Royal Berkshire
NHS Foundation Trust

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Annual Report and Accounts 2022 to 2023

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Annual Report 2022/23

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Statement from the Chair of the Trust

In the last year continuing through to today, the wider health economy has continued to be impacted by growing demand and unexpected events that sometimes disguise the incredible efforts, dedication and delivery of wonderful people and teams across the NHS and here in the Royal Berkshire NHS Foundation Trust (RBFT).

In the context of a challenging financial and operational year, we exited the pandemic, began recovery in all services and managed industrial action and the continued challenges brought by our ageing estate. Alongside all of this, we relaunched our strategy and continued to focus on our patients and our people.

It's an impressive team performance which couldn't have been achieved without the amazing efforts of the whole team at the RBFT.

RBFT journey

We have continued to transform our Trust as we balance the daily demands with the plethora of unexpected events that have come upon us. We have laid the foundations for our recovery and early successes too, evidenced by the recognition of our patients, staff and regulators; our recent staff survey tells us we are moving in the right direction.

In addressing these challenges, we as a Trust and as a Board have shown deep resilience and have been responsive to those events happening in the world around us. It is from this resilience that amongst other successes, we have also been able to set a clear new strategy "Our Strategy: Improving Together" with goals set out to 2028 and beyond.

Our purpose and values

The RBFT has a clear purpose to build upon values as outlined in our strategy – Compassionate; Aspirational; Resourceful; Excellent.

As we approach the 75th anniversary of the NHS, we also continue to pursue its founding ideals that, good healthcare should be available to all, based on 3 core principles:

- meet the needs of everyone;
- be free at the point of delivery;
- be based on clinical need, not ability to pay.

This has never been more appropriate, and we will need to do this in a way that responds to changing world with greater use of technology, a greater need for efficiency and managing complex estate and health needs.

Our challenge for the future

Our purpose and values are unchanged. Our refreshed strategy though aims to respond to societal drivers that are changing quicker than we have seen before. We will deliver on it and perform on every front to make the Trust amongst the best for our residents. We will invest in our people and, with Government support, in the estate to help achieve this. We will work with our partners to ensure a seamless response to community needs and we will live our values from the newest team member to the Board of Directors.

One of our key aims is to lead a collegiate approach with the Berkshire, Oxfordshire, Buckinghamshire (BOB) Integrated Care System (ICS) and Berkshire West Place through

which we will leave no stone unturned to support teams across BOB and to unapologetically take on a lead for all in the transformation of the NHS in BOB and a model of seamless care to all patients.

The Board

As a Board we will lead on the delivery of our priorities and strategy to drive sustainable improvement, living our values always. We know that we can only bring long-term value if we understand the needs of and serve the communities in which we work. So, we will continue to listen and, be responsive to the voices of those communities, our stakeholders and of our own colleagues.

We will be continually reviewing risks and to drive strategy and performance to manage these. Our oversight of these risks is carried out through the work of our committees and by the Board itself.

The executive leadership team is paramount in delivering our performance, Janet as acting CEO and her leadership team have done a great job in steering us through some difficult situations and setting us on a sound pathway for the future - I feel they are fully into their stride and are performing well. In her report which follows, Janet outlines more detail of the year past, and the year to come, all of which I wholeheartedly endorse. My Non-Executive Directors have also been a pillar of strength in ensuring the standards of governance are always focused and help keep us all on the path to success.

We are in a tough environment and our Trust needs to be ready to meet those demands; I believe we are! We have established a strong Trust with good governance and performance and a strong ethos throughout. We have an aspirational strategy and a clear ambition to continue this evolution and to play a significant part in evolving and transforming the NHS and the RBFT for the next 75 years.

I am proud to be Chair of the Royal Berkshire NHS Foundation Trust and look forward to continuing to work with all the great teams and stakeholders in support of the delivery of outstanding care across our community and beyond. My heartfelt thanks to my Board, our Governor's and partners and most of all to every colleague across the Trust for all their work during the last year, but with hope for better times ahead; a wonderful performance – thank you!

PERFORMANCE REPORT

Overview

Chief Executive's Report

There are two stories to tell of the past year here at the Trust. The first one is of an organisation during a period of unprecedented disruption: winter pressures, financial constraints, widespread industrial action as well as flu and continued Covid infections. The second is one of an organisation that has continued to innovate, improve services, and and seek to provide outstanding care to our patients.

We have continued to deliver on our goal to provide high quality care. There has been continued success in our Elective Recovery work in departments such as Gynaecology, Theatres, and Trauma and Orthopaedics as well as at the Royal Berkshire Hospital and our other sites such as West Berkshire Community Hospital in Thatcham and Townlands Memorial Hospital in Henley. At the end of March 2023, the Trust had fewer than 50 patients waiting fifty-two weeks or longer on the overall Referral to Treatment (RTT) pathways.

While our two-week wait pathway in Cancer remains a challenge due to higher levels of demand compared to pre-Covid, we have seen significant reductions in the number of patients waiting longer than sixty-two days due to improved reporting times in histopathology and diagnostic capacity.

Our Emergency Department had its busiest year on record with an average of 450 patients a day – a 25-30% increase in attendances compared to last year. Despite this, the department is ranked 5th in the country overall on the Get It Right First Time Index for efficiency and cost savings, and we were the first Trust in the country to operate Point of Care testing for every patient admitted to our Emergency Department.

Underpinning this goal is the launch of both our new strategy 'Improving Together' and our Clinical Care Strategy which set out how as an organisation, we will continue to strive to provide high quality care. In conjunction with our strategy, we have also launched our Improving Together programme to enable staff to make continuous improvements in their workplace for the benefit of our patients.

As a Trust, we have continued to invest in our people over the past year, the cornerstone of which has been the long-awaited opening of the Oasis – our staff health and wellbeing centre. The multi-million pound centre is one of the only bespoke facilities for staff in an NHS Trust in the country and features a gym, relaxation room, activity rooms and other facilities all free for staff to use. The centre has already become a hub for wellbeing activities in the Trust such as our staff health screening tests which have been offered to all staff aged forty or older.

We have built upon our CARE values, which are enshrined in everything we do within the Trust with the development of our Leadership Behavioural Framework that sets out the behaviours expected of all staff who lead services, projects, and people. We have also made improvements to staff recognition with the return of our annual staff excellence awards – the CARE Awards, and long service recognition event which had not been running for a number of years.

We continue to seek to *cultivate innovation* and the 2022 Staff CARE Awards celebrated the achievements and innovation of our staff in sustainability, education, research and innovation, equality, partnership working and leadership.

All this work has made a difference as evidenced by the results of the latest NHS Staff Survey that has the Trust amongst the highest scoring in the country. More than 3,400 staff responded to the survey with 86.6% agreeing that “care of patients/service users is my organisation’s top priority” and 80.6% agreeing that “my organisation acts on concerns raised by patients/service users” – both the highest scores for any acute trust in England. However, we also recognise that there are areas for improvement and we will continue to work to address these through initiatives such as the work retention programme and the delivery of our Education Strategy and new People Strategy.

We opened our brand new CT Scanning Suite at the Royal Berkshire Hospital that was more than two years’ in the making. The new facilities provide a pleasant, calm environment for both patients and staff as well as new smart glass technology for improved privacy for patients. Our Intensive Care Unit welcomed the arrival of new ‘smart mattresses’ making X-Rays and the moving of patients much easier. Meanwhile, surgeons in ENT performed a pioneering new form of surgery after successfully completing the country’s first ever scarless thyroid surgery – giving patients a chance to be left without any scarring at all.

Much of our success over the past year, has only been possible by *delivering in partnership* with other local, regional and national organisations. We continue to be proud of our strong relationship with the University of Reading through our Health Innovation Partnership which has led to several departments receiving university status, many joint-research projects and the develop of our Clinical Skills Suite. We have also benefitted from the opening of the Reading Urgent Care Centre that has helped relieve some pressures in our Emergency Department through walk-in sessions and referrals from our Trust.

We continue to play an active role within the BOB ICB (Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board). So active in fact that our CEO Steve McManus was seconded there as Acting CEO last Autumn. We have been closely involved in work around the ICB Strategy which covers key areas like health prevention, inequalities and access to services, and have also worked with BOB ICB on the Joint Forward Plan. This is a five-year plan which outlines how the NHS locally will balance delivery of the ambitions we set out in the Strategy and operational plans for 2023 and 2024.

Partnership working has been carried out at all levels of the Trust across various teams and departments. Most notably, colleagues in Maternity have been working in partnership with Berkshire West Public Health Team to run a specialist maternity clinic – Women and Birthing People Seeking Sanctuary. This clinic aims to enhance the care of refugees, asylum seekers, people who have been trafficked and other people seeking sanctuary. The success of the clinic has been recognised by NHS England who have included it as a Best Practice Case Study in their three-year delivery plan for maternity and neonatal services.
We have continued to reduce health inequalities and widen access to healthcare through our Meet PEET team who have worked with a variety of groups in and around Reading providing health advice, information, checks and more. We also must not forget the support of Royal Berks Charity whose support has enabled our CARE Awards and Wellbeing Centre to happen, and our volunteers who each day perform valuable work within the Trust.

Finally, we continue to focus on our objective of *achieving long-term sustainability* – both financially and environmentally. The past financial year has resulted in a £16.00 million control total deficit after eliminating an £8.23m impairment, £0.53m donated asset effect and £0.95m Royal Berks Charity from the £24.64m group deficit. Although this is a relatively small proportion of our total annual expenditure, we recognise that it is still a significant figure and we will be exploring changes we can make as a Trust to find these savings within the next financial year.

The Trust is part of the government's New Hospital Programme (NHP) and significant work has taken place behind the scenes to put us in a strong position once funding and a start date is confirmed. Our Building Berkshire Together (BBT) team have been developing the business case for redevelopment or relocation of Royal Berkshire Hospital, and enabling works are taking place to accelerate activity following any funding announcements.

We have made strides towards our commitment to become a net zero organisation by 2030. We have established our green network which has brought together colleagues across the Trust to develop opportunities to reduce our carbon footprint. Our Catering department has made significant changes to become more sustainable including reductions in food waste, food miles, and a reduction of single-use plastics. We have also helped staff travel to and from work more sustainably with the launch of our staff Park and Ride service which gives staff a free, quick way to get to and from work while helping reduce air pollution around the hospital.

So, although the past year has brought challenges on a number of fronts, it is also a year where our talented and dedicated staff and volunteers have risen to the occasion and continued to find ways to innovate, collaborate, and deliver excellent patient care.

About the Royal Berkshire NHS Foundation Trust

The Royal Berkshire NHS Foundation Trust is the main provider of secondary care services for the population of West Berkshire, and also serves people in East Berkshire and bordering areas.

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 communities and beyond. We also provide specialist hospital services including cancer, cardiology and renal services.

We employ more than 6,000 staff from 89 different nationalities and deliver care from a network of facilities across sites in Bracknell, Henley-on-Thames, Reading (our main site), Thatcham and Windsor.

The Royal Berkshire Hospital became a Foundation trust in 2006. Foundation trusts are public benefit corporations and remain part of the NHS and the public sector. The Trust was required to demonstrate excellence in a number of areas to be granted foundation trust status. The benefits of foundation status include greater freedom to manage and control the Trust outside of national and regional NHS structures as well as operational benefits like being able to retain surpluses for future investment and borrow money for expansion of services.

Trust Strategy

In 2022, the Trust launched Our Strategy: Improving Together, which was culmination of a process of engagement with staff, patients and other stakeholders. This built on the foundations of our previous ‘Vision 2025’ strategy. The strategy identifies our vision, mission, and the five strategic priorities that will help us to deliver on this. 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.

Alongside this, we launched our new refreshed Clinical Service Strategy (CSS) which aimed to:

- Capture the learning from new ways of working during the Covid-19 pandemic.
- Define how services might be optimally delivered and configured to guide the developing vision for our estate.
- Support the continued development of integrated care and response to the NHS Long Term Plan.
- Move towards prevention, improving health inequalities and access to healthcare.
- Identify where we need to invest resources into the enablers such as digital, equipment and workforce.

In developing our strategy and the CSS we referred to the emerging ICS strategy and relevant plans of the integrated care board. The Trust has made a number of achievements towards achieving our strategic pillars this year which has included:

Provide the highest quality of care for all

- We were able to persuade the ICB to open the urgent care service in Reading town centre allowing local people with easy and quick access to healthcare if they have an urgent medical need.
- The elective programme made significant progress in reducing long waits across the Referral to Treatment performance standard and the referral to treatment patient treatment list reduced to near pre-pandemic levels.
- Two new CT scanners were installed for the Reading site helping address the increased demand for imaging.

Invest in our staff & live out our values

- The Trust opened a staff Health and Wellbeing Centre which will act as a central hub for staff to easily access health and wellbeing services; it contains exercise facilities, quiet rooms for relaxation and wellness and rehabilitation services and activities.
- The Trust offered Covid boosters and Flu vaccination to all staff.

Deliver in Partnership:

- 2022 saw further cementing of our relationship with the University of Reading (UoR) with the creation of the Clinical Skills Suite at the Whiteknights campus. The partnership's past successes were demonstrated through our annual showcase event in October 2022.
- Partnership working has resulted in us moving part of our pathology services to the University of Reading's Harborne Building, located in the Health and Lifesciences zone providing even more opportunities for our communities to work together to create solutions for patient benefit.
- Two departments achieved University recognition, Berkshire Kidney Unit: University Department of Renal Medicine and University Department of Critical Care Medicine.
- The Trust continued to strengthen ties with its partners in primary care with the recruitment of a new Primary Care Partnership Manager.

Cultivate innovation & transformation

- The Trust's Research and Development (R&D) team have played a key role in a range of national projects over the last 12 months including, including various National Institute for Health Research (NIHR) funded research streams.
- Recognition of Excellence Scheme (RoES) was successfully initiated with six departments awarded and recognised, with two departments successfully re-validated.

Achieve long-term sustainability

- Installation of hydrogen-ready boilers, believed to be the first use of this technology in the NHS, has helped the Royal Berkshire Hospital site on our journey to net zero carbon.

The Trust continues to have a portfolio of buildings of different age and condition, some of which are not suited to the provision of modern day healthcare. The Trust has been included in the Government's New Hospitals Programme and is awaiting a funding agreement from the New Hospitals Programme.

Principal Risks

The risks the Trust faced with 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.

Recovering the Trust pre-pandemic performance on elective care, 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 2023-24 and beyond. This will be dependent on a number of factors including the level of demand in the emergency pathways, the impact that future waves of respiratory illness will have on productivity, 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 estate related challenges that the Trust faces 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.

Delays to this programme present challenges to the Trust in the form of growing backlog maintenance. In 2022/23, building works uncovered a number of sink holes on the RBH site. The Board has commissioned a full site survey as part of its redevelopment programme to assess whether it will be possible to redevelop the hospital in its current location. Further information on the Trust's risks is set out in the Annual Governance Statement starting at page 98.

Going Concern

After making enquiries the directors have a reasonable expectation that the Royal Berkshire NHS Foundation 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, there is still some uncertainty resulting from the Covid-19 pandemic, specifically following the changing nature of service delivery and remaining ongoing Infection, Prevention & Control measures now part of normal business. The resulting increased cost of service delivery has in part been built into the block contract through collaborative working with Buckinghamshire, Oxfordshire & Berkshire West (BOB) Integrated Care System (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. This included a review of the impact on cash of adopting the new accounting standard on leases (IFRS 16). The Trust remains in a net current liability position. Were these to crystalise the Trust can manage its cash flow accordingly to mitigate this. 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 £21m overall capital plan for financial year 2023/24 (£28m in 2022/23) for which the Trust is in the process of finalising its planned prioritisation. Based on capital spend trends over the last few years, there was considerably more demand on the plan than there are 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 Executive 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 disruption of services that are heavily dependent on equipment beyond their economic life. This might impact income generation of Provider to Provider (P2P) contracts if such equipment should fail during the year. The Executive’s prioritisation of the financial year 2023/24 capital plan seeks to minimise this risk to income of service loss, while managing other 2023/24 demands on revenue spend part of the overall cash requirements of the Trust.

Performance analysis

Operational Performance 2022-23

The RBFT has continued to focus on safe delivery of services and the appropriate prioritisation of patients through 2022/23 as we balance the need to reduce waiting times and improve services against a backdrop of increasing demand, on the day challenges and reduced capacity resulting from the residual impact of the COVID pandemic and industrial action.

Performance against the Emergency Department (ED) 4-hour standard (95%) remains significantly compromised. This is largely driven by the unprecedented levels of demand through the department and further complicated as a result of significant winter pressures. Whilst performance against the standard had dipped to the lowest levels recorded by the Trust in a number of years, this is comparable with local benchmark organisations. Whilst attendance numbers have remained high, the number of patients admitted to hospital from ED has remained low, signalling that performance is being driven by increased demand and pressure in the department, predominantly in the minor injuries/presentations pathway. Throughout the year the Trust has recorded zero 12 hour (trolley) waits. There remains a residual risk to ED performance through 2023/24 driven by increased demand for services. Increasing the use of the Reading Walk-in Centre, working with primary care colleagues across Berkshire West and maximising the use of Same Day Emergency Care (SDEC) pathways will be key deliverables through the coming period. Additionally, the Trust will continue to work closely and collaboratively with partners across the Integrated Care System to improve flow through the hospital.

The 2022/23 elective programme has made significant progress in reducing long waits across the Referral to Treatment (RTT) performance standard. This has been achieved through a combination of data analysis methods (e.g. validation and data cleansing) and an operational focus on the individual stages of treatment (SoT) which include: first assessment, diagnostics, surgery and follow up. As a result, the RTT Patient Tracking List (PTL) has reduced to pre-pandemic levels and the overall profile of the PTL is reducing.

Performance against the headline RTT standard (92% <18 weeks) has improved from 57% in April 22 to 87% in March 23. Noting that across the same period to total size of the PTL has seen a 50% reduction. The Trust has zero pathways waiting above 104 weeks or >78 weeks, and is maintaining a low number of pathways >65 and >52 weeks.

The number of >52 week waits at the end of March 2023 was below 50, which is expected to be maintained and further improved through 2023/24. Whilst residual risk linked to industrial action remains, we are confident that our approach, enhancing the visibility of booking information and focus on the individual SoT, will support the Trust in prioritising patients appropriately whilst continuing to recover waiting times across the whole elective pathway. A core strategic objective for the Trust in 2023/24 will be to reduce the causes of long waits particularly long waits for a first Outpatient Appointment (OPA).

The Trust has seen success from taking a two-pronged approach to reducing the overall waiting list size and profile, focusing on the treatment of the longest waits whilst also increasing outpatient capacity in order to clear the 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 a sustainable recovery. The Trust has spent 2022/23 developing digital solutions to support front line staff in the management of referrals, enabling e-triage and advice and guidance in a useable tool which automates a significant amount of the administration. This, combined with work undertaken to improve data quality and targeted

operational interventions, is expected to have a positive impact in ensuring patients time is respected and the use of the Trust capacity is maximised.

The Diagnostic Monitoring (DM01 – 99%) standard remains significantly compromised and has deteriorated significantly over 2022/23, in particular across Endoscopy procedures and MRI. Capacity and workforce are significant challenges across the diagnostic pathway. The Trust has continued to prioritise cancer pathways awaiting diagnostic test, ensuring we are able to turn around urgent workload within appropriate timescales. However this does impact waiting times for routine diagnostic tests. The Trust is working closely with independent sector providers and the ICS to maximize use of additional capacity in the short to medium term and has established plans to increase endoscopy capacity, and both CT and MRI. However the plans have a long lead time resulting from the need to think differently about workforce to support this additional capacity.

The Trust has seen a significant increase in referral numbers on the Two Week Wait (2WW) Cancer Pathway since the beginning of the pandemic (c.50%) which has driven delays across the 14-day 2WW, diagnostics and overall 62-day treatment standards. Demand is not expected to reduce through 2023/24 and is considered a risk to performance over the coming period. Work is continuing to maximise the use of fast turnaround pathways, establish new fast turnaround pathway and working with colleagues in primary care, ensure that referral on a 2WW pathway is appropriate.

Waiting times within the Cancer PTL has been further complicated in 2022/23 by a large reduction in pathology workforce/capacity, as a result of multiple retirements. This has resulted in extended turnaround times for these test results and has significantly inflated the size of the cancer Patient Tracking List (PTL). Whilst the evidence suggests the majority of these delays are seen in pathways where a diagnosis of non-cancer is found, which has led to a reduction in performance against the 28-day faster diagnosis standard, the Trust is acutely aware of the importance of communicating a non-cancer diagnosis to concerned patients. To mitigate the delays in pathology turnaround times for “clinically expected” cancers, specimens are being prioritised to ensure waits to start cancer treatment are kept as low as possible, and since December 2022 the Trust has outsourced a proportion of the histo-pathology where cancer is not expected. This will continue through 2023/24 whilst actions are progressed to grow the local workforce. However, histo-pathologist is a hard to recruit role and should be considered a residual risk. The Trust is seeking to resolve the pathology turnaround challenges as quickly as possible to ensure that cancer patients are being informed and managed in a timely fashion but also, importantly, that non-cancer patients are being informed, removed from cancer tracking and directed to other, non-cancer pathways as quickly as possible.

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 the Trusts performance where cancer has been confirmed.

In 2023/24, the Trust will continue to balance the need to work within a challenging environment, and recovery across the elective pathway as we seek to optimize our digital estate to go further faster with our recovery aims. Risk management, patient safety and patient/staff experience will be key drivers to recovery against the national elective access standards.

Within the ED pathway specifically the Trust will continue to drive improvement though the use of Same Day Emergency Care (SDEC) models, reducing demand within the ED department by streaming patients, either via GP or at the front door, to more appropriate services, as well as maximizing the estate to support both the 4-hour standard and ambulance handover standards. Further information about Same Day Emergency Care is

available on the Trust website at: Ambulatory Emergency Care Unit | Royal Berkshire NHS Foundation Trust and the NHS England website at: NHS England » Same day emergency care.

Within the routine elective pathways, the focus will be to balance reducing the backlog within each stage of the elective pathway, whilst bearing down on the causes of extended waiting times and optimising each stage of the pathways. Work to develop a Master Waiting List and an enhanced referral and triage process is nearing completion. Both solutions are aimed at improving visibility of relevant information at crucial parts of the pathway to support decision making and prioritisation as well as reducing the volume of administration, thus releasing time for high value “time to care”. This work will provide a stable base to build from and enable both traditional performance recovery but also the implementation of improved processes and transformation opportunity across both the elective and non-elective pathway. Across all standards, the Trust prioritises patients based on clinical priority and booking chronology.

Work within the cancer pathway will focus on maintaining stability in the waiting list and good performance against key cancer pathways, whilst addressing issues within pathology to reduce delays in the non-cancer communication pathway. This will be balanced against work, through collaboration with others within the ICP, ICS and the Thames Valley Cancer Alliance (TVCA) to work towards parity of performance across the region.

Performance Analysis – National Access Standards

		National Standards	RBFT 2019/20	RBFT 20221/22	RBFT 2022/23
Referral to Treatment (RTT)	% of Incomplete Pathways within 18 weeks from referral	*92%*	92.53%	58.16%	87.16%
Diagnostic Monitoring (DM01)	% of service users waiting less than 6 weeks from referral for a diagnostic test	*99%*	97.69%	91.79%	69.06%
Emergency Department (ED)	% of ED attendances admitted or discharged within 4 hours of arrival (combined)	*95%*	91.90%	77.68%	70.54%
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%
	% 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%
	% 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%
	% of service users referred with suspected cancer from a GP	*85%*	83.25%	78.19%	71.60%

	waiting no more than two months (62 days) from referral to first definitive treatment for cancer.				
	% 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%
Cancer – Subsequent Treatments	% of service users waiting no more than one month (31 days) – Anti-Cancer Drug	*98%*	99.03%	99.39%	99.16%
	% of service users waiting no more than one month (31 days) – Surgery	*94%*	96.34%	93.89%	89.78%
	% of service users waiting no more than one month (31 days) – Radiotherapy	*94%*	94.46%	-92.15%	87.45%

Across each of the national access standards the primary risk to delivery remains capacity and workforce availability. At the beginning of 23/24 demand continues to be higher than our capacity to adhere to the standards. In addition, to ensure clinically urgent work is undertaken in a timely fashion, routine / less urgent work has been slower to recover, or in some cases has deteriorated, against what would be considered optimal waiting times. This is the case across each of the standards and the Trust is mitigating risk to patients through clinical prioritisation, a strict focus on optimising individual pathway stages and the exploration of options, primarily digitally supported or additional physical capacity, which can be quickly and safely deployed.

With capacity and risk management being seen as cross cutting themes, the Trust has endeavoured to think creatively about solutions, in terms of delivering increased capacity, how we stratify patients and where we focus attention to ensure risk is minimised.

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 £(24.64)m in 2022/23, including an impairment of £8.27m, compared to a surplus of £1.48m in 2021/22, including reversal of an impairment of £1.45m.

During the financial year we saw a slight decrease in income to £575.88m from £578.12m in 2021/22. There was again a continuation of Patient Care block contract income from NHS England paid through Buckinghamshire, Oxfordshire & Berkshire West (BOB) Integrated Care System (ICS). This was to maintain agreed patient care activity whilst the NHS sought to recover further elective activity following the Covid-19 pandemic.

Included in this figure is national funding of £10.68m for Agenda for Change pay awards following agreement between government and unions, £12.79m towards employer pension contributions and £1.19m to cover clinician's pensions liability.

The pay bill rose by £19.14m from £336.18m in 2021/22 to £355.39m in 2022/23, which is an increase of 5.71%. This year-on-year increase is driven by the increase in activity through

emergency pathways, increased capacity to deliver elective activity and non-consolidated agenda for change pay awards.

The non-pay costs (excluding depreciation, impairments and donated assets) decreased by £11.67m from £208.44m in 2021/22 to £196.77m in 2022/23 which is a reduction of 5.6%. Drugs costs, including those funded through NHS England pass through funding, have increased by 5.72% to £60.24m (£56.98m in 2021/22). The net impact once these are off-set with income is £(1.3)m adverse to plan. Premises costs have decreased by 25.07% to £29.38m (£39.21m in 2021/22). Prior year costs relating to Trust Outline Business Case and Demolition works as detailed in the 2020/21 Annual Report were written off together with Hospital Redevelopment Strategic Outline Case costs in 2021/22 which did not repeat in 2022/23. Clinical Negligence Scheme for Trust costs have decreased by 6.29% to £19.50m (£20.81m in 2021/22) resulting from the reassessment of scheme liabilities by NHS Resolution. Establishment expenses decreased by 18.24% to £4.45m (£5.48m in 2021/22) whilst other non-pay costs, which include Clinical services and supplies of £43.28m, also decreased marginally to £83.12m (£85.90m in 2021/22).

The Trust remains committed to achieving long term financial balance and is developing its plans for 2023/24 and beyond. Initial planning returns have demonstrated the ongoing challenge with available funding not enabling a breakeven position in 2023/24. Work continues with the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System (BOB ICS) to ensure funding is utilised effectively across the ICS enabling organisations to deliver a sustainable breakeven position.

Summary Financial Results – comparison to prior year

£m	**2022/23**	**2021/22**	**Year on Year Variance**
Income	575.88	578.12	(2.24)
Pay	(355.26)	(336.12)	(19.14)
Non-Pay excluding impairments	(196.77)	(208.44)	11.67
Expenses	(552.03)	(544.55)	(7.48)
EBITDA	23.85	33.56	(9.71)
Depreciation/Amortisation	(32.23)	(24.23)	(8.00)
Impairments including reversals	(8.27)	1.45	(9.72)
PDC Dividend	(8.36)	(8.53)	0.17
Net Interest Payable	0.56	(0.35)	0.91
Other expenses incl. loss on disposal	(0.20)	(0.43)	0.23
Reported surplus/(deficit) for the period	(24.64)	1.48	(26.12)

Capital Expenditure

The Trust recognised £37.37m (£33.92m in 2021/22) on capital expenditure, including additions recognised as leases under IFRS 16, in financial year 2022/23, of which £8.49m was funded by the Department of Health and Social Care through Public Dividend Capital (PDC), notably to fund:

	£m
Robot services (lease of 2 robots)	2.97m
Building Berkshire Together	1.06m
ER – Build and Equipment	1.22m
CDC funding - Build and Equipment	2.15m

The focus of the Trust's capital expenditure plan was again on infrastructure upgrades within Estates, medical equipment and IM&T (including intangible assets).

Cashflow and Statement of Financial Position

The principal assets of the Trust consist mainly of land and buildings owned by the Trust from which the Trust provides services to patients. Revaluation of the Trust estate has increased the value held by £10.98m.

The liquidity of the Trust decreased during the year. At the end of the year the Trust had cash or cash equivalent assets of £49.21m (£66.94m in 2021/22) with the reduction driven by the Trust's in year financial position being cash diminishing.

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 of these loans have been fully drawn down. The loan for the Cerner EPR system was fully repaid within the 2022/23 financial year and the loan for Bracknell Healthspace continues to be repaid. The balance outstanding at the 31 March 2023 was £5.97m (31 March 2022 balance outstanding £8.22m).

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 as a result 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, 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.

- **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.

Private Finance Initiative Contracts

The Trust had no involvement in any Private Finance Initiative Contracts during the period 1 April 2022 to 31 March 2023.

Charitable Funds

The Trust is supported by a number of charities. The Trust Charity is the Royal Berkshire NHS Foundation Trust Charity, 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 does prepare its own financial statements, which are submitted to the Charity Commission.

Environmental Impact and Sustainability 2022-23

The Trust launched a detailed 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: final-rbft_greenplan_docrfs.pdf (royalberkshire.nhs.uk). In April 2022, the Trust Board set a target of achieving Net Zero Carbon (NZC) in scope 1 and 2 emissions by 2030. This is 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. We have set a target in 2022/23 of a 7% reduction in our carbon emissions and are currently undertaking a review of our performance which is due to be presented to the Trust Board in July 2023.

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 ICS 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 and we have made good progress in reducing our carbon footprint.

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

Requirement	Progress up to 31 March 2023
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: final-rbft_greenplan_docrfs.pdf (royalberkshire.nhs.uk).
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 [NAME]. • 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.
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 2023 and quarterly updates will submitted thereafter.
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. The Chief Finance Officer meets regularly with the Net Zero Champions to encourage sharing of innovation across the organisation.
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 minimum greenhouse gas emission in tonnes, emissions reduction projections and an overview of the Provider's strategy to deliver those reductions.	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. 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: final-rbft_greenplan_docrfs.pdf (royalberkshire.nhs.uk).
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.
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 the use of 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 works with Reading Buses and has created routes to 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 uses NHS Fleet Solutions as its preferred supplier for car leasing schemes. Under these schemes, employees can only lease electric and hybrid vehicles.
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 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 has replaced fridges and freezers with those that use environmentally friendly gases. 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, re-used or recycled materials for the hard landscaping where possible and irrigation 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, through clinically appropriate prescribing of lower greenhouse gas emitting inhalers, by encouraging Service Users to return their inhalers to pharmacies for appropriate disposal.	Desflurane was removed from Trust anaesthetic machines reducing Desflurane usage by 90% which will save 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 also continues to work towards its Green Plan objective of reducing the carbon impact of inhalers and participating in NHS benchmarking to ensure the Trust 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.	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 also has a borehole on site which allows it to draw water from the aquifer below site to augment water supplies from the local supplier. As part of routine maintenance, the taps on sinks and showers are replaced with those which cannot be left running, further avoiding waste of water. The catering service has installed new wash ware which uses less water and more efficient heat recovery systems. Waste oil from catering services is collected and recycled into bio fuel. Ward wastage is monitored and the production of patient meals is adjusted accordingly to avoid food wastage. The Oasis Staff Health & Wellbeing Centre garden is irrigated using harvested rainwater.
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 work with catering and other services to move to sustainable options wherever possible. The Trust catering service has moved to china ware 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 has launched 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	The Trust Catering Service requires all disposables to be compostable or recyclable and has introduced china plates for all eat in and drink in meals and refreshments. The Trust has introduced 'keep cups' which reduces the use of disposables.
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.	The Trust has introduced China ware for all eat-in meals and drink-in refreshments. The Trust also operates a 'keep cup' scheme in which reusable cups reduce the number of disposable and single-use items used. 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. The Trust also generates its own energy on site.
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 1st April 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.

Other progress is as follows:

- We also introduced a staff uniform recycling initiative at Royal Berkshire NHS Foundation Trust. Our aim was to prevent garments ending up in landfill but the wider benefits were clear as we collected more and more items. Staff donated 850 items of uniform over two days. Many items were still in original packaging, or nearly new, and these have been returned to the Trust to be reused. Some out of date uniforms no

longer used in the Trust were sent to Ukraine and the remaining second hand items haven been donated to an organisation which repurposes the material to make other garments.

- The Green Rewards app was introduced for staff as a bespoke platform, featuring healthy and sustainable activity modules tailored to our Green Plan goals, such as sustainable commuting, switching off electrical devices, and avoiding single use plastics. Engagement and impact can be easily tracked on the platform and individuals can calculate their carbon footprint and see kilograms of waste and CO_2 avoided. So far, 375 members of staff have signed up recording over 18,000 positive actions and avoiding 51,833kg of carbon.

- The Royal Berks Charity set up a relationship with Sunscreen IT and Centerprise to dispose of our old IT hardware and ensure it avoids landfill. Since the start of this arrangement, 296 items have been collected, 95 tonnes of carbon has been avoided and 43 million litres of water saved. This initiative will continue and be expanded during 2023/24 and beyond.

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.

Social, community, anti-bribery and human rights issues

In 2022, the Trust continued to make strides with its community engagement programme, Meet PEET. Meet PEET aims to:

1) Build relationships and trust
2) Understand, and respond to, the community's varying healthcare needs
3) Break down barriers and improve equity in healthcare.

In 2022-2023 Meet PEET engaged the following programme of activities:

Mini health checks
This is one of the greatest areas of growth in the Meet PEET programme. It involves visits to venues in our community across Reading where we offer individual mini health checks. Our mini health checks include blood pressure, blood glucose, heart rate, and BMI checks. Offering the checks not only enables the Trust to support individuals who, for various reasons may be struggling to access healthcare, but allows us to use the Making Every Contact Count (MECC) approach to have wider conversations about health with them. It also gives us the opportunity to discuss with them any changes they feel are needed to improve their patient experience or access to services. Sometimes we are also able to bring specialist teams with us to the events, for example, diabetes, stroke, or our Building Berkshire Together (new hospital) teams.

Following a successful funding bid to Reading Borough Council, in July 2022, we started a year-long partnership with Whitley Community Development Association (CDA). Every third Wednesday of the month we are part of their 'Wellbeing Wednesdays'. People are now returning to visit us regularly to assess their progress, for example in losing weight or reducing their blood pressure levels. This relationship has also grown into us applying for grants, together with the University of Reading, around the National FoodSEqual project (Food System Equality).

Since July 2022, we carried out over 135 mini health checks in Whitley and provided advice and support on topics like maternity and support for carers. Of the people we saw, around 30% had high or very high blood pressure, 14% had high blood glucose and 66% had a high BMI. All of these people were signposted to further help or advised about weight loss for their high BMI.

In addition to this regular commitment with Whitley CDA, we ran a series of 12 events across Reading through the end of September and into October 2022, supported by Reading Voluntary Action, where we undertook over 300 mini health checks.

Across all the events we ran during the financial year 2022-2023, we carried out over 735 mini health checks.

Engagement events on health promotion topics with particular community groups, e.g. Gurkha, Sikh and Pakistani communities.

We have continued to run large scale events with groups such as the Gurkha and Sikh communities. These have allowed us opportunities to share specialist health topics and advice. In 2022, we held a large engagement event with the Gurkha community on Cancer Awareness, Cancer Rehabilitation and Palliative Care, which was attended by 160 Gurkhas. The event was held to raise awareness and share information about cancer red flags, and to also break down barriers about end of life care.

We took away feedback that the Gurkha community often do not feel believed when they attend GP appointments and we are looking at how to address this in our wider BOB ICS (Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System).

We also have a longstanding and positive relationship with our local Sikh community. In November 2022, we were invited to attend the Ramgarhia Sabha Sikh Gurdwara (Sikh temple), where we were able to raise the profile of our patient experience agenda. We also spoke about our Maternity services and our Trust Chaplain covered the spiritual healthcare available within the Trust.

We were invited to visit the Gurdwara again in December 2022, where we carried out mini health checks including blood pressure, blood glucose, height and weight measurements on women. A further session has been planned in 2023 to carry out health checks on men.

Junior Carers programme

The Junior Carers project is about engaging primary school aged children from under privileged areas in health care and in health care careers in the NHS. We currently work with two primary schools, encouraging pupils to become School Health Ambassadors, who can raise awareness of health issues with their friends and family. Over 2022-23, we ran five events which included exploring an ambulance, resuscitation training, a visit to our plaster room, and discussing our potential new hospital build with our Building Berkshire Together team.

The children also helped do an observational audit in the Paediatric department, using the 15 Steps Challenge approach. The children were able to notice things like the feeling of safety on the wards, and the sense of teamwork amongst staff. They liked the artwork on walls, but felt there could be more to make spaces more child-friendly. As a result of their observations, the Paediatric department has made changes to make information more accessible to children and hope to implement other suggestions made by the children to improve the various play areas.

Youth Forums

The Youth Forums enable 16 to 24 year olds to be heard and become involved in decisions being made by the Trust that could impact them and future generations. Our members can help make changes and influence hospital decisions to improve services for young people and future generations.

The first Youth Forum was launched on Saturday 29th October 2022 and discussed the purpose and organisation of the Youth Forum and its intended impact on the Trust, as well as ways to get involved and potential projects. The Trust runs two Youth Forums and has ten members.

Specialist groups/focused work

These are focused on particular groups within the community (such as Carers, people who are D/deaf or hearing impaired, Muslim or Sikh communities), to reduce health care inequalities, using the National Core20Plus5 initiative. We utilise the support of faith leaders, as well as working with patients, their families and other organisations to better understand their requirements and explore how we can improve services to support them.

The Trust commissioned our Sign Language interpreting services partner to run training sessions for staff and so far we have run 14 session with 199 staff attending.

During 2022 and 2023 the Trust has been rolling out the SAGE & THYME foundation level communications course. This aims to train staff to support worried or upset patients, families, visitors and staff they may come across and provides a structured approach to having supportive conversations. The Trust has 10 trainers and in the 2022-2023 financial year, ran 6 courses and trained 102 members of RBH staff. An additional session was also carried out in collaboration with Berkshire West CCG and Berkshire Healthcare NHS Foundation Trust where places were offered across all those groups.

The Meet PEET initiative was selected as a finalist in two National Awards – Nursing Times Awards (Team of the Year) and Patient Experience Network National Awards (PENNA) (Engaging and Championing the Public).

Core teams

In addition to the initiatives and groups above who aim to involve patients, families, visitors and the wider community in decisions and risks involving the services that impact them, the Trust also has a number of core teams who continue to support this work. Complaints and PALS have continued to respond to the challenges patients face, and have also started to look at Trust-wide themes which could be addressed. Spiritual Healthcare have grown their team and developed a programme of work to improve spiritual healthcare support across the Trust. The Patient Experience Team have rolled out digitalisation of our Family and Friends Test to the majority of outpatient and Emergency Department areas, as well as evaluated their trailblazing Patient Leader volunteer programme. The Council of Governors also provides a mechanism through which the Trust ensures that its obligations to the public, its members, patients and other stakeholders are understood and met.

Priorities and workplan for 2023-24

In 2022/23, the focus was on rebuilding and growing our services following the pandemic, as well as letting some of our new initiatives flourish. For 2023/24 we plan to work on improving the efficiency and profile of our services, as well as embedding our projects so they become sustainable for the long term and can demonstrate their true potential. We also want to

continue to build the cohesion of the wider Patient Experience team to enable us to identify the interconnections between our work, and enable us to be aware of the work programmes across the teams, so the patients we interact with can benefit from all the services we offer.

Anti-bribery and Human Rights Issues

The Board of Directors maintain adequate policies and safeguards to prevent bribery and ensure compliance with the requirements of the Bribery Act 2010. The key policy linked to this is the Declaration of Interests, Gifts and Hospitality Policy which published on the Trust website (Lists and Registers | Royal Berkshire NHS Foundation Trust). The Trust is committed to Human Rights issues and makes reference to this on the Trust website via its Publication Scheme (Introduction to the Publication Scheme | Royal Berkshire NHS Foundation Trust) and Equality and Diversity policies (Equality and diversity | Royal Berkshire NHS Foundation Trust). The Trust's key policy is the Equality of Opportunity and Diversity Policy. The Standing Financial Instructions and Trust policies are reviewed on a regular basis to ensure the policies remain accurate and effective. The Trust is also supported by BDO LLP to implement the NHS Counter Fraud strategy within the organisation. Further information about the Trust's Counter Fraud processes can be found on page 44.

Tackling Health Inequalities

The need to tackle health inequalities which were exacerbated by the pandemic is seen as key. Driven centrally from NHSE with CORE20PLUS5 (adult & children), Trusts are now being asked to demonstrate what actions they are taking to tackle the problem. In addition to this, the CQC equality objectives aim to ensure that the voices of those most likely to have a poorer experience are heard, we work to improve access, experience and outcome and we have a data-led approach to understand and respond to equality risks.

We have a responsibility, as an aspiring anchor organisation, towards our community to ensure barriers in care are removed and to support those with the most needs to access services. The Equality programme seeks to bring greater organisation-wide focus to this issue recognising its increasing importance in continuing to build relationships with our community, inclusive recovery of services, the delivery of the Trust vision and in the joint forward plan. The programme will also complement the delivery of the recently launched Clinical Services Strategy.

The Health Equalities Committee was established in 2021 and has patient and staff representation ensuring the voice of our community is heard in all areas of the Programme. The Programme vision, together with the work on Public Health Priorities, is to establish greater organisation-wide focus to the issue of inequities in accessing healthcare and health outcomes. The Health Equalities Committee aims to:

- bring together the actions we are taking to reduce health inequalities to generate cross-organisational support and identify and fill gaps, always working closely with colleagues on other programmes of work and identifying cross-cutting benefits;

- focus on some of the key enablers in the structure of the organisation to reduce inequalities, identify inequity of care and remove barriers– e.g., in data analysis, performance reporting, etc.

- ensure that the focus on health inequalities spreads to every aspect of our organisation – e.g., our approach to procurement

- share lessons learnt more widely across the organisation and within the ICB and ICS

- meet reporting requirements from regulatory bodies.

There are four main areas of work that are part of the programme for 2022/23:

- Embedding the Accessible Information Standard (AIS) across the organisation
- Trust-wide rollout of the DNA app
- Weighting the waiting list (WL)
- Disaggregation of key metrics by deprivation and ethnicity to increase focus on addressing inequality in all areas (Health Equalities dashboard)

In addition to this, the Trust's Meet PEET (Patient Experience Engagement Team) initiative focuses on engaging and listening to seldom heard groups in our community, for example, those in deprivation index 1 and 2 (the highest level of deprivation) or those who have challenges accessing our healthcare services or a disproportionately poorer patient experience.

We are committed to improving access and patient experience for all and know that we need to listen to more diverse patient groups to fully understand their needs and how we can improve our services. We draw in specialities from across the Trust to give them opportunities to engage with our local community and our Meet PEET team is culturally sensitive, i.e. is comprised of nurses from diverse backgrounds, which helps build trust with community groups.

We aim to:

1) build relationships and trust
2) understand and respond to different communities' varying healthcare needs
3) break down myths and barriers and improve equity in healthcare.

Overseas operations

The Trust has no overseas operations.

Important events since balance sheet date

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

Signed

Steve McManus
Chief Executive Officer **Date: 12 July 2023**

ACCOUNTABILITY REPORT

Directors' Report

Board of Directors

The Board of Directors of the Trust is a combined board, meaning that it comprises 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 2023 comprised of the following Executive Directors:

Name	Designation
Mr Steve McManus[1]	Chief Executive (seconded to BOB ICB October 2022)
Dr Janet Lippett[2]	Acting Chief Executive (from October 2022) Chief Medical Officer
Mr Don Fairley	Chief People Officer
Mr Dom Hardy	Chief Operating Officer
Dr Will Orr[3]	Acting Chief Medical Officer (from October 2022)
Mrs Nicky Lloyd	Chief Finance Officer
Mr Eamonn Sullivan	Chief Nursing Officer

Notes:

1 Steve McManus was appointed Interim Chief Executive for the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (ICB) in October 2022.

2 Dr Janet Lippett was appointed Acting Chief Executive of the Royal Berkshire NHS Foundation Trust in October 2022.

3 Dr Will Orr was appointed Acting Chief Medical Officer of the Royal Berkshire NHS Foundation Trust in October 2022.

The Board also comprised of the following Non-Executive Directors as at 31 March 2023:

Name	Designation
Mr Graham Sims	Chair of the Trust
Mrs Sue Hunt	Deputy Chair of the Trust
Mr Peter Milhofer	Senior Independent Director; Non-Executive Director
Dr Bal Bahia	Non-Executive Director
Mrs Priya Hunt	Non-Executive Director
Mrs Helen Mackenzie	Non-Executive Director
Professor Parveen Yaqoob	Non-Executive Director

The following were also Board directors during the 2022-23 financial year:

- Mr John Petitt: April 2022 – May 2022
- Mr Julian Dixon: April 2022 – November 2022

The Board of Directors has responsibility 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 its role is to provide 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 NHSI, 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 following Non-Executive Directors are considered independent as they were appointed within the previous 6 years: Helen Mackenzie, Bal Bahia, Peter Milhofer, Parveen Yaqoob, Priya Hunt. The Deputy Chair of the Trust and Non-Executive Director, Sue Hunt, has been in post in excess of six years.

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.

Board Member Biographies

Chair of the Trust: Graham Sims

Graham joined the Trust in August 2015, bringing a wealth of chair and corporate experience and knowledge in strategy, investment, operations and leadership. He has held roles as

Chairman and various Directorships within large and small corporate businesses including BP, Mobil, Compass, the Home Office and a number of PE backed businesses in the UK and internationally. Graham is also involved with a number of charity boards.

Chief Executive Officer: Steve McManus
Steve joined the Trust in January 2017. In October 2022, Steve was appointed Interim Chief Executive for the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (ICB). Steve was previously a Divisional Director of Operations and then Chief Operating Officer at the University Hospital Southampton NHS Foundation Trust. As a member of the executive team, he led the Trust through the process to gain foundation trust status. In 2012 Steve took up post as Chief Operating Officer at Imperial College Healthcare and was appointed Deputy Chief Executive in 2014. During this period Steve has also been Chair of the NHS Providers Chief Operating Officer network, and was selected as part of the first cohort on the national Aspiring Chief Executive Programme. During 2016 Steve moved from Imperial to take up the position of Managing Director at Basildon and Thurrock University Teaching Hospital FT before taking up the CEO role at RBFT. In August 2020 Steve was seconded to work with Baroness Dido Harding, taking on two key roles within the Government's Test and Trace programme during that period. He spent eight months working with the Test and Trace team, returning to the Trust in March 2021. Steve is an active leader in the area of patient safety and is Chair of the Oxford Academic Health Science Network's Patient Safety Collaborative. Steve regularly supports, both as a speaker and in an advisory capacity, across a number of healthcare topics both nationally and internationally.

Acting Chief Executive: Dr Janet Lippett
Janet was appointed Acting Chief Executive in October 2022. She was appointed Chief Medical Officer in July 2019. Along with executive colleagues led the Trusts response to the Covid-19 Pandemic, in particular was responsible for the Trusts Covid vaccination programme and more recently the Covid Medicines Delivery Unit (CMDU). Janet qualified in 1999 at St Georges Hospital, London and has always had a special interest in geriatric medicine. She joined the Royal Berkshire in 2007 with a remit to develop an orthogeriatric service, and along with colleagues developed a hip-fracture service for elderly trauma patients that was in the top 10 rated services in the National Hip Fracture Database (NHFD) annual report. Moving into management in 2010 as a Clinical Director for Specialist Medicine, Janet has worked on a number of key projects for the Trust. In 2015 she became Care Group Director for Networked Care; a role which enabled her to work closely with the CCG and other providers to ensure high quality care across the health economy.

Acting Chief Medical Officer: Dr Will Orr
Will was appointed Acting Chief Medical Officer in October 2022. Will Orr has been a Consultant Cardiologist at the Royal Berkshire Foundation Trust since 2001 and has been part of the team that has delivered one of the UK's leading heart attack services over the last 15 years. He is a graduate of the Royal London Hospital Medical College, and trained in Cardiology at Guy's, Battle Hospital, Reading and in Oxford between 1993 – 2001. He was a British Heart Foundation Junior Research Fellow in the University of Oxford Department of Cardiovascular Medicine from 1996 – 1998 and was a Visiting Cardiac Interventional Fellow at Green Lane Hospital, Auckland, New Zealand in 2002. Will was Clinical Director of the South Central Cardiovascular Network and Thames Valley Cardiac Network from 2005-2016, Cardiology Training Programme Director for the Oxford Deanery and a member of the Royal College of Physicians Specialist Advisory Committee for Cardiology from 2011-2016. He was appointed Care Group Director for Urgent Care at the Royal Berkshire Foundation Trust in 2016.

Chief Nursing Officer: Eamonn Sullivan
Eamonn joined the Trust in May 2021. Prior to his current appointment, Eamonn was Chief Nurse at The Royal Marsden Hospitals in London. In 2020 Eamonn was seconded from the

Royal Marsden to be the Director of Nursing at the Nightingale Hospital London, and later as the first Chief Nurse (Testing) at NHS Test and Trace. His previous appointments include Deputy Chief Nurse at University College Hospitals London and Deputy Chief Nurse at Guys & St Thomas' Hospitals. Eamonn's clinical background is Critical Care and he holds a Masters in Adult Critical Care from Kings College London. In addition to his NHS role, Eamonn is a Nursing Officer in the Army Medical Services Reserves and a veteran of the conflicts in Iraq and Afghanistan. Eamonn has lived in West Berkshire for nearly ten years, with his wife who is an NHS Therapist and their two young children. He is passionate about serving our local community and improving the health and well-being of patients and staff across our services. In May 2021 Eamonn was honoured to be awarded an MBE for his services to Nursing.

Chief Finance Officer: Nicky Lloyd
Nicky joined the Trust as Chief Finance Officer in January 2019 and is also the Trust Senior Information Risk Officer (SIRO). She was Acting Chief Executive for eight months between August 2020 and March 2021, leading the Trust during the second wave of the Covid 19 pandemic. Nicky is the Senior Responsible Officer for the 'Building Berkshire Together' hospital redevelopment programme and oversaw the completion of the Strategic Outline Case submitted in December 2020. Her portfolio also includes Financial Management, Contracts, Payroll, Costing, Treasury, Procurement, the Trust Charity, and Estates & Facilities. She is also the Trust Board lead for Health & Safety and Net Zero Carbon. Nicky is the Chair of the Healthcare Finance Management Association (HFMA) South Central Branch, as well as Chair of the National HFMA Governance and Audit Committee, a thought leadership panel which draws together experts from the accounting firms, National Audit Office and the NHS to advise on policy and governance arrangements in the NHS. A Fellow of the Institute of Chartered Accountants in England & Wales, and experienced executive director, for over 2 decades she has held Board positions in the commercial sector and the NHS, in the UK and overseas, including Assistant Chief Executive and Chief Finance Officer. She was selected to be part of the first cohort of the Aspiring Chief Executive Programme, completing this in 2017. In a voluntary capacity, she also held a Board position at Birmingham City University for seven years, chairing Audit Committee and Charity Trustees and chaired the governing body of a secondary school in the West Midlands for six years.

Chief Operating Officer: Dom Hardy
Dom 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 (formerly Director of Workforce) role at the Trust in May 2016. He has been a Director of HR since 1997 so has over 25 years Board level experience. Don has worked primarily in provider organisations, mainly in and around Greater London. Since joining the NHS in 1987 he has come to be regarded as a professional's professional. Don has a proven track record of delivery having worked successfully at a senior level in HR in various contexts including: acute, community, mental health, primary care, Health Authority, Region and the Department of Health. In addition to his technical and tactical skills, Don is a qualified mediator with the Professional Mediator's Association, an accredited MBTI (both Step I and II), WAVE and 16PF practitioner. Don has a Master's degree in Strategic Human Resource Management, a post-graduate Certificate in the Psychology of Organisational Development and is a Fellow of the Chartered Institute of Personnel and Development.

Non-Executive Director, Parveen Yaqoob
Parveen joined the Trust in January 2023. She has 30 years of experience in the higher education sector and is currently Deputy Vice-Chancellor at the University of Reading. She works across a broad portfolio, leading on the University's research strategy and playing a key role in equality, diversity and inclusion. 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 has a national role in supporting gender equality in higher education as Chair of the Athena Swan Governance Committee. She was appointed OBE for services to higher education in 2022.

Non-Executive Director, Priya Hunt
Priya joined the Trust in October 2021 as a non-executive director and is now the Chair of the People sub-committee. She has thirty years of leadership experience across three industries – airlines, telecommunications and utilities. Her main areas of expertise include IT management and digital transformation, particularly across Africa, Middle East and Asia Pacific when she worked for British Airways and many years of service, digital and customer experience transformation – both globally and specific to the UK in BA, BT and Thames Water. She is particularly interested in people development, well-being and inclusion and has sponsored various- diversity and inclusion networks in BT and TW. She has experience of designing inclusive service propositions for customers in vulnerable circumstances in BT and TW and has also been previously a non-executive on the board of Citizen's Advice Reading. She is a certified Executive coach, member of the International Coach Federation and is now the founder and Managing Director of a coaching company that specialises in leadership and customer experience coaching/mentoring and consultancy.

Non-Executive Director, Helen Mackenzie
Helen 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, Sue Hunt
Sue joined the Trust in October 2014. She is Deputy Chair of the Trust, chairs the Finance and Investment Committee and is the named non-executive director (NED) for the Organ Donation Committee. Sue is a chartered accountant whose long and varied career at KPMG spanned audit, mergers and acquisitions and healthcare consultancy. She led the team contracted by the Department of Health to advise trusts on all aspects of their foundation trust application and also provided due diligence services on potential investments in the independent healthcare sector. Sue is an experienced NED in the health, education, and housing sectors and across the innovation and technology landscape with current roles at The Satellite Applications Catapult Ltd and Connected Places Catapult Ltd. She was previously on the Board of CfBT Education Trust, Notting Hill Housing Trust and NHS Direct until its disestablishment in 2014.

Non-Executive Director: Peter Milhofer
Peter joined the trust in April 2022. He is the Chair of the Audit & Risk Committee. Peter also has current similar roles at Reading University, British Rowing and Reading Buses. Peter qualified as a Chartered Accountant working for KPMG working on a wide range of public sector and private clients. After KPMG Peter moved to Shell where he did a range of finance and sustainability roles which included several years working abroad.

Non-Executive Director: Bal Bahia
Bal joined the Trust in April 2019. Prior to this he was clinical lead for the Berkshire West Clinical Commissioning Group and was the vice chair of the West Berkshire Health and Wellbeing board, working collaboratively with local authorities and the voluntary sector. Bal qualified as a Doctor from St George's in 1989 and has since been a partner at a West Berkshire General Practice for the last 26 years and held roles including GP trainer and appraiser. Bal is also a director of Recovery in Mind a mental health charity in west Berkshire. Bal previously worked at the Royal Berkshire Hospital in the 1990s. He is interested in systems leadership and holistic systems 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 that 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 (these have included webinars during the Covid pandemic) 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.

During 2022-23, the Trust undertook a detailed review of Board and Sub-Committees and Terms of Reference. The review had 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 – April 2022 to March 2023

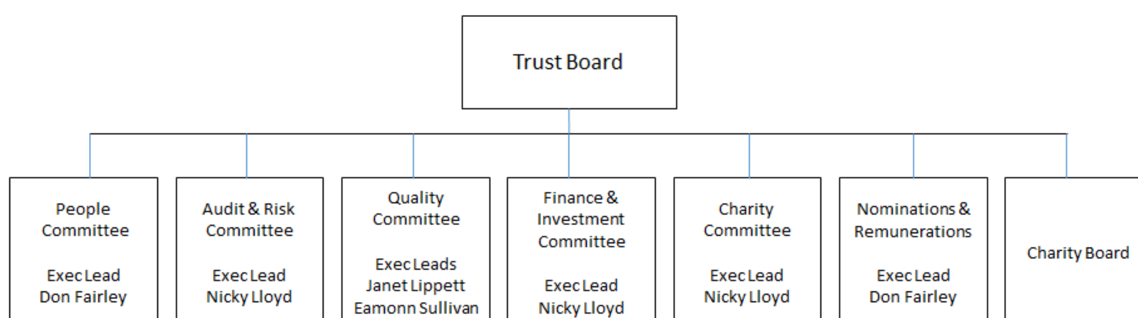
	Board	Quality	Charity	Nominations and Remuneration	Finance and Investment	Audit and Risk	Council of Governors*	People Committee	Charity Board
Mr Graham Sims	15/15	3/5	3/4	5/5	8/10		6/6	3/4	4/4
Mr Steve McManus^	10/10	1/2	1/1	2/3	6/6			2/2	1/1

	Board	Quality	Charity	Nominations and Remuneration	Finance and Investment	Audit and Risk	Council of Governors*	People Committee	Charity Board
Mr Don Fairley	10/15							4/4	2/4
Mr Dom Hardy	14/15	4/5			9/10		1/1		4/4
Dr Janet Lippett^^	13/15	4/5			4/10			3/3	4/4
Mrs Nicky Lloyd	15/15				9/10		1/1		4/4
Dr Will Orr	6/6	2/2			4/5		1/1	3/3	3/3
Mr Eamonn Sullivan^^	12/15	4/5			5/10			2/2	3/4
Dr Bal Bahia	12/15	3/5	4/4	5/5			3/3		4/4
Mr Julian Dixon	11/11	2/3		3/4			1/1	4/4	0/2
Mrs Priya Hunt	14/15			5/5	10/10		2/6	3/4	3/4
Mrs Sue Hunt	12/15			5/5	10/10	8/8	3/6	1/1	3/4
Mrs Helen Mackenzie	14/15	5/5		5/5		8/8	3/6	4/4	4/4
Mr Peter Milhofer	14/15	2/3		4/5	9/10	8/8	2/6		4/4
Prof. Parveen Yaqoob	3/3	1/1		1/1			1/1		2/2
Mr John Petitt	3/3	0/1		0/1	2/2	1/1	0/1		

^ For nominations business only
^^ Either Chief Medical Officer or Chief Nursing Officer required to attend Finance and Investment Committee
*Includes Special Council of Governors that requires the Chair only. 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 John Pettit (April 2022 – May 2022) Mr Peter Milhofer (from June 2022)
Members	Mrs Sue Hunt Mrs Helen Mackenzie

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.

Committee composition is not currently compliant with code provision C.3.1 of the NHS Foundation Trust Code of Governance. This code requires that the Audit & Risk Committee is composed of at least three members who are independent non-executive directors.

As at 31 March 2023, the Committee comprised of two independent non-executive directors and one non-executive director that has served more than 6 years in post. We have carefully considered the collective skill set of all non-executive directors in light of the role and responsibilities of the Audit and Risk Committee and determined that the non-executive director that was not classified as independent had the appropriate skill set to reduce the risk associated with the Committee. A recruitment process is ongoing to recruit two independent non-executive directors, one of which will join the Committee on appointment.

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 has no 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 as and when required.

During 2022/23 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 2022/23 review was not finalised by 31 March 2023. It will be completed and presented to the Board during 2023/24.

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 2022-23 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 2022/23

The Committee considered a number of 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 risks of misstatement within the Trust's financial statements. The Committee discussed these risks with the external auditor at the time the external auditor's audit plan was reviewed and 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: We reviewed reports from management which explained the basis of valuation 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. We are 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): We reviewed information provided by management indicating the impact on the Trusts 2022/23 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. We are satisfied that the treatment of these assets within the financial statements is consistent with management intention and is in line with accepted accounting standards.

- We make judgments in relation to the capitalisation of assets in line with the accounting policies. We are satisfied that the treatment of these assets within the financial statements is consistent with management intention and is in line with accepted accounting standards.

- The adequacy of provisions; for example, in relation to debtor balances and contractual disputes.

External audit

The contract for provision of external audit services ended on 31 March 2022. Following a tender exercise during 2021/22 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 3.1 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 review the external audit plan for the 2022/23 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 22 June 2023 the Committee reviewed the 2022/23 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 2023.

Internal audit

The Board uses external parties to deliver the internal audit and counter-fraud services. The contract for provision of internal audit services with the Trusts previous provider, PWC, ended on 31 March 2022. Following a tender exercise 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.

During the year KPMG issued 8 reports with a total of 34 findings (4 high, 18 medium and 12 low risk). Two reports have not yet been issued. Eight open reports were transferred from PWC at 31 March 2022. At each meeting the Committee receives a report from Management confirming the status of internal audit recommendations.

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

The contract for provision of counter-fraud services with the Trusts previous provider, TIAA, ended on 31 March 2022. A tender exercise was undertaken in 2021/22 and 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 2022/23 regular updates were provided to the Committee on Cyber Security and Health and Safety 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 IT. 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: 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.

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 2022 to 31 March 2023.

Better Payment Practice Code – measure of compliance

Currently, the Trust is required to pay its all trade creditors in accordance with the Better Payment Practice Code (BPPC). The target is to pay 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.

Currently the percentage number of invoices the Trust pays within 30 days is 48.5% (91% were paid within 30 days in 2022/23).

As of the 1 April 2022 the Trust replaced its finance system. Due to complications during the post go live period payments to suppliers were delays 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 returned to normal arrangements. The BPPC rating is expected to return to the previous levels from 2023/24. Currently the percentage number of invoices the Trust pays within 30 days is 48.5% (91% were paid within 30 days in 2022/23). Analysis of this split by NHS and non-NHS payables can be found in the table below.

	31/03/2023 YTD Number	31/03/2023 YTD £'000	31/03/2022 YTD Number	31/03/2022 YTD £'000
Non NHS				
Total bills paid in the year	82,431	193,511	77,043	209,368
Total bills paid within target	40,280	83,751	70,903	173,196
Percentage of bills paid within target	**48.9%**	**43.3%**	**92.0%**	**82.7%**
NHS				
Total bills paid in the year	1,676	82,262	1,834	72,718
Total bills paid within target	502	19,420	1,032	54,796
Percentage of bills paid within target	**30.0%**	**23.6%**	**56.3%**	**75.4%**
Total				
Total bills paid in the year	84,107	275,773	78,877	282,086
Total bills paid within target	40,782	103,171	71,935	227,992
Percentage of bills paid within target	**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. No interest was accrued in 2022/23 relating to non-payment of invoices within the 30 day period where obligated to do so.

Enhanced Quality Governance Reporting / NHS England Well-Led Framework

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. In 2019 the Care Quality Commission (CQC) undertook a quality inspection at the Royal Berks Hospital, West Berkshire Community Hospital and Windsor Dialysis Unit. The Trust also underwent Well-Led and Use of Resources assessments. The Trust achieved a rating of 'good' as evidenced in the CQC Quality Report dated January 2020 https://www.cqc.org.uk/provider/RHW.

In April 2021 the CCQ completed a focused inspection on Infection Prevention and Control. This inspection was not rated.

Further details of the approach to quality governance within the Trust and the processes adopted to achieve high quality safe patient care may be found in the Annual Governance Statement on page 98.

Statement as to Disclosure to Auditors (s418)

Each board director at the time that this report is approved does confirm that:

- so far as each director is aware, that there is no relevant audit information, defined as information needed by the NHS foundation trust's auditor in connection with preparing their report, of which the NHS foundation trust's auditor is unaware of; and

- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information including:

  - making such enquiries of his/her fellow directors and of the Trust's auditors for that purpose; and

  - have taken such steps as are required by his/her duty as a director of the Trust to exercise reasonable care, skill and diligence.

External Auditor Details

The Trusts' External Auditors for 2022/23 were

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

Deloitte were re-appointed as the Trust's External Auditors as of 1 April 2022 following a tender exercise for external audit services. Over the course of the year they have delivered a range of reports to the Committee.

These include:

- 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 was £180k excluding VAT for the period 1 April 2022 to 31 March 2023 (£121k 2021/22). See Note 3.2 of Financial Statements for further details.

The liability limits were agreed for 2022/23:

- Product Liability – up to £1m (2021/22 £1m)

- Professional Indemnity – up to £5m (2021/22 up to £10m).

Internal auditor details

The Trusts' Internal Auditors appointed as of 1 April 2022 for 2022/23 were:

KPMG LLP
15 Canada Square
London
E14 5GL

KPMG's remuneration was £115k including advisory services and provision of internal audit services for the period 1 April 2022 to 31 March 2023. (2020/21 - PWC LLP provided internal audit services – remuneration was £353k).

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

Details of the performance of the Trust including the results achieved during 2022/23 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.

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.

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 Mr Tony Lloyd.

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. During 2022-2023 this has mainly been through virtual meetings. 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

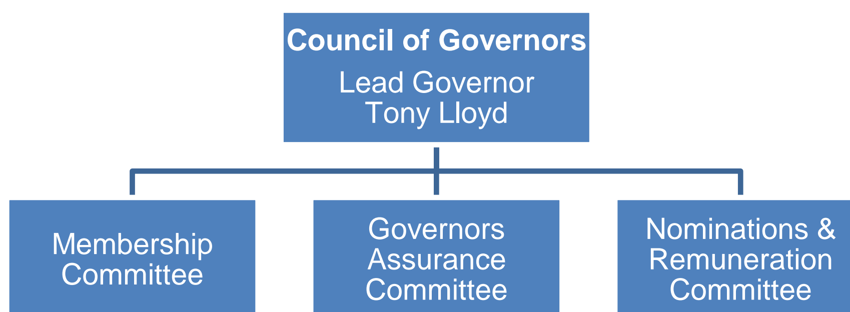
The list of Governors for the Royal Berkshire NHS Foundation Trust is maintained by the Trust Secretary. The latest list can be found on the Trust's website. The list of Governors for the Royal Berkshire NHS Foundation Trust and attendance as at 31 March 2023 was as follows:

Name	Constituency	Term of Office	Actual/ Possible
Mr. Tony Lloyd (Lead)	Wokingham	2023	6/7
Mr. Brian Painting	Reading	2024	4/7
Mr. Jonathan Barker	Reading	2023	5/7
Mr. Paul Williams	Reading	2023	6/7
Ms. Sunila Lobo	Reading	2023	7/7
Ms. Bet Tickner	Reading	2025	2/7
Mr. Clive Jones	Wokingham	2024	5/7
Mr. Benedict Krauze	Wokingham	2024	0/0
Mrs. Beth Rowland	Wokingham	2024	0/0
Mr Martyn Cooper	West Berkshire & Border	2024	3/7
Mrs. Alice Gostomski	West Berkshire & Borders	2025	4/7
Mr. John Bagshaw	West Berkshire & Borders	2025	5/7
Mr. William Murdoch	Southern Oxfordshire	2024	6/7
Mr. Richard Havelock	Volunteer Governor	2025	0/0
Mr. Chris Plumb	Staff: Admin/Management	2024	2/7
Mr. John Crossman	Staff: Allied Health Professionals/Scientific	2023	4/7

Name	Constituency	Term of Office	Actual/ Possible
Mr. Andrew Haydon	Staff: Nursing/Midwifery	2024	5/7
Mr. Victor Koroma	Appointed by Alliance for Cohesion and Racial Equality	2020	0/7
Councillor Deborah Edwards	Appointed by Reading Borough Council	2023	1/1
Mr. Adrian Mather	Appointed by Wokingham Borough Council	2023	3/7
Councillor Graham Bridgman	Appointed by West Berkshire Council	2023	2/7
Prof. Carol Wagstaff / Prof. Orla Kennedy	Appointed by University of Reading	2023	3/7
Vacant	East Berkshire & Borders	2022	-
Vacant	East Berkshire & Borders	2023	-
Vacant	Staff; Health Care Assistant/ Ancillary	2021	-
Vacant	Staff: Medical/Dental	2017	-
Vacant	Appointed by Berkshire West CCG	2022	-
Vacant	Appointed by East Berkshire CCG	2022	-
Vacant	Appointed by Autism Berkshire	2021	-

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 52.

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 Acting Chief Executive attends all Council of Governors meetings and other directors attend when required.

Membership Committee

The Chair is currently a Public Governor for West Berkshire and Borders, John Bagshaw. 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
- oversee preparations for the Annual Members' Open Day
- 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 67.

Changes to the Board and Council of Governors

The following were also Board Directors during the year:

- Professor Parveen Yaqoob, January 2023 - present
- Mr Peter Milhofer, April 2022 - present
- Mr John Petitt – April 2022 – May 2022
- Mr Julian Dixon – April 2022 – November 2022

The following were also governors during the year:

- Roberta Stewart, Public Governor, Wokingham (term of office ended)
- Jonathan Ruddle, Public Governor, Wokingham (stepped down)
- Ross Carroll, Public Governor, East Berkshire and Borders (term of office ended)

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, priorities and strategy during 2022/23.

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, 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 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 two 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.

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 2023 our public membership stood at 3421 and our total membership at 9960. 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. Membership events had been put on hold during the height of the Covid-19 pandemic; however, the Trust resumed some events in 2022-2023. The Trust held an Annual General Meeting in 2022 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	840	24.5%
Reading	980	28.6%
Southern Oxfordshire	183	5.3%
West Berkshire and Borders	566	16.5%
Wokingham	852	24.9%
Total	3421	

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 2022-23 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.

Remuneration Report

Annual Statement on Remuneration

In May 2022 the Nomination and Remuneration Committee approved the Chief Executive Officer submitting a nomination to become the partner member of the Integrated Care Board (ICB).

At the July 2022 meeting the Nomination and Remuneration Committee received a paper regarding an employee with high annualised remuneration.

In September 2022 the Nomination and Remuneration Committee approved the arrangements for the Chief Executive Officer's secondment and endorsed the decision to make Dr Janet Lippett the Acting Chief Executive Officer for the duration of his secondment. A 3% consolidated uplift for Very Senior Managers was approved and it was agreed that this would apply to the Acting CMO's allowance.

At the November 2022 meeting the Nomination and Remuneration Committee approved the management allowances for the Acting Chief Executive Officer, Acting Chief Medical Officer and the Chief Operating Officer for being Deputy Chief Executive.

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 market place. 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 47 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

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.

Policy on Payment 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 either Agenda for Change or Medical and Dental terms, depending on the individual.

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. No pay award has been given to staff on spot salaries during this financial year. The Trust also has a very 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.

Annual Report on Remuneration

This section of the report includes information subject to audit

Salaries and allowances

Single total figure table	Year to 31 March 2023		
Name and Title	**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 pension 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

Name and Title	Year to 31 March 2022		
	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	200 - 205	30 - 32.5	230 - 235
Nicky Lloyd [2] Chief Finance Officer	150 - 155	30 - 32.5	180 - 185
Dominic Hardy [3] Chief Operating Officer	145 - 150	2.5 - 5	150 - 155
Janet Lippett [5] Medical Director	200 - 205	80 - 82.5	280 - 285
Caroline Ainslie (To 31st May 2021) Chief Nursing Officer	20 - 25	0	20 - 25
Don Fairley [4] Chief People Officer	135 - 140	20 - 22.5	155 - 160
Eamonn Sullivan (From 10th May 2021) [6] Chief Nursing Officer	120 - 125	7.5 - 10	125- 130
NON-EXECUTIVE DIRECTORS			
Graham Sims - Chairman	45 - 50	0	45 - 50
Brian Hendon (To 31st July 2021)	5 - 10	0	5 - 10
Balbinder Bahia	15 - 20	0	15 - 20
Priya Hunt (From 1st October 2021)	5 - 10	0	5 - 10
Susan Hunt	15 - 20	0	15 - 20
John Petitt	15 - 20	0	15 - 20
Julian Dixon	15 - 20	0	15 - 20
Helen Mackenzie	15 - 20	0	15 - 20

Notes

1. Steve McManus (Chief Executive Officer) opted out of the pension scheme with effect from 1st July 2021.
2. Nicky Lloyd (Chief Finance Officer) opted out of the pension scheme with effect from 1st November 2021.

3 Dominic Hardy (Chief Operating Officer) opted out of the pension scheme with effect from 1st December 2021.
4 Don Fairley (Chief People Officer) opted out of the pension scheme with effect from 1st November 2021.
5 The total remuneration for Janet Lippett (Medical Director) is inclusive of both directorial and clinical duties. The remuneration for clinical duties alone is in the banding £15,000 - £20,000.
6 Eamonn Sullivan (Chief Nursing Officer) opted out of the pension scheme with effect from 1st November 2021.

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 Nursing Officer		
Caroline Ainslie (Chief Nursing Officer)	01 Apr 21	31 May 21
Eamonn Sullivan (Chief Nursing Officer)	10 May 21	31 Mar 22

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 2022Bands of £5000	Lump sum at age 60 at 31 March 2023Bands 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				90 -		205 - 210		1,873	
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 [3] Chief Medical Officer	2.5 -5	0 - 2.5	80 - 85	0	170 - 175	0	1,675		36
Don Fairley [4] Chief People Officer	0 - 2.5	0	60 - 65	60 - 65	135 - 140	140 - 145	1,337	1,303	17
Nicky Lloyd [5] Chief Finance Officer	0 - 2.5	0	25 - 30	25 - 30	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.

Total Pension Entitlement 2021-22

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 2022 Bands of £5000	Total accrued pension at age 60 at 31 March 2021 Bands of £5000	Lump sum at age 60 at 31 March 2022 Bands of £5000	Lump sum at age 60 at 31 March 2021 Bands of £5000	Cash equivalent transfer value at 31 March 2022	Cash equivalent transfer value at 31 March 2021	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 - 2.5	-	90 - 95	90 - 95	205 - 210	205 - 210	1,873	1,812	45
Nicky Lloyd [2,3] Chief Finance Officer	0 - 2.5	_ [2]	25 - 30	20 - 25	_ [2]	_ [2]	374	340	20
Dominic Hardy [4] Chief Operating Officer	-	-	35 - 40	40 - 45	60 - 65	85 - 90	595	731	-
Janet Lippett Medical Director	2.5 - 5	5 - 7.5	50 - 55	45 - 50	95 - 100	90 - 95	861	769	65
Caroline Ainslie [7] Chief Nursing Officer	-	-	55 - 60	60 - 65	175 - 180	185 - 190	-	1,352	-
Don Fairley [5] Chief People Officer	0 - 2.5	0 - 2.5	60 - 65	55 - 60	140 - 145	140 - 145	1,303	1,245	40
Eamonn Sullivan [6,8] Chief Nursing Officer	0 - 2.5	-	50 - 55	10 - 15	105 - 110	105 - 110	129	856	-

1. Steve McManus (Chief Executive Officer) opted out of the pension scheme with effect from 1st July 2021.
2. Nicky Lloyd (Chief Finance Officer) is not a member of the 1995 scheme and therefore has no automatic lump sum entitlement.
3. Nicky Lloyd (Chief Finance Officer) opted out of the pension scheme with effect from 1st November 2021
4. Dominic Hardy (Chief Operating Officer) opted out of the pension scheme with effect from 1st December 2021.
5. Don Fairley (Chief People Officer) opted out of the pension scheme with effect from 1st November

2021.
6. Eamonn Sullivan (Chief Nursing Officer) opted out of the pension scheme with effect from 1st November 2021.
7. Caroline Ainslie (Chief Nursing Officer) was in the post from 01/04/2021 to 31/05/2021.

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.8. Eamonn Sullivan (Chief Nursing Officer) was in post from 10/05/2021 to 31/03/2022. Figures shown for "Real increase in pension at age 60", "Real increase in pension lump sum 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 2023	Year to 31 March 2022
Band of Highest Paid Director's Total Remuneration - £000	**245-250**	**205-210**
Median Ratio	**6.80**	**6.41**

	Year to 31 March 2023	Year to 31 March 2022
a) Percentage change in respect of Highest Paid Director	**19.28%**	**-1.66%**
b) Percentage change in respect of employees of the entity	**9.19%**	**2.24%**

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

On an annualised basis, the year on year increase for Steve McManus (highest paid director in 2021/22) is 3.58% which is in line with all staff. The percentage change from the previous financial year in respect of the highest paid director is 19.28%. This increase is because the highest paid director in the financial year 202/23 is a member of medical staff who received clinical excellence awards and on call allowances throughout the financial year in their role as a consultant.

On the remuneration table, the Acting Medical Director's salary is disclosed in the banding of £110 000- £115 000. This salary is for the period 31 October 2022 to 31 March 2023 which is annualised to the £245,000-£250,000 banding.

In 2022/23, six employees (2021/22 five 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 £7k to £370k (2021/22 £12k to £469k).

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 from the previous financial year in respect of employees of the entity, taken as a whole is 9.19%. This figure includes pay inflation, changes in the composition of the workforce and the AFC pay awards on an annualised basis.

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

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**	**6.80**	**5.27**

2021-22	25th percentile	Median	75th percentile
Salary component of total remuneration (£)	**£ 23,396**	**£ 32,375**	**£ 46,465**
Total remuneration (£)	**£ 23,396**	**£ 32,375**	**£ 46,465**
Pay ratio information	**8.87**	**6.41**	**4.47**

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

The remuneration of the employees at the 25th percentile, median and 75th percentile for financial year 2022/23 and comparative figures for 2021/22 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 6.8 times (2021/22 - 6.41) the median remuneration of the workforce including medical consultants remuneration, which was £36,410 (2021/22- £32,375).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 2023	Year to 31 March 2022
Directors	**3,414**	**2,193**
Governors	**43**	**30**

Of the amount stated in respect of Directors expenses £2,032 was paid to Non-Executive Directors (2021/22 £1,021).

During the year, inclusive of Non-Executives, there were 16 Directors in post (2021/22, 15). Of these 5 received expenses payments (2021/22, 5).

Additionally there were 22 governors in post during the year (2021/22, 31) of which 2 were paid expenses (2021/22, 1).

Staff Exit Packages

Severance Payments 2022-23

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

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 of exit packages
<£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	0	17	0	19
Total resource cost		71		103	174

Exit Packages: Non-Compulsory Departure Payments 2022 - 2023

This section of the report has been subject to audit.

	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

Severance Payments 2021-22

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 of exit packages
<£10,000	0	0	4	18	
£10,000 - £25,000	1	24	3	47	
£25,001 - £50,000	0	0	2	68	
£50,001 - £100,000	1	60	1	78	
£100,000 - £150,000	0	0	0	0	
Total number of exit packages by type	2	0	10	0	12
Total resource cost		84		211	295

Exit packages: Non-Compulsory Departure Payments 2021-22

	Payments agreed	Total value of agreements £000
Mutually agreed resignations (MARS) contractual costs	3	101
Contractual payments in lieu of notice	9	194
Total:	12	295

Service Contracts

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

Name	Designation	Date Appointed	End of Term of Office
Mr Julian Dixon	Non-Executive Director	November 2014	November 2022
Ms Sue Hunt	Non-Executive Director	October 2014	October 2023
Mr Graham Sims	Chair of the Trust	August 2015	August 2024
Mr John Petitt	Non-Executive Director	May 2016	May 2022
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	April 2025
Prof Parveen Yaqoob	Non-Executive Director	January 2023	January 2026

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 Mrs Helen Mackenzie Mr Peter Milhofer (from April 2022) Professor Parveen Yaqoob (from January 2023) Mr John Pettit (April 2022 – May 2022) Mr Julian Dixon (April 2022 to November 2022)

Board attendance at Nominations and Remuneration Committees are shown on p.39 and 40.

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.49 and 50.

Signed

Steve McManus
Chief Executive Officer **Date: 12 July 2023**

Staff report

Staff Costs

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.

	Total 31-Mar-2023 2022/23 £000s	Permanent 31-Mar-2023 2022/23 £000s	Other 31-March-2023 2022/23 £000s	Total 31-Mar-2022 2021/22 £000s	Permanent 31-Mar-2022 2021/22 £000s	Other 31-March-2022 2021/22 £000s
Medical and dental	**93,993**	57,138	36,855	89,127	65,672	23,455
Administration and estates	**58,411**	54,469	3,942	45,575	30,453	15,122
Healthcare assistants and other support staff	**34,755**	22,545	12,209	48,320	28,078	20,242
Nursing, midwifery and health visiting staff	**110,400**	89,993	20,407	98,768	80,673	18,095
Scientific, therapeutic and technical staff	**29,301**	25,619	3,682	26,006	20,131	5,875
Healthcare science staff	**14,412**	11,603	2,809	14,880	14,145	735
Other	**13,986**	13,986	0	13,592	12,439	1,153
Total	**355,258**	**275,352**	**79,905**	336, 268	251,591	84,677

This table has been subject to audit.

Staff WTE	Permanent WTE 2022/23	Other WTE 2022/23	Permanent WTE 2021/22 (restated)	Other WTE 2021/22 (restated)
Medical and dental	366	405	344	382
Administration & Estates	968	116	905	221
Healthcare assistants and other support staff	1170	29	1184	354
Nursing, midwifery and health visiting staff	1763	436	1696	265
Scientific, therapeutic and technical staff	507	105	452	65
Healthcare science staff	147	38	149	58
Total Average Numbers	4921	1129	4730	1345

The WTE numbers for 2021/22 have been restated. This ensures consistency of reporting between years and records staff with a fixed term contract as temporary staff, rather than as permanent staff by staff group.

Status	Female	Male
Director	6	7
Employee	4,850	1,487
Senior Manager	47	35
Grand Total	4,903	1,530

The Trust's expenditure on consultancy during 2022/23 was £5,167k (£2,655k 2021/22). The increase has been largely caused by the re-classification of immigration fees relating to overseas recruits from Other Expenses.

Sickness Absence Data

Figures Converted to Best Estimates of Required Data Items		Statistics Produced from ESR Business Intelligence Reports		
Average FTE 2022-23	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE based on CO definitions
a	b	c	d	e
5,527	50,025	2,010,345	81,151	9.7

Period covered April 2022 – March 2023.

Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Staff policies and actions applied during the financial year

A total of 12 HR policies were reviewed and ratified during 2022/23. The majority of the policies apply to 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 particular aptitudes and abilities.

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

The Occupational Health (OH) department has seen a 40% increase in demand over the past year with particular reference to referrals received to the department. In addition a further 30% increase in request for pre-employment health checks which also includes vaccinations and bloods test.

A new OH Consultant joined the team in 2022 as well as new OH nurse and this has supported the team in trying to deliver its core services to the Trust.

Following the COVID-19 interruption OH have now recommenced health surveillance for skin and respiratory surveillance as well as 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 continued to deliver an exceptional services to Trust staff and maintains a high demand for services. Feedback from staff confirms they feel having the staff physiotherapy service has either avoided them going off sick or helped them return to work sooner than expected. Staff also feel they get an excellent service from the physiotherapist. Given the demand on the service it is only possible to be reactive to those staff referring; however, moving forward consideration is being given on how to become proactive though this is likely to require funding for additional resources.

The COVID teams delivering both the vaccination programme and the staff testing/outbreak management continued to support managers and staff throughout the past year and remain within the OH remit.

The COVID vaccination team has continued to not only work locally with the Trust and our staff but also supported patient COVID vaccinations in hard to reach groups including pregnant women and those patients having a long stay in hospital. The COVID vaccination lead is also supporting both the regional group and has been asked to work on a project nationally regarding COVID vaccination reporting.

The team achieved the 5th highest update for COVID vaccination nationally with 64.2% of frontline staff having a COVID booster in the 2022/23 winter campaign. Seasonal flu vaccination uptake was a similar rate achieving 64.1% for 2022/23.

Co-administration of both COVID booster vaccines and seasonal flu vaccinations appears to have been an effective approach by the team and will continue to be a model used in future campaigns.

The COVID vaccination team also moved location to a new dedicate vaccination centre during the campaign and this provides a longer term facility to deliver vaccination campaigns from for the future.

The COVID testing / outbreak continued to support those clinical areas where regular polymerase chain reaction (PCR) COVID testing of hospital staff was required whilst also ensure any staff who tested positive for COVID either via a lateral flow device (LFD) or PCR had contact tracing completed. The team also delivered welfare calls to staff to support them whilst off work.

In view of the change in COVID testing guidance the testing / outbreak team has now been ended however the COVID vaccination team continues in place delivering booster campaigns working alongside OH.

OH has continued to ensure the Trust management and staff are updated with any changes to COVID advice this includes the general frequently asked questions in addition to a 'Pregnancy and COVID-19 risk assessment guide' which was published for managers and staff. The Trust has also continued to review and update the Trust staff COVID-19 individual risk assessments (CIRA) as required taking into account any changes in government COVID advice.

The Trust have invested further in staff health and wellbeing during 2022/23 with a number of significant changes.

A new 'Oasis' staff health and wellbeing centre has been established providing staff with a range of wellbeing facilities close to their work. The Oasis provides staff with a gym which offers both cardio and weights as well as shower and changing facilities. The Oasis centre also includes a kitchen, a large lounge which opens onto the new gardens, an exercise room and a TV room. Two quiet rooms for quiet contemplation, prayer, wellbeing meetings and a large conference room are also available.

A new Staff Health and Wellbeing Coordinator has been appointed and they support the Staff Health and Wellbeing Operational Lead in overseeing and managing the new Oasis centre. We have seen a significant footfall of staff visiting the Oasis on a regular basis to utilise the facilities. Regular classes such as Yoga and Pilates are run regularly.

The activity room in the Oasis is used for staff health checks which are delivered in line with the NHS health check requirements. The project is funded by the local Borough council with a staff health check project lead recruited to post. To date, over 500 staff have undergone a health check with a number of staff being referred to their GP for further advice on health issues identified during the check. The project will continue into 2023/24.

The Trust has also established a staff psychology service; a Clinical Lead Psychologist has been recruited to post and recruitment for a clinical psychologist is in progress. This service provides a wide range of support to staff and teams/departments who routinely deal with difficult situations/trauma in the course of their work. Once established, the service will also look to support staff via an OH referral pathway for those identified as requiring further support.

The Staff Health and Wellbeing Lead continues to manage and oversee the Trauma Risk Manager (TRiM) service with support from other colleagues who have trained as TRiM managers and practitioners. The TRiM service provides support to staff in a timely manner following a traumatic incident.

Staff are provided with a seasonal care pack on a quarterly basis and this aims to ensure staff are aware of the various support services and offers available to them for their physical, psychological, financial and general wellbeing.

The Trust meets with employee representatives on a regular basis, through the Joint Staff Consultative Committee and the Joint Local Negotiating Committee. These mechanisms ensure the views of employees are taken into account when decisions are made which are likely to affect their interests and to encourage their involvement in the Trust's performance.

The Trust maintains active and timely communications with all staff to ensure that the workforce is kept up to date with policy changes, critical and key events and facilitate communications within and across teams.

- The Acting Chief Executive's weekly Vlog and Blog

- The Trust's intranet platform WorkVivo which enables staff to communicate within and across teams, promote Trust and national events and also hosts key clinical information staff require to carry out their roles

- Communications announcements which notify staff of critical and other key events in the Trust

Equality Reporting

The Trust's latest Equality reports for 2022, 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.

Key headlines from our National Equality Reports are below:

Workforce Race Equality Standard (WRES)

In 2022/23 eight out of the nine WRES metrics benchmark better than the National Average. Our in year performance trend however was mixed with some areas improving and others deteriorating.

In terms of improvements, we delivered in year increase in the number of Black Asian Minority Ethnic (BAME) staff in senior leadership positions; further developed our Board representation and delivered improvement in staff perceptions of the fairness of career progression and equality of opportunity. Particular negative trends of concern was more BAME colleagues experiencing bullying, harassment and discrimination from patients and colleagues alike this past year

Key priorities in the year ahead will be a continued focus on our recruitment practices and refocussing our work on civility, behaviours and kindness for all our people
Our BAME workforce has grown this past year again and now comprises 32% of our total workforce. As such, the key thrust of the WRES remains of vital importance to the Trust as we seek to maintain and further develop our inclusive organisational culture. The Trust has a WRES Action Plan in place to drive further improvements in the year ahead.

Gender Pay Gap (GPG)

In 2022, the Trust reported a median gender pay gap of 5.3% (an increase from 2021) and a mean gap of 20.24% (a reduction from 2021 and lowest ever reported mean gap).

The key factor that has slowed our improvement and indeed driven an increase in the median pay gap is the gender profile of organisational growth in the last year. Net increases in male representation is concentrated in the above median ranges of quartile 4 (highest pay quartile) and quartile 3 (second highest pay quartile). Net increases in female representation is concentrated in in the below median ranges of quartile 1 and 2 with decrease particularly concentrated in the 3rd quartile. The cumulative impact of these diverging trends is that the male median, relative to the female median is being dragged up due to increasing representation in upper pay echelons.

The Trust has a GPG Action Plan in place to drive improvements in the year ahead and is available to view on our website.

Workforce Disability Equality Standard (WDES)

Our 2022/23 Workforce Disability Equality Standard report evidenced solid improvement across a range of metrics. These included notable improvements in the experience of our disabled staff in terms of feeling more valued and engaged, higher levels reporting appropriate reasonable adjustments have been delivered, lowering levels of bullying and harassment from managers and better reporting of bullying in the organisation. All these metrics benchmarked favourably relative to NHS averages.

Deteriorations were reported in terms of disabled staff experiencing higher levels of harassment, bullying and abuse from patients – with the levels experienced being slightly above National Averages. In addition, an increase in relative likelihood of non-disabled candidates being appointed form shortlisting compared to disabled candidates was reported in 2022/23, bucking the improvement trend delivered at the Trust in the past two years.
The Trust has a WDES Action Plan in place to drive improvements in the year ahead.

Beyond National Equality Standards, we have continued to seek to deliver equality and inclusion improvements. Some highlights from our work over the past year include:

Inclusion Networks and Forums: Our staff inclusion forums have continued to grow and provide invaluable platforms to drive inclusion improvements.

See ME First Initiative – We became one of twenty NHS organisations to have launched the See Me First initiative. See ME First is a campaign to promote Equality, Diversity and Inclusivity in line with our organisational CARE values and behaviours framework and a statement that says that the Royal Berkshire NHS Foundation Trust is an open, non-judgemental and anti-racist organisation that treats all Black, Asian and Minority Ethnic staff with dignity and respect. It also provides a practical opportunity to make a pledge and personally commit to delivering a difference. Over 150 pledges were made on the day of our launch alone.

Developing Ethnic Minority Talent: In 2022, we recruited our second cohort of Aspiring Ethnic Minority Senior Leaders – providing a 6 month secondment opportunity for staff to work side by side with senior trust leaders and provide an immersive experience in the leadership of service and trust wide projects.

Route to Recruit: Route to Recruit is a unique collaboration that supports young people with learning disabilities transition from education into the world of paid employment. Since the programme started in 2012 over 90 interns have completed our supported internship programme at the Trust with 34 interns having gained paid employment at the Trust following a successful work placement and a further 12 going on to secure paid employment with employers in their local communities.

LGBT+ Inclusion: This past year, we have been proud once again to be a Stonewall Diversity Champion and once more be part of Reading Pride.

Carer Support: We have developed a dedicated Staff Carers forum and along with resources and support have worked to elevate our focus on staff carers in the organisation.

Staff Neurodiversity Forum: The group, comprised of staff with lived experience and/or a personal interest in neurodiversity, aims to ensure that our workplaces are safe and inclusive of the needs of our neurodivergent staff members. This group works in collaboration with the Learning Disability and Autism working group to inform best practice and identify areas for improvement in care delivery to patients with learning disabilities and/or autism and their families and carers.

Staff Turnover

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/january-2023 Figures are updated monthly.

National NHS Staff Survey Results

Against the 2022 National Survey picture for Acute Trusts of general stagnation and continued modest decline, the RBFT results for 2022 are characterised by stability, improvement and the further strengthening of our benchmarked position. We are a top 10 National performer in 6 out of the 9 survey themes and a top 15% performer in all themes.

Response Rate

	2022		2021		Trust Improvement/Deterioration
Response Rates	Trust	National Acute Average*	Trust	National Acute Average	5% improvement and 13% higher than median average for the benchmark group
	57%	44%	52%	46%	

Summary of Performance

Following the significant re-alignment of the 2021 National NHS Staff Survey to enable mapping relative to the NHS People Promise Themes, no material changes to methodology were applied in 2022. 2022 data is this directly comparable to 2021. Survey Performance is summarised below along with that of our Benchmark group of 124 Acute and Acute/Community Trusts.

People Promise Theme*	2022 RBFT	2022 Acute Average	2022 Best Acute	2021 RBFT	2021 Acute Average*
We are compassionate and inclusive	7.4	7.2	7.7	7.4	7.2
We are recognised and rewarded	6.0	5.7	6.4	6.0	5.8
We each have a voice that counts	7.0	6.6	7.1	7.0	6.7
We are safe and healthy	6.2	5.9	6.4	6.2	5.9
We are always learning	5.7	5.4	5.9	5.6	5.2
We work flexibly	6.3	6.0	6.6	6.2	6.0
We are a team	6.9	6.6	7.1	6.8	6.6
Staff Engagement	7.2	6.8	7.3	7.2	6.8
Morale	6.0	5.7	6.3	6.0	5.7

**Each theme is scored on a scale of 0-10, with 10 indicating the highest level of performance*
Whilst not directly comparable to performance in 2022 and 2021 due to the significant re-alignment of the Staff Survey themes, Trust performance, benchmarked against the acute Trust average for the period 2018-2020 is set out below. Pre 2021, Staff Survey performance was measured across 10 themes (+ overall staff engagement).

Survey Theme*	2020 RBFT	2020 Acute Average	2019 RBFT	2019 Acute Average	2018 RBFT	2018 Acute Average
Equality, Diversity and Inclusion	9.0	9.1	9.0	9.0	8.9	9.1
Health and Wellbeing	6.4	6.1	6.1	5.9	6.2	5.9
Immediate Managers	6.9	6.8	7.0	6.8	6.9	6.7
Morale	6.4	6.2	6.3	6.1	6.2	6.1
Quality of Appraisals	N/A	N/A	6.1	5.6	5.8	5.4
Quality of Care	7.7	7.5	7.7	7.5	7.6	7.4
Safe Environment – Bullying and Harassment	8.0	8.1	8.0	7.9	8.0	7.9
Safe Environment – Violence	9.3	9.5	9.5	9.4	9.5	9.4
Safety Culture	7.1	6.8	7.0	6.7	6.9	6.6
Staff Engagement	7.4	7.0	7.4	7.0	7.3	7.0
Team Working	6.7	6.5	6.8	6.6	6.6	6.5

**Each theme is scored on a scale of 0-10, with 10 indicating the highest level of performance*

Commentary and Future Priorities and Targets

Against the 2022 National Survey picture for Acute Trusts of general stagnation and continued modest decline, the RBFT results for 2022 are characterised by stability, improvement and the further strengthening of our benchmarked position.
We are a top 10 National performer in 6 out of the 9 themes and a top 15% performer in all themes. This, coupled with delivery of our highest ever response rate provides a strong assurance that the experience of our people at work is amongst the very best in the country. 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 address granular trends that lie beneath positive headline trends.

Our new People Strategy, launching 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.

Action Plans to Address Areas of Concerns

Our 2022 survey results once more evidence a strong benchmarked performance. Beneath the headline performance, we will need to remain focussed on granular trends requiring improvement and action.

Staff retention will continue to be a significant focus for 2023/24 as our retention work programme matures and we further develop targeted support and interventions to mitigate risks of leaving the organisation. Delivery of our Education Strategy will continue as a key driver in recruitment and retention. Coupled with our ongoing development of new and innovative workforce roles, increase support for career development and developing talent we will seek to improve retention.

Our new People Strategy 2023-2027 also sharpens our focus on Equality, Diversity and Inclusion and will provide the springboard to accelerate the speed of improvements that we have seen in recent years.

Of concern is the continuing trend of staff experiencing higher levels of discrimination, bullying and harassment, abuse and violence from patients. In the context of ongoing pressure on our services and a challenging externally environment for our people, our unrelenting focus on staff Health, Safety and Wellbeing will continue.

A Trust level thematic improvement plan 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 disclosures

Relevant union officials

The figures below relate to the period April 2022 - March 2023.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	12.39

Percentage of time spent on facility time

Percentage of Time	Number of employees
0%	11
1-50%	4
51-99%	0
100%	0

Percentage of pay bill spent on facility time

First Column	Figures
Provide the total cost of facility time	£15,942.02
Provide the total pay bill	£355,035,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time + total pay bill) / 100	0.0045%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total pay facility time hours calculated as: (Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100).

Reporting High Paid Off-Payroll Arrangements

It is the Trust's policy to restrict the use of agency and locum staff across all directorates and staff groups. All bookings for temporary staff must be made using the Trust's outsourced provider, NHS Professionals. The Trust must adhere to NHS England's agency rules, therefore the temporary staffing team only select agencies on an approved framework. The use of an agency that is not on the approved Trust supplier list or approved framework presents additional risks (such as insufficient quality checks having been conducted; non-compliance with Public Sector Regulations and no protection around terms & conditions) and must be authorised by an Executive Director or their appointed deputy who should document why this route has been chosen.

From April 2017 there were changes to the way the current intermediaries legislation (known as IR35) is applied to off-payroll working in the public sector. Where the rules apply, people who work in the public sector through an intermediary will pay employment taxes in a similar way to employees. The responsibility for deciding if the legislation should be applied, shifts from the worker's intermediary to the public authority to whom the worker is supplying their services. The Trust is liable for financial penalties should they not determine the IR35 status to the best of their knowledge.

It is the appointing manager's responsibility to determine the IR35 status before confirming a payment method with the contractor. The manager must complete the HMRC self-assessment tool and send the result to the temporary staffing manager who will keep a record as an audit for the HMRC and liaison with accounts payable.

https://www.tax.service.gov.uk/check-employment-status-for-tax/setup

Where a contractor status is deemed inside IR35 the Trust must make the relevant tax deductions at source.

Where a contractor status is deemed outside IR35 the Trust does not need to make any tax deductions at source and the responsibility for paying the appropriate tax lies with the contractor.

If the contractor opts to be paid via an approved umbrella company, this can be paid via accounts payable regardless of IR35 status as the umbrella company are responsible for making the tax deductions if required.

Accounts Payable require assurance from the Temporary Staffing Manager that the IR35 status has be determined prior to payment of invoices.

The Trust does not permit any agency workers to work via a limited company (PSC) regardless of the IR35 status. All agency workers must either be paid via PAYE or an umbrella company through their agency. Bank workers can only be paid via PAYE via NHS Professionals.

The Trust's Temporary Staffing Policy refers to the use of off-payroll workers and in particular the use of intermediaries and IR35.

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

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

No. of existing arrangements as of 31 March 2023	60
Of which:	
No. that have existed for less than one year at time of reporting	19
No. that have existed for between one and two years at time of reporting	15
No. that have existed for between two and three years at time of reporting	3
No. that have existed for between three and four years at time of reporting	1
No. that have existed for four or more years at time of reporting	22

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

Number of off-payroll workers engaged during the year ended 31 March 2023	877
Of which:	
Number assessed as within the scope of IR35	877
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 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.

Any off-payroll engagement of board members and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023	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

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

Signed

Steve McManus
Chief Executive Officer **Date: 12 July 2023**

NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Royal Berkshire NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board declares that, with the exception of C.3.1, the Trust has met the requirements of the NHS Foundation Trust Code of Governance for the year 2022 – 2023.

A review of the Trust's compliance with the NHS Provider Code of Governance will be conducted and submitted to the Audit and Risk Committee in September 2023.

Code provision	Requirement	Location in Annual Report
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	Directors' Report p.49
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. Part of this requirement is also contained within paragraph 2.27 as part of the directors' report.	Directors' Report p.34 Remunerations Report p.67 Directors' Report p.39 & 40
A.5.3	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 p.49 & 50
FT ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Directors' Report p.49 & 50

Code provision	Requirement	Location in Annual Report
B.1.1	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Directors' Report p.35
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Directors' Report p.35-39
FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	Directors' Report p.35
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Remunerations Report p.67-69
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	This scenario did not present in this reporting period.
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	Directors' Report p.45
B.5.6	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 p.52

Table continued below.

Code provision	Requirement	Location in Annual Report
FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of Schedule 7 of the NHS 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 of 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).	This power was not exercised in 2022/23.
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Directors' Report p.39
B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Directors' Report p.39
C.1.1	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, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 2.112	Directors' Report p.42
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement p.108
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors' Report p.43

Code provision	Requirement	Location in Annual Report
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	Not applicable.
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded	Directors' Report p.41
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Steve McManus is not paid for other roles disclosed in the Board Register of Interests. These are voluntary roles that do not earn income. As such, only Mr McManus' role in the ICB and as Chief Executive of the RBH are reported in the Remunerations Report p. 57-61
E.1.5	The board of directors should state in the annual report the steps they have 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, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Directors' Report p.39
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Directors' Report p.53-54

Code provision	Requirement	Location in Annual Report
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Directors' Report p.54
FT ARM	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Directors' Report p.53 p.54 p.54
FT ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.27 as directors' report requirement	Directors' Report Board Register p.45 Governors' Register p.54
A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its health care delivery	Annual Governance Statement p.105 Systems and processes are in place which adhere to this requirement and the Board receives assurance on the adequacy of these processes through review by internal audit and assurance mechanisms

Table continued below.

Code provision	Requirement	Location in Annual Report
A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	The Integrated Performance Report (IPR) is submitted and discussed in detail at each Board meeting and Watch Metrics are submitted and discussed at individual Committee level. Visual indicators of the direction of trend were added in 2022-23 for additional clarity.
A.1.6	The board should report on its approach to clinical governance	Annual Governance Statement p.108
A.1.7	The chief executive as the accounting officer should follow the procedure set out by NHS England for advising the board and the council and for recording and submitting objections to decisions	Systems and processes are in place which adhere to this requirement.
A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	Directors' Report p.35
A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility	Directors' Report p.35
A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors	Performance Analysis p.20 The Trust indemnifies against risk of legal action through NHS Resolution
A.3.1	The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.	The independence criteria of candidates are reviewed at the appointment stage.
A.4.1	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	Directors' Report p.34
A.4.2	The chairperson should hold meetings with the non-executive directors without the executives present.	Directors' Report p.35
A.4.3	Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes	Concerns raised are recorded in Board Minutes.
A.5.1	The council of governors should meet sufficiently regularly to discharge its duties.	Directors' Report p.49
A.5.2	The council of governors should not be so large as to be unwieldy	Directors' Report p.49
A.5.4	The roles and responsibilities of the council of governors should be set out in a written document.	Directors' Report p.49

Code provision	Requirement	Location in Annual Report
A.5.5	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Directors' Report p.39
A.5.6	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns	Council engagement with the Board of Directors is set out in the Trust Governance Handbook.
A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective	Directors' Report p.39
A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board	Processes set out in the Trust Governance Handbook ensure the Trust is compliant with this requirement.
A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties	Directors' report p.48-51 Processes set out in the Trust Governance Handbook ensure the Trust is compliant with this requirement.
B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent	Directors' report p.34 The Trust Board is comprised of 7 Non-Executive Directors (Including the Chair) and 6 Executive Directors.
B.1.3.	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	Directors Report p.45
B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	Remunerations Report p.67-69
B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate	Remunerations Report p.68
B.2.4	The chairperson or an independent non-executive director should chair the nominations committee(s)	Remunerations Report p.67
B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.	Remunerations Report p.68

Code provision	Requirement	Location in Annual Report
B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	The Governor Nominations and Remunerations Committee consists solely of Governor members. The Chief People Officer may be asked to attend to advise on matters related to Non-Executive Directors including recruitment.
B.2.7	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.	Recruitment processes are in place to ensure the Trust is compliant with this requirement.
B.2.8	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive director	Remunerations Report p.68-69
B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s).	Remunerations Report p. 69
B.3.3	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.	The Register is actively maintained and if this situation arose, the Board would be consulted accordingly.
B.5.1	The board and the council governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make	The monthly Integrated Performance Report (IPR) submitted to the Board includes summary information of key metrics accompanied by narrative. This is also circulated to Governors bi-monthly. Governor training and development is designed to equip governors with the necessary skills and knowledge to interact with Board reports.

Table continued below.

Code provision	Requirement	Location in Annual Report
B.5.2	The board, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis	Trust non-executive directors have a wide range of expertise across healthcare and industry that enables them to understand and challenges the executive management. The Trust also has an active programme of NED training and development and they attend public Board meetings and Board Seminars where relevant advisers from different departments within the Trust deliver presentations and reports on the various functions within the Trust (e.g. estates, Research & Innovation, procurement etc. Board Members and Governors also attend these meetings.
B.5.3	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	Processes are in place to ensure the Trust is compliant with this should directors require.
B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Each Committee has appropriate Terms of Reference, reviewed annually to ensure they are fit for purpose and which provide appropriate guidance to enable Committee members to carry out their duties appropriately.
B.6.3	The senior independent director should lead the performance evaluation of the chairperson.	Performance evaluation of the Chair is undertaken annually by the Senior Independent Director.

Table continued below

Code provision	Requirement	Location in Annual Report
B.6.4	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members	Non-Executive Directors' performance evaluations are undertaken annually and were carried out during May and June 2022. Appraisals for NEDs, the Chair of the Trust and the CEO team are scheduled for June and July 2023.
B.6.5	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	The Council conducts an annual evaluation of its performance against their objectives. This is reported to the Council of Governors. The Lead Governor reports on the work of the Council at its Annual General Meeting.
B.6.6	There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	The Trust Constitution sets out the terms for removal of a governor. A Code of Conduct for Governors forms part of the Governance Handbook.
B.8.1	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment	The Nominations and Remuneration Committee would review proposed exit terms for Executive Directors and seek advice from the Chief Executive and Chief People Officer in respect of any potential risks. Legal advice would always be sought from the Trust's solicitors
C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary. See also ARM paragraph 2.15.	A statement to this effect is included in the Annual Report in the section headed Statement as to Disclosure to Auditors (s418) & Accounts.

Table continued below.

Code provision	Requirement	Location in Annual Report
C.1.3	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	The Trust's objectives are revised annually and are made available on the website and in the Quality Account and Operational Plan. These form the basis of the Board Assurance Framework which is reviewed at Board and Board Sub-Committees. Performance information in relation to the objectives is published monthly in Board performance reports. The Trust Strategy 'Vision 2025' and supporting sub-strategies were refreshed and approved during the Public Board in June 2023. The strategy refresh is available on the Trust website.
C.1.4	a) The board of directors must notify NHS England and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust. b) The board of directors must notify NHS England and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • the NHS foundation trust's financial condition; • the performance of its business; and/or • the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust.	Any major new developments or items of interest identified by the executive team and Board are notified to NHS England and the Council of Governors. The Council of Governors discusses any significant strategic issues and implications. A key vehicle for this is the Trusts annual operating plan which is presented to the Governors and to NHS England in draft for comment. The process is incorporated into the Trust's strategic engagement framework and in the system-wide (Integrated Care System) Planning process.

Table continued below

Code provision	Requirement	Location in Annual Report
C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	The Trust is not compliant with this provision as detailed in the Directors' Report p.41
C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	A process is in place to ensure the Council is consulted as part of these processes in order to nominate a governor to participate in the appointment of external auditors.
C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	External auditors are appointed for a 2 year period.
C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS England informing it of the reasons behind the decision.	NHS England would be notified if required.
C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters	The Audit & Risk Committee receives regular updates on freedom to speak up processes and procedures and the Chair is kept informed of any freedom to speak up issues raised. Members of the public can also raise concerns through the Patient Advice and Liaison Service (PALS).
D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels	Directors have an annual performance appraisal. No performance related remuneration for Executive Directors was awarded in 2022/23.
D.1.2	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	Levels of remuneration for the Chair and other Non-Executives reflect the time commitment and responsibilities of their roles

Code provision	Requirement	Location in Annual Report
D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	The Nominations and Remuneration Committee terms of reference include this responsibility.
D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments	The Nominations and Remuneration Committee terms of reference include this responsibility.
D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Benchmarking data for remuneration levels of the Chair and Non Executives is sourced by the Chief People Officer.
E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	The Council of Governors represents the views of members and the local community and key items are discussed at Council of Governors meetings that are open to the public. Members of the public have been engaged on topics that affect the Trust that have included the Building Berkshire Together programme and the Trust's Operating Plan. The Communications team regularly liaises with local community groups that include Healthwatch as well as the local authorities. The Trust has a patient leadership programme that includes members of the public that also take part in focus groups, interviews, clinical governance meetings to represent the public/patient view. An Integrated Care System (ICS) Communications & Engagement Strategy has been developed. This identifies the strategic priorities and ambitions of the Berkshire West Place

		and is aligned to the BOB ICS 5 year plan.
E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	The Chair would ensure that any views were reported to the Board. Non-Executive Directors can also share views of governors and members at Board/Board-sub Committees following discussion at the Council of Governors/ Governors Assurance Committee.
E.2.1	The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to cooperate.	The Communications team and members of the Senior Executive all engage with third party bodies and stakeholders as part of engagement on key items that would impact on members of the community, public and other stakeholders. This would be included in the Terms of Reference for specific working groups when engagement was required. Senior executives are also members of ICS Committees that discuss engagement with the local providers.
E.2.2	The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	The Trust has in place regular and effective arrangements for liaison with third parties and can demonstrate that these relationships are pursued regularly. The formality of process and priorities are set out in the stakeholder engagement framework.

NHS OVERSIGHT FRAMEWORK (Finance and Use of Resources)

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 2023 is 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 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: 12 July 2023**

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 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 2023 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

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, health and safety 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
- 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.

The Risk Identification and Control Framework

Risk is managed on behalf of the Board through the Trust's governance structure. The committee structure was last reviewed in 2021 and risk is managed through the following Board committees:

- Audit and Risk Committee
- Quality Committee
- Finance and Investment Committee.
- People Committee

The Audit & Risk Committee oversees the delivery of effective risk management arrangements in the Trust. The key aims and objectives for risk management include:

- complying with legal and statutory requirements and meeting the requirements of external regulators and other relevant bodies
- providing guidance to assist with proactive risk management and risk reduction
- Supporting the organisation in its approach to ensuring the safety of staff, patient and visitors.

The Quality Committee (QC), a Board sub-committee chaired by one of our Non-Executive Directors enables the Board of Directors to obtain assurance that high standards of quality care are provided by the Trust and in particular that adequate and appropriate clinical governance structures, processes and controls are in place throughout the Trust.
All data and information within the Quality Report is reviewed through this Committee.
The key responsibilities of the Quality Committee are:

- to ensure compliance with CQC essential standards and NICE guidance
- to be assured that risks to clinical quality are proactively identified, prioritised and managed
- to ensure effective learning is embedded from serious incidents, complaints and patient feedback
- To oversee the Trust's quality strategy, quality account and quality governance framework.

The Quality Assurance and Learning Committee (QALC) reports to the Quality Committee. The QALC has strengthened an integrated approach to the management of risk and shared learning across the organisation.
The CQC Insight reports are routinely reviewed and the Trust undertakes self-assessments of compliance with CQC requirements that are reported to the Executive Management Committee.

The Trust carries out a self-certification process that ensures the Trust complies with the Foundation Trusts' licence conditions. This is submitted to the Board of Directors on an annual basis. This includes reviewing the effectiveness of governance structure, the responsibilities of Directors and Sub-committees, reporting lines and accountabilities between the board, its subcommittees and the executive team, the submission of timely and accurate information to assess risks to compliance with the Trust's licence and the degree and rigour of oversight the Board has over the Trust's performance.

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.

As a part of the annual planning process for 2022-23 the Trust Board agreed nursing and midwifery safer staffing workforce plans presented by the Chief Nurse. The trust have a triangulated approach to establishment setting including use of the validated safer nursing care tool, professional judgement and patient outcomes and experience. The plans are developed at ward, Care Group level and approved at the Executive Management Committee, Workforce Committee and Board. Skill mix reviews were undertaken twice during the years as suggested by NHSE. The monthly integrated performance report details ward-level safer staffing metrics including fill rates, safer staffing red flags and care hours per patient day. Training continues within the trust to ensure the clinical teams are utilising the safer nursing care tool effectively.

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 Workforce, 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 2022-23 the Trust identified the following as the key operational risks:

- **East Wing North Block**: an unoccupied, listed building in need of extensive structural repairs and replacement of timbers and at risk of collapse. ***Mitigation/Controls***: Stabilisation and remedial works commenced January 2023 to include ground stabilisation and replacement of fragile drainage and water supplies.

- **Potential geological/sink hole risk across RBH Estate**: Risk of structural damage across a significant proportion of the RBH site as a result of sink holes. ***Mitigation/Controls:*** known sink holes on West Drive/Centre Site Interface and North Block East Wing have been managed and the Trust is assured of ground stability. Urgent geotechnical and water surveys leading to detailed 3D modelling were commissioned and commenced in March 2023.

- **Management of Estates Infrastructure/Backlogged Maintenance**: the cost to bring the Trust-owned estate assets that are below acceptable standards in terms of physical condition, are life-expired and/or do not comply with mandatory safety requirements up to an acceptable condition. ***Mitigation/Controls***: The Estates and Facilities Directorate maintains a comprehensive risk register which is reviewed and updated regularly and used to prioritise investment requirements and inform the capital planning bidding each year.

- **Emergency Department Capacity & Compliance**: risk of having insufficient capacity to treat high volume of patients within the 4 hour quality standard target. ***Mitigation/controls***: renewed focus on internal processes including raising profile and significance of 4 hour quality standard within the ED team. Continued work on key interface departments. Reading Urgent Care Centre now open and seeing 60-70 patients a day.

- **Risk to achieving strategic objective of financial sustainability**: Full year deficit of 16.73m. The position has been driven by higher sickness levels, higher emergency demand, higher vacancy and turnover levels as well as increased referrals particularly for urgent cancer pathways which has required outsourcing capacity in radiology, ophthalmology and pathology. ***Mitigation/controls***: the Trust has instigated an Efficiency and Productivity Committee chaired by the Chief Executive to secure delivery of £15m savings programme. An extensive communications programme led by the Chief Executive is messaging the need to live within our means and is seeking full engagement from all budget holders.

- **Fire Safety**: ageing infrastructure and reduced ability to invest at the rate of deterioration in fire safety systems with increased fire safety risks. ***Mitigation/Controls****:* The need for prioritised capital requirement has been escalated to the Trust Board.

- **Inadequate IT Communication Platform and associated Telecommunication Systems**: This refers to risk associated with and relating to the age, resilience, performance and restrictive technology of the existing telecoms system. This system also supports bleepers, pagers, emergency numbers and crash calls. Failures in these critical systems present serious operational risks. ***Mitigations/controls***: the Trust has reviewed all available options to migrate from the end-of-life telecoms system to a modern telecoms platform and flexible unified communications. The chosen platform will assist in the delivery of the Trust's digital communication objectives and will include the replacement of the telecoms system through a two-year programme.

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 2022 - 2023 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 the University of Reading 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
- Failure to realise benefits/secure commercial advantage from innovation and digital investments
- 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 Vision 2025 and strategic objectives.
- If we do not create and maintain a built environment suitable for current and future needs, we risk delivery of Vision 2025. If we do not take action on sustainability agenda, we risk impact on the Trust's reputation.

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 2023, 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 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

2022-2023 Assurance Process

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 2022-23, Royal Berkshire NHS Foundation Trust remains **substantially compliant**. Out of the 64 core standards applicable to Acute Health Trusts, RBFT is fully compliant with 63 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 (dated 19 December 2019) which remains with the LSMS (Security) for continual development. 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.

Review of Economy, Efficiency and Effectiveness of the Use of Resources

There are a number of processes used to deliver economy, efficiency and effectiveness of the use of resources. These include:

- Use of Standing Financial Instructions
- Efficient use of electronic procurement with workflow
- Regular, systematic and risk based Internal Audit
- Detailed bottom-up process for budget setting and business cases
- Benchmarking techniques for services
- Financial and efficiency benchmarking at Trust level against other NHS foundation trusts
- Service level information, with an emphasis on service level reporting and service level management

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.

During 2022-23, the Trust reported one incident externally via the Data Security and Protection Toolkit. No further action was taken by the Information Commissioners Office (ICO) as appropriate processes had been followed by the Trust in terms of responding to this incident. The Trust is committed to performing learning exercises, and the wider staff community was informed of the findings where necessary. To date, the Trust has not been

levied a fine, enforcement notice or undertaking for breaching data protection legislation or regulatory requirements.

The Trust is also committed to ensuring that the requirement for Data Protection Impact Assessments (DPIAs) is fulfilled, and an awareness and training campaign has been met with success by staff across the Trust. 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 2022-23 the Trust performed more than 300 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 Security

Audits

The Trust has continued to strengthen data security working in partnership with our service suppliers. Following a complete review of the Trust's IT estate, control processes and vulnerabilities we have produced the forward plan for the next 5 years. Specific vital areas that have been identified as not conforming to appropriate standards and these have now been stabilised and resilience improved.

Data Communications

The Trust completed replacement programme for network hardware, switches and WIFI devices. Replacement of legacy email system has been completed and all user mailboxes migrated to new online platform – Office 365. This enabled greater collaboration and ensured compliance with national Secure Mail standard. We have a new state of the art back-up and recovery system and improved protocols including a review of processes which is supported by a controlled change environment. We have improved the process for safely deploying patches and upgrades in agreement with operational services.

The Trust has put in place measures to ensure the security of data and reduce the risk of data loss. This is achieved in the following ways:
Access to data:

- All applications are password controlled, the password policy issued by IT details the password requirements and the need to change passwords, and this is further enforced through forced password changes after 90 days on key applications.

- Remote connectivity to the Trusts applications is strictly controlled and only achieved by two factor authentication – combination of username / password or certificate driven authentication to ensure greater level of security.

- The Trust complies with Information Governance Statement of Compliance issued by the NHS for third party access; this has been fully documented in the Access Control policy.

Backup of data:

- The systems managed by IT have a daily, weekly, monthly backup cycle that is managed by the operations team in line with their operating procedures

- Tape back-ups are stored in a fireproof safe, critical systems and monthly tapes are stored for a period of one year should the need arise to retrieve historical data.

- These back-up tapes would be used if there is a need to recover in the event of a disaster.

- We have an off-site backup solution backing up a small number of critical systems.

Threat intrusion:

- All PCs and servers have antivirus software installed which is regularly updated and in addition a three-layer firewall is in place to reduce the risk of intrusion

- The latest version of anti-virus software is distributed through an automated software deployment tool, and the supplier monitors and provides reports regularly to ensure that newly identified threats are dealt with

Disposal of equipment:

- Disposal of equipment: any computer equipment or media that is replaced either through end of life refresh or due to a fault that cannot be repaired has the hard drive removed and granulated.

- Computer disposal follow Waste Electrical and Electronic Equipment recycling (WEEE) guidelines and decommission forms completed.

Encryption / removable media:

In addition, the following policies are in the process of being implemented:

- Encryption Policy - all new laptops are delivered with encryption software pre-loaded, this cannot be removed. All existing laptops are now encrypted

- Removable Media Policy - this policy is in place and the Trust is planning to lock out any non-encrypted media devices such as memory sticks to ensure that if any patient data is copied it is secured.

Data Quality and governance

RBFT has developed and implemented a robust data quality and assurance strategy which has been designed to increase transparency and engagement of data quality across the Trust. The strategy has been successful in establishing a robust governance and operational process around DQ management in the Trust

The Trust has also put in place an annual Data Assurance Programme (DAP) that is designed to give assurance on key Trust datasets and KPIs across clinical, operational and finance areas. The 22/23 data assurance programme covered 10 distinct work streams and over the course of the programme; the risks, issues and associated actions related to each

work stream were managed by the appropriate data quality group e.g. the ops led Data Quality Assurance Group (DQAG) and the clinical led Clinical Data Quality group (CDQ). These operational DQ groups report into the Data Quality Steering Group (DGSG) which is an Executive led group which oversees the progress of the data assurance programme as well as acts as a point of escalation.

In 2022/23, one of the major work streams of the data assurance programme was the development of a care group level data quality & assurance report that includes a Care group level DQ scorecard as well as a DQ issues and actions log relating to the care group, this new DQ report has been signed off by the DSQG and is now live across the care groups. The successful implementation of this report is expected to further embed an effective data quality culture across the Trust.

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.

In August, the Trust was impacted by a national cyber incident affecting a significant supplier of information communication technology systems to the NHS. This led to the Trust being unable to access its 'Procure to Pay' and financial ledger system for nearly two days. Mitigations were in place, and an incident command structure instigated, to minimize the impact on patients, staff and suppliers. The Trust worked closely with the supplier, NHSE and other local Trusts who were affected to coordinate the response. A full risk assessment and mitigations were deployed, enabling the Trust to regain access to its systems and continue full use of these, while keeping the Trust Board and wider organisation fully informed.

In April, the Trust introduced a new financial ledger and 'Procure to Pay' system. During the post 'go live' period, the Trust experienced difficulties in matching some incoming purchase

invoices to existing purchase orders, which prevented BACS payments to some suppliers as automatching was not functioning. An incident command structure was instigated, and the Trust mitigated this by initiating manual payments to these suppliers until the issues were resolved, securing ongoing certainty of supply. The Trust also engaged specialist expertise to augment the internal response team and commissioned a review by Internal Audit of the incident to capture lessons learned and identify opportunities for improvements.

The Trust has identified a strategic risk in respect of financial sustainability. The Trust's external auditor has reported a 'significant weakness' in the trust's arrangements to secure financial sustainability. This relates the unplanned deficit in 2022/23 and planned deficit for 2023/24, and to the lower than required level of cost improvements being identified and developed at the time of submitting the 2023/24 plan. The Trust has taken a series of actions to mitigate the risks to the delivery of the plan, and to accelerate planning for future periods, with project planning for the delivery of savings beginning further ahead of the start of the period.

The CQC conducted an inspection of the Trust in July 2019. The Trust achieved a rating of 'good' from this review with no compliance actions.

The opinion reached by the Head of Internal Audit has remained "generally satisfactory with some improvements required".

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 are no significant internal control issues that have been identified during 2022-23.

Signed

Steve McManus
Chief Executive Officer **Date: 12 July 2023**

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 2023

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Independent auditor's report to the board 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 '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 2023 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 group and foundation trust statement of comprehensive income;
- the group and foundation trust statement of financial position;
- the group and foundation trust statements of changes in taxpayers' equity;
- the group and foundation trust statement of cash flows; and
- the related notes 1 to 25.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of accounting officer

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team 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 expenditure is capital in nature can be subjective, and determination of the amount to be recognised in the year can require estimates to be made: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; and we agreed a sample of year-end capital accruals to supporting documentation and assessed whether the capitalised expenditure is recognised in the correct accounting period.

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.

On 7 July 2023 we reported to the trust a significant weakness in the trust's arrangements to secure financial sustainability. The significant weakness was in how the 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. We

recommended that the Trust accelerates its efforts to identify and realise specific opportunities to deliver its plan including continued focus on its governance arrangements over the cost improvements programme. Additionally, we recommended that the Trust builds on the measures already taken to accelerate its efforts to identify and realise specific opportunities from those areas of potential efficiency savings identified to deliver its plan, including continued focus on its new governance arrangements over the cost improvements programme and related implementation plans. The trust has put in place actions to take forward these recommendations.

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 2023 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

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

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

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

We have nothing to report in respect of these matters.

Certificate of completion of the audit

We certify that we have completed the audit of 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.

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
12 July 2023

FOREWORD TO THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ended 31 March 2023 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

12 July 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH

	Notes	**Trust 2022/23**	**Group 2022/23**	Trust 2021/22	Group 2021/22
		£000	**£000**	£000	£000
Operating income from continuing operations	2	**577,025**	**575,879**	578,882	578,117
Operating expenses of continuing operations	3	**(598,092)**	**(592,522)**	(571,151)	(567,331)
OPERATING SURPLUS/(DEFICIT)		**(21,067)**	**(16,643)**	7,731	10,786
Finance costs					
Finance income	6	**1,989**	**1,388**	700	42
Finance expenses	6	**(1,455)**	**(826)**	(394)	(394)
PDC Dividends payable		**(8,360)**	**(8,360)**	(8,525)	(8,525)
NET FINANCE COSTS		**(7,826)**	**(7,798)**	(8,219)	(8,877)
Losses on disposal of fixed assets		**-**	**-**	(247)	(247)
Other tax movements		**-**	**(199)**	-	(183)
(DEFICIT)/SURPLUS FOR THE YEAR		**(28,893)**	**(24,640)**	(735)	1,479
Other comprehensive income/(expenses):					
Revaluation gains and impairment losses of property, plant and equipment	8	**9,848**	**10,979**	8,940	8,940
Fair value gains/(losses) on financial assets mandated at fair value through OCI		**-**	**(1)**	-	2
Total other comprehensive (expense)/income		**9,848**	**10,978**	8,940	8,942
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		**(19,045)**	**(13,662)**	8,205	10,421

None of the other comprehensive income and expense would be reclassified to surplus and deficit.

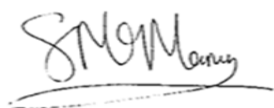
All income and expenditure is derived from continuing operations.

The notes on pages 15 to 63 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH

	Notes	**Trust 2022/23 £000**	**Group 2022/23 £000**	Trust 2021/22 £000	Group 2021/22 £000
Non-Current Assets					
Intangible non-current assets	7	**29,108**	**29,108**	31,107	31,107
Property, Plant and Equipment	8	**270,867**	**307,589**	258,908	295,976
Right of use assets	9	**60,235**	**47,634**	-	-
Investments	10	**10,600**	**18**	10,600	19
Trade and other receivables	12	**14,099**	**1,751**	14,864	2,162
Total Non-Current Assets		**384,909**	**386,100**	315,479	329,264
Current Assets					
Inventories	11	**7,830**	**7,830**	6,466	6,466
Trade and other receivables	12	**47,357**	**37,527**	38,662	27,330
Cash and cash equivalents	13	**43,209**	**49,213**	59,484	66,936
Total Current Assets		**98,396**	**94,570**	104,612	100,732
Current Liabilities					
Trade and other payables	14.1	**(96,109)**	**(94,762)**	(88,701)	(88,068)
Borrowings	14.3	**(10,752)**	**(8,511)**	(2,377)	(2,377)
Provisions	15	**(1,623)**	**(1,623)**	(141)	(141)
Other liabilities - deferred income	14.1	**(8,058)**	**(8,082)**	(6,646)	(6,646)
Total Current Liabilities		**(116,542)**	**(112,978)**	(97,865)	(97,232)
Net Current Assets/(Liabilities)		**(18,146)**	**(18,409)**	6,747	3,500
Non-Current Liabilities					
Deferred tax		**-**	**(146)**	-	(147)
Borrowings	14.3	**(59,938)**	**(44,949)**	(5,971)	(5,971)
Provisions	15	**(1,254)**	**(1,254)**	(1,737)	(1,737)
Total Non-Current Liabilities		**(61,192)**	**(46,349)**	(7,708)	(7,855)
Total Assets Employed		**305,571**	**321,342**	314,518	324,909
Taxpayers' Equity					
Public Dividend Capital		**232,606**	**232,606**	222,511	222,511
Revaluation Reserve		**77,501**	**80,778**	69,377	71,525
Income and Expenditure Reserve		**(4,536)**	**3,849**	22,630	25,165
Charitable funds		**-**	**4,109**	-	5,708
Total Taxpayers' Equity		**305,571**	**321,342**	314,518	324,909

The Financial Statements on pages 9 to 14 were approved by the Board on 12 July 2023 and signed on its behalf b



Steve McManus
Chief Executive Officer
12 July 2023

TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Revaluation Reserve	Public Dividend Capital	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	**69,377**	**222,511**	**22,630**	**314,518**
Deficit for the year	**-**	**-**	**(28,893)**	**(28,893)**
Revaluations	9,848	-	-	9,848
Other comprehensive income	**9,848**	**-**	**-**	**9,848**
Total comprehensive income/(expense)	**9,848**	**-**	**(28,893)**	**(19,044)**
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' equity at 31 March 2023	**77,501**	**232,606**	**(4,538)**	**305,569**
Taxpayers' equity at 1 April 2021	**61,953**	**208,028**	**21,849**	**291,830**
Deficit for the year	**-**	**-**	**(735)**	**(735)**
Revaluations	8,940	-	-	8,940
Other comprehensive income	**8,940**	**-**	**-**	**8,940**
Total comprehensive income	**8,940**	**-**	**(735)**	**8,205**
Transfer of current cost depreciation to the Income and Expenditure Reserve	(1,516)	-	1,516	-
Public Dividend Capital received	-	14,483	-	14,483
Taxpayers' equity at 31 March 2022	**69,377**	**222,511**	**22,630**	**314,518**

GROUP STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Revaluation Reserve	Public Dividend Capital	Charitable Funds Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	**71,525**	**222,511**	**5,708**	**25,165**	**324,909**
Surplus/(Deficit) for the year	**-**	**-**	**39**	**(24,679)**	**(24,640)**
Revaluations	10,979	-		-	**10,979**
Fair value losses	-	-	(1)	-	**(1)**
Other comprehensive income/(expense)	**10,979**	**-**	**(1)**	**-**	**10,978**
Total comprehensive income/(expense)	**10,979**	**-**	**38**	**(24,679)**	**(13,662)**
Transfer of excess of current cost depreciation to the Income and Expenditure Reserve	(1,725)	-	-	1,725	**-**
Other reserve movements	-	-	(1,638)	1,638	**-**
Public Dividend Capital received	-	10,095	-	-	**10,095**
Taxpayers' equity at 31 March 2023	**80,778**	**232,606**	**4,109**	**3,849**	**321,342**
Taxpayers' equity at 1 April 2021	**64,101**	**208,028**	**6,174**	**21,702**	**300,005**
Surplus for the year	**-**	**-**	**1,521**	**(42)**	**1,479**
Revaluations	8,940	-	-	-	8,940
Fair value gains/(losses)	-	-	2	-	2
Other comprehensive income/(expense)	**8,940**	**-**	**2**	**-**	**8,942**
Total comprehensive income/(expense)	**8,940**	**-**	**1,523**	**(42)**	**10,421**
Transfer of current cost depreciation to the Income and Expenditure Reserve	(1,516)	-	-	1,516	-
Other reserve movements	-	-	(1,989)	1,989	(0)
Public Dividend Capital received	-	14,483	-	-	14,483
Public Dividend Capital repaid	-	-	-	-	-
Taxpayers' equity at 31 March 2022	**71,525**	**222,511**	**5,708**	**25,165**	**324,909**

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 1.2

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH

	Notes	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Cashflow from operating activities:					
Net cash generated from operations	16	**24,681**	**21,538**	56,588	58,298
Cashflow used in investing activities:					
Interest received		**1,989**	**1,388**	700	40
Payments to acquire tangible non-current assets		**(26,818)**	**(26,852)**	(31,943)	(32,149)
Payments to acquire intangible non-current assets		**(5,461)**	**(5,461)**	(8,659)	(8,659)
Net cash generated used in investing activities		**(30,290)**	**(30,925)**	(39,902)	(40,768)
Cashflow used in financing activities:					
Loans repaid to Foundation Trust Financing Facility		**(2,252)**	**(2,252)**	(3,002)	(3,002)
Lease interest and unwinding discount		**(1,175)**	**(545)**	(5)	(5)
Interest paid		**(304)**	**(304)**	(423)	(423)
Capital element of lease liability payments		**(8,850)**	**(7,150)**	(113)	(113)
PDC Capital received		**10,095**	**10,095**	14,483	14,483
PDC Dividends paid		**(8,180)**	**(8,180)**	(8,903)	(8,903)
Net cash generated from used in financing activities		**(10,665)**	**(8,336)**	2,037	2,037
Increase/(Decrease) in cash and cash equivalents		**(16,275)**	**(17,723)**	18,723	19,567
Cash and cash equivalents at 01 April		**59,484**	**66,936**	40,761	47,369
Cash and cash equivalents at 31 March	13	**43,209**	**49,213**	59,484	66,936

The notes on pages 15 to 63 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

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 2022/23 issued by the Department of Health and Social Care.

The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the 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 and certain financial assets.

1.1 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 £18.5m (2021/22: net current assets £3.5m).

1.2 Basis of 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). Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

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.

The Trust is the corporate trustee to the Charity. 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 £1,263k and £3,496k respectively (2021/22: restricted £1,690k, and unrestricted £3,987k).

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 Financial Reporting Standard 102 (FRS 102) and HFMS statutory accounts are prepared to 31 March in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework. 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.

1.3 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to 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 income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Non-NHS revenue

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 provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 Financial Instruments requirements of measuring expected credit losses over the lifetime of the asset.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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.

Where income is received for a specific performance obligation to be satisfied in the following year, that income is deferred.

Where research contracts fall under IFRS 15 Revenue from Contracts with Customers, revenue is recognised as and when performance obligations are satisfied.

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.

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed. See note 2.4-2.5.

1.3.1 Operating segments

The Trust considers that it has one operating segment, the provision of healthcare services, and therefore no segmental information is reported.

1.4 Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

There are no major judgements made, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

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, a full estate valuation of all land and property owned by the Trust was undertaken in March 2023 by the valuers, Gerald Eve LLP, an independent firm of professional valuers. This valuation was carried out in accordance with the Valuation – Global Standards 2020 updated January 2022 and the national standards and guidance set out in the UK national supplement (November 2018 edition) (collectively "the Standards") published by the Royal Institution of Chartered Surveyors (RICS) and was consistent with the requirements of HM Treasury, the Department of Health and Social Care and NHS Improvement and International Financial Reporting Standards (IFRS).

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.

	Price per acre		Site Area (acre)		Resulting Site value	
	22/23 £'000	21/22 £'000	22/23	21/22	22/23 £'000	21/22 £'000
Lower	£920	£1,115	15,312	15,312	£14,087	£17,070
Middle (adopted)	£1,020	£1,250	15,312	15,312	£15,618	£19,140
Upper	£1,125	£1,390	15,312	15,312	£17,226	£21,280

Within the valuation, other factors also considered were build cost inflation, differing choice of cost rates for individual assets, differing non-physical obsolescence judgements, positive adjustments or impairments on capital improvements held at cost until revaluation, differing assumptions on professional fees levels, finance costs etc. the majority of which are inter-linked and are not analysed here.

1.5 Expenditure on Other Goods and Services

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

1.6 Employee Benefits

International Accounting Standard 19 Employee Benefits (IAS 19) sets out the requirements for accounting for short-term employee benefits, post-employment benefits and termination benefits. The 'Employee benefits expense' includes all three of these costs.

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.

Termination benefits

Termination benefits are recognised as an expense when the Trust is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as result of an offer made to encourage voluntary resignations. Termination benefits for voluntary resignations are recognised as an expense if the Trust has made an offer of voluntary resignation, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.68% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Workplace auto enrolment pension scheme

Employers who are not contributing to the NHS Pension Scheme are auto enrolled in the Government Workplace pension, National Employment Savings Trust (NEST), which was created by the government to make sure that every employer has access to an auto enrolment workplace pension scheme. Details of the scheme including benefits payable and rules of the Schemes can be found on the NEST website https://www.nestpensions.org.uk/schemeweb/nest.html .

1.7 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.

1.8 Property, plant and equipment

Capitalisation

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; and
- 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, the components are treated as separate assets and depreciated over their individual useful economic lives.

Measurement

All property, plant and equipment is measured initially at cost, representing the cost 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.

Property, plant and equipment assets are stated at the lower of replacement cost or recoverable amount. The carrying values of property, plant and equipment assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

- All land and buildings are revalued using professional valuers in accordance with IAS 16 Property, Plant and Equipment. As explained in note 1.4, in line with the Trust's Property, Plant and Equipment policy, a full valuation of all land and property owned by the Trust was undertaken in March 2023 by the Independent Valuers Gerald Eve LLP. All specialist buildings were revalued under the Modern Equivalent Asset basis.
- Valuations are carried out by the valuers is in accordance with the Global Standards 2020 of the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Changes in value that were identified have been recognised in these financial statements.
- Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.
- Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five full estate or three-yearly interim valuation or when they are brought into use.
- Plant and equipment is not revalued at the Trust except specialist assets, which the Trust does not currently possess.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13 Fair Value Measurement, if it does not meet the requirements of IAS 40 Investment Property or IFRS 5 Non-current assets held-for-sale and discontinued operations.

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

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 Trust 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.

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 Sale' 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 income.

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.

Economic life of property, plant and equipment	Min Life Years	Max Life Years
Buildings	4	140
Plant & machinery	5	10
Furniture & Fittings	5	10
Transport equipment	5	5
Information Technology equipment	4	10

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

Impairments

In accordance with the Department of Health and Social Care 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 of non-current assets

Assets intended for disposals are reclassified as ‘Held for Sale’ once both of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.;

    1. management are committed to a plan to sell the asset
    2. an active programme has begun to find a buyer and complete the sale
    3. the asset is being actively marketed at a reasonable price
    4. the sale is expected to be completed within 12 months of the date of classification as ‘Held for Sale’; and
    5. the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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. 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other 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.

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.

Intangible non-current assets are capitalised when they are capable of being used in Trust's activities for more than one year, they can be valued, and they have a cost of at least £5,000.

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.

Revaluation 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 under IFRS 13 Fair Value Measurement, if it does not meet the requirements of IFRS 5 Non-current assets held-for-sale and discontinued operations. 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.

Impairment

To determine whether an intangible asset is impaired, the Trust entity applies IAS 36 Impairment of Assets. That Standard explains when and how an entity reviews the carrying amount of its assets, how it determines the recoverable amount of an asset, and when it recognises or reverses an impairment loss.

1.10 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.

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 1.9 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

At the commencement date for the leasing arrangement, a lessee shall recognise a right of use asset and corresponding lease liability. The Trust employs a revaluation model for the subsequent measurement of its right of use assets unless cost 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 below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

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

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

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 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 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

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

Subsequent measurement

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

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

The Trust as lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022, or for leases where the underlying assets has a value below £5,000.

No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

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

2021/22 comparatives

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

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 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.

1.13 Inventories

Prosthetics, drugs and all other inventories are valued on a first-in, first-out (FIFO) basis.

This is considered to be a close approximation to the lower of cost and net realisable value due to the high turnover of these inventories.

In 2021/22 and 2022/23, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.14 Cash and cash equivalents

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust’s cash book. These balances exclude monies held in the Trust’s bank account belonging to patients (see “third party assets” note 1.25). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, “interest receivable” and “interest payable” in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.15 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 2023:

		Nominal rate	2021/22 rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2023:

	Inflation rate	2021/22 rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury’s pension discount rate of 1.70% in real terms (2021/22: -1.30%).

1.16 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 15 but is not recognised in the Trust's accounts.

1.17 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.

1.18 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.

1.19 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.

1.20 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 19 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, 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

1.21 Financial assets

Recognition

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9 Financial Instruments, and is determined at the time of initial recognition.

For all financial assets measured at amortised cost or at fair value through other comprehensive income, lease receivables and contract assets, the Trust will recognise a loss allowance, previously classified as impairment or bad debt provisions, representing expected credit losses on the financial instrument.

The Trust has adopted the simplified approach to impairment, in accordance with IFRS 9 Financial Instruments, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses.

For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 1) and otherwise at an amount equal to 12-month expected credit losses (stage 2).

The Department of Health and Social Care (DHSC) provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies and the Trust will 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.

Where the risk of non-recovery is certain due to death with no assets held by the estate, insolvency or where all avenues of recovery have been exhausted the debt is considered for write off.

1.21.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most financial assets at amortised costs and other simple debt instruments. After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's financial assets at amortised cost comprise current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Impairment of financial assets

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9 Financial Instruments, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

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.

1.22 Financial liabilities

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired. Loans from the Department of Health and Social Care are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value plus or minus directly attributable transaction costs for financial liabilities not measured at fair value through profit or loss.

1.22.1 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Department of Health and Social Care, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability.

1.23 Public Dividend Capital (PDC) and PDC dividend

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 PDC 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.

1.24 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; and

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.

1.25 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*.

1.26 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).

1.27 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.

1.29 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations in 2022/23.

2 Income from continuing operations

	Trust 2022/23	**Group 2022/23**	Trust 2021/22	Group 2021/22
	£000	**£000**	£000	£000
NHS Foundation Trusts	**456**	**456**	837	837
Clinical Commissioning Groups (to 30/06/2022)	**102,095**	**102,095**	429,206	429,206
Intergrated Care Boards (from 01/07/2022)	**316,788**	**316,788**	-	-
NHS England	**100,617**	**100,617**	86,533	86,533
Local Authorities	**2,704**	**2,704**	2,761	2,761
Non NHS:				
- Private Patients	**1,262**	**1,262**	1,214	1,214
- Overseas Patients (non-reciprocal)	**794**	**794**	1,005	1,005
- NHS Injury Scheme	**694**	**694**	602	602
- Other	**64**	**64**	38	38
Income from patient care activities	**525,474**	**525,474**	522,196	522,196
Research and Development	**2,558**	**2,558**	2,067	2,067
Education and training - non CCG	**15,572**	**15,572**	13,249	13,249
Non-patient care services to other bodies	**230**	**230**	235	235
Reimbursement and top up funding	**738**	**738**	19,694	19,694
Other income recognised in accordance with IFRS 15	**28,759**	**28,263**	17,477	16,712
Other operating income recognised in accordance with other standards:				
Education and training - notional income from apprenticeship	**1,104**	**1,104**	1,009	1,009
Charitable and other contributions to expenditure	**986**	**986**	1,400	1,400
Charitable Funds	**1,604**	**954**	1,555	1,555
Total other operating income	**51,551**	**50,405**	56,686	55,921
Total income from continuing operations	**577,025**	**575,879**	578,882	578,117

Other income recognised in accordance with IFRS 15 includes the following; services provided (Haematology support, pain clinic, eastern gate rent, radiotherapy physics, community geriatricians, etc) £7,379k (2021/22: £8,109k); grants and other funding £11,724k (2021/22 £6,165k); clinical excellence awards £135k (2021/22 £196k); Non-NHS clinical services nil (2021/22 £278k); car parking £892k (2021/22: £715k) and catering £708k (2021/22: £623k).

The Trust has one segment that provides healthcare.

2.1 Income from Activities by type

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Block contract income	**448,735**	**448,735**	444,540	444,540
High cost drugs	**31,542**	**31,542**	29,581	29,581
Other NHS Clinical Income	**4,401**	**4,401**	3,117	3,117
Private Patient Income	**2,056**	**2,056**	2,219	2,219
Additional pension contribution central funding	**12,790**	**12,790**	12,392	12,392
Elective recovery fund	**14,384**	**14,384**	29,476	29,476
Agenda for change pay offer funding	**10,680**	**10,680**	-	-
Other clinical income	**886**	**886**	871	871
Total	**525,474**	**525,474**	522,196	522,196

In 2022/23 the Elective Recovery Funding methodology changed from entirely fixed value to fixed and variable elements. Activity levels were below the threshold for the variable element of funding.

A non-consolidated pay award was proposed for Agenda for Change staff for the year 2022/23. Income was recognised in line with the amount awarded to the Trust as communicated by NHS England, which offset the amount accrued within staff costs.

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

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Income recognised this year	**794**	**794**	1,005	1,005
Cash payments received in-year	**216**	**216**	420	420
Amounts added to provision for impairment of receivables	**294**	**294**	374	374
Amounts written off in-year	**248**	**248**	137	137

2.3 Commissioner Requested Services (CRS)

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Commissioner Requested Services	**519,500**	**519,500**	515,739	515,739
Non-Commissioner Requested Services	**57,525**	**56,379**	63,143	62,378
Total income from continuing operations	**577,025**	**575,879**	578,882	578,117

Consistent with 2021/22, all CCG and NHS England services have been designated as CRS for 2022/23.

2.4 Additional information on contract revenue recognised in the period

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	6,646	3,017

2.5 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 £6,082k (2021/22: £4,646k).

3 Operating Expenses

3.1 Operating expenses comprise:

	Trust 2022/23 £000	**Group 2022/23 £000**	Trust 2021/22 £000	Group 2021/22 £000
Executive directors' costs	**1,321**	**1,321**	1,040	1,040
Non-executive directors' costs	**152**	**152**	152	152
Staff costs	**353,865**	**353,865**	334,992	334,992
Total staff costs	**355,338**	**355,338**	336,184	336,184
Drug costs	**60,240**	**60,240**	56,978	56,978
Purchase of healthcare from NHS and DHSC bodies	**521**	**521**	762	762
Purchase of healthcare from non-NHS and non-DHSC bodies	**16,385**	**16,385**	11,964	11,964
Supplies and services - clinical	**42,749**	**43,280**	40,323	40,953
Supplies and services - general	**9,251**	**9,269**	4,060	4,078
Establishment	**4,438**	**4,446**	5,444	5,482
Transport	**2,322**	**2,322**	713	733
Premises	**31,260**	**29,377**	43,378	39,207
Bad debts	**(74)**	**(37)**	1,117	1,210
Depreciation and amortisation	**33,392**	**32,224**	23,351	24,225
Statutory audit services	**158**	**180**	112	121
Consultancy fees	**5,084**	**5,167**	2,655	2,655
Internal Audit and Local Counter Fraud Service	**121**	**121**	146	146
Clinical negligence	**19,503**	**19,503**	20,806	20,806
Redundancy costs	**71**	**71**	84	84
Education and training	**4,357**	**4,357**	1,393	1,393
Other	**1,051**	**1,489**	20,796	21,796
	230,831	**228,915**	234,082	232,593
Total expenses	**586,170**	**584,254**	570,266	568,777
Impairment (including reversal)	**11,922**	**8,268**	885	(1,446)
Operating expenses of continuing operations	**598,092**	**592,522**	571,151	567,331

The trust has recognised £115,779k (2021/22: £100,952k) inventories consumed as part of operating expenses.

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

	Trust 2022/23	**Group 2022/23**	Trust 2021/22	Group 2021/22
	£000	**£000**	£000	£000
Audit Services - Statutory Audit	**158**	**180**	112	121
Total fees paid and payable to the Trust's external auditor	**158**	**180**	112	121
VAT payable	**32**	**36**	22	24
Total fees paid and payable to the Trust's external auditor including VAT:	**190**	**216**	134	144

The Statutory Audit liability limits are:
- Audit Liability – £1m
- All other work – £1m

4. Staff costs and numbers

4.1 Staff costs

	Trust 2022/23 £000	**Group 2022/23 £000**	Trust 2021/22 £000	Group 2021/22 £000
Salaries and wages	**252,630**	**252,630**	242,150	242,150
Social security costs	**25,428**	**25,428**	23,123	23,123
Employer contributions to NHSPA	**29,138**	**29,138**	28,324	28,324
Employer contributions paid by NHSE (6.3%)	**12,790**	**12,790**	12,392	12,392
Bank staff	**20,839**	**20,839**	17,249	17,249
Agency staff	**13,165**	**13,165**	11,641	11,641
Redundancy costs	**71**	**71**	84	84
Apprenticeship levy	**1,196**	**1,196**	1,153	1,153
	355,257	**355,257**	336,116	336,116

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

4.2 Average number of persons employed

	Trust 2022/23	**Group 2022/23**	Trust 2021/22	Group 2021/22
	Number	**Number**	Restated Number	Restated Number
Medical and dental	**366**	**366**	344	344
Administration and estates	**968**	**968**	905	905
Healthcare assistants & other support staff	**1,170**	**1,170**	1,184	1,184
Nursing, midwifery & health visiting staff	**1,763**	**1,763**	1,696	1,696
Scientific, therapeutic and technical staff	**507**	**507**	452	452
Healthcare science staff	**147**	**147**	149	149
Temporary staff	**1,129**	**1,129**	1,345	1,345
Total	**6,050**	**6,050**	6,075	6,075

The WTE numbers for 2021/22 have been restated. This ensures consistency of reporting between years and records staff with a fixed term contract as temporary staff, rather than as permanent staff by staff group.

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.

4.3 Retirements due to ill-health

During the year of 31 March 2023 there were 3 early retirements from the Trust agreed on the grounds of ill-health (2021/22: nil). The estimated additional pension liabilities of these ill-health retirements are £308k (2021/22: nil). This information has been supplied by NHS Pensions Agency.

4.4 Salary and pension entitlements of senior managers

Total remuneration paid to directors for the year ended 31 March 2023 (in their capacity as directors) totalled £1,329k (2021/22 - £1,040k). 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 2023 totalled £110k (2021/22 - £84k). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 6 (2021/22 - 7).

4.5 Restructuring costs

Restructuring costs are made up of compulsory redundancies amounted to £56k in respect of 1 member of staff (2021/22 – £84k) are included within the table below which shows the total cost of staff exit packages during the year.

2022/23

£	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	-	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**

2021/22

£	No. of compulsory redundancies	No. of other departures agreed	Total no. of exit packages by cost band	No. of other departures agreed
< £10,000	-	4	4	-
£10,000 - £25,000	1	3	4	-
£25,001 - £50,000	-	2	2	-
£50,001 - £100,000	1	1	2	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
> £200,000	-	-	-	-
Total number of exit packages by type	2	10	12	-
Total cost (£000)	84	211	295	-

5 Late Payment of Commercial Debts (Interest) act 1998

Amounts included within interest payable arising from claims under this legislation - £1k (2021/22 - £12k). Compensation paid to cover debt recovery costs arising under this legislation – nil (2021/22 – nil).

6 Finance income and expenses

6.1 Finance income

Interest income

In the year to 31 March 2023 interest of £1,388k (2021/22 - £42k) was received by the Group and £1,989k (2021/22 - £700k) was received by the Trust respectively. These amounts were earned from working capital balances in interest bearing bank accounts and from investment in National Loan Funds.

6.2 Finance expense

In the year to 31 March 2023 interest charges of £826k (2021/22 £394k) were paid by the Group in line with the loan agreement and all other leases, and £1,455k (2021/22 £394k) were paid by the Trust.

7. Intangible Non-current Assets

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

	At 31 March 2023			At 31 March 2022		
	Software & Licences	**Assets under Construction**	**Total**	Software & Licences	Assets under Construction	Total
	£000	**£000**	**£000**	£000	£000	£000
Gross cost at 1 April	**65,802**	**77**	**65,879**	55,054	2,166	57,220
Additions - purchased	**5,461**	-	**5,461**	8,626	33	8,659
Reclassifications	**2,834**	-	**2,834**	2,122	(2,122)	-
Disposals	**(2,970)**	-	**(2,970)**	-	-	-
Gross cost	**71,127**	**77**	**71,204**	65,802	77	65,879
Accumulated amortisation at 1 April	**34,772**	**-**	**34,772**	27,810	-	27,810
Provided during the year	**8,119**	**-**	**8,119**	6,962	-	6,962
Disposal	**(795)**	**-**	**(795)**	-	-	-
Accumulated amortisation	**42,096**	**-**	**42,096**	34,772	-	34,772
Net book value						
Purchased at 31 March	**29,031**	**77**	**29,108**	31,030	77	31,107
Total	**29,031**	**77**	**29,108**	31,030	77	31,107

7. Intangible Non-current Assets cont'd

7.2 Group Intangible Non-current Assets comprise the following elements:

	At 31 March 2023			At 31 March 2022		
	Software & Licences	**Assets under Construction**	**Total**	Software & Licences	Assets under Construction	Total
	£000	**£000**	**£000**	£000	£000	£000
Gross cost at 1 April	**65,958**	**77**	**66,035**	55,210	2,166	57,376
Additions - purchased	**5,461**	**-**	**5,461**	8,626	33	8,659
Reclassifications	**2,834**	**-**	**2,834**	2,122	(2,122)	-
Disposals	**(2,970)**	**-**	**(2,970)**	-	-	-
Gross cost	**71,283**	**77**	**71,360**	65,958	77	66,035
Accumulated amortisation at 1 April	**34,928**	**-**	**34,928**	27,966	-	27,966
Provided during the year	**8,119**	**-**	**8,119**	6,962	-	6,962
Disposals	**(795)**	**-**	**(795)**	-	-	-
Accumulated amortisation	**42,252**	**-**	**42,252**	34,928	-	34,928
Net book value						
Purchased at 31 March	**29,031**	**77**	**29,108**	31,030	77	31,107
Total	**29,031**	**77**	**29,108**	31,030	77	31,107

8 Property Plant and Equipment

8.1 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2023 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£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)
Accumulated 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**

8 Property Plant and Equipment cont'd

8.2 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2023 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport Equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£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**	**229,772**	**15,139**	**75,940**	**92**	**42,437**	**3,500**	**391,077**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**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
Purchased by 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	291,444
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

8 Property Plant and Equipment cont'd

8.3 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2022 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021- brought forward	21,728	157,132	30,200	69,660	37,643	3,462	319,825
Additions - purchased	-	661	16,514	6,094	815	-	24,084
Additions - donated by the Charity	-	65	708	300	(4)	19	1,088
Impairments charged to operating expenses	-	(885)	-	-	-	-	(885)
Reclassifications	-	17,717	(20,216)	909	1,590	-	-
Revaluations	(30)	1,702	-	-	-	-	1,672
Disposals	-	-	(4,939)	(4,612)	(15)	-	(9,566)
Valuation/gross cost at 31 March 2022	**21,698**	**176,392**	**22,267**	**72,351**	**40,029**	**3,481**	**336,218**
Accumulated depreciation at 1 April 2021 - brought forward	-	371	-	42,435	26,576	3,233	72,615
Provided during the year	-	7,311	-	5,184	3,841	53	16,389
Revaluations	-	(7,268)	-	-	-	-	(7,268)
Disposals	-	-	-	(4,411)	(15)	-	(4,426)
Depreciation at 31 March 2022	**-**	**414**	**-**	**43,208**	**30,402**	**3,286**	**77,310**
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**
Net book value 31 March 2021							
Purchased	21,728	155,173	30,190	25,536	10,951	215	243,793
Donated	-	1,588	10	1,689	116	14	3,417
Total at 31 March 2021	21,728	156,761	30,200	27,225	11,067	229	247,210

8 Property Plant and Equipment cont'd

8.4 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2022 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport Equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**25,582**	**188,166**	**30,196**	**71,302**	**92**	**38,168**	**3,481**	**356,987**
Additions - purchased	-	466	16,711	6,094	-	827	-	24,098
Additions - donated by the Charity	-	65	777	296	-	-	19	1,157
Impairments	-	(1,134)	-	-	-	-	-	(1,134)
Reversal of impairments	-	2,581	-	-	-	-	-	2,581
Reclassifications	-	17,717	(20,216)	909	-	1,590	-	-
Revaluations	(30)	926	-	-	-	-	-	896
Disposals	-	-	(4,939)	(4,585)	-	(15)	-	(9,539)
Derecognition - COVID equipment returned to DHSC	-	-	-	(27)	-	-	-	(27)
Valuation/gross cost at 31 March 2022	**25,552**	**208,787**	**22,529**	**73,989**	**92**	**40,570**	**3,500**	**375,019**
Accumulated depreciation at 1 April 2021	**-**	**377**	**-**	**43,835**	**90**	**26,715**	**3,235**	**74,252**
Provided during the year	-	8,088	-	5,221	-	3,899	55	17,263
Revaluations	-	(8,045)	-	-	-	-	-	(8,045)
Disposals	-	-	-	(4,411)	-	(15)	-	(4,426)
Accumulated depreciation at 31 March 2022	**-**	**420**	**-**	**44,645**	**90**	**30,599**	**3,290**	**79,044**
Net book value 31 March 2022								
- Purchased	25,552	206,756	21,811	27,257	2	9,886	181	291,445
- Donated 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**
Net book value 31 March 2021								
- Purchased	25,582	186,200	30,186	25,779	2	11,337	232	279,318
- Purchased by the Charity	-	1,588	10	1,689	-	116	14	3,417
Total at 31 March 2021	25,582	187,788	30,196	27,468	2	11,453	246	282,735

9. Right of Use Assets

9.1 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**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	-	-
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**

9. Right of Use Assets cont'd

9.2 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**
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	-
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**

9.3 Reconciliation of the carrying value of these liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note .

	Group 2022/23 £000	Trust 2022/23 £000
Carrying value at 31 March 2022	29	29
IFRS 16 implementation - reclassification of existing leased assets	49,577	70,450
Lease additions	4,961	2,968
Interest charge arising in year	493	1,123
Lease payments (cash outflows)	(7,644)	(9,973)
Carrying value at 31 March 2023	47,417	64,597

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 3.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

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 3.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

9.4 Maturity analysis of future lease payments at 31 March 2023

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note .

	Group		Trust	
	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;	6,936	3,311	9,178	5,552
- later than one year and not later than five years;	25,245	14,009	35,230	23,994
- later than five years.	15,236	11,772	20,240	18,959
Total gross future lease payments	**47,417**	**29,092**	**64,648**	**48,505**
Finance charges allocated to future periods	-	-		
Net lease liabilities at 31 March 2023	**47,417**	**29,092**	**64,648**	**48,505**
Of which:				
- Current	6,936	3,311	9,178	5,552
- Non-Current	40,481	25,781	55,470	42,953

9.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group 31 March 2022 £000	**Trust 31 March 2022 £000**
Undiscounted future lease payments payable in:		
- not later than one year;	29	29
- later than one year and not later than five years;	-	
- later than five years.	-	
Total gross future lease payments	**29**	**29**
Finance charges allocated to future periods	-	
Net finance lease liabilities at 31 March 2022	**29**	**29**
of which payable:		
- not later than one year;	29	29

9.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group 31 March 2022 £000
Operating lease expense	
Minimum lease payments	6,905
Contingent rents	-
Less sublease payments received	-
Total	**6,905**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	6,712
- later than one year and not later than five years;	24,329
- later than five years.	21,102
Total	**52,143**
Future minimum sublease payments to be received	-

9.7 Leases - other information

Other additional quantitative and qualitative information relating to leases are:

- Future cash flows to which the trust is potentially exposed that are not reflected in the lease liability inludes; extension options of the Princes House and Bracknell Healthspace leases not reflected in the lease liabilities is approximately £48.99m

9.8 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.10.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group 1 April 2022 £000	Trust 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	52,143	97,026
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	49,577	70,450
Less:		
Finance lease liabilities under IAS 17 as at 31 March 2022	29	29
Other adjustments		
Total lease liabilities under IFRS 16 as at 1 April 2022	**49,606**	**70,479**

10 Investments

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Investment in subsidiary - HFMS	**10,600**	**-**	10,600	-
Charity Investments - Chariguard Fund	**-**	**18**	-	19
Total	**10,600**	**18**	10,600	19

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 2023	At 31 March 2022
- 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

11 Inventories

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Raw materials and consumables	**7,830**	**7,830**	6,466	6,466
Total inventories	**7,830**	**7,830**	6,466	6,466

12 Trade and other receivables

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Current receivables				
Contract receivables invoiced	**14,835**	**15,153**	14,218	14,432
Contract receivables non-invoiced	**15,800**	**15,691**	8,460	8,566
Prepayments	**7,238**	**7,187**	6,236	6,236
Intercompany receivables - HFMS	**9,467**	**-**	10,453	-
Other receivables	**5,293**	**4,904**	4,925	3,820
Total	**52,633**	**42,934**	44,292	33,054
Allowance for impaired contract receivables	**(5,276)**	**(5,407)**	(5,630)	(5,724)
Total trade and other current receivables	**47,357**	**37,527**	38,662	27,330
Non-current receivables				
Other receivables	**1,929**	**1,929**	2,308	2,308
Inter-company loans	**12,348**	**-**	12,701	-
Allowance for impaired contract receivables	**(178)**	**(178)**	(146)	(146)
Total trade and other non-current contract receivables	**14,099**	**1,751**	14,864	2,162
Total trade and other receivables	**61,456**	**39,278**	53,526	29,492

The Trust has an existing loan with its subsidiary HFMS which has a final repayment date of 30 November 2058. The principle is £35.2m with an interest rate of 5% per annum. Amount outstanding over one year is £12.3m (2021/22: £12.7m), and included in the other receivables (current) is the amount outstanding within one year £353k (2021/22: £353k)

£139k (2021/22 - £1,229k) included in the Other receivables (current) is from the trust charity, Royal Berks Charity.

Other receivables (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 £766k (2021/22 - £613k) which is expected to be recovered after 12 months; and £1,163k (2021/22 - £1,695) clinician pension tax provision reimbursement funding from NHSE.

Allowance for credit losses

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Allowance for credit losses at 1 April	**5,776**	**5,870**	5,505	5,542
Increase/(decrease) in provision	**(74)**	**(37)**	1,116	1,210
Amounts released/(utilised)	**(248)**	**(248)**	(845)	(882)
Total allowance for credit losses at 31 March	**5,454**	**5,585**	5,776	5,870

Ageing of impaired financial assets

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Up to three months	**829**	**829**	684	678
In three to six months	**660**	**791**	230	230
Over six months	**3,965**	**3,965**	4,862	4,962
Total	**5,454**	**5,585**	5,776	5,870

Ageing of non-impaired financial assets past their due date

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Up to three months	**5,555**	**5,555**	6,522	6,535
In three to six months	**506**	**506**	835	835
Over six months	**1,127**	**1,127**	2,158	2,163
Total	**7,188**	**7,188**	9,514	9,533

13 Cash and cash equivalents

	Trust 2022/23	Group 2022/23	Trust 2021/22	Group 2021/22
Cash	**£000**	**£000**	£000	£000
Cash at commercial banks	**796**	**3,594**	473	4,554
Cash with the Government Banking Service	**42,413**	**45,619**	59,011	60,784
Scottish Widows 90 day notice account	**-**	**-**	-	1,598
Total	**43,209**	**49,213**	59,484	66,936

14 Trade and other payables

14.1 Trade and other payables

	Notes	**Trust 2022/23 £000**	**Group 2022/23 £000**	Trust 2021/22 £000	Group 2021/22 £000
Current liabilities					
Payments received on account		**83**	**83**	1,076	1,076
Trade payables		**4,862**	**4,732**	9,874	9,874
Capital payables		**19,188**	**19,188**	17,101	17,101
Tax and social security costs		**7,268**	**7,268**	7,192	7,192
Other payables		**4,020**	**4,635**	4,037	4,039
Accruals		**60,688**	**58,856**	49,421	48,786
Trade and other payables		**96,109**	**94,762**	88,701	88,068
Loans - capital repayable		**1,502**	**1,502**	2,252	2,252
Loans - interest payable		**73**	**73**	96	96
Obligations under finance leases and HP contracts		**-**	**-**	29	29
Lease liabilities - current		**9,177**	**6,936**	-	-
Total Borrowings	14.3	**10,752**	**8,511**	2,377	2,377
Deferred income		**8,058**	**8,082**	6,646	6,646
Provisions	15	**1,623**	**1,623**	141	141
Total Current Payables		**116,542**	**112,978**	97,865	97,232
Other payables:					
Loans		**4,469**	**4,469**	5,971	5,971
Other Long Term payables		**-**	**-**	-	-
Lease liabilities - non current		**55,470**	**40,481**	-	-
Deferred Tax		**-**	**146**	-	147
Total borrowings	14.3	**59,939**	**45,096**	5,971	6,118
Provisions	15	**1,254**	**1,254**	1,737	1,737
Total		**61,193**	**46,350**	7,708	7,855
Total payables		**177,735**	**159,329**	**105,573**	105,087

Both prior year and current year deferred income and payments on accounts relate to contract liability, and accrued income relate to contract receivables.

14.2 Loans and other long-term financial liabilities

Loans - Payment of principal falling due:	**Trust 2022/23 £000**	**Group 2022/23 £000**	Trust 2021/22 £000	Group 2021/22 £000
Within one year	**1,502**	**1,502**	2,253	2,253
Between one and two years	**3,005**	**3,005**	3,005	3,005
Between two and five years	**1,464**	**1,464**	2,966	2,966
Total	**5,971**	**5,971**	8,224	8,224

14.3 Borrowings

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Current liabilities				
Loans - capital repayable	**1,502**	**1,502**	2,252	2,252
Loans - interest payable	**73**	**73**	96	96
Obligations under finance leases and HP contracts	**-**	**-**	29	29
Lease liabilities (current) - IFRS 16	**9,177**	**6,936**	-	-
Current Borrowings	**10,752**	**8,511**	2,377	2,377
Non-current liabilities				
Loans	**4,469**	**4,469**	5,971	5,971
Lease liabilities (non current) - IFRS 16	**55,470**	**40,481**	-	-
Non-Current Borrowings	**59,938**	**44,949**	5,971	5,971
Total Borrowings	**70,690**	**53,460**	8,348	8,348

15 Provisions for liabilities and charges

	Trust 2022/23 £000	Group 2022/23 £000	Trust 2021/22 £000	Group 2021/22 £000
Current				
Pensions relating to staff	**33**	**33**	41	41
Other	**1,590**	**1,590**	100	100
Total Current	**1,623**	**1,623**	141	141
Non-current				
Pensions relating to staff	**1,254**	**1,254**	1,737	1,737
Total Non-Current	**1,254**	**1,254**	1,737	1,737
Total Provisions	**2,877**	**2,877**	1,878	1,878

Group and Trust	**Pensions relating to staff £000**	**Other Provisions £000**	**At 31 March 2023 £000**	At 31 March 2022 £000
At 1 April 2022	**1,778**	**100**	**1,878**	627
Arising during the year	**-**	**1,500**	**1,500**	2,139
Utilised during the year	**(544)**	**(10)**	**(554)**	(260)
Reversed unused	**-**	**-**	**-**	(626)
Unwinding discount and reversed unused	**53**	**-**	**53**	(2)
Total	**1,287**	**1,590**	**2,877**	1,878
Expected timing of cash flows:				
Within 1 year	**33**	**1,590**	**1,623**	141
1 - 5 years	**1,254**	**-**	**1,254**	111
Over 5 years	**-**	**-**	**-**	1,626
Total	**1,287**	**1,590**	**2,877**	1,878

All provisions relate to the Trust and there are none in the subsidiaries.

In addition to the above provisions, £518,333k was included in the provisions in the accounts of NHS Resolution for clinical negligence liabilities of the Trust at 31 March 2023 (2021:22 - £864,027k).

16 Notes to the Statement of Cash Flows

16.1 Reconciliation of operating surplus to cash flow from operating activities

	Trust 2022/23	**Group 2022/23**	**Trust 2021/22**	**Group 2021/22**
	£000	**£000**	£000	£000
Operating surplus/(deficit)	**(21,067)**	**(16,643)**	7,731	10,786
Impairment of PPE	**11,922**	**8,268**	885	(1,447)
Depreciation and amortisation	**33,393**	**32,226**	23,351	24,225
Corporation Tax	**-**	**(100)**	-	(183)
Other movements in cash flow	**2,227**	**2,227**	4,893	4,893
(Increase)/decrease in inventories	**(1,364)**	**(1,364)**	51	51
(Increase)/decrease in receivables	**(8,110)**	**(9,942)**	(7,545)	(6,151)
Increase/(decrease) in current payables	**6,733**	**5,329**	25,968	25,044
Increase/(decrease) in provisions for liabilities and charges	**946**	**946**	1,254	1,254
Movements in charitable fund working capital	**-**	**591**	-	(174)
Cash flows from operating activities	**24,681**	**21,538**	56,588	58,298

16.2 Reconciliation of Liabilities arising from financing activities 2022/23

	DHSC loans 2022/23	**Lease liabilities 2022/23**	**Total liabilities from financing activities 2022/23**
	£000	**£000**	**£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

16.3 Reconciliation of Liabilities arising from financing activities 2021/22

	DHSC loans 2021/22 £000	Lease liabilities 2021/22 £000	Total liabilities from financing activities 2021/22 £000
Carrying value at 1 April 2021 - brought forward	11,353	142	11,495
Financing cash flows - principal	(3,002)	(113)	(3,115)
Financing cash flows - interest (for liabilities measured at amortised cost)	(411)	(5)	(416)
Interest charge arising in year (application of effective interest rate)	379	5	384
Carrying value at 31 March 2022	8,319	29	8,348

16.4 PDC payable / receivable

There was no PDC payable at 31 March 2023 (2021/22 - nil). PDC receivable was £198k at 31 March 2023 (2021/22 - £378k).

17 Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £5,669k (2021/22 - £3,582k), all relating to property, plant and equipment.

18 Events after the reporting period

There were no material events after the reporting period at 31 March 2023 (2021/22 - none reported).

19 Contingencies

There were no material contingencies at the Statement of Financial Position date.

20 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
Environment Agency

The Trust has material dealings with the NHS bodies below.

	At 31 March 2023			
	Income (Services Provided)	Expenditure (Supplies & Services purchased)	Accounts Receivable balance	Accounts Payable balance
	£000	£000	£000	£000
NHS Blood and Transplant	-	1,645	-	-
Berkshire Healthcare NHS Foundation Trust	2,750	6,268	2,688	298
Frimley Health NHS Foundation Trust	8,017	18,784	2,705	2,002
Oxford University Hospitals NHS Foundation Trust	2,738	2,460	1,613	1,338
NHS Resolution	-	19,503	-	-
NHS England	91,069	454	12,543	633
NHS Buckinghamshire, Oxfordshire & Berkshire West ICB	296,741	-	3,739	1,448
NHS Buckinghamshire CCG	893	-	-	-
NHS Oxfordshire CCG	6,528	-	-	-
NHS Berkshire West CCG	87,400	30	-	-
Reading Transport Ltd	-	573	-	-
University of Reading	35	310	23	-

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Related Party Transactions

The 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 on page 47 of the Remuneration 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.

21 Private Finance Transactions

The Trust had no involvement in any Private Finance Initiative contracts during the year 2022/23 or 2021/22.

22 Pooled Budget Projects

The Trust did not enter into any pooled budget arrangements during the year to 31 March 2023 or the year to 31 March 2022.

23 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 (Note 11).

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 Clinical Commissioning Groups, 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 12.

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 will be 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.

23.1 Financial Assets

	Trust 2022/23	**Group 2022/23**	Trust 2021/22	Group 2021/22
	£000	**£000**	£000	£000
Trade and other receivables excluding non financial assets	**50,025**	**27,834**	43,629	20,006
Investments	**10,600**	**18**	10,600	17
Cash and cash equivalents (at bank and in hand)	**43,209**	**49,213**	59,484	66,936
Total	**103,834**	**77,065**	113,713	86,959

All financial assets are fixed rate.

23.2 Financial Liabilities

	Trust 2022/23	**Group 2022/23**	Trust 2021/22	Group 2021/22
	£000	**£000**	£000	£000
Borrowings excluding finance lease	**6,044**	**6,044**	8,319	8,319
Obligations under leases	**64,647**	**47,417**	29	29
Trade and other payables excluding non financial liabilities	**88,758**	**87,557**	80,432	79,404
Total	**159,449**	**141,018**	88,780	87,752

All financial liabilities are fixed rate.

23.3 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

23.4 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.

24 Third Party Assets

The Trust held £2.2k (nil at 31 March 2022) cash at bank at 31 March 2023 on behalf of patients.

25 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 £15k 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 60 cases of losses and special payments totalling £515k (2021/22 – 358 cases totalling £1,208). Within this total, there were a number of debts written off totalling £248k (2021/22 - £145).

Losses	**2022/23**		2021/22	
	Number	**Value £000**	Number	Value £000
Bad debts and claims abandoned	**17**	**248**	323	145
Other	**3**	**4**	4	15
Total Losses	**20**	**252**	327	160

Special payments	**2022/23**		2021/22	
	Number	**Value £000**	Number	Value £000
Compensation payments	**6**	**67**	6	26
Employment related payments	**19**	**174**	12	295
Overtime-corrective payments	**-**	**-**	1	722
Other ex gratia payments	**6**	**15**	2	-
Ex gratia payments	**15**	**7**	12	5
Total Special payments	**46**	**263**	33	1,048
Total Losses and Special Payments	**66**	**515**	360	1,208

The amounts quoted are reported on an accruals basis but exclude provisions for future losses.

There are no cases that were £300,000 or more in 2022/23 or 2021/22.