 year capital plan. This is a significant driver for the case for a new hospital business case and risk rating cannot be decreased without new hospital programme.

Compliance with Developing Workforce Safeguards recommendations

People Strategy 2023 – 2027

The Trust Board approved a new People Strategy in May 2023 that sets out the priorities and plans for 2023-2027. Building on the success of our first people strategy, the new strategy recognises that the things that were important in the first strategy, remain so. Our aim is to further grow our ambitions with regards to our workforce in pursuit of our aim to be one of the best places to work in the NHS.

This sentiment is encapsulated in the 5 Ambition Themes within the current strategy:

- **Experience**: a place where people want to work, stay and grow whose experience at work is ranked amongst the top 10% in the NHS;
- **Learning**: a place where everyone fulfils their potential, we work with our partners to deliver opportunities for people to learn and grow their skills;
- **Health and Wellbeing**: To enable all our people to live a healthy, active and fulfilling lives by investing in their wellbeing
- **Inclusion:** An inclusive culture that celebrates and drives the power of diversity as a source of strength
- **Future**: We enable our people and services to work differently and create a sustainable and flexible workforce to meet future service needs

Our operating environment remains challenging with ever increasing demands on our services and our people. Coupled with significant challenges in our external environment and their impacts on our people – it is more important than ever that we focus on how we support, develop, motivate and grow our staff. We recognise the need to continue and elevate our focus on ‘experience at work’ in its broadest sense as a fundamental enabler of driving retention, responding to evolving expectations and demands of work and nurturing our staff as part of the RBFT family.

Despite our good progress with regards to inclusion, to accelerate our improvements we recognise a need for sharper, more deliberate focus on EDI and we understand that our operating context requires further focus on staff Health and Wellbeing and Learning and Development. Our focus on the future recognises our need to respond to workforce supply, demand, productivity and transformation challenges through development, planning, innovation and partnerships in pursuit of the ambitions set out in the Trust Clinical Services Strategy.

People Committee

The Board People Committee is responsible for identifying and monitoring key risks to ensure that they are appropriately included in the Board Assurance Framework. The Committee monitor workforce metrics, review areas of concern and report issues and plans to address them to the Board. The Committee request and review reports and positive assurances from executives (directors and managers) on the overall arrangement for Human Resources, workforce planning and learning and development. The Committee is also responsible for the scrutiny of systems and controls to ensure statutory and regulatory standards regarding workforce are met. The Committee capture and review the views of staff via relevant staff engagement mechanisms and

develop effective strategies to respond to feedback. The Committee also supports the development and implementation of the People strategy to ensure strategic priorities are being addressed.

Other workforce safeguards

The Trust also ensures compliance with workforce safeguards through the following:

- Workforce planning in line with predicted activity and financial resources
- Close monitoring of relevant workforce metrics to ensure the timely production of business cases and application of strategies to close potential workforce shortfalls
- Monitoring of workforce metrics to ensure safe staffing levels
- The development and implementation of People strategies and initiatives to support the recruitment and retention of staff
- The development and implementation of the Retention and Recruitment team to support new starts and carry out Stay Conversations at 4 and 8 months' post start in post
- A nominated Freedom to Speak Up Guardian (who reports in to the Audit & Risk Committee) to provide independent and confidential support to staff that want to raise concerns and to promote a culture in which staff feel safe to raise those concerns without fear of retribution
- A nominated Guardian of Safe Working (who reports in to the People Committee) to ensure that issues of compliance with safe working hours are addressed in line with junior doctor contracts
- Ongoing monitoring of training requirements via annual appraisals and revalidation, staff development review and Mandatory and Statutory Training reporting.
  E-rostering for nursing and medical staff to ensure optimum efficiency taking into account patient acuity.

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. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

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

Emergency Preparedness, Resilience and Response

In line with its statutory obligations under the Civil Contingencies Act 2004, the Trust has in place arrangements for EPRR (Emergency Preparedness, Resilience and Response). We undertake joint emergency planning with healthcare partners, local authorities and other emergency services. This work is undertaken through regional and local forums such as the Thames Valley Local Health Resilience Partnership and the Berkshire Resilience Group.

The NHS needs to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an outbreak of an infectious disease or a major transport accident. The Civil Contingencies Act (2004) requires NHS organisations, and providers of NHS-funded care, to show that they can deal with such incidents while maintaining services. This work is referred to in the health service as 'emergency preparedness, resilience and response' (EPRR).

NHS England has published NHS Core Standards for Emergency Preparedness, Resilience and Response arrangements. These are the minimum standards which NHS organisations and providers of NHS funded care must meet. Assessment against the Core Standards takes place annually and the Accountable Emergency Officer in each organisation is responsible for making sure these standards are met. The designated Accountable Emergency Officer for the Trust is the Chief Operating Officer.

The assurance process requires provider organisations to undertake a self-assessment and rate their compliance against 69 core standards relevant to their organisation type. These individual ratings will then inform the overall organisational rating of compliance and preparedness, which provider organisations are required to take to a public Trust Board meeting and also publish in their Annual Report.

For assurance purposes in 2023-24, Royal Berkshire NHS Foundation Trust remains **substantially compliant**. Out of the 61 core standards applicable to Acute Health Trusts, RBFT is fully compliant with 60 standards and work is ongoing to address the outstanding partially compliant standard – Lockdown.

Mechanical and technical improvements to the Trust access/egress points continue to be part of the Estates Redevelopment programme, affecting the ability to record full compliance with the Trust's Lockdown Plan. The Estates and Facilities Directorate have completed a detailed security report.

NHS England and NHS Improvement – EPRR Assurance Compliance Levels
To support a standardised approach to assessing an organisation's overall preparedness rating, NHS England and NHS Improvement have set the following criteria:

Organizational rating	Criteria
Fully compliant	The organisation is fully 100% compliant with 100% of the relevant NHS EPRR Core Standards
Substantial compliance	The organisation is fully compliant against 89-99% of the relevant NHS EPRR Core Standards
Partial compliance	The organisation is fully compliant against 77-88% of the relevant NHS EPRR Core Standards
Non-compliant	The organisation is fully compliant up to 76% of the relevant NHS EPRR Core Standards

The EPRR team will continue 'horizon scanning' and maintaining the EPRR Risk Register, which is influenced by the National and Community Risk Registers, to support the Trust in its anticipation of and response to events and incidents which might affect delivery of essential services.

The foundation trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme.

The Trust is currently in the process of ensuring that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with and is currently reviewing its performance and reporting mechanisms.

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

To ensure economic, efficient, and effective use of resources, the Trust applies its Improving Together Methodology. The principal processes of this, centre on the performance review cycle, and is supplemented by the Efficiency and Productivity Committee established for 2023/24 financial year.

The Performance Review Cycle includes monthly performance review meetings with the Trust Executive, in which performance is reviewed against each of our breakthrough priorities and driver metrics. Variation from expected performance is discussed and remedial plans agreed.

The Trust established the Efficiency and Productivity Committee to identify, and then deliver, the Efficiency Programme for 2023/24. Consideration is given at this Committee to economic, efficient, and effective use of resources as part of our plan to reduce the underlying deficit of the organisation.

These structures form part of the overarching Improving Together Programme which is being rolled out trust wide. This Programme allows the organisation to recognize best practice and areas for improvement, and the roll-out ensures consistency in approach to identifying and developing solutions to variation from expected performance.

The Improving Together Methodology includes the development of the Integrated Performance Report, which the Board of Directors receives. Internal Audit is targeted at areas where we believe we have concerns or scope for improvement, and the findings and associated actions are reported back to the Audit and Risk Committee and Executive Management Committee which oversees delivery.
The Trust has identified a strategic risk in respect of long term sustainability. This is recorded on the Trust's Board Assurance Framework (BAF - Strategic Objective 5) and the Corporate Risk Register. The Trust's external auditor has reported a 'significant weakness' in the Trust's arrangements to secure financial sustainability. Whilst the Trust delivered its 2023/24 cost improvement programme; this was largely achieved through non-recurrent initiatives. The Efficiency & Productivity Committee provides oversight of the 2024/25 Efficiency Savings programme, focusing on ensuring the robustness of the Trust's Cost Improvement Programmes (CIPs) and other financial improvement controls. In addition, the Trust has implemented its Internal Financial Turnaround programme which aims to identify the key activities required to build a robust and deliverable programme of work to reduce our cost base and support long-term financial sustainability.

Information Governance

The Trust is committed to encouraging all staff to report all incidents and issues, and to proactively partake in the learning exercises as a result of these. This is irrespective of the severity of the issues – it is a community responsibility to engage and make improvements where possible. Over the last year, we have seen an increase in the number of reported issues and incidents showing that staff are engaged with this approach. Our commitment to improving the awareness of Information Governance has shown good results, and we look forward to building on this engagement in the future. In all instances where a report has been made, this report has been investigated and actions have been taken to prevent further occurrences.

The Trust submitted its 2023-2024 Data Security and Protection Toolkit baseline assessment on 29 February 2024 with 58 out of 108 mandatory assertions having been met.

The Trust is also committed to ensuring that the requirement for Data Protection Impact Assessments (DPIAs) is fulfilled, and a review of the DPIA process is underway to ensure continued efficiency and efficacy. These high level risk assessments are not only a legal

requirement, but help to build an accurate picture of information processing across the Trust, and helps inform cross-disciplinary decision making with regards to digitalisation and transformation. In 2023-2024 the Trust performed more than 214 of these assessments.

Data security and protection incidents are reported to the Information Governance Steering Group (IGSG) which is chaired by the Caldicott Guardian, and to which both the Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) attend. The IGSG helps to steer the efforts of training and compliance for Information Governance across the Trust

Data Quality and Governance

The Royal Berkshire NHS Foundation Trust has taken the following measures to improve its data quality by:

- Cleaning our waiting lists of erroneous data within the Master Waiting List Programme which will allow for greater clarity when managing patient access.
- The Trust has implemented data quality assessments for the Care Groups who monitor and take action where appropriate.
- NHSE Data Quality Maturity Index also monitors our compliance level nationally and the Trust is consistently one of the top Trusts in our region.
- Any data quality risks or issues are escalated and managed by the Data Quality Steering Group, Digital Service Group and Integrated Risk Management Committee.
- A new Data Quality and Assurance programme is set out annually which includes several internal audits within clinical areas. In 2023/24 this included ENT, Neurology and Trauma and Orthopaedics giving assurance that both processes and information are valid, appropriate and effective.
- On a daily basis help, support and guidance are given to all operational, clinical and corporate areas in the Trust regarding data quality and assurance issues supporting patient care.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit & Risk and Quality Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have been specifically informed on the effectiveness of the system of internal control and the validity of the Corporate Governance Statement by the:

- Trust Board: through the regular review, adoption and approval of the Trust Corporate Risk Register, the ‘Quality and Patient Safety reports’ and the ‘Integrated Performance reports’
- Audit and Risk Committee: through internal and external audit, reviewing the adequacy of internal control systems designed to minimise risk. Also, ensuring overall co-ordination of

risk management and monitoring of the action plans to address the risks identified in the Trust Corporate Risk Register

- Quality Committee: ensuring the effective working of clinical governance, both corporately and at care group level, including clinical audit and risk management. It also reviews reports on the quality assurance process that demonstrate effectiveness and improvements in the quality and safety of our care for patients.

The Board is committed to quality governance and ensures that the combination of structures and processes at Board level and below support quality performance throughout the Trust.

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 on-going 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 the Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

The Trust has a robust structure to ensure the board is updated and assured by the processes in place within the organisation. The Trust received the Head of Internal Audit's opinion annual report for the period 2023-2024. A total of nine reviews were completed and a further review on cyber security will be completed in the 2024-25 reporting period. Forty-eight management actions were raised in the course of the reviews and none were rated as high priority. The Trust noted that at year-end, a total of 46 actions were yet to be completed; however, progress has been made in implementing each recommendation.

The overall opinion outcome in relation to the Trust's framework of governance, risk management and control was 'Significant assurance with minor improvement opportunities'.

Conclusion

This report sets out an open and balanced reflection of the Trust's progress over the past year. The Board and Executive have a clear understanding of the issues facing the Trust and the work they must focus on during the 2023-24 financial year, including to address the risks to the Trust's financial sustainability.

There were no significant internal control issues that were identified during 2023-2024.

Signed

Steve McManus
Chief Executive Officer **Date: 26 June 2024**

Royal Berkshire
NHS Foundation Trust

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

Royal Berkshire NHS Foundation Trust

Consolidated Financial Statements for the year ended 31 March 2024

CONTENTS Page No.

Independent auditor's report to the council of governors and board of directors of Royal Berkshire NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Royal Berkshire NHS Foundation Trust (the 'trust' or the 'foundation trust') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2024 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the trust and group statement of comprehensive income;
- the trust and group statement of financial position;
- the trust and group statement of changes in taxpayers' equity;
- the trust and group statement of cash flows; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group foundation trust and its control environment, and reviewed the group's foundation trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management internal audit, local counter fraud about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- determination of whether an expenditure is capital in nature, and whether the capital expenditure is recognised in the correct period: we tested a sample of expenditure to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; we agreed a sample of year-end capital accruals to supporting documentation and assessed whether the capitalised expenditure is recognised in the correcting accounting period.
- the completeness and timing of recognition of accruals and related expenditure is subject to potential management bias: we tested a sample of post year-end payments to test whether items representing liabilities at 31 March 2024 had been appropriately recognised; We have selected a sample of debit balances and have agreed them to support, to understand the nature of the item and determine whether they are valid and whether appropriately classified; We have reviewed the basis of calculation of the Goods Received Not Invoiced accrual, and consider the appropriateness of any assumptions in making the accrual and any changes in approach from previous years.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006 in all material respects; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In our audit report dated 12 July 2023 on the 2022/23 financial statements, we reported a significant weakness in the foundation trust's arrangements to secure financial sustainability. The significant weakness reported was in how the foundation trust identifies and manages risks to financial resilience such as from unplanned cost pressures, and plans to bridge its funding gaps and identify achievable savings. This weakness has not yet been addressed.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

In cases where we have not completed our work to issue a statement on consolidation schedules: We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Royal Berkshire NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Ben Sheriff (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
St Albans, United Kingdom
28 June 2024

Audit certificate issued subsequent to opinion on financial statements

Independent auditor's certificate of completion of the audit Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2024 issued on 28 June 2024 we reported that, in our opinion, the financial statements of Royal Berkshire NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2024 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2024 issued on 28 June 2024, we were required to report to you if we had not been able to satisfy ourselves that the foundation trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In that opinion, we reported a significant weakness in the foundation trust's arrangements to secure financial sustainability.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2024 issued on 28 June 2024, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our statement on consolidation schedules. We have now completed our work in this area.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion.

We certify that we have completed the audit of Royal Berkshire NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the Comptroller & Auditor General.

Ben Sheriff (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
London, United Kingdom
03 July 2024

FOREWORD TO THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ended 31 March 2024 have been prepared by Royal Berkshire NHS Foundation Trust in accordance with Paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) of the National Health Service Act 2006.

Steve McManus
Chief Executive Officer

28 June 2024

Consolidated Statement of Comprehensive Income

	Note	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Operating income from patient care activities	2	**553,552**	**553,552**	525,474	525,474
Other operating income	3	**74,194**	**73,591**	51,551	50,405
Operating expenses	4	**(634,398)**	**(631,708)**	(598,092)	(592,522)
Operating surplus/(deficit) from continuing operations		**(6,652)**	**(4,565)**	(21,067)	(16,643)
Finance income	7	**3,802**	**3,311**	1,989	1,388
Finance expenses	7	**(1,390)**	**(763)**	(1,455)	(826)
PDC Dividends payable		**(8,564)**	**(8,564)**	(8,360)	(8,360)
Net finance costs		**(6,152)**	**(6,016)**	(7,826)	(7,798)
Other gain / (losses)		**(515)**	**(515)**	-	-
Corporation tax expenses		**-**	**(755)**	-	(199)
Surplus / (deficit) for the year from continuing operations		**(13,319)**	**(11,851)**	(28,893)	(24,640)
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments		**(6,703)**	**(7,158)**	(2,583)	(2,943)
Revaluations		**1,148**	**1,148**	12,431	13,922
Other reserve movements		**-**	**(698)**		
May be reclassified to income and expenditure when certain conditions are met:					
Fair value gains/(losses) on financial assets mandated at fair value through OCI		**-**	**2**	-	(1)
Total comprehensive income / (expense) for the year		**(18,874)**	**(18,557)**	(19,045)	(13,662)

None of the other comprehensive income and expense would be reclassified to surplus and deficit.
All income and expenditure are derived from continuing operations.
The notes on pages 109 to 153 form part of these accounts.

Statements of Financial Position

	Note	**Trust 31 March 2024 £000**	**Group 31 March 2024 £000**	Trust 31 March 2023 £000	Group 31 March 2023 £000
Non-current assets					
Intangible assets	8	24,637	24,637	29,108	29,108
Property, Plant and Equipment	9	280,348	315,464	270,867	307,589
Right of use assets	10	54,568	41,930	60,235	47,634
Investments in associates and joint ventures	11	10,600	-	10,600	-
Other investments / financial assets	11	-	20	-	18
Receivables	13	22,604	1,646	14,099	1,751
Total non-current assets		392,756	383,697	384,909	386,100
Current assets					
Inventories	12	8,989	8,989	7,830	7,830
Trade and other receivables	13	35,468	32,896	47,357	37,527
Cash and cash equivalents	14	25,125	38,810	43,209	49,213
Total current assets		69,582	80,694	98,396	94,570
Current liabilities					
Trade and other payables	15.1	(85,037)	(86,882)	(96,109)	(94,762)
Borrowings	15.3	(13,914)	(9,361)	(10,752)	(8,511)
Provisions	16	(1,641)	(1,641)	(1,623)	(1,623)
Other liabilities - deferred income	15.1	(6,224)	(6,224)	(8,058)	(8,082)
Total current liabilities		(106,816)	(104,108)	(116,542)	(112,978)
Total assets less current liabilities		355,522	360,283	366,763	367,691
Non-current liabilities					
Deferred tax	15	-	(845)	-	(146)
Borrowings	15.3	(49,594)	(37,416)	(59,938)	(44,949)
Provisions	16	(1,036)	(1,036)	(1,254)	(1,254)
Total non-current liabilities		(50,630)	(39,298)	(61,192)	(46,349)
Total sssets employed		304,892	320,985	305,571	321,342
Financed by					
Public dividend capital		250,806	250,806	232,606	232,606
Revaluation reserve		69,480	72,336	77,501	80,778
Income and expenditure reserve		(15,393)	(5,939)	(4,536)	3,849
Charitable fund reserves		-	3,782	-	4,109
Total taxpayers' equity		304,892	320,985	305,571	321,342

The Financial Statements on pages 104 to 108 were approved by the Board on 26 June 2024 and signed on its behalf by

Steve McManus
Chief Executive Officer
28 June 2024

Trust Statement of Changes in Equity for the period ended 31 March 2024

	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**232,606**	**77,500**	**(4,538)**	**305,568**
Deficit for the year	**-**	**-**	**(13,320)**	**(13,320)**
Net impairments	-	(6,703)	-	(6,703)
Revaluations	-	1,148	(1)	1,147
Other comprehensive expense	**-**	**(5,555)**	**(1)**	**(5,556)**
Total comprehensive expense	**-**	**(5,555)**	**(13,321)**	**(18,875)**
Transfer of excess of current cost depreciation to the Income and Expenditure Reserve	-	(2,466)	2,466	-
Public Dividend Capital received	18,200	-	-	18,200
Taxpayers' equity/(deficit) at 31 March 2024	**250,806**	**69,480**	**(15,393)**	**304,892**

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

	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**222,511**	**69,377**	**22,630**	**314,518**
Deficit for the year	**-**	**-**	**(28,893)**	**(28,893)**
Net impairments	-	(2,583)	-	(2,583)
Revaluations	-	12,431	-	12,431
Other comprehensive expense	**-**	**9,848**	**-**	**9,848**
Total comprehensive expense	**-**	**9,848**	**(28,893)**	**(19,045)**
Transfer of excess of current cost depreciation to the Income and Expenditure Reserve	-	(1,725)	1,725	-
Public Dividend Capital received	10,095	-	-	10,095
Taxpayers' and others' equity at 31 March 2023	**232,606**	**77,500**	**(4,538)**	**305,568**

Consolidated Statement of Changes in Equity for the period 31 March 2024

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Charitable Funds Reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**232,606**	**80,778**	**3,849**	**4,109**	**321,342**
Surplus/(Deficit) for the year	**-**	**-**	**(12,636)**	**786**	**(11,851)**
Net Impairments	-	(7,158)	-	-	(7,158)
Revaluations	-	1,181	-	-	1,181
Revaluations and impairment - charitable fund assets	-	-	-	(33)	(33)
Fair value losses on financial assets mandated at fair value through OCI	-	-	-	2	2
Other comprehensive expense	**-**	**(5,977)**	**-**	**(31)**	**(6,008)**
Total comprehensive expense	**-**	**(5,977)**	**(12,636)**	**755**	**(17,859)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(2,465)	2,465	-	-
Public Dividend Capital received	18,200	-	-	-	18,200
Other reserve movements	-	-	384	(1,082)	(698)
Taxpayers' equity/(deficit) at 31 March 2024	**250,806**	**72,336**	**(5,939)**	**3,782**	**320,985**

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

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Charitable Funds Reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**222,511**	**71,525**	**25,165**	**5,709**	**324,909**
Surplus/(Deficit) for the year	**-**	**-**	**(24,679)**	**39**	**(24,640)**
Net Impairments	-	(2,943)	-	-	(2,943)
Revaluations	-	13,922	-	-	13,922
Fair value gains on financial assets mandated at fair value through OCI	-	-	-	(1)	(1)
Other comprehensive expense	**-**	**10,978**	**-**	**(1)**	**10,977**
Total comprehensive expense	**-**	**10,978**	**(24,679)**	**38**	**(13,663)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(1,725)	1,725	-	-
Public Dividend Capital received	10,095	-	-	-	10,095
Other reserve movements	-	-	1,638	(1,638)	-
Taxpayers' and others' equity at 31 March 2023	**232,606**	**80,778**	**3,849**	**4,109**	**321,341**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

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

Charitable funds reserve
This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 1.3

Statement of Cash Flows
for the period ended 31 March

	Note	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Cashflow from operating activities					
Net cash flows from / (used in) operating activities	17.1	**17,495**	**23,284**	24,681	21,538
Cash flows from investing activities:					
Interest received		**3,802**	**3,131**	1,989	1,388
Purchase of PPE and investment property		**(33,399)**	**(33,558)**	(26,818)	(26,852)
Purchase of intangible assets		**(3,304)**	**(3,304)**	(5,461)	(5,461)
Net cash flows from / (used in) investing activities		**(32,901)**	**(33,731)**	(30,290)	(30,925)
Cash flows from financing activities					
Public dividend capital received		**18,200**	**18,200**	10,095	10,095
Public dividend capital repaid		**(8,595)**	**(8,595)**	(8,180)	(8,180)
Movement on loans from DHSC		**(1,502)**	**(1,502)**	(2,252)	(2,252)
Capital element of lease liability repayments		**(9,375)**	**(7,281)**	(8,850)	(7,150)
Interest paid on lease liability repayments		**(1,162)**	**(535)**	(1,175)	(545)
Interest on loans		**(243)**	**(243)**	(304)	(304)
Net cash flows from / (used in) financing activities		**(2,678)**	**43**	(10,665)	(8,336)
Increase/(Decrease) in cash and cash equivalents		**(18,084)**	**(10,404)**	(16,275)	(17,723)
Cash and cash equivalents at 01 April - b/f		**43,209**	**49,213**	59,484	66,936
Cash and cash equivalents at 31 March	14	**25,125**	**38,810**	43,209	49,213

The notes on pages 109 to 153 form part of these accounts.
This statement relates to cash held within the Trust's commercial and government bank accounts.

NOTES TO THE ACCOUNTS

1 Accounting policies and other information

1.1 Basis of preparation

NHS England, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2023/24 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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

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 (FReM), 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.

The group has a net current liabilities of £23.4m (2022/23: net current liabilities £18.4m).

1.3 Consolidation

NHS Charitable Funds
The trust is the corporate trustee to Royal Berkshire Charity NHS Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Charity has restricted and unrestricted fund of £902k and £3,531k respectively (2022/23: restricted £1,263k and unrestricted £3,496k).

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Other subsidiary
Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the Trust's financial year are obtained from the subsidiary and consolidated.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

These consolidated financial statements have been prepared incorporating the accounts of Healthcare Facilities Management Services Ltd (HFMS), a wholly owned subsidiary of Royal Berkshire NHS Foundation Trust, and Royal Berkshire NHS Foundation Trust Charity (the Charity).

HFMS provides fully managed healthcare facilities to the healthcare community. The company has two principal assets which are the Royal Berkshire Bracknell Healthspace at Brants Bridge in Bracknell and Princes House in Reading.

1.4 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to these 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.

Credit terms in relation to revenue from contracts with customers are 30 days other than for those NHS contract receivables that are on 15 day payment terms.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

In 2022/23 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BTP on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract

arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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.

1.5 Other forms of income

Grants and donations
Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

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

1.6 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of leave 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
Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

1.7 Expenditure on other goods and services

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

1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will 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:
  - a) individually have a cost of at least £5,000; or
  - b) collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
  - c) form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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 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.

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

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

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic 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 reclassified as 'held for salee' cease to be depreciated upon the reclassification.

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”.

Assets which are held for their service potential and are in use are measured at current value in existing use.

Impairments
In accordance with the Government Accounting Manual (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 are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.
Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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

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

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

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 is shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	4	140
Plant & machinery	5	10
Transport equipment	5	5
Information technology	4	10
Furniture & fittings	5	10

All property plant and equipment are depreciated on a straight-line basis.

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 when it meets the requirements set out in IAS 38 Intangible Assets.

Software & Licences
Software which is integral to the operation of hardware, e.g., an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g., application software, is capitalised as an intangible asset.

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

Subsequently intangible assets are measured at 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 economic lives in a manner consistent with the consumption of economic or service delivery benefits. All intangible assets are depreciated between 5 to 16 years on a straight-line basis.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

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.

1.11 Investments

Investments in subsidiary undertakings, associates and joint ventures are treated as non-current asset investments and valued at market value. Non-current asset investments are reviewed annually for impairments. Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the Statement of Cash Flows. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairment in value. They are reviewed annually for impairments.

1.12 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.

1.13 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 are 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 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).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

De-recognition
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.

1.14 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.

IFRS 16 Leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard have been employed. These are as follows;

The Trust has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the Trust has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed, the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the Trust in applying IFRS 16. These include;

The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.

The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.

The Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in note 1.8 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The Trust is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the Trust has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

The Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor, leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

The Trust as lessee

Initial recognition and measurement
At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

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

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also

includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term.

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.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Income.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset, the Trust applies a revised rate to the remaining lease liability.

Where existing leases are modified, the Trust must determine whether the arrangement constitutes a separate lease and apply the Standard accordingly.

The Trust as 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.

1.15 Revenue from government and other grants

Government grants are grants from Government bodies other than income from NHS Commissioners for the provision of services. Where a grant is used for funding revenue expenditure, including research and development, it is taken to the Statement of Comprehensive Income to match that

expenditure. It is recognised at the point that the Trust is entitled to the grant income unless the government body has imposed a condition that requires the income to be recognised in a later period at which point it is held as deferred income and released to the Statement of Comprehensive Income once the required conditions are met.

1.16 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 for 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefit discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 16 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

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 20 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20, 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.

1.18 Public dividend capital (PDC)

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 in the PDC dividend policy issued 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.

1.19 Value added tax

Most of the activities of the Trust are outside the scope of value added tax (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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.20 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to HM Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;

- Trading activities undertaken in-house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax; and

- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

1.21 Research and development (R&D)

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- there is a clearly defined project;

- the related expenditure is separately identifiable;

- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or services that will eventually be brought into use; and

- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

Expenditure so deferred is limited to the value of future benefits granted by the R&D funding organisation and is amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. It is re-valued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, the Trust discloses the total amount of R&D expenditure charged in the Statement of Comprehensive Income separately. However, where R&D activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Non-current assets acquired for use in R&D are amortised over the life of the associated project.

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.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March

- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and

- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

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, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

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.

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.

1.26 Early adoption of standards, amendments and interpretations.

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

1.27 Standards, amendments and interpretations in issue but not yet effective or adopted.

The Department of Health Government Accounting Manual (GAM) does not require the following Standards and Interpretations to be applied in 2023/24. These standards are still subject to HM Treasury FReM adoption, and are therefore not applicable to DH group accounts in 2023/24.

IFRS 14 Regulatory Deferral Accounts: Not UK-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore, not applicable to DHSC group bodies.

IFRS 17 Insurance Contracts: Application required for accounting periods beginning on or after 1 January 2023. Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.28 Critical judgements in applying accounting policies

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

The Trust has recognised £4.9m of property, plant and equipment additions as at 31 March 2024 (31 March 2023: £0.3m) which had been paid for but not yet received by the Trust, as the Trust had in place vesting certificates transferring ownership of the assets. The determination whether the transactions met the requirements for the Trust to recognise the assets requires judgements as to whether control over the assets has transferred to the Trust.

1.29 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:

Land and building valuations

In line with the Trust's Property, Plant and Equipment policy, the freehold and leasehold property known as Royal Berkshire NHS Foundation Trust Estate was valued as at 31 March 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards. The valuation was prepared to comply with IFRS, specifically with regard to IAS 16 Property, Plant and Equipment, IAS 40 Investment Properties, Department of Health Group Manual for Accounts 2023/24 and to the Government Financial Reporting Manual (FReM) 2023-2024.

The valuation of the Trust's estate is based on a special assumption whereby HFMS and the Trust are amalgamated to provide the Trust with the freehold interest.

The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis.

For the land, the valuers carried out an extensive search for appropriately sized sites of industrial land and business park land in Reading and on the outskirts of the town but the evidence was limited so the valuers, were not able to find any recent comparable transactions on which to rely.

In the absence of suitable comparables a residual valuation methodology for industrial land was used which provided a land value range of £920k to £1,125k per acre, with £1,020k per acre taken as the position for the main hospital site.

The Trust has undertaken a geotechnical survey of the hospital site as part of its planning for the New Hospital Programme, to identify any actions required to manage risk associated with ground conditions and their impact on future construction. The assumed Modern Equivalent Asset does not include any amounts in respect of North Block East Wing, as this is not currently in use. The survey did not identify any other changes required to the use or service potential assumed for assets, and accordingly no adjustments have been made to the valuation of the Trust's buildings. The site is already valued on an alternative site provision, and so no further adjustment to the valuation is required.

No adjustments have been made to asset lives for the impact of the planned New Hospital Programme development, either for valuation purposes or for the purposes of depreciation, as the Trust considers there is not yet sufficient certainty on the timing or impact on existing assets of the development to make a reliable estimate of revised asset lives.

2 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

2.1 Income from patient care activities (by nature)	**Trust 2023/24 £000**	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Acute services				
Income from commissioners under API contracts - variable element*	**122,079**	**122,079**	-	-
Income from commissioners under API contracts - fixed element*	**374,667**	**374,667**	448,735	448,735
High cost drugs income from commissioners	**33,290**	**33,290**	31,542	31,542
Other NHS Clinical Income	**4,489**	**4,489**	4,401	4,401
All services				
Private Patient Income	**3,695**	**3,695**	2,056	2,056
Elective recovery fund	**-**	**-**	14,384	14,384
Agenda for change pay offer central funding ***	**283**	**283**	10,680	10,680
Additional pension contribution central funding **	**14,031**	**14,031**	12,790	12,790
Other clinical income	**1,018**	**1,018**	886	886
Total	**553,552**	**553,552**	525,474	525,474

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

*** Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

2.2 Income from patient care activities (by source)

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
NHS England	**95,238**	**95,238**	100,617	100,617
Clinical Commissioning Groups	**-**	**-**	102,095	102,095
Integrated Care Boards	**450,625**	**450,625**	316,788	316,788
Other NHS providers	**387**	**387**	456	456
Local Authorities	**2,692**	**2,692**	2,704	2,704
Non NHS:				
- Private patients	**1,787**	**1,787**	1,262	1,262
- Overseas patients (chargeable to patient)	**1,908**	**1,908**	794	794
- Injury cost recovery scheme	**671**	**671**	694	694
- Other	**244**	**244**	64	64
Total income from patent care activities	**553,552**	**553,552**	525,474	525,474

2.3 Overseas visitors (relating to patients charged directly by the Trust)

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Income recognised this year	**1,908**	**1,908**	794	794
Cash payments received in-year	**901**	**901**	216	216
Amounts added to provision for impairment of receivables	**-**	**-**	294	294
Amounts written off in-year	**819**	**819**	248	248

2.4 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Income from services designated as commissioner requested services	**545,863**	**545,863**	519,500	519,500
Income from services not designated as commissioner requested services	**81,883**	**81,280**	57,525	56,379
Total income from continuing operations	**627,746**	**627,143**	577,025	575,879

Consistent with 2022/23, all ICB and NHS England services have been designated as CRS for 2023/24.

2.5 Additional information on contract revenue recognised in the period

	2023/24 £000	2022/23 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	6,082	6,646

2.6 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations that is expected to be recognised within one year is £4,986k (2022/23: £6,082k). These figures are included in the deferred income in note 15.1.

3 Other operating income

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Research and Development	**3,294**	**3,294**	2,558	2,558
Education and training	**17,432**	**17,432**	15,572	15,572
Non-patient care services to other bodies	**242**	**242**	230	230
Reimbursement and top up funding	**-**	**-**	738	738
Other income recognised in accordance with IFRS 15	**50,696**	**49,787**	28,759	28,263
Other operating income recognised in accordance with other standards:				
Education and training - notional income from apprenticeship	**1,057**	**1,057**	1,104	1,104
Cash donations/grants for the purchase of capital assets	**1,329**	**877**	-	-
Charitable and other contributions to expenditure	**144**	**144**	986	986
Charitable fund incoming resources	**-**	**758**	1,604	954
Total other operating income	**74,194**	**73,591**	51,551	50,405

Other income recognised in accordance with IFRS 15 includes the following; clinical services provided £6,990k (2022/23: £7,379k); grants and other funding £33,700k (2022/23: £11,724k); clinical excellence awards £142k (2022/23: £135k); car parking £1,686k (2022/23: £892k) and catering £905k (2022/23: £708k).

The Trust has one segment that provides healthcare.

4 Operating Expenses

4.1 Operating expenses comprise:

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Executive directors' costs	**1,492**	**1,492**	1,321	1,321
Non-executive directors' costs	**159**	**159**	152	152
Staff costs	**373,029**	**373,029**	353,865	353,865
Total staff costs	**374,680**	**374,680**	355,338	355,338
Drug costs	**65,226**	**65,226**	60,240	60,240
Purchase of healthcare from NHS and DHSC bodies	**3,235**	**3,235**	521	521
Purchase of healthcare from non-NHS and non-DHSC bodies	**8,038**	**9,073**	16,385	16,385
Supplies and services - clinical	**49,431**	**49,892**	42,749	43,280
Supplies and services - general	**7,172**	**7,180**	9,251	9,269
Establishment	**3,869**	**3,907**	4,438	4,446
Transport	**3,938**	**3,938**	2,322	2,322
Premises	**43,328**	**40,128**	31,260	29,377
Bad debts	**1,566**	**1,620**	(74)	(37)
Depreciation and amortisation	**34,682**	**33,865**	33,392	32,224
Statutory audit services	**197**	**219**	158	180
Consultancy fees	**1,650**	**1,683**	5,084	5,167
Internal Audit and Local Counter Fraud Service	**127**	**127**	121	121
Clinical negligence	**24,224**	**24,224**	19,503	19,503
Redundancy costs	**438**	**438**	71	71
Education and training	**1,823**	**1,823**	4,357	4,357
Other	**6,036**	**5,386**	1,051	1,489
	254,981	**251,964**	230,831	228,915
Total expenses	**629,661**	**626,644**	586,170	584,254
Impairment (including reversal)	**4,736**	**5,063**	11,922	8,268
Operating expenses of continuing operations	**634,397**	**631,708**	598,092	592,522

4.2 Fees paid and payable to the Trust's external auditor

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Audit Services - Statutory Audit	**197**	**219**	158	180
Total fees paid and payable to the Trust's external auditor	**197**	**219**	158	180
VAT payable	**39**	**44**	32	36
Total fees paid and payable to the Trust's external auditor including VAT:	**236**	**263**	190	216

The Statutory Audit liability limits are:

- Audit Liability – £1m
- All other work – £1m

5. Staff costs and numbers

5.1 Staff costs	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Salaries and wages	**270,718**	**270,718**	252,630	252,630
Social security costs	**28,356**	**28,356**	25,428	25,428
Employer contributions to NHS pensions	**32,189**	**32,189**	29,138	29,138
Employer contributions paid by NHSE (6.3%)	**14,031**	**14,031**	12,790	12,790
Bank staff	**20,000**	**20,000**	20,839	20,839
Agency staff	**7,699**	**7,699**	13,165	13,165
Redundancy costs	**438**	**438**	71	71
Apprenticeship levy	**1,529**	**1,529**	1,196	1,196
	374,960	**374,960**	355,257	355,257

The figures above exclude non-executive directors' costs but include redundancy costs.

5.2 Average number of persons employed	Trust 2023/24 Number	Group 2023/24 Number	Trust 2022/23 Number	Group 2022/23 Number
Medical and dental	**377**	**377**	366	366
Administration and estates	**1,040**	**1,040**	968	968
Healthcare assistants & other support staff	**1,212**	**1,212**	1,170	1,170
Nursing, midwifery & health visiting staff	**1,878**	**1,878**	1,763	1,763
Scientific, therapeutic and technical staff	**548**	**548**	507	507
Healthcare science staff	**156**	**156**	147	147
Temporary staff	**1,060**	**1,060**	1,129	1,129
Total	**6,271**	**6,271**	6,050	6,050

The average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each month, divided by the number of months in a year.

Agency staff numbers are based on time worked per actual invoices converted to WTEs.

5.3 Retirements due to ill-health

During the year of 31 March 2024 there 3 retirements from the Trust agreed on the grounds of ill-health (2022/23: 3). The estimated additional pension liabilities of these ill-health retirements are £647k (2022/23: £308k). This information has been supplied by NHS Pensions Agency.

5.4 Salary and pension entitlements of senior managers

Total remuneration paid to directors for the year ended 31 March 2024 (in their capacity as directors) totalled £1,131k (2022/23 - £1,329k). No other remuneration was paid to directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the Trust. Employer contributions to the NHS Pension Scheme for Executive Directors for the year ended 31 March 2024 totalled £111k (2022/23: £110k). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 8 (2022/23: 6).

5.5 Restructuring costs

Restructuring costs are made up of compulsory redundancies amounting to £19k in respect of 1 member of staff (2022/23 – £71k) are included within the table below which shows the total cost of staff exit packages during the year.

2023/24

	No. of compulsory redundancies	**No. of other departures agreed**	**Total no. of exit packages by cost band**	**No. of other departures where special payments made**
£				
< £10,000	-	22	22	-
£10,000 - £25,000	1	8	9	-
£25,001 - £50,000	-	4	4	-
£50,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	1	1	-
> £200,000	-	-	-	-
Total number of exit packages by type	**1**	**35**	**36**	**-**
Total cost (£000)	**19**	**500**	**519**	**-**

2022/23

	No. of compulsory redundancies	No. of other departures agreed	Total no. of exit packages by cost band	No. of other departures agreed
£				
< £10,000	-	14	14	-
£10,000 - £25,000	1	3	4	1
£25,001 - £50,000	-	-	-	-
£50,001 - £100,000	1	-	1	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
> £200,000	-	-	-	-
Total number of exit packages by type	2	17	19	1
Total cost (£000)	71	103	174	15

6 Late Payment of Commercial Debts (Interest) Act 1998

Amounts included within interest payable arising from claims under this legislation - £12k (2022/23: £1k).
Compensation paid to cover debt recovery costs arising under this legislation – nil (2022/23: nil).

7 Finance income and expenses

7.1 Finance income

Interest income

In the year to 31 March 2024 interest of £3,802k (2022/23 - £1,989k) was received by the Trust and £3,311k (2022/23 - £1,388k) was received by the Group. The interest amount earned by the Trust included £745k (2022/23 - £642k) interest received from the loan granted to its subsidiary. The other amounts were earned from working capital balances in interest bearing bank accounts and from investment in National Loan Funds.

7.2 Finance expense

In the year to 31 March 2024 interest charges of £2,023k (2022/23 £1,455k) were paid by the Trust and £763k (2022/23 £826k) were paid by the Group in line with the loan agreement and all other leases.

8. Intangible Non-current Assets

8.1 Trust Intangible Non-current assets comprise the following elements:

	At 31 March 2024			At 31 March 2023		
	Software & Licences £000	**Assets under Construction £000**	**Total £000**	Software & Licences £000	Assets under Construction £000	Total £000
Gross cost at 1 April	**71,127**	**77**	**71,204**	65,802	77	65,879
Additions - purchased	**3,304**	-	**3,304**	5,461	-	5,461
Reclassifications	**1,552**	-	**1,552**	2,834	-	2,834
Disposals	**-**	-	**-**	(2,970)	-	(2,970)
Gross cost	**75,983**	**77**	**76,060**	71,127	77	71,204
Accumulated amortisation at 1 April	**42,096**	**-**	**42,096**	34,772	-	34,772
Provided during the year	**9,327**	**-**	**9,327**	8,119	-	8,119
Disposal	**-**	**-**	**-**	(795)	-	(795)
Accumulated amortisation	**51,423**	**-**	**51,423**	42,096	-	42,096
Net book value						
Purchased at 31 March	**24,560**	**77**	**24,637**	29,031	77	29,108
Donated at 31 March	**-**	**-**	**-**	-	-	-
Total	**24,560**	**77**	**24,637**	29,031	77	29,108

8. Intangible Non-current Assets cont'd

8.2 Group Intangible Non-current Assets comprise the following elements:

	At 31 March 2024			At 31 March 2023		
	Software & Licences £000	**Assets under Construction £000**	**Total £000**	Software & Licences £000	Assets under Construction £000	Total £000
Gross cost at 1 April	**71,283**	**77**	**71,360**	65,958	77	66,035
Additions - purchased	**3,304**	**-**	**3,304**	5,461	-	5,461
Reclassifications	**1,552**	**-**	**1,552**	2,834	-	2,834
Disposals	**-**	**-**	**-**	(2,970)	-	(2,970)
Gross cost	**76,139**	**77**	**76,216**	71,283	77	71,360
Accumulated amortisation at 1 April	**42,252**	**-**	**42,252**	34,928	-	34,928
Provided during the year	**9,327**	**-**	**9,327**	8,119	-	8,119
Disposals	**-**	**-**	**-**	(795)	-	(795)
Accumulated amortisation	**51,579**	**-**	**51,579**	42,252	-	42,252
Net book value						
Purchased at 31 March	**24,560**	**77**	**24,637**	29,031	77	29,108
Total	**24,560**	**77**	**24,637**	29,031	77	29,108

9 Property Plant and Equipment

9.1 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2024 comprise the following elements:

	Land £000	Buildings excluding dwellings £000	Assets under construction & payments on account £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2023 - brought forward	**20,703**	**196,940**	**15,182**	**74,302**	**41,896**	**3,481**	**352,504**
Additions - purchased	-	5,632	20,745	8,314	1,537	15	36,243
Additions by cash donated/grants	-	212	-	1,117	-	-	1,329
Impairments charged to operating expenses	-	(6,512)	-	-	-	-	(6,512)
Impairments charged to revaluation reserve	(1,000)	(3,207)	-	-	-	-	(4,207)
Reversal of impairments	-	112	-	-	-	-	112
Revaluations	-	(7,840)	-	-	-	-	(7,840)
Reclassifications	-	7,604	(11,393)	2,194	43	-	(1,552)
Disposals	-	-	-	(5,767)	-	-	(5,767)
Valuation/gross cost at 31 March 2024	**19,703**	**192,941**	**24,534**	**80,160**	**43,476**	**3,496**	**364,310**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**472**	**-**	**43,733**	**34,105**	**3,328**	**81,638**
Provided during the year	-	8,264	-	3,854	3,603	35	15,755
Revaluations	-	(8,179)	-	-	-	-	(8,179)
Disposals	-	-	-	(5,252)	-	-	(5,252)
Accumulated depreciation at 31 March 2024	**-**	**558**	**-**	**42,335**	**37,708**	**3,362**	**83,963**
Net book value 31 March 2024							
Purchased	19,703	189,234	24,534	35,225	5,728	113	274,536
Donated	-	3,149	-	2,601	41	21	5,812
Total at 31 March 2024	**19,703**	**192,383**	**24,534**	**37,826**	**5,769**	**134**	**280,348**
Net book value 31 March 2023							
Purchased	20,703	193,446	15,182	28,542	7,722	128	265,724
Donated	-	3,022	-	2,027	69	25	5,143
Total at 31 March 2023	**20,703**	**196,468**	**15,182**	**30,569**	**7,791**	**153**	**270,867**

9 Property Plant and Equipment cont'd

9.2 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2024 comprise the following elements:

	Land £000	Buildings excluding dwellings £000	Assets under construction & payments on account £000	Plant & machinery £000	Transport Equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2023 - brought forward	**24,197**	**229,771**	**15,139**	**75,940**	**92**	**42,437**	**3,500**	**391,077**
Additions - purchased	-	5,748	20,787	8,314	-	1,538	15	36,402
Additions by cash donated/grants	-	212	-	1,117	-	-	-	1,329
Impairments charged to operating expenses	-	(5,063)	-	-	-	-	-	(5,063)
Impairments charged to revaluation reserve	(1,119)	(6,151)	-	-	-	-	-	(7,270)
Reversal of impairments	-	112	-	-	-	-	-	112
Revaluations	(10)	(7,863)	-	-	-	-	-	(7,873)
Reclassifications	-	7,604	(11,393)	2,194	-	43	-	(1,552)
Disposals	-	-	-	(5,767)	-	-	-	(5,767)
Valuation/gross cost at 31 March 2024	**23,068**	**224,371**	**24,533**	**81,798**	**92**	**44,018**	**3,515**	**401,395**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**478**	**-**	**45,206**	**90**	**34,382**	**3,333**	**83,489**
Provided during the year	-	9,106	-	3,888	-	3,685	37	16,716
Revaluations	-	(9,021)	-	-	-	-	-	(9,021)
Disposals	-	-	-	(5,252)	-	-	-	(5,252)
Accumulated depreciation at 31 March 2024	**-**	**563**	**-**	**43,842**	**90**	**38,067**	**3,370**	**85,932**
Net book value 31 March 2024								
Purchased	23,068	220,655	24,533	35,356	2	5,910	124	309,648
Purchased by Charity	-	3,153	-	2,601	-	41	21	5,816
Total at 31 March 2024	**23,068**	**223,808**	**24,533**	**37,957**	**2**	**5,951**	**145**	**315,464**
Net book value 31 March 2023								
Purchased	24,197	226,272	15,139	28,707	2	7,987	142	302,446
Purchased by the Charity	-	3,022	-	2,027	-	69	25	5,143
Total at 31 March 2023	24,197	229,294	15,139	30,734	2	8,056	167	307,589

Of the £37.57m capital additions recognised during the year, £4.88m (13%) was delivered through vesting certificates at financial year end.

9 Property Plant and Equipment cont'd

9.3 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2023 comprise the following elements:

	Land £000	Buildings excluding dwellings £000	Assets under construction & payments on account £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	21,698	176,392	22,267	72,351	40,029	3,481	336,218
Additions - purchased	-	2,648	20,964	4,023	178	-	27,813
Additions by cash donated/grants	-	699	-	384	9	-	1,092
Impairments charged to operating expenses	(71)	(7,700)	-	-	-	-	(7,771)
Impairments charged to revaluation reserve	(924)	(2,420)	-	-	-	-	(3,344)
Reversal of impairments	-	799	-	-	-	-	799
Revaluations	-	5,085	-	-	-	-	5,085
Reclassifications	-	21,437	(28,049)	2,120	1,680	-	(2,812)
Disposals	-	-	-	(4,576)	-	-	(4,576)
Valuation/gross cost at 31 March 2023	**20,703**	**196,940**	**15,182**	**74,302**	**41,896**	**3,481**	**352,504**
Accumulated depreciation at 1 April 2022 - brought forward	-	414	-	43,208	30,402	3,286	77,310
Provided during the year	-	7,405	-	5,101	3,703	42	16,250
Revaluations	-	(7,347)	-	-	-	-	(7,347)
Disposals	-	-	-	(4,576)	-	-	(4,576)
Depreciation at 31 March 2023	**-**	**472**	**-**	**43,733**	**34,105**	**3,328**	**81,638**
Net book value 31 March 2023							
Purchased	20,703	193,446	15,182	28,542	7,722	128	265,724
Donated	-	3,022	-	2,027	69	25	5,143
Total at 31 March 2023	**20,703**	**196,468**	**15,182**	**30,569**	**7,791**	**153**	**270,867**
Net book value 31 March 2022							
Purchased	21,698	174,368	21,549	27,055	9,542	166	254,378
Donated	-	1,610	718	2,088	85	29	4,530
Total at 31 March 2022	**21,698**	**175,978**	**22,267**	**29,143**	**9,627**	**195**	**258,908**

9 Property Plant and Equipment cont'd

9.4 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2023 comprise the following elements:

	Land £000	Buildings excluding dwellings £000	Assets under construction & payments on account £000	Plant & machinery £000	Transport Equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	**25,552**	**208,787**	**22,529**	**73,989**	**92**	**40,570**	**3,500**	**375,019**
Additions - purchased	-	2,969	20,676	4,023	-	179	-	27,847
Additions by cash donated/grants	-	699	-	384	-	9	-	1,092
Impairments charged to operating expenses	(71)	(8,267)	-	-	-	-	-	(8,338)
Impairments charged to revaluation reserve	(1,284)	(2,420)	-	-	-	-	-	(3,704)
Reversal of impairments	-	831	-	-	-	-	-	831
Revaluations	-	5,740	-	-	-	-	-	5,740
Reclassifications	-	21,433	(28,066)	2,120	-	1,679	-	(2,834)
Disposals	-	-	-	(4,576)	-	-	-	(4,576)
Valuation/gross cost at 31 March 2023	**24,197**	**229,771**	**15,139**	**75,940**	**92**	**42,437**	**3,500**	**391,077**
Accumulated depreciation at 1 April 2022	**-**	**420**	**-**	**44,645**	**90**	**30,599**	**3,290**	**79,044**
Provided during the year	-	8,239	-	5,137	-	3,782	43	17,201
Revaluations	-	(8,182)	-	-	-	-	-	(8,182)
Disposals	-	-	-	(4,576)	-	-	-	(4,576)
Accumulated depreciation at 31 March 2023	**-**	**477**	**-**	**45,206**	**90**	**34,381**	**3,333**	**83,488**
Net book value 31 March 2023								
- Purchased	24,197	226,272	15,139	28,707	2	7,987	142	302,446
- Donated by the Charity	-	3,022	-	2,027	-	69	25	5,143
Total at 31 March 2023	**24,197**	**229,294**	**15,139**	**30,734**	**2**	**8,056**	**167**	**307,589**
Net book value 31 March 2022								
- Purchased	25,552	206,756	21,811	27,257	2	9,886	181	291,445
- Purchased by the Charity	-	1,610	718	2,089	-	85	29	4,531
Total at 31 March 2022	**25,552**	**208,366**	**22,529**	**29,346**	**2**	**9,971**	**210**	**295,976**

10. Right of Use Assets

10.1 Trust Right of Use Assets - 2023/24

	Property (land & buildings)	Plant & Machinery	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**58,611**	**10,648**	**69,259**
Additions - lease liability	-	616	616
Lease liability remeasurement	2,247	1,090	3,337
Valuation/gross cost at 31 March 2024	**60,858**	**12,354**	**73,212**
Accumulated depreciation at 1 April 2023 - brought forward	**7,031**	**1,992**	**9,023**
Provided during the year	6,687	2,933	9,620
Accumulated depreciation at 31 March 2024	**13,718**	**4,926**	**18,643**
Net book value at 31 March 2024	**47,139**	**7,428**	**54,568**

10.2 Trust Right of Use Assets - 2022/23

	Property (land & buildings)	Plant & Machinery	Total
	£000	£000	£000
IFRS 16 implementation - recognition of right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	62,799	7,680	70,479
Impairments charged to operating expenses	(4,188)	-	(4,188)
Additions - lease liability	-	2,968	2,968
Valuation/gross cost at 31 March 2023	**58,611**	**10,648**	**69,259**
Provided during the year	7,031	1,992	9,023
Accumulated depreciation at 31 March 2023	**7,031**	**1,992**	**9,023**
Net book value at 31 March 2023	**51,580**	**8,656**	**60,235**

10. Right of Use Assets cont'd

10.3 Group Right of Use Assets - 2023/24

	Property (land & buildings)	Plant & Machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**43,890**	**10,648**	**54,538**	**32,703**
Additions - lease liability	-	616	616	-
Lease liability remeasurement	412	1,090	1,502	261
Valuation/gross cost at 31 March 2024	**44,302**	**12,354**	**56,656**	**32,964**
Accumulated depreciation at 1 April 2023 - brought forward	**4,911**	**1,993**	**6,904**	**3,438**
Provided during the year	4,889	2,933	7,822	3,447
Accumulated depreciation at 31 March 2024	**9,799**	**4,926**	**14,726**	**6,885**
Net book value at 31 March 2024	**34,502**	**7,428**	**41,930**	**26,079**

10.4 Group Right of Use Assets - 2022/23

	Property (land & buildings)	Plant & Machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - recognition of right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	43,414	6,163	49,577	32,703
Additions - lease liability	476	4,485	4,961	-
Valuation/gross cost at 31 March 2023	**43,890**	**10,648**	**54,538**	**32,703**
Provided during the year	4,911	1,993	6,904	3,438
Accumulated depreciation at 31 March 2023	**4,911**	**1,993**	**6,904**	**3,438**
Net book value at 31 March 2023	**38,979**	**8,655**	**47,634**	**29,265**

10.5 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 15.3

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Carrying value at 1 April 2023	64,597	47,417	29	29
IFRS 16 implementation - adjustments for existing operating leases	-	-	70,450	49,577
Lease additions	616	616	2,968	4,961
Lease liability remeasurements	3,337	1,502	-	-
Interest charge arising in year	1,162	535	1,123	493
Lease payments (cash outflows)	(10,727)	(7,816)	(9,973)	(7,643)
Carrying value at 31 March 2024	58,985	42,254	64,597	47,417

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 4.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

10.6 Maturity analysis of future lease payments at 31 March 2024

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 15.3

	Trust		**Group**	
	Total 31 March 2024 £000	Of which leased from DHSC group bodies: **31 March 2024 £000**	**Total 31 March 2024 £000**	Of which leased from DHSC group bodies: **31 March 2024 £000**
Undiscounted future lease payments payable in:				
- not later than one year;	10,299	6,324	7,581	3,606
- later than one year and not later than five years;	26,951	18,324	18,798	10,171
- later than five years.	25,341	20,977	17,333	12,969
Total gross future lease payments	**62,591**	**45,625**	**43,712**	**26,746**
Finance charges allocated to future periods	-3,607	-3,124	-1,458	-975
Net lease liabilities at 31 March 2024	**58,984**	**42,501**	**42,254**	**25,771**
Of which:				
- Current	9,359	5,541	7,194	3,376
- Non-Current	49,625	36,960	35,060	22,395

10.7 Maturity analysis of future lease payments at 31 March 2023

Lease liabilities are included within borrowings in the statement of financial

	Trust		Group	
	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	9,178	5,552	6,936	3,311
- later than one year and not later than five years;	35,230	23,994	25,245	14,009
- later than five years.	20,240	18,959	15,236	11,772
Total gross future lease payments	**64,648**	**48,505**	**47,417**	**29,092**
Finance charges allocated to future periods				
Net lease liabilities at 31 March 2023	**64,648**	**48,505**	**47,417**	**29,092**
Of which:				
- Current	9,178	5,552	6,936	3,311
- Non-Current	55,470	42,953	40,481	25,781

10.8 Leases - other information

Other additional quantitative and qualitative information about the leases are:

- Future cash flows to which the trust is potentially exposed that are not reflected in the lease liability includes;
- extension options of the Princes House and Bracknell Healthspace leases not reflected in the lease liabilities of approximately £49m

11 Investments

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Investment in subsidiary - HFMS	**10,600**	**-**	10,600	-
Charity Investments - Chariguard Fund	**-**	**20**	-	18
Total	**10,600**	**20**	10,600	18

Healthcare Facilities Management Services Limited (HFMS) is 100% wholly owned subsidiary of the Trust, providing healthcare facilities to healthcare providers. It is registered at Princes House, 73A London Road, Reading, Berkshire, RG1 5UZ.

The carrying value of the Trust's investment in the subsidiary HFMS is reviewed by the Trust on a regular basis by considering the forward financial projections of the Company and the open market value of the company's non-current assets. Following further review of the investment in the subsidiary, there are no indications of impairment.

The number and the value of shares held by the Trust in HFMS are stated below;

	At 31 March 2024	At 31 March 2023
- Number of ordinary shares of £1.00 each held by the Trust	**15,000,100**	15,000,100
	£000	£000
- Cost of ordinary shares held	**15,000**	15,000

12 Inventories

	Trust 2023/24	Group 2023/24	Trust 2022/23	Group 2022/23
	£000	**£000**	£000	£000
Drugs	**1,950**	**1,950**	1,541	1,541
Consumables	**7,039**	**7,039**	6,289	6,289
Total inventories	**8,989**	**8,989**	7,830	7,830

Write-down of inventories recognised as expenses for the year were £6k (2022/23: £1k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £144k of items purchased by DHSC (2022/23: £986k).

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.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

13 Trade and other receivables

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Current receivables				
Contract receivables invoiced	**13,349**	**13,632**	14,835	15,153
Contract receivables non-invoiced	**14,412**	**14,558**	15,800	15,691
Prepayments	**9,644**	**9,659**	7,238	7,187
Intercompany receivables - HFMS	**2,142**	-	9,467	-
Other receivables	**1,908**	**1,218**	5,293	4,904
Total	**41,454**	**39,067**	52,633	42,934
Allowance for impaired contract receivables	**(5,986)**	**(6,171)**	(5,276)	(5,407)
Total trade and other receivables	**35,468**	**32,896**	47,357	37,527
Non-current receivables				
Contract receivables non-invoiced	**850**	**850**	766	766
Other receivables	**1,007**	**1,007**	1,163	1,163
Inter-company loans	**20,958**	**-**	12,348	-
Allowance for impaired contract receivables	**(211)**	**(211)**	(178)	(178)
Total trade and other non-current contract receivables	**22,604**	**1,646**	14,099	1,751
Total trade and other receivables	**58,072**	**34,542**	61,456	39,278

The Trust has existing loans with its subsidiary HFMS which has a final repayment date of 30 November 2058.The principal is £35.2m with an interest rate of 5% per annum and £9.4m with an interest rate of 3.5%. Amount outstanding over one year is £21.0m (2022/23: £12.3m), and included in the other receivables (current) is the amount outstanding within one year £616k (2022/23: £353k)

Contract receivables non-invoiced (falling due after more than one year) represents costs that the Group is claiming from insurance companies for treating injuries from road traffic accidents, via the Injury Cost Recovery Scheme £850k
(2022/23 - £766k) which is expected to be recovered after 12 months; and included in the other receivables is £987k (2022/23 - £1,163k) clinician pension tax provision reimbursement funding from NHS England.

Allowance for credit losses

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Allowance for credit losses at 1 April	**5,454**	**5,585**	5,776	5,870
Increase/(decrease) in provision	**1,566**	**1,620**	(74)	(37)
Amounts released/(utilised)	**(823)**	**(823)**	(248)	(248)
Total allowance for credit losses at 31 March	**6,197**	**6,382**	5,454	5,585

Ageing of impaired financial assets

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Up to three months	**916**	**916**	829	829
In three to six months	**817**	**817**	660	791
Over six months	**6,309**	**6,309**	3,965	3,965
Total	**8,042**	**8,042**	5,454	5,585

Ageing of non-impaired financial assets past their due date

	Trust 2023/24 £000	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Up to three months	**2,383**	**2,383**	5,555	5,555
In three to six months	**1,403**	**1,403**	506	506
Over six months	**1,520**	**1,520**	1,127	1,127
Total	**5,306**	**5,306**	7,188	7,188

14 Cash and cash equivalents

Cash	**Trust 2023/24 £000**	**Group 2023/24 £000**	Trust 2022/23 £000	Group 2022/23 £000
Cash at commercial banks	**530**	**6,502**	796	3,594
Cash with the Government Banking Service	**24,596**	**32,308**	42,413	45,619
Total	**25,125**	**38,810**	43,209	49,213

15 Trade and other payables

15.1 Trade and other payables

	Notes	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Current liabilities					
Payments received on account		**442**	**442**	83	83
Trade payables		**7,029**	**7,407**	4,862	4,732
Capital payables		**22,032**	**22,032**	19,188	19,188
Tax and social security costs		**8,247**	**8,247**	7,268	7,268
Other payables		**4,629**	**4,626**	4,020	4,635
Accruals		**42,658**	**44,128**	60,688	58,856
Trade and other payables		**85,038**	**86,882**	96,109	94,762
Loans - capital repayable		**1,502**	**1,502**	1,502	1,502
Loans - interest payable		**54**	**54**	73	73
Lease liabilities - current		**12,357**	**7,804**	9,177	6,936
Total Borrowings	15.3	**13,914**	**9,361**	10,752	8,511
Provisions	16	**1,641**	**1,641**	1,623	1,623
Deferred income		**6,224**	**6,224**	8,058	8,082
Total current liabilities		**106,816**	**104,108**	116,542	112,978
Other payables:					
Loans		**2,966**	**2,966**	4,469	4,469
Lease liabilities - non current		**46,627**	**34,450**	55,470	40,481
Deferred Tax		**-**	**845**	-	146
Total borrowings	15.3	**49,594**	**38,261**	59,939	45,096
Provisions	16	**1,036**	**1,036**	1,254	1,254
Total		**50,630**	**39,297**	61,193	46,350
Total payables		**157,446**	**143,405**	177,735	159,329

Both prior year and current year deferred income and payments on accounts relate to contract liability, and accrued income relate to contract receivables.

15.2 Loans and other long-term financial liabilities

Loans - Payment of principal falling due:	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Within one year	**1,502**	**1,502**	1,502	1,502
Between one and two years	**2,966**	**2,966**	3,005	3,005
Between two and five years	**-**	**-**	1,464	1,464
Total	**4,468**	**4,469**	5,971	5,971

15.3 Borrowings

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Current liabilities				
Loans - capital repayable	**1,502**	**1,502**	1,502	1,502
Loans - interest payable	**54**	**54**	73	73
Lease liabilities (current) - IFRS 16	**12,357**	**7,804**	9,177	6,936
Current Borrowings	**13,914**	**9,360**	10,752	8,511
Non-current liabilities				
Loans	**2,966**	**2,966**	4,469	4,469
Lease liabilities (non current) - IFRS 16	**46,627**	**34,450**	55,470	40,481
Non-Current Borrowings	**49,594**	**37,416**	59,938	44,949
Total	**63,506**	**46,776**	70,690	53,460

16 Provisions for liabilities and charges

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Current				
Pensions relating to staff	**51**	**51**	33	33
Other	**1,590**	**1,590**	1,590	1,590
Total Current	**1,641**	**1,641**	1,623	1,623
Non-current				
Pensions relating to staff	**1,036**	**1,036**	1,254	1,254
Total Non-Current	**1,036**	**1,036**	1,254	1,254
Total Provisions	**2,677**	**2,677**	2,877	2,877

Trust and Group	**Pensions relating to staff** £000	**Other Provisions** £000	**At 31 March 2024** £000	At 31 March 2023 £000
At 1 April 2023	**1,287**	**1,590**	**2,877**	1,878
Arising during the year	**-**	**-**	**-**	1,500
Utilised during the year	**(202)**	**-**	**(202)**	(554)
Unwinding discount and reversed unused	**2**	**-**	**2**	53
Total	**1,087**	**1,590**	**2,677**	2,877
Expected timing of cash flows:				
Within 1 year	**51**	**1,590**	**1,641**	1,623
1 - 5 years	**1,036**	**-**	**1,036**	1,254
Over 5 years	**-**	**-**	**-**	-
Total	**1,087**	**1,590**	**2,677**	2,877

All provisions relate to the Trust and there are none in the subsidiaries.

In addition to the above provisions, £399,640k was included in the provisions in the accounts of NHS Resolution for clinical negligence liabilities of the Trust at 31 March 2024 (2022/23: £518,333k).

17 Notes to the Statement of Cash Flows

17.1 Reconciliation of operating surplus to cash flow from operating activities

	Trust 2023/24	**Group 2023/24**	Trust 2022/23	Group 2022/23
	£000	**£000**	£000	£000
Cash flows from operating activities				
Operating surplus/(deficit)	**(6,652)**	**(4,565)**	(21,067)	(16,643)
Non-cash income and expense:				
Depreciation and amortisation	**34,682**	**33,865**	33,393	32,226
Net impairments	**4,736**	**5,063**	11,922	8,268
Income recognised in respect of capital donations	**(877)**	**(877)**	-	-
(Increase)/decrease in receivables and other assets	**3,415**	**4,571**	(8,110)	(9,942)
(Increase)/decrease in inventories	**(1,159)**	**(1,159)**	(1,364)	(1,364)
Increase/(decrease) in payables and other liabilities	**(16,448)**	**(12,186)**	6,733	5,329
Increase/(decrease) in provisions	**(202)**	**(202)**	946	946
Movements in charitable fund working capital	**-**	**(202)**	-	591
Corporation tax (paid) / received	**-**	**(755)**	-	(100)
NHS charitable funds: other movements in operating cash flows	**-**	**(269)**	-	-
Other movements in cash flow	**-**	**-**	2,227	2,227
Net cash flows from operating activities	**17,495**	**23,284**	24,681	21,538

17.2 Reconciliation of liabilities arising from financing activities 2023/24

Group - 2023/24	**DHSC loans 2023/24 £000**	**Lease liabilities 2023/24 £000**	**Total liabilities from financing activities 2023/24 £000**
Carrying value at 1 April 2023 - brought forward	6,043	47,417	53,460
Financing cash flows - principal	(1,502)	(7,281)	(8,783)
Financing cash flows - interest (for liabilities measured at amortised cost)	(232)	(535)	(767)
Additions	-	616	616
Lease liability remeasurements	-	1,502	1,502
Interest charge arising in year (application of effective interest rate)	214	535	749
Carrying value at 31 March 2024	4,523	42,254	46,777

17.3 Reconciliation of Liabilities arising from financing activities 2023/24

Trust - 2023/24	DHSC loans 2023/24 £000	Lease liabilities 2023/24 £000	Total liabilities from financing activities 2023/24 £000
Carrying value at 1 April 2023 - brought forward	6,043	64,597	70,640
Financing cash flows - principal	(1,502)	(11,223)	(12,725)
Financing cash flows - interest (for liabilities measured at amortised cost)	(232)	(1,794)	(2,026)
Additions	-	616	616
Lease liability remeasurements	-	4,995	4,995
Interest charge arising in year (application of effective interest rate)	214	1,794	2,008
Carrying value at 31 March 2024	4,523	58,985	63,508

17.4 Reconciliation of Liabilities arising from financing activities 2022/23

Group - 2022/23	DHSC loans 2022/23 £000	Lease liabilities 2022/23 £000	Total liabilities from financing activities 2022/23 £000
Carrying value at 1 April 2022 - brought forward	8,319	29	8,348
Financing cash flows - principal	(2,252)	(7,150)	(9,402)
Financing cash flows - interest (for liabilities measured at amortised cost)	(303)	(493)	(796)
Impact of implementing IFRS 16 on 1 April 2022	-	49,577	49,577
Additions	-	4,961	4,961
Interest charge arising in year (application of effective interest rate)	279	493	772
Carrying value at 31 March 2023	6,043	47,417	53,460

17.5 Reconciliation of Liabilities arising from financing activities 2022/23

Trust - 2022/23	DHSC loans 2022/23 £000	Lease liabilities 2022/23 £000	Total liabilities from financing activities 2022/23 £000
Carrying value at 1 April 2022 - brought forward	8,319	29	8,348
Financing cash flows - principal	(2,252)	(8,850)	(11,102)
Financing cash flows - interest (for liabilities measured at amortised cost)	(303)	(1,123)	(1,426)
Impact of implementing IFRS 16 on 1 April 2022	-	70,450	70,450
Additions	-	2,968	2,968
Interest charge arising in year (application of effective interest rate)	279	1,123	1,402
Carrying value at 31 March 2023	6,043	64,597	70,640

17.6 PDC payable / receivable

There was no PDC payable at 31 March 2024 (2022/23 - nil). PDC receivable was £229k at 31 March 2024 (2022/23: £198k).

18 Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £3,500k (2022/23 - £5,669k), all relating to property, plant and equipment.

19 Events after the reporting period

There were no material events after the reporting period at 31 March 2024 (2022/23 - none reported).

20 Contingencies

There were no material contingencies at the Statement of Financial Position date.

21 Related Party Transactions

Royal Berkshire NHS Foundation Trust is an independent body not controlled by the Secretary of State. The Department of Health and Social Care is the parent department of DHSC group bodies. The trust has had dealings with the following entities within the public sector:

Public Health England
Health Education England
NHS Resolution
Care Quality Commission
NHS Property Services
Department of Health and Social Care
NHS Blood and Transplant
NHS Professionals

The Trust has material dealings with the NHS bodies below.

	At 31 March 2024			
	Income (Services Provided)	Expenditure (Supplies & Services purchased)	Accounts Receivable balance	Accounts Payable balance
	£000	£000	£000	£000
NHS Blood and Transplant	**6**	**1,802**	**6**	**40**
Berkshire Healthcare NHS Foundation Trust	**2,882**	**6,744**	**2,641**	**305**
Frimley Health NHS Foundation Trust	**5,463**	**14,292**	**2,668**	**2,767**
Oxford University Hospitals NHS Foundation Trust	**2,610**	**1,865**	**1,299**	**1,851**
NHS Resolution	**-**	**24,424**	**-**	**-**
NHS England	**100,269**	**-**	**877**	**40**
NHS Buckinghamshire, Oxfordshire & Berkshire West ICB	**433,075**	**200**	**3,326**	**1,297**
Frimley ICB	**39,936**	**-**	**2,034**	**-**

Trust has received donations and revenue receipts from a number of charitable bodies.

During the year none of the Trust Board members (who are key management personnel of the Trust) or parties related to them has undertaken any material transactions with Royal Berkshire NHS Foundation Trust other than receipt of salary.

During the year none of the Trust Board members (who are key management personnel of the Trust) received any form of short-term employee benefits; post-employment benefits; other long-term benefits; termination benefits or share-based payments in additional to the salary they receive other than accrued pension benefits, the details of which can be found in the Remuneration Report included on page 50 of the Annual Report.

Staff at the Royal Berkshire NHS Foundation Trust are part of the board of Healthcare Facilities Management Services Ltd and the Charity Committees of Royal Berkshire NHS Foundation Trust Charity. None of these staff receive any form of remuneration for these positions.

Where decision making affects one of the related parties the director of the Trust Board will declare an interest and recuse themselves from the meeting. In 2022/23 none of these related parties met the threshold for a Board decision.

22 Private Finance Transactions

The Trust had no involvement in any Private Finance Initiative contracts during the year 2023/24 or 2022/23.

23 Pooled Budget Projects

The Trust did not enter into any pooled budget arrangements during the year to 31 March 2024 or the year to 31 March 2023.

24 Financial Instruments

A financial instrument is defined in IAS 32 Financial Instruments - Presentation and IFRS 9 Financial Instruments as a 'contract that gives rise to a financial asset of one Trust and a financial liability or equity instrument of another Trust'. NHS Foundation Trusts could have financial instruments under any area of the following Statement of Financial Position categories - investments, trade receivables (but not prepayments), cash at bank and in hand, trade payables (but not deferred income), loans and provisions.

Once financial assets and liabilities have been identified and recognised, they are initially and subsequently measured at fair value through income and expenditure. Fair value is the amount at which an asset can be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

IFRS 7 Financial Instruments – Disclosures requires a disclosure relating to the risks associated with financial instruments. These are defined below.

Market risk

This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust is exposed to minimal market risks.

Interest Rate Risk

All the Trust's financial assets and liabilities, with the exception of cash held in UK banks, carry a nil or fixed rate of interest. The Trust is not, therefore, exposed to significant interest rate risks.

Under IAS 32 and IAS 39 Public Dividend Capital is not a financial instrument. It continues to be classified within 'Taxpayers' Equity'.

The Trust had negligible foreign currency income or expenditure.

The Trust knows of no other specific risks relating to individual instruments.

Liquidity risk

The Group's operating income is predominantly from contracts with local Integrated Care Boards, which are financed from resources voted annually by Parliament. The Group has minimised its exposure to any liquidity risks.

Credit risk

This is the risk that one party to a financial instrument will cause financial loss to another party by failing to discharge an obligation.

The majority of the financial contracts entered into by the Group are with other NHS bodies. These are bound by the Better Payment Practice Code and funded by taxpayer's equity, which significantly reduces the risk of non-payment.

The policy reflects the position on the causes of debt, the implications of compliance and the need to identify trading counterparties correctly and the varied level of risk associated with them along with the requirement to maintain an adequate bad debt provision. The Trust maintains a bad debt provision rule set which is flexible and reflects the monthly aged debt position, however it also requires that a line by line review of items to be provided is carried out regularly. Specific credit loss allowances are provided for selected overseas and private patients. General credit loss allowances are provided based on ageing.

Trade debtors consist of high value transaction with NHS England and ICB commissioners under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health and local authorities under contractual terms, although, these are subject to individual negotiation. Other trade debtors include private and overseas patients, spread across diverse geographical areas.

The maximum exposure of the Trust to credit risk is equal to the total trade and other receivables within Note 13.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss.

Overdue amounts owed by local commissioning bodies for clinical services will be pursued by the Trust's contracting team through monthly contract meetings with the commissioners. Escalation to the Group Financial Controller will be undertaken on a debt by debt basis if issues arise on the recovery of debt. If appropriate the Group Financial Controller will discuss with the equivalent individual that the NHS organisation concerned. Overdue amounts owed by non-NHS customers passed to the Trust's debt collection agency for recovery. In exceptional circumstances the Group Financial Controller may propose that the debt should be written-off.

All write-offs of bad debts require the approval of the Chief Finance Officer and are reported to the Audit and Risk Committee.

Cash and cash equivalents are held within a combination of financial institutions (Government Banking Service and Lloyds Plc.) all of which have investment grade ratings.

24.1 Financial Assets

	Trust 2023/24	**Group 2023/24**	Trust 2022/23	Group 2022/23
	£000	**£000**	£000	£000
Trade and other receivables excluding non financial assets	**47,376**	**23,830**	50,025	27,834
Investments	**10,600**	**20**	10,600	18
Cash and cash equivalents (at bank and in hand)	**25,125**	**39,008**	43,209	49,213
Total	**83,101**	**62,859**	103,834	77,065

All financial assets are fixed rate.

24.2 Financial Liabilities

	Trust 2023/24 £000	Group 2023/24 £000	Trust 2022/23 £000	Group 2022/23 £000
Borrowings excluding finance lease	**4,523**	**4,523**	6,044	6,044
Obligations under leases	**58,985**	**42,254**	64,647	47,417
Trade and other payables excluding non financial liabilities	**74,383**	**77,072**	88,758	87,557
Total	**137,890**	**123,849**	159,449	141,018

All financial liabilities are fixed rate.

24.3 External loan

Loan provider	Loan value	Commencement date	Final repayment date	Interest rate	Covenants
	£000				
ITFF	24,000	15/12/2008	15/12/2026	4.12%	Convenants referenced the Prudential Borrowing limit which ceased to exist in 2012

24.4 Fair Values

Book values of the Trust's and Group's financial assets and liabilities are not considered to be materially different than their fair values and consequently the fair values have not been disclosed separately .

25 Third Party Assets

The Trust held £3k (£2.2k at 31 March 2023) cash at bank at 31 March 2024 on behalf of patients.

26 Losses and Special Payments

These payments are charged to the Statement of Comprehensive Income and are recorded in the losses and special payments register on an accruals basis. There was a special severance payment of £241k (nil in 22/23) made during the year.

Clinical negligence cases are managed by the National Health Service Litigation Authority and transactions relating to such cases are held in their accounts. The Trust pays a contribution for their services and excesses on some cases. Therefore, these cases have not been accounted for in the Trust's accounts.

During the reporting period there were 117 cases of losses and special payments totalling £1,123k (2022/23 – 66 cases totalling £515k). Within this total, there were a number of debts written off totalling £545k (2022/23 - £248k).

Losses	**2023/24**		2022/23	
	Number	**Value £000**	Number	Value £000
Bad debts and claims abandoned	**71**	**819**	17	248
Other	**1**	**4**	3	4
Total Losses	**72**	**823**	20	252

Special payments	**2023/24**		2022/23	
	Number	**Value**	Number	Value
		£000		£000
Compensation payments	**2**	**10**	6	67
Employment related payments	**13**	**241**	19	174
Other negligence and injury	**9**	**38**	-	-
Other ex gratia payments	**8**	**1**	6	15
Ex gratia payments	**13**	**10**	15	7
Total Special payments	**45**	**300**	46	263
Total Losses and Special Payments	**117**	**1,123**	66	515

The amounts quoted are reported on an accruals basis but exclude provisions for future losses.

There are no cases that were £300k or more in 2023/24 or 2022/23.