



2023/24

ANNUAL REPORT AND ACCOUNTS



Right care, right place, right time....every time

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# Introduction from the Chief Executive



As Chief Executive, I am pleased to present this report which gives an overview of our achievements, challenges, and progress over the past year.

The last 12 months have been a significant and transformative period for Wye Valley NHS Trust.

Despite the ongoing challenges posed by industrial action and increasing demands on our healthcare system, our dedicated and professional staff continue to go the extra mile every day and have worked tirelessly to deliver high-quality care to our patients and local communities.

We continue to strive towards delivering the quality of care we would want for our friends and relatives.

I am proud to report that over the past year, we have made remarkable progress in several key areas. Our commitment to patient safety and quality of care remains unwavering, with a continued focus on improving clinical outcomes and enhancing the overall patient experience.

Through innovative initiatives, collaborative partnerships and sharing best practice across the Foundation Group - which was joined by Worcestershire Acute Hospitals NHS Trust in the summer last year - we have been able to enhance our services and better meet the evolving needs of our local communities across Herefordshire and beyond.

Our commitment to providing high-quality, patient-centred care remains despite the ongoing pressures and demands on our services and I am pleased to report that our organisation has continued to deliver outstanding outcomes across a range of key performance indicators.

The national inpatient survey, which compared results with those from 2021, demonstrated that in 44 of the questions answered by patients, we are in line with other NHS trusts. That said, we do need to improve the quality of our hospital food.

Overall, we were slightly better in eight out of ten key themes.

A focused inspection of our maternity services by the CQC late last year acknowledged a wide range of improvements and the inspectors commented that staff were providing a “good” service.

Their report praised staff who work “incredibly hard” to deliver a high standard of care and highlighted a “well-respected and supportive leadership team” in maternity services.

I’m pleased to report that there has been some seriously impressive progress this year in areas which directly affect our patients’ experiences.

At the end of March we had just 112 patients waiting more than 65 weeks from their referral. This is a huge achievement when you think we had thousands waiting more than 65 weeks during the course

of the year. On top of this, we have nearly halved the number of patients waiting more than 52 weeks from more than 2,000 to 1,200.

And as regards our cancer performance, we exceeded our target for the reduction in the number of patients waiting more than 62 days with 58 patients (against our target of 71), and have met our cancer faster diagnosis standard as well at 79 per cent.

This is remarkable as we entered the last financial year emerging from the toughest winter the NHS had ever experienced only to enter a period overshadowed by industrial action.

These periods of strike action by Junior Doctors and Consultants severely impacted our ability to maintain our productivity levels and throughout the “summer of discontent” last year - despite monumental efforts by colleagues right across the organisation to minimise the impact of the industrial action – our patients ultimately paid the price with cancelled operations and procedures.

We are grateful that the Consultants have reached agreement with the Government and hope a resolution with Junior Doctors can be reached quickly.

We welcomed the long-awaited NHS Workforce Plan last year. This plan aims to double medical school training places, increase the number of GP training places by 50 per cent and almost double the number of adult nurse training places by 2031/32.

The plan, which sets out how the NHS will address current and future workforce challenges during the next 15 years, was very welcome and will hopefully help NHS trusts tackle workforce vacancies.

As regards the Wye Valley NHS Trust workforce, the national NHS staff survey gave us some encouraging feedback with above average scores for the Trust in each of the People Promise key themes.

This put the Trust in a good position when compared with the results from the other Trusts in our Foundation Group and is a clear demonstration of our ambition to become a Trust which cares for its staff members and is an employer of choice in the local jobs market.

As part of one of our group-wide HR commitments, we launched our “Say yes to the flex” campaign in spring last year.

We need to be a flexible employer (this is one of our strategic priorities for the Foundation Group) and the campaign encourages all Wye Valley NHS Trust managers to say “yes to flex” to help balance the needs of individuals with the needs of services by giving managers the licence to be creative with flexible working options.

Throughout the year there have been a number of new developments which have brought about benefits to our patients and improved their experience.

A surgical robot, which arrived in the spring last year, has meant shorter stays in hospital and quicker recovery times for our patients. They are benefiting from the da Vinci X Robotic-assisted surgery which gives surgeons an advanced set of instruments to use when performing minimally invasive surgery.



It enables surgeons to view a patient's anatomy using a highly magnified, 3D high definition view of the surgical area and translates the surgeon's hand movements in real time, bending and rotating the instruments while performing the procedure.

The robot is now used in Gynaecology, Urology and Colorectal surgery and around 200 patients have benefited from the robot in the last year.

On a similarly hi-tech note, we've used Artificial Intelligence for the first time to help determine care for stroke patients. A new diagnostic system is using AI to help doctors make quick decisions after patients have had a stroke.

RapidAI software analyses brain images of stroke patients to help determine whether a patient is a suitable candidate for either an operation or drugs to remove a blood clot.

Following a stroke speed is of the essence and the scan images are shared with colleagues Neuroradiologists in Birmingham to assist in the rapid assessment of images.

Earlier this year we gave our maternity triage unit a refurbishment and increased its size to create a fit-for purpose environment for our expectant mothers. It's open 24 hours a day, seven days a week for women who have concerns regarding their pregnancy.

And sticking with new-borns, we've introduced a new tongue tie clinic at the County Hospital.

One of the most obvious changes visitors will have noticed during the last 12 months has been the changing skyline of the hospital site.

We have a number of exciting development projects which are now underway which will improve our patients' experiences and speed up their treatment.

Our new Elective Day Case Surgical Unit is due to open in the summer of 2024. It will provide state-of-the-art facilities for a mix of day case surgeries, including gynaecology, ENT, urology, general surgical, orthopaedic, dental, oral and cataract procedures.

Providing these types of surgery in a dedicated environment will boost productivity, improve patient outcomes and reduce waiting times.

Beds in the new unit will be ring-fenced for planned operations, reducing the risk of short-notice cancellations.

Work began earlier this year on our new Energy Centre on the County Hospital site which will allow the Trust to take a significant step forward on its journey towards becoming a zero carbon organisation.

The centre will house six air-source and three water-to-water source heat pumps which will provide heating and hot water for the main hospital building.

Away from the County Hospital site, plans are proceeding for a new Community Diagnostic Centre on land at Holmer Road in Hereford.

This promises to speed up diagnostic services and will mean easier and quicker access for patients who will be able to attend a building away from the main hospital site.

We also unveiled plans this last year for an exciting project to build a new education centre. This will sit on the County Hospital site and will benefit both current staff and local communities. A major fundraising campaign is underway to bring this facility into reality.

And if that wasn't enough, the final vestiges of the old hutted wards and the old corridor which linked them to the main hospital building, have gone.

During the 2023/24 winter the last remaining section of the hutted corridor was demolished and new link corridor has been built.

A great disappointment during the last 12 months was the result of an unannounced inspection of the Emergency Department.

CQC inspectors visited during December and saw dedicated staff working through the height of winter pressures and coping with the extra pressure brought about due to industrial action.

The inspectors' report referenced overcrowding and difficult conditions on several occasions in their report, noting that there were "significant limitations with space" which meant it was difficult maintain patients' privacy and dignity at times.

We were also criticised for a high reliance on agency staff and computer systems they felt were not fit for purpose.

Despite the evident pressure on services, they noted that we prioritised our off-loading of ambulances – our hand over performance has been better than the regional average.

They also reported that staff were kind and trying to provide good care to patients, treating them respectfully and considerately.

A return visit confirmed we had made progress in a number of areas, but we know there is more for us to do and this has been a focus of our activity in recent months.

One thing that is clear is that the Trust cannot solve the health and care challenges the county faces in isolation.

As a Trust we are immensely grateful for the pioneering partnership between providers of health and social care services across Herefordshire.

Under the banner of "One Herefordshire," we can achieve considerably more than our individual constituent parts.

The One Herefordshire Partnership brings together Herefordshire Council, Herefordshire General Practice, Herefordshire and Worcestershire Health and Care NHS Trust and this Trust in a unique collaboration to benefit the communities we are here to serve.

Each organisation maintains its own responsibilities but organisational boundaries become meaningless with a keen focus on providing services tailored to meet local people's needs.

This innovative approach was recognised nationally when the One Herefordshire Partnership was shortlisted as a finalist in the prestigious Health Service Journal's awards in the Integrated Care category.

We'd like to put on record our deep and grateful thanks to our local partners who strive on a daily basis to provide high quality services for local people.

And finally I'd like to thank you all those who live in or near Herefordshire. Your choices of which medical services you choose to go to makes a huge difference and I want to thank you for making wise choices and not attending our Emergency department when your condition isn't serious or life threatening.

Thank you.

**Glen Burley, Chief Executive**

## Introduction from the Chair

It is with great pleasure and a huge sense of pride that I welcome you to Wye Valley NHS Trust's Annual Report and Accounts for the financial year 2023/24.

As Chairman of the Trust it is my privilege to share with you an insight into the remarkable journey we have been on during the last 12 months. While COVID-19 and the pandemic may have slipped from the headlines in the media, we need to remember that in spring last year we were emerging from the toughest winter the NHS had experienced and were facing the impact of industrial action. Despite these challenges, our hard-working and dedicated staff members have continued in their unwavering commitment to deliver exceptional healthcare services to the local communities we are here to serve.

Through their tireless efforts we have strived to provide compassionate care, promote innovation, and ensure patient safety remains at the heart of everything we do.

This has been, of course, a team effort – nothing happens in isolation and it has required extraordinary effort and dedication from teams right across the Trust in all corners of Herefordshire and beyond.

I'm particularly pleased to report that this team approach, in many cases in the face of sustained pressure, resulted in the Trust regularly being named as the best in the region as regards ambulance handovers.

The handover times were often nearly half an hour quicker compared to neighbouring Trusts. It's essential that these handovers are done quickly, efficiently and above all, safely, to allow our paramedic colleagues to get back on the road to respond to emergencies. Part of the solution to allow these quick handover times was to care for patients in non-bedded areas on our wards. While this allowed us to spread the load across the hospital, I know this has been difficult and caused challenges on our wards. We're aware of this extra pressure and I personally want to acknowledge the patience and determination that has been shown – we owe our ward staff a debt of gratitude for the resilience they have shown during this last year.

This is plainly not sustainable and so we held a workshop with senior clinical and management leaders earlier this year to understand what is driving the on-going need to board patients (keep patients in non-ward areas) on our wards. Broadly three key drivers emerged (compared with a pre-Covid baseline of 2019):

- Eight more patients a day being admitted
- A doubling of the number of patients whose discharge is delayed although they are medically fit for discharge
- An average length of stay increase of 0.6 days for our emergency admitted adult patients

These changes have put an additional 50-60 beds worth of demand into our system.



With this in mind, March this year was “Tests of Change” month, which allowed us to trial different ways of working to deliver against the four-hour standard for ED. We put a number of different measures in place during the month and saw our four-hour Emergency Access Standard (EAS) figure improve from 55 per cent in February to 65.7 per cent in March – a significant improvement which put us among the top ten most improved Trusts for four hour EAS in England.

To achieve this, at part of our Tests of Change month during March, we trialled a range of options, including: GP streaming in ED; The introduction of a Nurse Navigator role; An ED transfer team; Minors streaming; An expanded Surgical Same Day Emergency Care (weekend opening); Earmarked two ENT slots in out-patient clinic for ED patients; Earmarked two slots in Gynae Assessment area (one for GP referral, one for ED referral); Improved use of IVOPAT (patients receiving antibiotics away from a hospital setting); Electronic referrals from ED to Radiology.

The four hour ED target is ultimately a patient safety and whole-system target. While it is delivered in ED, it takes the whole system to work with ED so patients can be seen quickly and efficiently. Tests of Change month was hugely successful and gave us a raft of performance-related information which is helping us as we look in detail at what we can take forward. This another example of activity which took a lot of effort and we’re grateful to those staff members who actively enabled such a valuable piece of work to take place.

Staff are our key asset and I’m delighted that the NHS staff survey has shown above average results in all nine of the key People Promise areas in last year’s survey. The results show that the percentage of staff who are advocates for working at the Trust has risen to 60 per cent, the same as the national average for acute NHS trusts in England, and they also show that there has been an increase in staff members who feel that the care of patients is our top priority.

It’s pleasing to note that, for the first time since COVID-19, more staff at the Trust now say they are able to meet the conflicting demands of time at work – putting the Trust above the national average. The survey also shows a pleasing trend as regards managers and leaders across the Trust with increases in the number of staff who say their managers care and show compassion to their staff members – there has been an increase in the number of staff who are pleased with the recognition they received for doing a good job.

The results also show that more staff are able to shape the services they provide by being given more autonomy to make decisions regarding improvements in their areas of work.

The results are positive, but there is still work to do – the pressure on services is taking its toll as the survey shows that staff feel worn out at the end of their shift with a third saying they find work emotionally exhausting.

This brings me on to our staff wellbeing programme which continues to expand and support employees with the continued provision of a 24/7 Employee Assistance Programme, a team of mental health first aiders, and a growing relationship with local leisure service provider Halo Leisure.

A regular staff exercise class, which now takes place in the physio gym after work once a week, is proving popular with staff and the Boditrax sessions which began at Spires Restaurant for one

lunchtime a week now takes place twice a week in the restaurant with regular dates in the diary for visits to our community hospitals.

The popular staff roadshow which took place twice last year, continues this year with the added benefit of a virtual on-line roadshow for those who cannot attend in person.

Highlights of improvements for staff wellbeing during the last year include:

- Pensions support service for staff
- Flexible working – more than 95 per cent of requests are approved
- Growing our own staff through trainee nurse associate programmes and apprenticeships
- Developing direct non-exec director links between ward departments and the Trust Board
- Allocated funding to support staff health and wellbeing programmes
- Staff physiotherapist and mental health wellbeing nurse being piloted in Occupational Health
- Menopause staff support group
- Pastoral care support for international nurses
- More Freedom to Speak Up champions
- Signing up to the NHS Sexual Safety at Work Charter

And who can forget the celebrations we held to mark the NHS' 75<sup>th</sup> birthday in July last year? As well as flying a special NHS75 flag at the County Hospital, the site was lit up in blue and every member of staff received a birthday card which had the well-known "These are the hands" poem to celebrate this significant milestone. Local businesses provided hundreds of cupcakes and the Hereford Parkrun turned blue for one Saturday in July with an NHS take-over.

Turning from happy staff to happy patients, it was pleasing to note that the Trust's maternity care was scored in the top five performing Trusts in the region.

The national survey, undertaken by the CQC, provides direct feedback from women about their experience of maternity care, including antenatal care, labour and birth and postnatal care.

The Trust was in the five top performing Trusts in the region for the main categories, which included:

- The start of care during your birth journey
- Antenatal check-ups
- Your labour and birth
- Care on the ward after birth
- Feeding your baby
- Care at home after birth

Importantly, the Trust significantly increased in eight areas compared to the previous year's results which put the Trust above the national average for the majority of areas in the survey. A great result for an incredibly important cohort of our patients.

Patients remain at the heart of all we do at the Trust, and as we look to the future, we remain committed to delivering excellent patient care, improved patient outcomes, and ensuring that our services are sustainable and resilient.

We aspire to provide the quality of service we would want for our family and friends.

As ever, we are grateful to our partners across the ICS and within the One Herefordshire Partnership and are committed to working with them to identify new and more efficient ways of working. I would like to thank our patients, communities, and partners for their ongoing support and the encouragement they continually give us.

As I close, I would like to once again express my gratitude to our staff, whose courage, commitment and hard work have made all we have achieved this year possible. I'm hugely proud of the work that they have done, and I am confident that they will continue to deliver high quality care to our patients. And finally, I'd like to personally thank our hugely valuable and capable team of volunteers who make a difference for patients every day.

Anyone visiting the hospital will not fail to be impressed by this helpful and knowledgeable team.

**Russell Hardy, Chair**

# **Part A - Annual Report** *(Overview and Performance Analysis)*



# Overview

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

## About Wye Valley NHS Trust

Wye Valley NHS Trust is the provider of healthcare services at Hereford County Hospital, which is based in the city of Hereford, along with a number of community services for Herefordshire and its borders. The Trust provides healthcare services at community hospitals in the market towns of Ross-on-Wye, Leominster and Bromyard.

The Trust has a workforce of around 4,290 providing a range of specialist and generalists functions. The Trust has strong clinical network connections with trusts in Birmingham, Worcester, Gloucester and Cardiff.

The Trust provides community care and hospital care to a population of approximately 195,000 people in Herefordshire and a population of more than 40,000 people in mid-Powys, Wales. The Trust's catchment area is characterised by its rural nature and remoteness, with over half (53 per cent) living in areas defined as 'rural', with the majority of these (42 per cent of the total) in the most rural 'village and dispersed' areas. Just under a third of the population live in Hereford city. The key principle of the Trust is to improve the health and wellbeing of the people it serves in Herefordshire and the surrounding areas.

The Trust is the only secondary care provider for an area where the average age of the population is older than the national average. This demographic is driving health and social care needs that are often more complex than in areas where the average age of patients is lower.

The Trust combines the opportunity to work with state-of-the-art equipment within a highly trained multi-disciplinary team environment, whilst enjoying the unique benefits of city living with a country lifestyle in Herefordshire and the surrounding areas.

All dates referred to in this report are for the year April 1, 2023 – March 31, 2024, unless otherwise specified.

## Established in 2011

Wye Valley NHS Trust was established on April 1, 2011. This followed extensive stakeholder engagement with colleagues in health, social care and the third sector. It was England's first integrated provider of acute, community and adult social care services bringing together Hereford Hospitals NHS Trust, NHS Herefordshire's Provider Services (excluding Mental Health) and Herefordshire Council's Adult Social Care services (under a Section 75 arrangement). The Section 75 arrangement with Herefordshire Council ended in September 2013 and the Trust no longer provides adult social care.

## Foundation Group

In 2017 a 'Foundation Group' was created in partnership with South Warwickshire University NHS Foundation Trust and Wye Valley NHS Trust. George Eliot Hospitals NHS Trust joined the Group in 2018 followed most recently by Worcestershire Acute Hospitals NHS Trust in August 2023.

This structure sees each trust operate independently and maintain its identity but provides a platform for collaboration and identifying solutions to shared challenges, strengthening the opportunities available to secure a sustainable future for local health services. All four organisations face similar challenges and have a common strategic vision for how these can be solved.

The Managing Directors are responsible for each individual organisation. In addition, staff from a range of different functions including digital strategy, procurement, financial services, income and contracting, pharmacy, organisational development and service improvement have taken on inter-organisational roles, helping to share ideas and best practice while nurturing working relationships.

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

There are numerous benefits for local communities across Warwickshire, Worcestershire and Herefordshire including the provision of a wider platform to share best practice and improving whole system patient pathways. To that end, there are shared Foundation Group long term strategic objectives and Big Moves, which are as follows:

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

The Big Moves are underpinned by six **Strategic Pillars**:

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



## Vision

“To improve the health and wellbeing of the people we serve in Herefordshire and the surrounding areas”.

## Mission

“To provide a quality of care we would want for ourselves, our families and friends”. Which means:-



## Values

The Trust’s values are so important to the way our staff work every day:

- **Compassion** – our staff will support patients and ensure that they are cared for with compassion
- **Accountability** - our staff will act with integrity, assuming responsibility for their actions and decisions
- **Respect** – our staff will treat every individual in a non-judgemental manner, ensuring privacy, fairness and confidentiality
- **Excellence** – our staff will challenge themselves to do better and strive for excellence.

## Structure of the Trust

During 2023/24, the Trust’s Board consisted of eleven voting Directors comprising of the Chair, five non- executive directors (appointed by NHSE) and five executive directors. In addition to this there were also three non-voting Executive directors, three non-voting Associate Non-Executive Directors and the Company secretary in attendance.

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

Integrated Care Division	Surgical Division
<ul style="list-style-type: none"> <li>• Community nursing teams</li> <li>• Community Hospitals</li> <li>• Community Integrated response hub</li> <li>• Integrated discharge team</li> <li>• Hospital@home</li> <li>• Home first</li> <li>• Bladder and bowel health</li> <li>• Occupational Therapy</li> <li>• Dietetics</li> <li>• Speech and Language Therapy</li> <li>• HABIT/Podiatry</li> <li>• Health psychology</li> <li>• Lymphoedema</li> <li>• Neurology</li> <li>• Musculoskeletal physiotherapy</li> <li>• Community Stroke service</li> <li>• Physiotherapy and Falls Prevention</li> <li>• Tissue Viability</li> <li>• Lower Limb service</li> </ul>	<ul style="list-style-type: none"> <li>• Paediatrics - In Patients and Out Patients</li> <li>• Children's ward</li> <li>• Obstetrics and gynaecology</li> <li>• Midwifery (Acute and Community)</li> <li>• Delivery suite and Maternity ward</li> <li>• Special Care Baby Unit</li> <li>• Health Visiting, School Nursing</li> <li>• Orthopaedics</li> <li>• Redbrook ward</li> <li>• Teme ward</li> <li>• General Surgery and Colorectal</li> <li>• Frome ward</li> <li>• Breast</li> <li>• Urology</li> <li>• Ear, Nose and Throat (ENT)</li> <li>• Maxillofacial, Orthodontics and Oral surgery</li> <li>• Vascular</li> <li>• Ophthalmology</li> <li>• Theatres</li> <li>• Endoscopy</li> <li>• Day case</li> <li>• Pre-Op</li> <li>• Anaesthetics</li> <li>• Intensive Therapy Unit (ITU)</li> <li>• Critical Care</li> <li>• Dentistry</li> <li>• Podiatric Surgery</li> </ul>
Clinical Support Division	Medical Division
<ul style="list-style-type: none"> <li>• Referral Management Centre</li> <li>• Outpatients</li> <li>• RTT Performance</li> <li>• Radiology</li> <li>• Pathology</li> <li>• Histopathology</li> <li>• Microbiology</li> <li>• Phlebotomy</li> <li>• Audiology</li> <li>• Oncology - MacMillan Renton Unit</li> <li>• Breast Lymphoedema team and Gynaecology oncology</li> <li>• Clinical Haematology</li> <li>• Palliative Care</li> <li>• Pharmacy</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Department (ED)</li> <li>• Rheumatology (Osteoporosis)</li> <li>• Dermatology and Plastics</li> <li>• Stroke; Wye ward</li> <li>• Frailty; Dinmore, Ashgrove and Garway wards</li> <li>• Discharge lounge/Medical DCU</li> <li>• Diabetes and Endocrine</li> <li>• Nephrology</li> <li>• Respiratory; Arrow ward</li> <li>• Cardiology, Path lab, and CCU</li> <li>• Heart and Lung</li> <li>• Gilwern ward</li> <li>• Gastroenterology; Lugg ward</li> <li>• Neurology and Neurophysiology</li> <li>• Acute Medical Unit</li> <li>• Same Day Emergency Care (SDEC)</li> </ul>

Summary information on progress within each of these divisions 2023/24 is provided later in this report.

**Our objectives 2023/24**

**QUALITY**

- **Reduce infection rates** by delivering improvements to our cleanliness and hygiene regimes
- **Reduce discharge delays** by working in a more integrated way with One Herefordshire partners through the Better Care Fund (BCF)
- **Reduce waiting times** for admission for patients who need urgent and emergency care by reducing demand and optimising ward based care

**WORKFORCE**

- **Improve recruitment, retention and employment opportunities** by implementing more flexible employment practises including the creation of joint career pathways with One Herefordshire partners
- **Develop a five year "grow your own" workforce plan**

**PRODUCTIVITY**

- **Increase theatre productivity** by increasing the average numbers of patients on lists and reducing cancellations
- **Reduce waiting times** by delivering plans for an elective surgical hub and community diagnostic centre

**DIGITAL**

- **Reduce the need to move paper notes** to patient locations by 50 per cent through delivering our Digital Strategy
- **Optimise our digital patient record** to reduce waste and duplication in the management of patient care pathways

**SUSTAINABILITY**

- **Reduce carbon emissions** by delivering our Green Plan and launching a green champions programme for staff
- **Increase the influence of One Herefordshire partners** in service contracting by developing an agreement with the Integrated Care Board that recognises the responsibility and accountability of Herefordshire partners in the process

**RESEARCH**

- **Improve patient care** by developing an academic programme that will grow our participation in research, increasing both the number of departments that are research active and opportunities for patients to participate

**Our vision:**  
To improve the health and wellbeing of the people we serve in Herefordshire and the surrounding areas

**DELIVERED THROUGH PARTNERSHIP WORKING**

**PRODUCTIVITY** **DIGITAL** **RESEARCH** **WORKFORCE** **QUALITY** **SUSTAINABILITY**

**NHS**  
Wye Valley  
NHS Trust

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www.wyevalley.nhs.uk

## Wye Valley NHS Trust at a glance

### Acute hospital

The number of patients attending the Emergency Department (ED) increased during 2023/24 and a year on year increase since 2020/21. This increase is recognised nationally as an indirect effect of the pandemic and ongoing pressure across Health systems Urgent and Emergency Care (UEC) pathways.

The volumes of 'elective' patients treated both as 'day case patients' and as 'inpatients' increased during the year from 2023/24 by 3.6 per cent and 9.7 per cent respectively. The recovery of elective activity progressed well during the year through robust activity planning and reviews overseen by the Elective Productivity Programme Board. The Trust's operational and clinical teams worked hard to deliver as much clinical capacity to recover this position during the year. This included "ring-fencing" elective capacity and increasing value weighted activity; this measures productivity across over-night elective, day case and outpatient procedure activity for acute specific Treatment Function Codes (TFCs). The Trust are consistently over 100 per cent activity when compared against the corresponding months in 2019/20. This was despite having another challenged winter period and contending with the various challenges to maintain our elective activity during numerous periods of Industrial Action.

## ➤ Acute

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Increase/ decrease 2023/24 on 2022/23	Difference 2023/24 to 2022/23
Elective spells	4,169	3,834	1,740	2,889	3,035	3,144	109	3.6%
Day case spells	28,650	29,170	18,812	27,776	28,407	31,150	2,743	9.7%
Total emergency spells	24,078	27,719	21,945	25,104	26,612	30,833	4,221	15.9%
General and Acute emergency spells	18,680	20,965	18,055	20,356	20,635	24,627	3,992	19.3%
New outpatient attendances	73,326	72,560	46,109	68,263	72,544	76,761	4,217	5.8%
Follow-up outpatient attendances	163,784	174,948	142,235	165,597	177,210	174,205	-3,005	-1.7%
ED attendances	60,560	63,991	54,690	68,553	69,552	71,771	2,219	3.2%

## ➤ Community

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Increase/ decrease 2023/24 on 2022/23	Difference 2023/24 to 2022/23
Day case spells	1,039	2,803	669	1658	2168	2186	18	0.8%
Community bed days	27,308	26,414	17,526	25,049	26,312	27,831	1,519	5.8%
New outpatient attendances	15,296	15,528	5,087	6,397	7,006	7,080	74	1.1%
Follow-up outpatient attendances	61,515	61,519	25,659	29,720	29,566	30,232	666	2.3%

Community activities were in a similar position to the main acute site in that day case and the use of community beds increased during 2023/24 versus 2022/23, but were still short of the pre pandemic levels. The increase in Community Hospital bed days is reflective on escalation beds used during the year to maintain our UEC flow and support decongestion and discharge delays at Hereford County Hospital.

### Patient figures for 2023/24



**112k**

Patients using our  
services



**34k**

Patients seen in the  
community



**95k**

Patients seen in  
Herefordshire



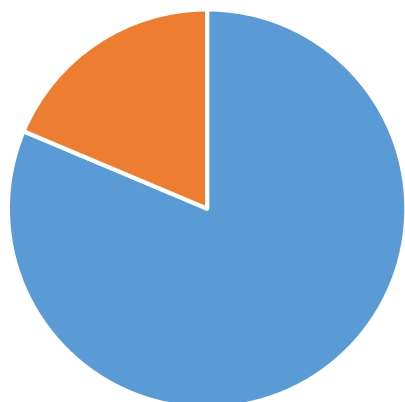
**11k**

Patients seen in  
Powys

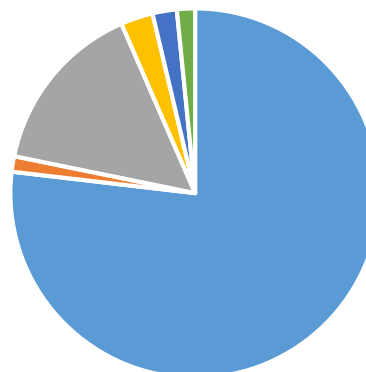
Please note figures are based on the number of individual patients seen and not number of appointments, i.e. one patient may have had three visits to the Emergency Department, five outpatient appointment and two admissions but these figures are counting the patient once and not the number of visits.

## Staff figures for 2023/24

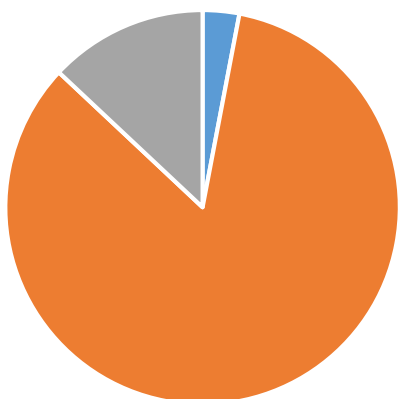
A further breakdown is provided later in this report.



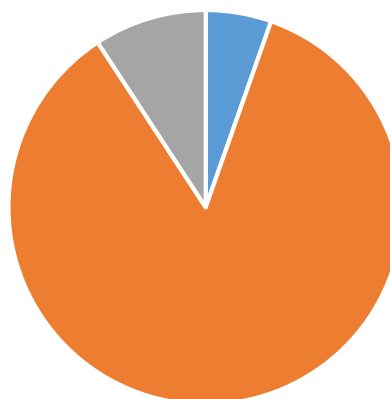
■ Female 81% ■ Male 19%



■ White 77% ■ Mixed 1.4% ■ Asian 15%  
■ Black 3% ■ Other 2.1% ■ Not stated 1.5%



■ LGBT+ 3% ■ Heterosexual 84% ■ Not stated 13%



■ Yes 5.5% ■ No 85.5% ■ Not specified 9%

(Disability)

## Performance against key indicators

Further details on performance are set out in the Performance Analysis section of this report. Key issues and risks that could affect the Trust in delivering its objectives are noted in the Board Assurance Framework [\(page 65\)](#), and detailed information on how the Trust reviews and manages key issues and risks can be found in the Annual Governance Statement.

## Care Quality Commission report (CQC)

Wye Valley NHS Trust is registered with the CQC who monitors, inspects and regulates all health services to ensure they meet fundamental standards of quality and safety.

In 2023 the Trust had two inspections, the details of which can be found in the Annual Governance Statement (page 93).

Our overall CQC ratings are shown in the chart below:

**Ratings for the whole trust**



The Trust has a positive relationship with the CQC inspectors and meets regularly with them to provide assurance on key quality and safety concerns. Improvement action plans are in place based on the recommendations of both inspections and progress is closely monitored by the Board.

**Emergency department**

ED standard	2019/20	2020/21	2021/22	2022/23	2023/24
Total time in ED: four hours or less	76.3%	78.0%	65.6%	55.6%	56.3%

The Trust did not achieve the national standard of 95 per cent of patients being seen, admitted or discharged within four hours from time of arrival in the ED. The challenges relating to system wide patient flow was the main driver for reduced ED performance during 2023/24, combined with significant winter pressures across our Urgent and Emergency Care Pathways.

**Referral to Treatment (RTT)/52 weeks**

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

The table overleaf shows the out turn for 2023/24. For English patients there was a reduction in patients definitively treated starting in 18 weeks for 2022/23. The position for the Welsh patients waiting under 26 weeks for start of treatment did improve to 68.3 per cent. For both English and Welsh patients the focus of the Trust was reducing the number of long waiting patients waiting over a year for treatment, over the course of the year.

The Trust managed to eradicate almost all patients waiting for over a year and half for elective treatment by the end of March 2024 and reduced the number of patients waiting a year to be first seen by a clinician for their elective condition to under 25 patients. Both a significant reduction since April 2023. During 24/25 the aim is to reduce the number of long waiting patients further through both productivity schemes as part of National, Regional and Foundation Group learning and sharing of best practice and the operational implementation of the Elective Day Case Surgical Unit in the Summer of 2024 at Hereford County Hospital.



## RTT incomplete performance

NB: English commissioned performance is 92 per cent of patients waiting under 18 weeks for treatment, Welsh commissioned performance is 95 per cent of patients waiting under 26 weeks for treatment.

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
English (18 weeks)	77.8%	54.8%	63.6%	58.3%	55.4%
Welsh (26 weeks)	83.1%	65.9%	66.2%	67.3%	68.3%

## Cancer care

The Trust's cancer performance standards remained challenged over the year with an 8.2% increase in cancer referrals, almost 900 more patients across all specialities. There was an improvement in the 28 day faster diagnosis standard for 2023/24 driven by improvements in diagnostic access and reporting, pathway changes and improved process at speciality level with the central support of the Cancer Service team. Quarter 4 saw the Trust achieve 77 per cent.

Although the target for starting first treatment within the 62 day cancer standard was challenged over the year, the Trust did manage to reduce the long waits for cancer treatment by the end of the year. The Trust was set a target of having no more than 71 patients waiting over 62 days for treatment by the end of the year, it achieved 58 patients. Although there were still patients waiting over 62 days for the start of their treatment this number was less than the Trust had at the end of the year before the pandemic.

Key performance indicators	Key target	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Cancer two week waits	93%	94.6%	97.2%	92.9%	91.1%	85.8%
Two week waits (breast symptomatic)	93%	94.5%	98.5%	74.2%	79.5%	60.6%
Cancer 31 days	96%	93.0%	90.6%	84.8%	88.0%	81.6%
Cancer 31 days Subsequent treatments	98%	91.7%	90.4%	77.8%	69.0%	
Cancer 62 days	85%	78.0%	76.3%	71.5%	65.2%	59.9%
Cancer 62 days screening	90%	92.3%	66.7%	76.0%	66.7%	81.8%
Cancer 62 days upgrades (no national target set)	85%	88.4%	82.2%	74.1%	65.2%	69.3%

Note 1: April 2023 to February 2024 - reported internally but no longer nationally reported (from October 2023)

28 Day Faster Diagnosis	75%		70.1%	64.4%	58.8%	69.8%
Cancer 31 Days Combined (new standard from Oct 23)	96%					81.5%
Cancer 62 days Combined (new standard from Oct 23)	85%					61.8%

Note 1: April to February - new reported standards from October

## Finance and use of resources

The Trust ended the financial year with an operating surplus of £1.796m and an adjusted financial performance deficit of £13.39m reported to NHS England. This was in line with the planned performance. Performance under the theme of finance and use of resources is assessed within the NHS Oversight Framework (NOF) which considers performance across a range of domains and provides a segmentation from '1' to '4', where '1' reflects the strongest performance. For the most recent performance (quarter 3, 2023/24) the Trust was rated in segment 3 of the NOF (see [page 52](#) for further information on NOF performance).

The Trust has a statutory duty to break-even over a rolling three year period. Despite delivery of in year agreed financial performance with NHSE, where the break-even duty is not met, the Auditor is required to report to the Secretary of State.

Further information on the financial position can be found in the Parliamentary Accountability and Audit Report section on [Page 97](#).

## Going Concern

International Accounting Standard 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. Further information can be found on [Page 122](#).

## Patient Safety Learning

In 2023/24, the Trust published its Patient Safety Incident Response Policy and Plan, setting out its patient safety priorities for the next 18-24 months.

- Incidents relating to the failure of administration of critical medications
- Deterioration of moisture associated skin damage to grade 3/4 or unstageable pressure damage
- Responding well to clinically changing conditions
- Inpatients with dementia or a delirium at a known risk of falls
- Responding well to clinically changing conditions

In support of the new national framework that underpins this new way of managing and responding to patient safety incidents, the Trust has rolled out key training programmes to staff in new investigative techniques, patient and staff engagement and oversight of patient safety. The training has been received well and a rolling programme will be developed in the coming year.

Looking ahead to 2024/25, the focus will be embedding the new processes that underpin our Patient Safety Incident Response Plan and ensure staff are equipped to generate improvements to mitigate patient safety risks in line with the national strategy. We will continue to engage with patients and families and promote their role as active participants in incident responses and their valued views on how we drive continuous improvement.

## Safety in Sync

In 2023/24, engagement at Safety in Sync continued to increase seeing many partners across the ICS and Herefordshire engaged in the forum. The forum is a psychologically safe environment to discuss quality and safety issues, achieving the aim to have true system discussions and breakdown our organisational barriers. It is open to all staff across the ICS's health and social care providers to discuss quality and safety issues and improvement projects. In May 2023 we evaluated the first 12 months of the forum and the feedback was positive. All presenters reported that they had been able to progress their improvement projects after discussion at the forum. During the year, the forum expanded its scope to share learning from improvement projects or investigations that can be applied across the system. In addition the forum has attracted regional and national attention with other organisations and regions looking to replicate the format.

The forum discusses a wide range of topics and the aim of discussions in the forum is to connect colleagues from different organisations to work together and accelerate the opportunity to improve our collective services. Topics in 2023/24 included:

- LeDeR feedback - accurate recording of clinical conditions
- Advanced Care Planning in the Community for patients with Learning Disability
- Surgical site infection data for hip and knee surgery case review- understanding antibiotics prescribing in primary care and barriers to accessing secondary review of patient
- How primary and secondary care can work together to improve the process for contacting patients in rural locations (linked to a PS incident)
- Prescribing Naloxone for known opiate users on discharge
- Community Services referral and handover processes - clarity on which service is leading patient assessment and investigation (linked to a complaint)
- Managing multiagency incidents and complaints and co-ordinating responses
- Missed hip fractures in patient's presenting with pain in the knee - (linked to a PS incident)
- Patient story—Podiatric Patient (Health Watch)- did the patient receive the right pathway of care
- Eating Disorder Management across the system for ongoing monitoring of patients
- Draft Electronic Discharge Summary incident

## Improvements to the Trust's estate and facilities

During 2023/24, the Trust:

- Completed over £500k of backlog maintenance to address the condition and fabric of various buildings across Herefordshire.
- Completed the demolition of the hutted wards and enabling works for the next project planned to utilise the space created.
- Completed the replacement of the remaining estate relating to the 'hutted wards' with the final link corridors modernised.
- Started Phase 2 of the Integrated Energy Centre which will remove the vast majority of fossil fuel consumption for Hereford County Hospital.

- Completed the majority of the physical works to the new Elective Day Case Surgical Unit ahead of opening in summer 2024.
- Completed maternity triage facility.
- Full business case and funding approval was achieved for the Community Diagnostic service with the acquisition of the land for this development.

### Capital developments

The Trust spent £29.2m on capital investments during 2023/24. The most significant elements within the capital programme were:

- £12.1m on the construction of the Elective Day Case Surgical Unit which is due to be completed in summer 2024.
- £1.4m on the digital programme including; infrastructure and device replacement plus system developments.
- £2.3m on clinical equipment. This includes; a new ENT Microscope, new Diagnostic and Microbiology equipment plus other equipment replacement.
- £9.2m on the integrated energy scheme; a grant funded programme to significantly reduce the Trust's carbon footprint.
- £3.5m on the planning, commencement and initial works on the new Wye Valley Diagnostic Centre due to open in April 2025.
- £0.7m on other estates schemes including backlog maintenance and other small works.

### Quality Priorities 2023/24

In the past year, the Trust have continued to grow a culture of quality improvement, guided by the Trust's quality priorities:

#### SAFE

- To reduce Clostridioides Difficile infection rates and deliver our cleanliness strategy
- Improve Venous thromboembolism risk assessment
- Reduce the incidence of avoidable hospital and caseload acquired pressure damage
- Improve management of the deteriorating patient

#### EXPERIENCE

- Using local and national intelligence to improve patient experience

#### EFFECTIVE

- Ensure the Trust meets best practice requirements for nutrition

- Embed the Mental Capacity Act and Deprivation of Liberty Safeguarding policies and process in practice
- Ensuring patients receive timely critical medications

## Transformation Developments

### Elective recovery

Since COVID the Trust has been striving to reduce its waiting lists for planned treatment. In the summer Wye Valley NHS Trust was selected as one of 25 'Further Faster' trusts to reduce the number of patients waiting over 52 weeks. This has proved to be very successful and the Trust has achieved a 25 per cent reduction since September compared to only a 9 per cent reduction for those trusts nationwide not in this programme. It has achieved this through learning from best practice nationally in both theatres and outpatients. One of the key initiatives has been the introduction of patient initiated follow ups reducing the number of appointments patients have during their period of care. This releases more clinic time to see new patients earlier. Additionally there have been improvements in the length of stay for patients after they have had surgical procedures including many more being undertaken on a day case basis.

### Virtual ward provision

The Trust has successfully introduced the new provision of Virtual wards. This service allows patients to receive hospital care in their own homes. This allows patients to be close to family and friends as they recover, also avoiding hospital acquired functional decline and exposure to hospital acquired infections.

## Review of the Trust's clinical services

### Medical Division

The medical division provides a wide range of direct patient care services including: Frailty services, Dermatology, Stroke services, Diabetes and Endocrinology, Nephrology, Respiratory, Gastroenterology, Neurology, Cardiology, Emergency Department, Same day emergency care and the Acute Medical Unit.

### Key developments and achievements from 2023/24

- Stroke services are continuing to work with the Integrated Care Board (ICB) partners on a long term plan for the service. The Trust recently achieved an A rating for the Sentinel Stroke Audit Programme score – rated 2nd in the region.
- The Trust has been appointed as lead provider for Dermatology services across the ICB and are currently working with ICB partners on the detail of this process.
- The Trust has developed a new Frailty Same Day Emergency Care (FSDEC) which has led to improved flow through our Emergency Department (ED) and ensured that only the patients who need it are admitted to hospital.
- The Diabetes team have continued to work across the system with primary care colleagues ensuring there is a secondary care led Multidisciplinary team (MDT) in each Primary Care Network (PCN) and supported the development of primary care colleagues.

- Neurology services have recruited their first local Neurology consultant with the aim of improving local services to patients.
- Virtual ward was opened in 2023. This has improved the ability to discharge patients and better utilise SDEC areas.
- ED has embraced the recommendations from the CQC visit and developed a plan to incorporate CQC actions and actions from a recent NHSE visit. They undertook some improvement work on the 4hr ED target which will also be incorporated into the plan.
- Improvement in 28 day faster diagnosis performance within Lung pathway since October 2023. The improvement has been due to reinstating one stop clinics and delivering an internal target of seven days to be seen for first outpatient appointment.
- Implementation of standardised benign non-cancer letter templates for Upper Gastrointestinal to improve response times for informing patients of a benign non-cancer diagnosis.
- Maintaining a 48 hour response time with advice and guidance referrals in Cardiology to primary care GPs, despite an annual increase in demand.

The focus in early 2024/25 will be to review the urgent and emergency care pathway with the aim of improving the flow of patients through the hospital.

### Surgical Division

The Surgical Division provides a wide range of direct patient care services including General surgery, Urology, Colorectal surgery, Breast surgery, Trauma and Orthopaedics, Ophthalmology, Ear, Nose and Throat services, Oral and Maxillofacial services, Theatres, Intensive Care Unit, Endoscopy, Podiatric surgery, Density, Paediatrics, Special Care Baby unit, Maternity, Obstetrics and Gynaecology, Community Paediatric service and Public Health Nursing services.

### Key developments and achievements from 2023/24

- The Division has continued to drive down long waits to treatment and first appointment, in line with national restoration and recovery targets, making sustained progress during 23/24.
- The Division has been a key participant in the first cohort of the national 'Faster Further' outpatient improvement project. This has enabled the Trust to implement and deliver key outpatient improvement initiatives, such as Patient Initiated Follow Up.
- Theatre productivity has been a focus for the division over the last 12 months, with theatre throughput increasing over the course of the year.
- **Trauma and Orthopaedic perfect fortnight** – an improvement event which delivered significant improvements with regards to key metrics. Theatre utilisation increased to 94.1 per cent and patient length of stay reduced to 2.08 days, down from 3.79 days.
- **Public Health Nursing Service** - Following a successful tender, Wye Valley NHS Trust will continue to lead and co-ordinate the 0-19 Public Health Service within Herefordshire from April 2024. The 0-19 Public Health Service, consists of Health Visiting and School Nursing teams.
- **Surgical SDEC** – In December 2023 the division developed a new Surgical SDEC facility, providing a dedicated area for assessment and treatment. Phase 2 will include the

development of additional pathways, introduction of a Surgical Assessment unit to reduce short stay admissions and virtual ward expansion.

- **Joint Advisory Group (JAG) accreditation** – In December 2023 the Theatres and Anaesthetics Directorate Endoscopy team met all the required JAG accreditation standards to have its accreditation renewed. JAG Accreditation is evidence of provision of a high quality service spanning clinical, patient experience, workforce and training components.
- **Maternity Well Led and Safe CQC Inspection** - Following the CQC inspection of Maternity Services in June 2023, the report was published in October 2023. The report identifies a series of improvements that have been made across the service and this has resulted in an improved rating across the well-led domain, which has moved to a rating of 'Good'. This has also resulted in the overall rating for Maternity Services moving to 'Good'.
- **Development of the Elective Day Case Surgical Unit** – this facility provides additional day case theatre capacity and a new cataract suite. This is due to open summer 2024.
- **Surgical Robot** - Robotic Assisted Surgery (RAS) enables surgeons to perform many types of complex procedures with more precision, flexibility and control than is possible with conventional Minimal Access surgery (laparoscopic) techniques. We commenced robotic surgery in May 2023.

### Integrated Care Division

Our Integrated Care Division provides services in both the acute and community settings, with particular elements of integrated working with our partners across the system.

### Key developments and achievements from 2023/24

- Implemented new structure introducing integrated leadership arrangements with general practice, and neighbourhood (PCN) based leadership structure
- Development of Urgent Community Response (UCR) service including full recruitment
- Integration of existing community services that provide an urgent function (Hospital@Home) to provide a true UCR
- Strengthen relationships with Herefordshire General Practice colleagues to stabilise medical support to UCR
- Increased referrals from West Midlands Ambulance Service (WMAS) to UCR
- Commenced cross organisational Discharge to Assess (D2A) redesign
- Created a bridging team to support Pathway 1 discharges
- Reduced the time children wait for therapy services
- Implemented #workingasone across all Community Hospital sites to encourage sharing of resource and improvement
- Planned extension of overnight nursing service with GP colleagues, ready for implementation from April onwards, supporting retention of staff in District Nursing service
- Implemented Community Nursing safe staffing tool, including training and delivery of first audit, supporting improved understanding demand and capacity in District Nursing
- Increased productivity by delivering increased clinic activity working collaboratively with General Practice, specifically wound care and phlebotomy

- Flexible use of staff and estate to deliver integrated services to local population, includes neighbourhood-based health and well-being teams working from Community hospital sites, establishment of joint education sessions for District Nurses and Practice nurses working together in specific neighbourhoods, monthly multi-disciplinary team meetings focussed on housebound patients with diabetes
- Supported a flexible working approach to staff members
- Productivity gains across a number of services
- Delivered system savings related to UCR
- Transformation work underway for Children’s therapy services, including more school based services
- Expansion of First Contact Physiotherapy services across primary care, including Dietetics and Occupational Therapy
- District Nurse transformation work underway
- Improving Allied Health Professionals recruitment and support for newly qualified staff through preceptorship

### Clinical Support Division

Our clinical support division provides a broad range of services which support the Trust and wider healthcare providers in Herefordshire to deliver frontline clinical services including: Pharmacy, Radiology and Pathology.

The division also delivers direct patient care in Cancer Services including Clinical Haematology, Oncology and Palliative Care, Audiology and general outpatients departments. They also support a number of Trustwide corporate functions including the Referral Management Centre, RTT validation, general office, Mortuary and Bereavement Services, patient communications (letter, digital and text messaging), oversight of Cancer standards and performance, MDTs and patient tracking.

### Key developments and achievements from 2023/24

- Wye Valley NHS Trust became the first trust in the West Midlands to go live with digital reporting of histopathology slides which is a key enabler in becoming part of a wider pathology network bringing the benefits of faster diagnosis and access to expert opinion. Our Pathology service has progressed collaborative working in Breast Histopathology, Blood Sciences, Immunology and Haematology with other Trust’s in developing the South Midlands Pathology (SMP) network ahead of the formal SMP network formation.
- Following an extended period of high vacancies, the Pharmacy Service is delivering a successful recruitment campaign despite national shortages of registered pharmacists and is presenting at the National Pharmacy Congress on Workforce Development in London.
- The Radiology team is continuing to perform well against the six week diagnostic target with 89 per cent of patients receiving their scans within six weeks, exceeding the national target of



85 per cent within six weeks by March 2024. Reporting turnaround times have also significantly improved with the majority of urgent scans being reported in less than three days.

- An interventional radiology suite is now fully operational enabling work to be taken out of theatres.
- Radiology consultant recruitment has seen great success with only one vacancy at present. In addition, ten overseas radiographers have been appointed and are now in post.
- The full business case for a Community Diagnostic Centre was approved and is planned to be fully operational in the spring of 2025, providing significant additional scanning capacity and a range of other diagnostic tests.
- In Cancer Services there have been improvements in cancer pathway tracking with the introduction of specialty based cancer navigators who are having a positive impact on the faster diagnosis target for patients.
- The Clinical Support division is also supporting the roll out of digital communication with patients via the NHS APP, due to be launched in April 2024.

## Integrated care and partnership working

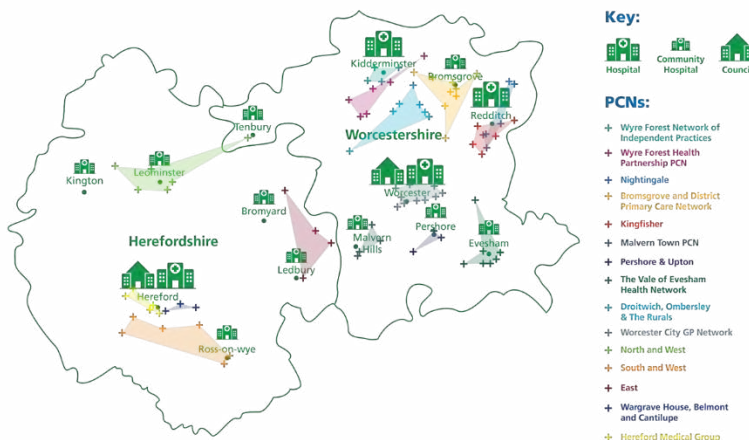


### Herefordshire and Worcestershire Integrated Care System (ICS)

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

### Our system at a glance

- 8 local authorities
- 79 GP practices
- 96 Dentists
- 4 NHS Trusts (including WMAS)
- 15 primary care networks
- 123 community pharmacies
- 64 Optometrists
- 2 counties (Places), each with a Healthwatch
- More than £1.5bn public spend
- 800,000 people served
- Nearly 20,000 staff in statutory sector bodies
- Thousands of voluntary, community and social enterprises



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

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

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

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

<i>Objective 1</i>	<i>Objective 2</i>	<i>Objective 3</i>	<i>Objective 4</i>
Ensuring healthier, well connected and more resilient communities with targeted support to reduce health inequalities and inequities, preventing ill health	To provide high quality services through improving access to clinically effective treatments	To make the best use of resources, being exemplar employers and strengthening the local economy by employing local people, and investing in local businesses wherever possible	To promote a healthier physical environment; reducing our carbon footprint through positive action around our buildings, working practices and digital transformation
<p><b>Ambitions</b></p> <ul style="list-style-type: none"> <li>➤ Children have the best start to life</li> <li>➤ People live longer, healthier lives, particularly those experiencing health inequalities</li> <li>➤ People take steps towards good health and wellbeing</li> <li>➤ More people will live independently in strong resilient communities</li> </ul>	<p><b>Ambitions</b></p> <ul style="list-style-type: none"> <li>➤ Our system provides access to health and care interventions at the right time</li> <li>➤ A reduction in preventable long-term conditions and improved self-management for those with a long-term conditions</li> <li>➤ Increased access to mental health and wellbeing services for children and young people</li> <li>➤ Improved outcomes for people living with and beyond cancer</li> </ul>	<p><b>Ambitions</b></p> <ul style="list-style-type: none"> <li>➤ Our system is a great place to work; supportive equality, diversity and inclusion</li> <li>➤ We make the best use of resources</li> <li>➤ We enable the local economy through our role as anchor organisations</li> <li>➤ More support for informal carers</li> </ul>	<p><b>Ambitions</b></p> <ul style="list-style-type: none"> <li>➤ People are empowered to become more active</li> <li>➤ People live in high quality safe homes</li> <li>➤ A reduced carbon footprint for health and care organisations</li> <li>➤ An increase in the use of effective, digitally enabled care, supported by digital inclusion</li> </ul>

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

One Herefordshire Partnership



The Integrated Care Strategy starts with building on the strengths of individuals and their communities to improve their health – ‘helping you to help yourself’. System leaders are now focused on coordinating actions at the local level, using the One Herefordshire Partnership (1HP) to establish place-based approaches that incorporate the crucial role of the developing PCNs. The 1HP is the primary interface with the Herefordshire and Worcestershire ICS, with a primary purpose of strategic planning, approval and engagement, and is chaired by one of the four core members drawn from Herefordshire General Practice, Wye Valley NHS Trust, Herefordshire Council or Herefordshire and Worcestershire Health and Care Trust.

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



The Trust aims to ensure that the experience of patients, service users, their families and carers is the foundation of the development and delivery of services. The approach focuses on recovery, partnership working and embedding coproduction into day-to-day practice.

### Key developments and achievements from 2023/24

- Unscheduled care: expanding GP support for Urgent Community Response, now delivering face to face GP appointments and support for multi-disciplinary working and developing understanding with neighbourhood level home visiting
- Joint working in neighbourhoods: including joint GPN and DN forums, shared wound care clinics, joint phlebotomy clinic approach, extended overnight nursing collaboration
- Prevention and well-being: established the new Talk Wellbeing outreach service and hub site in Hereford - Reach of Talk Wellbeing across all PCNs with current uptake at 539 health checks and eleven patients registered at practices
- Integrated urgent care: implemented a single point of access
- Health and Wellbeing Strategy priorities – delivery plans and outcomes dashboard in place for both priorities
- Planned care: developed long term conditions strategies for three conditions and agreed a shared waiting list management approach for Spirometry, Phlebotomy and Gynaecology
- Community Paradigm: agreed and delivering a new approach to delivering prevention and commissioning voluntary and community sector services

The Trust delivered its capital programme in line with the capital resource plans for ICB's and its partners. The Trust's capital developments are described on page 27.

## Health Inequalities Strategy

The Trust worked with One Herefordshire partners to develop a Health Inequalities Strategy in 2022/23, described below. The Strategy has been agreed by the Health and Wellbeing Board and progress will be fed back annually.

<b>Vision:</b>	Herefordshire residents are resilient; lead fulfilling lives; are emotionally and physically healthy and feel safe and secure.		
<b>The Challenge</b>	Requires inequalities in health outcomes between different groups of people to be reduced. This necessitates a mix of short, medium and long term action including upon the wider determinants.		
<b>We will focus on:</b>	Reducing health inequalities across the population, particularly within:		
	Rurally dispersed	Travelling community	Unregistered individuals
<b>To do this we will:</b>	Work in partnership to develop local solutions, using national frameworks and best practice, which encourage and empower people of all ages and abilities to reduce inequalities and improve health and wellbeing; focusing on;		
<b>1.</b>	Engaging healthcare professionals to improve digital and health literacy		
<b>2.</b>	Empower and support workforces to understand and deliver equitable services that reduce inequalities and address workforce inequality and training needs		
<b>3.</b>	Reaching communities to work in partnership to reduce inequalities		

This plan on a page outlines how Herefordshire’s partners will work to reduce health inequalities over the next five years, incorporating the national Core20Plus5 approach. At the Trust, teams are working within primary care networks to deliver a number of smaller, targeted, local schemes that reduce inequalities as well as supporting the Talk Wellbeing approach led by Herefordshire General Practice.

## Trust charity

The Trust charity uses donations to fund special projects, support patients, service users, carers and staff, and improve the environment on our wards and other areas.

The Charity comprises of a number of separate ear-marked funds under the umbrella of Wye Valley NHS Trust charitable funds. The funds totalled £2,500k at the end of December 2023. During 2023/24 to date, the Charity received donations and legacies of £397k and incurred expenditure of £413k.

## Workforce and Organisational Development Strategy

The Education Directorate has been in place since April 2021. This year they will continue with the same drive of promoting truly multi-professional education supported by one integrated team. With the aim of making education accessible to all staff, from the most junior students to the most experienced leaders. They support a wide range of programmes for formal academic training as well as career development opportunities including management and leadership programmes.



A shared governance system, a shared meeting structure and a shared financial management system across medical and non-medical learners covering both undergraduate and postgraduate opportunities. Collaborative working with key partners and stakeholders regionally to ensure Trust employees have access to a range of providers and a diverse portfolio of courses.

The Education Directorate works in collaboration with the, Higher Education Institutions, NHS England (NHSE), Herefordshire and Worcestershire ICS and our Foundation Group partners. They focus work in accordance with local and national drivers, leading and being involved in key projects and initiatives, supporting new ways of working and the development of new roles.

The Directorate's long-term goal is to create a new Education Centre, on the Hereford County Hospital site, combining state of the art simulation, clinical skills rooms, a modern library and information hub and a large bespoke lecture theatre. The development will expand and enhance the education delivered at Hereford County Hospital, making the Trust a destination for students and staff for high-quality education, a lasting positive experience and to support the recruitment and retention of our staff.

Our intention is also to make this facility available to the local community in order to encourage and foster mutually beneficial links with a wide range of community groups, including patients, and the public.

### Key developments and achievements from 2023/24

Over the last 12 months the Education Directorate supported the following initiatives/developments:

- £426,000 accessed for Continuing Professional Development funding through Health Education England (HEE)
  - Invested in upskilling
  - New ways of working in the nurse, midwife and AHP workforce
- Working with the Foundation Group, Herefordshire and Worcestershire ICS and Hereford and Ludlow College in supporting the development and delivery of a number of leadership programmes such as a leadership boot camp, Mary Seacole, Insights, Career Conversations, team discovery sessions, coaching and mentoring, leadership support circles.

- Launch of new virtual student induction programme in 2023 following a successful bid to HEE for funds to improve student/trainee placements. The online courses aim to standardise induction for all student/trainee groups and includes:
  - Welcome to Wye Valley NHS Trust video and virtual tour
  - Welcome to the Wye Valley NHS Trust Education Directorate film
  - Information Governance film for Wye Valley NHS Trust students
- As the lead organisation in a collaborative financial bid for the ICS, utilising awarded funds to provide training and development in the new patient safety investigation framework. This included systems thinking for investigators, compassionate engagement with those affected by a patient safety incident and board level oversight and assurance.
- Launch of applicant dashboard on Electronic Staff Record (ESR) for all new starters to access all information on a digital platform to support the on-boarding and induction process. New starters have access to all information and training required. This is also supported by a dedicated intranet page for new starters to help navigate their way through the first few weeks of employment.
- The new Wye Valley NHS Trust Education and Training prospectus was launched in April 2023 which details all offerings and areas of the Education Directorate.
- Launch of virtual sessions via MS Teams for annual mandatory training subjects (Fire safety, IG and Infection Prevention and Control) providing an alternative to eLearning and enables Q&As with subject matter experts within the organisation.
- Utilising technology to increase the user-friendliness of accessing training by implementing QR codes to book onto training and collect feedback.
- Creation of digital training reports moving information to Structured Query Language (SQL) reporting processes has made up to date information more accessible to managers and training subject matter experts.
- Launch of a new Basic Life Support (BLS-Adults) refresher training pathway with the use of self-directed learning using an automated manikin to practice and assess practical skills for resuscitation. The pathway also includes a knowledge check which is completed via the national Resuscitation Level 2 eLearning course on ESR. This has enabled the team to increase their educational offering which includes training acute illness management course and support for staff in the clinical area during clinical practice weeks.
- Successful continuation of Wye Valley NHS Trust Leadership and Management Development programme delivering this to circa 150 candidates. Further development of the programme has seen medical and dental colleagues join an extended version of this programme.
- Clinical Education Fellow programme - we have continued to expand the fellow programme and develop innovative non-medical education fellow posts, which rotate to different specialties every year. The medical education fellow posts cover a wide range of specialties.
- The Practice Education team have successfully recruited an AHP to focus on the training and support of AHPs students across the Trust.

## Students and training at Wye Valley NHS Trust

### ➤ Apprenticeships and work placements

- Successful recruitment of an Apprenticeship and Work placement lead to support new and existing apprenticeships.
- Introduction of apprenticeship support across the Trust with collaborative discussion sessions, bi monthly newsletter. Increased offerings in the Trust have expanded to include Operating Department Practitioners (ODPs), accountancy and taxation and Podiatry courses.
- Introduction of the Trust's first large dedicated cohort of trainee Nursing Associates in collaboration with the University of Worcester.
- Celebration of National Apprenticeship week and the successes of our apprentices. There are currently 148 apprentices being supported at the Trust.
- Work experience offering has seen 42 students from Herefordshire and wider access the work experience programme and Medical Observership programme. Offering a variety of placements and support to understand NHS careers for the future workforce. Glowing feedback has been received in regards to the placement and the work experience team.
- Developing an April 2024 cohort with local education providers for work placements as part of higher education qualifications providing a rotational placement experience to meet course requirements.

### ➤ Digital Education

- The department has leapt forward with digital creation supporting the Education directorate in facilitating user friendly content.
- New eLearning programmes (COSHH, alcohol withdrawal, Nasogastric tube placement, Nasogastric chest X-ray, oral healthcare)
- New film-based eLearning support guides developed to support staff in accessing and completing eLearning courses in ESR, interview preparation, veteran awareness and a guide to apprenticeships.
- New Moodle courses for foundation Doctors (induction and teaching programme)

### ➤ Knowledge and Library Services

- Revised the Foundation Group strategy for Knowledge and Library services to include Worcester Acute NHS Trust.
- Launch of a new collaborative network of NHS libraries (HeLM) across the Midlands with a shared Library Management System enabling access
- Launch of new online platform to make resource and evidence discovery easier West Midlands Evidence Repository (WMER)
- Monthly spot light sessions promoting resources and literature available including NHS leaders and managers, KNOWvember campaign, Disability History Month, LGBT+ History Month, Oncology and Marie Curie's 'Go Yellow' campaign.

### ➤ Physician Associate students

The Trust hosts approximately 20 physician associate students at any one time on placement from the University of Worcester developing new ways of working across an increased number of departments.



➤ **Medical students**

The Trust hosts approximately 88 medical students at any one time on placement from Aston University and the University of Birmingham and for the first time Three Counties Medical School. Learning Opportunities in a Clinical Setting (LOCS) placements have started with 17, 1<sup>st</sup> year TCMS students attending for 1 or ½ day in various areas of the hospital.

➤ **Doctors in training**

There are approximately 118 doctors on training placements throughout the Trust. They support an expanding foundation training programme and also support an increased range of higher specialist training programmes across most clinical areas of the Trust with an expanding GP training programme across the county of Herefordshire. Commencement of digital feedback using QR code for both undergraduate and postgraduate teaching to continually evaluate and develop teaching programmes.

➤ **Trainer events**

- Medical Educators event was held on October 5, 2023 to celebrate the Trust's fantastic educators who support our medical students and doctors in training.
- A well attended, two day introductory course for GP trainees on February 7 and 8, 2024.

➤ **Specialist, Associate specialist and Speciality (SAS) group development**

- The SAS bursary scheme has been successfully actioned and provided SAS doctors with an opportunity to apply for funding to support self-development. Eleven SAS doctors accessed the bursary.
- A successful Wye Valley NHS Trust SAS conference day was held on November 21, 2023 for the SAS doctors. Regular generic skills workshops run throughout the year and these have included managing conflict, job planning and your personal development (November and December respectively).
- Support for Certificate of Eligibility for Specialist Registration (CESR) is now embedded, and seven doctors are currently working towards consultant status.

- **HASTE** (Hereford Academy of Simulation Training and Ergonomics). Continues to increase its support of undergraduate and post graduate educational activities. HASTE supported 166 simulation sessions September 23 - April 24. It has also been at the heart of developing multi-disciplinary programmes and providing support for clinical skills teaching and simulation across many of the specialities in the Trust such as Emergency Medicine, Obstetrics and Paediatrics. Alongside the Clinical Education Fellows, a pilot for inter professional



simulation was developed, feedback showed increased confidence with working alongside other members of the healthcare professionals after the simulations.

➤ **Clinical skills**

The Practice Education team has continued to support the acquisition of clinical skills and simulation for its multi-professional teams across both HASTE and within the Education and Development Centre (EDC). It has worked alongside managers/educators in the clinical environment to support, update and develop clinical skills in line with policies and evidence based practice. The team is responsive and proactive. Through audit of compliance, attendance rates and service needs, in response to the frequency and delivery of workshops.

➤ **Healthcare Support Worker (HCSW) induction programme**

The clinical skills team support HCSW introduction to the Care Certificate and facilitate 'Essentials of Care' sessions as part of the Trust induction. This:

- Provides support to learners with the acquisition of skills and the delivery of holistic care based upon the care certificate standards and evidence-based practice.
- A total of 329 HCSWs have undertaken this programme in the last 12 months (226 substantive and 103 bank)

➤ **International Nurse programme**

The Practice Education team has successfully recruited a further two practice facilitators to support the international nurse programme. This will enable greater support both within the classroom and out in clinical practice.

They have welcomed 110 nurses from overseas through the International nurse programme for the Trust. In addition support has been given to eight international nurses who were already working within the Trust in HCSW roles to pass their OSCE and gain NMC registration. Demonstrating a continued commitment to support and develop existing staff.

A further business case has been approved for an additional 120 nurses to arrive in 2024/25. They have received recognition within the most recent CQC inspection for the outstanding support delivered to international nurses.

The OSCE programme has been successfully delivered with a reduction from 12 weeks to 8 weeks for first time passes. The nurses are able to learn in a structured environment and demonstrate their knowledge and understanding into clinical practice.

➤ **Preceptorship**

Preceptorship has grown significantly over the last 12 months with increased numbers of newly registered nurse/AHP. Intakes have increased from two per year to four per year. The uptake has been significant with most intakes having two cohorts each, resulting in nine cohorts running. The Trust currently has approximately 220 staff members undertaking the program.

The Trust has created and completed the first multi-disciplinary preceptorship cohort, which received positive feedback from all specialities involved.

The Trust's new preceptorship policy has been published which was designed to align to the National Preceptorship Framework for Nurses (NHS England, 2022). Aligning with the framework will also enable the Trust to apply for the National Preceptorship Interim quality mark that is being awarded by NHS England to all Trusts that can demonstrate compliance to the framework. The Trust achieved this in January 2024.

### Recruitment and retention

During 2023/24, the focus has been on both recruitment and retention. Improvements have been made particularly in our workforce retention levels which are now at 10 per cent. There have been a number of recruitment initiatives with a focus on reducing the vacancy gap particularly in the healthcare support worker, pharmacy and allied health professions. The focus continues on working in partnership with partners across Herefordshire and Worcestershire ICS in recruitment events and promotion.



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

### Nursing and Midwifery recruitment interventions

In the last 12 months the Trust has recruited 100 nurses from various countries across the world with successful placements in theatre, ophthalmology, acute wards and community hospitals. The majority of the international nurses work in acute medical and surgical teams. The new international nurse recruitment business case was approved to recruit 77 International nurses to support turnover.

Maternity services have also recruited four overseas midwives who are now working in the maternity team and are NMC registered midwives.

The Trust has a good reputation for the strong pastoral care provided and the on boarding process. Once international staff arrive the pastoral officers support them throughout their transition stage and ensure they settle into Herefordshire. Once they have passed their OSCE exams support is given to bring their families to Herefordshire.

### The Health Care Support Worker programme

The HCSW programme was launched in 2019 to support NHS trusts in increasing their HCSW recruitment, minimise vacancies, avoid reliance on temporary staff and to provide greater continuity of care for patients. In addition, it supports more people to progress into nursing and midwifery roles in the future. During the last 12 months the support around the programme has reduced, however,

the Trust continued to recruit, retain and support the clinical workforce. At the Trust we have been successful in reducing the HCSW vacancy gap from 31.47 Whole Time Equivalent (WTE) in 2023 to 15.56 WTE in March 2024.

As part of the HCSW programme the Trust continues to join forces with Hoople care and together work in partnership to attract, recruit and retain HCSWs across the county forming 'Together Healthcare' this has proved to be a great success and the Trust continue to maintain this local partnership working for the local community across Herefordshire.

### People practices

The Trust's HR policies and procedures are reviewed via the HR policy sub-group. The group includes operational and staff side representation demonstrating a strong partnership and governance approach to review the people policies and procedures including benchmarking with other organisations, legal updates and best practice.

### Staff survey

The NHS national staff survey results for 2023 highlight a broadly positive picture, with progress made across several key themes despite the ongoing operational challenges brought about by industrial action and winter style related pressures across the NHS. This year's results illustrate an improvement in five of the eight key indicators surveyed, including four People Promise indicators covering recognition and reward, learning, working flexibly and team working.

The two other People Promise indicators surveyed, for compassionate and inclusive leadership and whether staff have a voice that counts, remained stable.

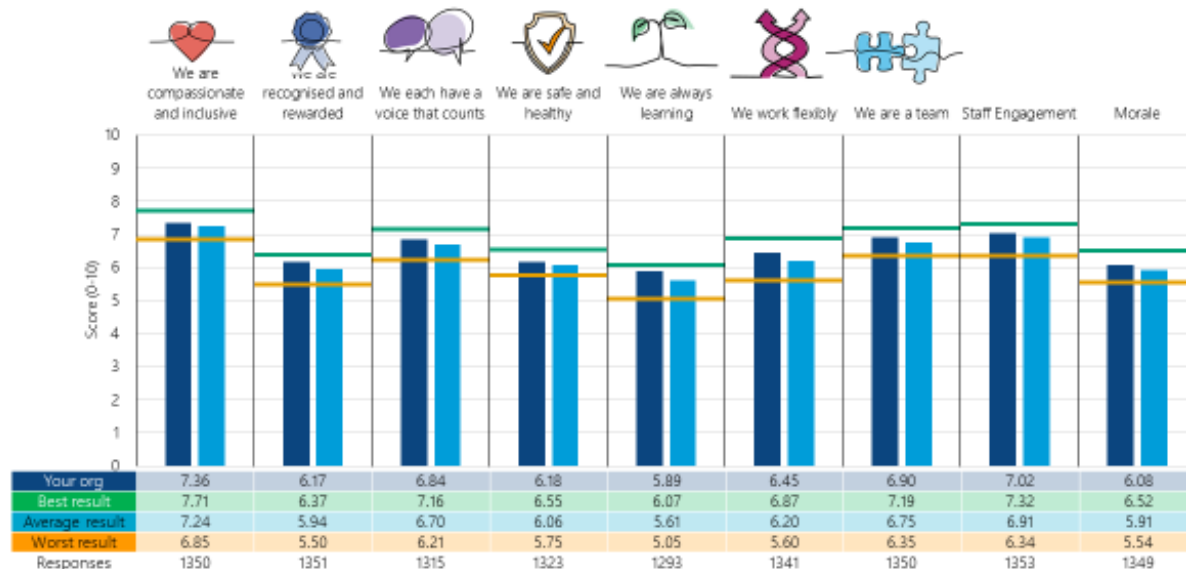
There has been positive progress in improved morale, driven by a reduction in staff saying they were thinking of leaving the NHS, while the measure of staff engagement remained stable.

Key measures of staff experience also improved, with an increase in staff willing to recommend the NHS as a place to work. Similarly, the percentage of staff that would recommend their organisation as a place to get care increased, although this figure is still lower than in 2019.

The Trust's equality and diversity scores were broadly stable, with a small improvement on the measure of inclusion. There remained a significant equality gap in the experience of women, Black Minority Ethnic, disabled and LGBT+ staff. For the 2023 survey, a new question was introduced on sexual harassment in NHS workplaces and this highlighted some concerns and the need for ongoing action on this issue in NHS workplaces.

Overall, the largest increase in the 2023 survey was the measure for learning and development which saw particular improvement on experience of appraisals. There was also improvement on the team working measure NHS wide. Recognition and reward saw improvements in staff satisfaction on pay and on feeling recognised and valued. This was backed by a small decrease in staff thinking of leaving the NHS and scores on staff freedom to speak up remained broadly stable.

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



The table above provides a high level summary of the nine key areas of the survey.

## Awards and recognition

### Tim achieves “champion” award

Tim Woods, a health care assistant on Oxford Suite, was awarded the Nursing Workforce Standards Champion status by the Royal College of Nursing. The award was achieved after Tim completed two cases of work in the Trust using some of the standards.

### Congratulations to another Professional Nurse Advocate cohort

The Trust was delighted to celebrate the achievements of Amanda James, Matron Surgical Specialties; Rachel Jones, Matron Integrated Care, Hannah Linton, Chemotherapy Nurse; Rebecca Preece, SACT Nurse; Amanda Pearson, Senior District Nurse Team Lead; Emma Rhoades, School Nurse; and, Lynn Carpenter, Quality and Safety Matron in gaining their Professional Nurse Advocate (PNA) award.

Professional Midwifery Advocates (PMAs) have been established for some time and have demonstrated the value that these roles can have for both staff and patients. The Trust was thrilled to receive the funding opportunity to develop PNAs and to build on the professional advocacy roles and have now successfully trained 17 PNAs across the Trust.

A Professional Advocate is a nurse/midwife who has completed a formal training programme to equip them with the skills to actively listen to colleagues and understand the challenges they face. They can help staff make sense of emotional and professional challenges and work toward psychological restoration, whilst also enabling individuals to positively influence workplace culture and implement quality improvements at local level.

The long term aim is to have a qualified PNA in every clinical area to build a resilient workforce and support the delivery of high quality, compassionate care.

### **NHS Pastoral Care Quality Award – International nurses and midwives**

The Trust has been awarded the NHS Pastoral Care Quality Award for ongoing commitment to providing best practice pastoral support to internationally educated nurses and midwives. The award recognises the incredible work being carried out to ensure these colleagues receive enhanced and tailored pastoral care as they start their NHS journey and onwards in their career.

### **Fellowship success in Podiatric surgery**

In September 2023, Mr Derek Protheroe attended the House of Lords to officially receive his Fellowship in Podiatric surgery. The Fellowship, which Mr Protheroe received after successfully completing his final exam in May, recognises the practitioner's dedication to their patients, to their careers and the academic advancement of both themselves and the profession.

*“It provides recognition for the hard work over the last several years from myself but also the dedication and patience from all members (consultants, nursing and admin) of the podiatric surgery team in facilitating that transition from trainee to registrar level. I hope now that I can continue in my role and develop the service in the future. The award also demonstrates the recognised development and training programme which has been annotated via HCPC and Huddersfield University.”* Mr Protheroe

### **First Prize for clinical case poster**

Amy Jukes, Community Dentists, achieved first prize for a clinical case poster at the BDA Community Dental Services group annual presidential and scientific meeting in October 2023. The submission on the “Perils of DIY dentistry” showed the disastrous consequences of an attempt at dental veneers using a product purchased on-line.

The case displays the complex and sometimes unusual cases that present at our Dental Access Centres and the collaborative approaches that are often necessary to resolve. It also reinforces that the disadvantage is often focussed on the most vulnerable members of Herefordshire community.

### **Congratulations to our Apprentices**

The Hereford and Worcester Group Training held their 2023 annual event celebrating the achievements of apprentices and employers. This event was an opportunity to reflect on the knowledge gained and the hard work, diligence, enthusiasm and skills shown by the apprentices. Apprenticeships provide routes into a variety of careers in the NHS and are an excellent opportunity to earn, gain work experience and achieve nationally recognised qualifications at the same time. At the event five apprentices from Wye Valley NHS Trust were recognised for their achievements.

### Special Care Baby Unit awarded Baby Friendly accreditation

The Special Care Baby Unit (SCBU) has been awarded the prestigious Neonatal Baby Friendly Accreditation by UNICEF (United Nations Children’s Fund).



This award recognises the feeding support mothers and families receive from neonatal staff at Hereford County Hospital’s SCBU to help babies get the best possible start in life.

Elaine Evans, Special Care Baby Unit manager at Wye Valley NHS Trust, said: *“We are delighted to receive stage one UNICEF Baby Friendly accreditation, which is a great achievement for our neonatal unit.*

*“The Baby Friendly standards enable neonatal*

*services to support families with feeding, the importance of establishing early relationships in the neonatal unit, how to value parents as partners in care, how to support breastmilk feeding, the transition to successful breastfeeding, including parent’s choice of feeding, and how best to support babies and their families with a close, loving and responsive relationship in the long term.”*

### Chief Midwifery Officer Award, awarded to our very own Kate Harding

*“Healthcare support workers and maternity support workers are at the heart of clinical settings and local communities up and down the country, making a real difference every day to the lives of patients they care for and the nursing and midwifery colleagues they support. Both are integral to our workforce and deserve recognition and celebration for all that they do”* – [Chief Nursing Officer and Chief Midwifery Officer Awards website](#).



Kate is the epitome of a skilled and professional Maternity Support Worker (MSW); highly skilled and dedicated, setting the best example to colleagues across maternity services. Employed as a MSW since 2007 Kate has gained skills across a range of maternity service areas and has been working in the community for a number of years. Over the last year, Kate has extended her skills further taking the lead MSW role in the newly launched Complex Feeding and Tongue Tie service.

### Freedom to Speak Up Guardian and Champions

The Freedom To Speak Up (FTSU) Guardian’s role is to ensure that speaking up is viewed as ‘business as usual’ within the Trust and to promote a positive culture of speaking up. It is important that both the safety and wellbeing of our patients and staff are paramount. Each speaking up case gives the Trust opportunity to learn, develop and make improvements where necessary.

In 2022/23 the hours ring fenced for the Guardian role were doubled for the appointment of a new Guardian. The Guardian is supported by FTSU champions across the Trust. At the end of the March 2024 there were 88 champions ensuring representation of not only all divisions but also an ever

changing and diverse workforce. This is an overall increase of 61 for the year. This team, alongside the Guardian, promote the FTSU and Civility Saves Lives ethos, providing an alternative route for staff to speak up when they feel they cannot do this via the management route. This team includes nine foundation year (FY) doctors. They have been a great asset supporting their new FY1 colleagues who commenced their first role in August. Our champions have helped to informally resolve conflicts or concerns within teams by supporting staff on an individual level and supporting speak up events throughout the year. They signpost staff to the Guardian for concerns to be escalated or simply for the Guardian to provide advice or give the individuals the confidence to return to their managers and raise their concern within their department. The Guardian also continues to have the support of a senior consultant for cases involving medical staff when requested. All of the Trust’s executives and senior staff are very supportive of the speak up process.

The Trust compliance for the mandatory speaking up eLearning is above 85 per cent compliant. At end March 2024, compliance reached 90.27 per cent. This is a rise of 2 per cent over the year. The Guardian has also trained 537 staff in Civility Saves Lives with support from the education team.

Local reporting shows that for the past four years concerns raised and advice sought from the Trust FTSU Guardian has been 70 plus cases in total, per year.

	2019/20	2020/21	2021/22	2022/23	2023/24
Number of cases	73	70	74	72	125

### Equality, Diversity and Inclusion (ED&I)

The Trust Management Board have received an ED&I report and agreed the action plans for 2023/24 and beyond. Progress against this plan was also presented and discussed at a Trust Board workshop in December 2023.

- 18 per cent of the workforce is represented by the BAME community, making it more diverse compared to the local population in overall terms and shows the Trust’s success in attracting candidates nationally and internationally.
- The Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) data has shown some improvements in areas such as access to training, and recruitment practices and employee relations. This has been positively supported through recruitment and training of a number of cultural ambassadors across the organisation and ICS.
- Each staff network (BAME, disability and LGBT+) is sponsored by a Chief Officer.
- The Trust has a calendar of events that is agreed with the staff networks to recognise and celebrate ED&I throughout the year.
- The Chief People Officer is the Senior Responsible Officer and Chair of the ICS ED&I workstream and of the ICS BAME network.



## Armed Forces awareness

The Trust has signed the Armed Forces Covenant, understands and abides by its commitment to treat current and former members of the armed forces and their family fairly and to not disadvantage them through employment or care. The Trust has been recognised by the Ministry of Defence for the support to the Armed Forces community.



Proudly supporting those who serve



The Trust received accreditation from the Veterans Covenant Healthcare Alliance for sharing good practice in linking with local services for the Armed Forces Community and raising staff awareness of the Armed Forces Covenant.

The Trust strive to be an exemplar of the best care for veterans and their families

- Encourage all staff and patients to inform The Trust if they have ever served in the UK armed forces so that their needs can be supported
- Committed to learning from patients and their families in order to improve quality of care
- Actively ensure that staff are aware of the positive policies towards defence people issues



Herefordshire has a proud and strong connection to the Armed Forces community and recognises the outstanding contribution serving personnel, veterans and their families make protecting our nation. Wye Valley NHS Trust is a key stakeholder in the [Herefordshire's Armed Forces Covenant Partnership \(HAFCP\)](#). The partnership is a cross-sector group that meet regularly to ensure that the local Armed Forces community is not disadvantaged in anyway and to improve access to services and support. As well as having a strategic overview, HAFCP has enabled a number of major projects and funding opportunities to support the county's Armed Forces community.

The HAFCP has overseen/ensured:

- Continued working with local NHS providers to improve signposting and overall awareness.
- All Herefordshire GP practices have now gained [veteran-friendly accreditation](#) developed by The Royal College of GPs and NHS England.
- Regular attendance at PCN meetings across the county as well as linking up with [Talk Community](#), [Healthwatch Herefordshire](#) and [Herefordshire's Community Partnership](#).
- Working with colleagues in Public Health and local NHS to ensure the Armed Forces are represented in the ICS.

## Volunteers

Volunteers are invaluable and make a huge difference to patients, their families and staff. The Trust is fortunate to have approximately 100 volunteers who are highly valued, not least for the generosity with which they give their time, but for the dedication and commitment they bring to the Trust. It is important to remember that volunteers are not there to do the work of a paid member of staff but to enhance the services already provided. They do not provide any hands on clinical care but many are directly involved with patients by providing support in other ways. Volunteers from 17 years and over are welcomed. [Details of the recruitment process can be found on the website.](#)

The Trust has a volunteer-led Talk Community information Hub at Hereford County Hospital in partnership with Herefordshire Council. Talk Community are bringing Herefordshire together, by connecting people to services, groups, community hubs, events and information to help them stay well. The Talk Community Hub is located in the main reception area at Hereford County Hospital and is open:

- Every Monday from 10am until 4pm (excluding Bank Holidays)
- The first Tuesday of the month from 10am until 12.30pm

The Hub is manned by volunteers who are on hand providing wellbeing information and signposting people to services, groups, and events across the county.

## Modern slavery

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

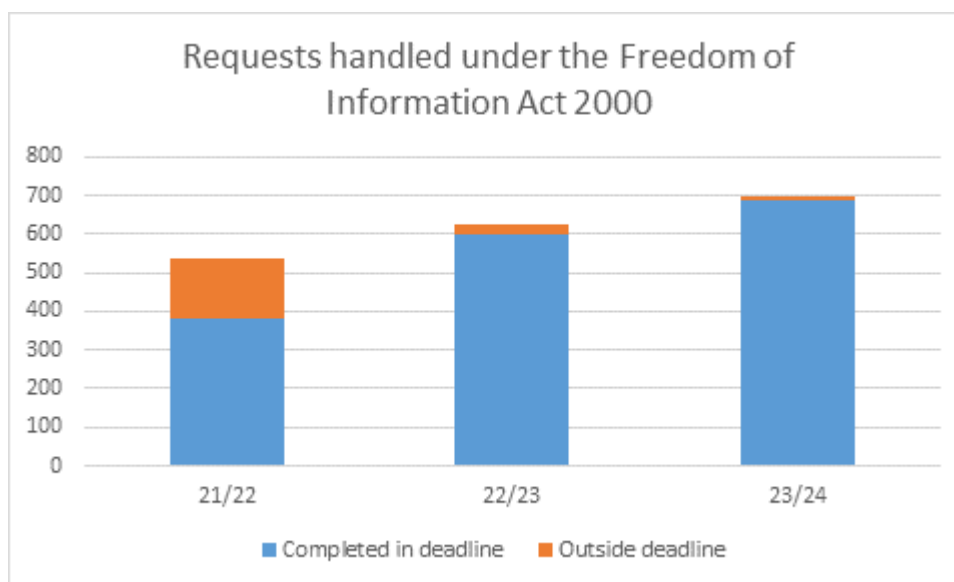
The Trust updates relevant policies on a regular basis to highlight obligations where any issues of modern slavery or human trafficking might arise, particularly in procedures for safeguarding adults and children, tendering for goods and services, and recruitment and retention.

All clinical and non-clinical staff have a responsibility to consider issues regarding modern slavery and incorporate their understanding of these into their day-to-day practices and to report any concerns they may have.

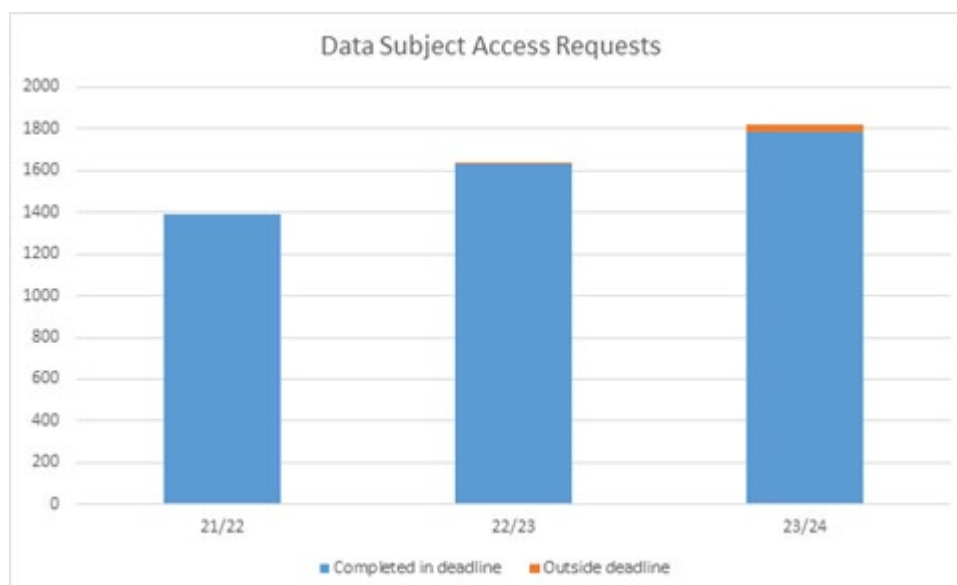
### Freedom of Information Requests (FOI)

During 2023/24, the Trust's information governance team has achieved a high standard of compliance with responding to requests for information within the statutory deadlines for both Freedom of Information (FOI) requests and Subject Access requests.

The volumes of requests for FOI have increased over the past three years. The chart below shows compliance with deadlines for responding to requests made under the Freedom of Information Act 2000.



The chart below shows compliance with deadlines for responding to data subject access requests, where people can ask for copies of their personal information.



## Performance analysis

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

The Trust continues to remain in segment three of the system oversight framework (SOF).

Full details of the operational performance review for 2023/24 are published in the monthly board papers available on the Trust website.

### Performance Measurement

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

The key risks and issues impacting on the Trust's delivery of its strategic objectives are included in the Board Assurance Framework (BAF). The summary BAF and the Trust's risk management processes are described in detail in the Annual Governance **Statement at sections page 65/66**

## National standards performance 2023/24

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

Quality of care, access and outcomes	Responsible Director	Standard	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Latest Month		Year to Date v Standard
															Numerator	Denominator	
28 day referral to diagnosis confirmation to patients	Chief Operating Officer	<b>75%</b>	68.8%	67.9%	67.8%	69.0%	69.8%	66.9%	67.9%	65.8%	72.9%	72.4%	78.6%		764	972	69.8%
Cancer 31 Days Combined (new standard from Oct 23)	Chief Operating Officer	<b>96%</b>	87.4%	74.5%	83.6%	87.0%	90.1%	87.4%	77.8%	79.3%	74.3%	71.6%	82.1%		64	78	81.5%
% emergency admissions discharged to usual place of residence	Chief Operating Officer	<b>90%</b>	90.2%	89.7%	90.8%	89.9%	90.1%	91.0%	90.8%	90.9%	91.1%	90.0%	89.7%	90.3%	2731	3024	90.4%
Ambulance handover within 30 minutes	Chief Operating Officer	<b>98%</b>	75.1%	76.2%	81.7%	81.4%	83.1%	76.9%	80.7%	73.0%	73.6%	64.4%	65.8%	71.4%	1156	1618	
A&E - Percentage of patients spending more than 12 hours in A&E	Chief Operating Officer		9.7%	14.8%	13.8%	14.0%	17.3%	15.9%	14.3%	16.0%	17.3%	19.1%	16.9%	12.2%	926	7606	15.4%
Referral to Treatment Number of Patients over 52 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	<b>0</b>	1552	1718	1688	1804	1853	1959	1981	1782	1636	1446	1287	1152			
Referral to Treatment Number of Patients over 65 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	<b>0</b>	417	413	439	447	526	568	609	433	478	448	342	112			
Referral to Treatment Number of Patients over 78 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	<b>0</b>	27	23	18	36	30	34	33	18	16	7	16	9			

Referral to Treatment Number of Patients over 104 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	1	1	1	2	1	1	4	4	3	1	1	0			
Total Elective Activity (% v 2019/20)	Chief Operating Officer	2019/20	79%	97%	105%	89%	107%	100%	95%	101%	92%	99%	106%	121%	2891	2389	99%
Diagnostic Activity - Computerised Tomography	Chief Operating Officer	Plan	138%	120%	140%	145%	144%	143%	130%	130%	119%	125%	111%	107%	2911	2708	129%
Diagnostic Activity - Endoscopy	Chief Operating Officer	Plan	50%	126%	79%	77%	93%	83%	86%	131%	158%	143%	150%	99%	756	761	97%
Diagnostic Activity - Magnetic Resonance Imaging	Chief Operating Officer	Plan	166%	158%	171%	162%	204%	185%	158%	181%	148%	114%	95%	149%	1717	1154	155%
Waiting Times - Diagnostic Waits >6 weeks	Chief Operating Officer	<5%	27.6%	28.9%	29.8%	28.4%	27.7%	27.6%	22.5%	17.2%	13.2%	17.9%	15.6%	21.5%	1489	6924	
Outpatient Activity - Follow Up attendances (% v 2019/20)	Chief Operating Officer	v 2019/20	99%	106%	123%	100%	117%	108%	97%	109%	102%	108%	106%	122%	11803	9714	108%
Mortality SHMI - Rolling 12 months	Chief Medical Officer	<100	101.8	100.6	101.3	102.6	103.4	102.8	101.6	102.1					1260	1235	
MRSA Bacteraemia	Chief Nursing Officer	0	0	0	0	0	0	0	0	0	0	0	1	0			1
Number of external reportable >AD+1 clostridium difficile cases	Chief Nursing Officer	44	5	6	6	1	0	2	3	3	4	3	3	2			38
Overall Sickness	Chief People Officer	3.5%	4.8%	4.4%	4.1%	4.3%	4.6%	5.1%	5.9%	5.4%	5.6%	6.0%	5.7%	4.0%	4383	110730	5%
Agency - expenditure as % of total pay	Chief Finance Officer	N/A	8.8%	8.8%	7.9%	6.5%	7.9%	8.0%	7.5%	7.3%	6.1%	8.1%	8.5%		£1,596	£18,693	8%

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

Quality of care, access and outcomes	Responsible Director	Standard	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Latest Month		Year to Date v Standard
															Numerator	Denominator	
28 day referral to diagnosis confirmation to patients	Chief Operating Officer	<b>75%</b>	68.8%	67.9%	67.8%	69.0%	69.8%	66.9%	67.9%	65.8%	72.9%	72.4%	78.6%		764	972	<b>69.8%</b>
Cancer: number of urgent suspected cancer patients waiting over 62 days	Chief Operating Officer	<b>Plan</b>	117	112	108	72	87	109	113	126	117	142	121	121			
Same Day Emergency Care (0 LOS Emergency adult admissions)	Chief Operating Officer	<b>&gt;40%</b>	40%	39%	41%	40%	42%	44%	45%	42%	41%	43%	46%	45%	1193	2627	<b>42.6%</b>
A&E - % of patients seen within 4 hours	Chief Operating Officer	<b>76%</b>	59.9%	57.8%	59.3%	56.5%	56.2%	54.0%	57.2%	56.3%	53.6%	53.2%	54.9%	65.5%	4983	7606	<b>56.3%</b>
A&E - Percentage of patients spending more than 12 hours in A&E	Chief Operating Officer		9.7%	14.8%	13.8%	14.0%	17.3%	15.9%	14.3%	16.0%	17.3%	19.1%	16.9%	12.2%	926	7606	15.4%
Referral to Treatment - Open Pathways (92% within 18 weeks) - English Standard	Chief Operating Officer	<b>92%</b>	56.7%	59.3%	59.4%	57.2%	57.7%	57.7%	58.6%	59.6%	57.9%	57.2%	56.3%	55.4%	13020	23520	
Referral to Treatment - Open Pathways (95% in 26 weeks) - Welsh Standard	Chief Operating Officer	<b>95%</b>	64.7%	65.1%	67.1%	68.0%	65.5%	64.9%	66.2%	67.4%	65.5%	66.8%	67.6%	68.3%	2909	4260	
Referral to Treatment Volume of Patients on Incomplete Pathways Waiting List	Chief Operating Officer		26503	26797	26710	26882	27963	27857	27260	26915	27031	26837	27256	27780			
Referral to Treatment Number of Patients over 52 weeks on	Chief Operating Officer	<b>0</b>	1552	1718	1688	1804	1853	1959	1981	1782	1636	1446	1287	1152			

Incomplete Pathways Waiting List																		
Referral to Treatment Number of Patients over 65 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	417	413	439	447	526	568	609	433	478	448	342	112				
Referral to Treatment Number of Patients over 78 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	27	23	18	36	30	34	33	18	16	7	16	9				
Referral to Treatment Number of Patients over 104 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	1	1	1	2	1	1	4	4	3	1	1	0				
Waiting Times - Diagnostic Waits >6 weeks	Chief Operating Officer	<5%	27.6%	28.9%	29.8%	28.4%	27.7%	27.6%	22.5%	17.2%	13.2%	17.9%	15.6%	21.5%	1489	6924		
Maternity - % of women who have seen a midwife by 12 weeks and 6 days of pregnancy	Chief Nursing Officer	90%	96.7%	94.6%	94.0%	93.1%	93.6%	95.4%	96.2%	92.9%	92.2%	91.3%	92.1%	93.8%	144	153	93.8%	
% of people who have a TIA who are scanned and treated within 24 hours	Chief Medical Officer	60%	68.8%	88.6%	87.0%	68.8%	43.8%	44.7%	62.9%	64.3%	48.1%	53.5%	66.7%	63.0%	17	27	64.1%	

Performance indicators are reviewed annually and a suite of selected KPIs are scrutinised by the Trust Board and sub-committees on a monthly basis. This is supported by a monthly deep dive of clinical services by the finance and performance executive. The structure enables the Trust Board and sub-committees to focus on key areas of service quality, effectiveness and safety. The Trust is also part of the NHS benchmarking reference group and continues to participate and utilise external benchmarking reports to understand variation and inform our improvement agenda.



## Data quality and governance

Details of data quality and governance can be found on page 87.

## Quality Accounts

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

The quality committee has received an update on the Trust's Annual Quality Account for 2023/24 and received assurance that this presented a balanced view.

## Patient experience

The patient experience team provide a Trustwide service that reviews incoming comments and concerns as well as reaching out into the communities served to gain a better understanding of the whole patient experience. In addition, the team use intelligence from national patient experience surveys to support services to improve the services they provide for patients. The team helps to reduce health inequalities and support better access to services through facilitation of a service user reader panel to review patient information resources and provision of an interpreting service. The volunteer service also supports a variety of wards and departments across the Trust helping to improve the experience of care.

## Learning from patient and carer experiences

The Trust continues to utilise a range of ways in which to gather patient feedback to provide more regular and up to date intelligence in relation to the services provided. The Trust has continued to widen the rollout of the text messaging service to gather responses to the Friends and Family Test (FFT). Both the text messaging service and local surveys have greatly increased responses from our patients and provided a more detailed picture of the experience of the patients in Trust care. In addition patient stories provide a rich source of insight into individual's experiences as well as opportunities for learning.

The Trust's Patient Engagement forum have been keen to relaunch face to face meetings, but in order to maintain the wider opportunities for accessibility provided by online meetings, a hybrid approach has been adopted.

The Trust's Patient Experience committee, continues to work collaboratively to improve patient experience, by providing oversight to key areas of improvement, based on themes identified from the range of data sources available.

## Stakeholder and Patient Engagement

The Trust has continued to share stories about patient, carer, family and staff experiences at the Trust Board workshops. Staff members have been invited to join these meetings to share their stories in their own words. They also met with patients to record their stories to share on their behalf. Patient and staff stories start each of the Board workshops and provide the opportunity for people to share experiences directly with Executive and Non-Executive Directors - these are stories which highlight

exemplary provision of care and good practice, alongside areas for improvement, challenge and learning.

### Friends and Family Test (FFT)

The Friends and Family Test (FFT) is one of the mechanisms for the Trust to seek feedback from patients, their friends and family and act on it.

In September 2022, the Trust introduced Friends and Family Test with the use of text messaging. Since its introduction, 52,442 responses have been received representing a 19 per cent response rate, this is in line with the national response rate. Using alternative data collection methods prior to this only generated a 6 per cent response rate.

90.82 per cent of patients rated their experience positively and patients offer constructive qualitative feedback in addition to the recommendation score. The information is accessible to users through a dashboard with patients also able to leave their comments. This enables managers to have live data for their areas on patient feedback.

The Trust will continue to roll this project out to all services during 2024/25.

### Patient Advice and Liaison Service (PALS)

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

PALS will liaise with services across the Trust and other agencies aiming to support the individual to navigate the complexities of the healthcare system and avoid them having to contact multiple agencies to seek the information or resolution they need.

PALS also collate compliments about our services to share with colleagues.

During the year, the team received 1,981 concerns, comments and enquiries as summarised in the table below. In addition 3,353 compliments were recorded.

Type	2022/23	2023/24	% change last year
Concerns	912	1024	12.28%
Compliments	2862	3353	17.16%
Comment and Enquiry	973	957	-1.64%
<b>Total all</b>	<b>4747</b>	<b>5334</b>	<b>12.37%</b>

## Complaints

During the year, the Trust received 373 complaints. This is an increase of 47 per cent from the previous year.

	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Number of new complaints received in month (trust wide)	22	23	50	40	21	30	35	34	24	27	29	38
Not Responded to within agreed time frame (agreed with complainant) Based on closed complaints in the month	4	6	24	18	18	12	24	11	28	17	19	31
Number of complaints that were open, at the close of each month and had exceeded 30 days	*	*	107	75	73	80	109	112	90	71	55	57

\*Note: system change over unable to complete for April and May 2023

Sustained operational pressures, an increase in complaints received and the increasing complexity of complaints received has meant the Trust has not responded to all complaints in the agreed timeframe. This is routinely monitored and the Patient Experience committee is committed to supporting operational colleagues to review processes and improve this position for patients, families and carers.

The Trust's Patient Experience committee is committed to supporting operational colleagues to review processes and improve this position for patients, families and carers. Further support was also provided for staff through a Complaints Training Workshop designed and led by the Managing Director. Two workshops took place in August and November 2023.

### Task force on climate-related disclosures (TFCD)

Wye Valley NHS Trust plans to provide recommended disclosures for Strategy in future reporting periods in line with the central government implementation timetable.

#### ➤ Governance

During the year, the Trust has developed a Climate Change Adaptation Plan; considering how the changing climate will impact on buildings and services over the coming years. The plan sets out a number of actions that really mark the start of a longer term scheme to adapt the Trust buildings to make them safer and more comfortable for patients and staff.

To ensure that the Trust meets its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with, it has established a Sustainability Group which is chaired by the Chief Strategy and Planning Officer which reports to the Trust Management Board. The Group met seven times in 2023/24. It's purpose is to:

- Promote a sustainable healthcare environment and the delivery of greener models of healthcare for the benefit of staff, patients and other stakeholders and to plan, promote and undertake practical and organisational initiatives.
- Promote greater staff involvement in the environment and sustainability of the Trust, to act as a point of contact for staff who wish to improve the Trust's environment and develop communication with internal and external organisations.
- Advise the Trust on developments which have an impact on the Trust's external environment and measures to mitigate any impact, and to challenge potentially environmentally harmful proposals

The Trust's Sustainable Development Management Plan (SDMP) is the blueprint for co-ordinating our response to the challenges of sustainability and is aligned with the UN's 17 Sustainable Development Goals (SDG) (2015/30), an ambitious collection of global aims intended to encourage countries to end all forms of poverty, fight inequalities and climate change, whilst ensuring that no one is left behind. This is also set against the backdrop of the NHS Green Plan aiming to achieve net zero carbon emissions by 2040.

A briefing of the Foundation Group Board Workshop in 2023/24 has updated the Trust Board on progress with the plans in place which take account of the 'Delivering a net zero health service' report under the Greener NHS programme.

During the year, the Trust Board agreed the full business case for a £20m Integrated Energy Solution. The scheme is already underway and will be complete by 2025. It will deliver a 3k tonne reduction in CO2 and make the County Hospital site 95 per cent carbon neutral site by completion.

The Trust launched a Green Champions scheme in March 2024 as a way of encouraging staff to undertake small-scale schemes to improve sustainability with some support from corporate teams. Over time we will develop these champions into a network and generate case studies to share with colleagues.

The Travel Plan for the County Hospital has been updated to demonstrate the progress being made to encourage staff to use active travel and public transport options instead of driving to site. The targets set out in the plan are pragmatic and reflect the distances our staff travel to the site and therefore also consider how the Trust might improve the pressure on car parking spaces.

All of the Trust's major capital schemes continue to be delivered to the Building Research Establishment Environmental Assessment Methodology (BREAM) excellent standard.

## ➤ **Metrics and Targets**

The development of metrics and targets will form part of the SDMP update in 2024/25.

## ➤ Risk Management

The Trust has undertaken risk assessments as part of its core standard for emergency preparedness, resilience and response (EPRR). Scenarios have not yet been considered against the strategy but the climate change adaptation plan does consider the risks for the organisation in a warmer climate. Risk development will take place in 2024/25 with a review of the SDMP.

## Emergency Preparedness, Resilience and Response (EPRR)

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

Each year the Trust is subject to an EPRR assurance process carried out by NHS England to assess performance in relation to EPRR core standards. The Trust was found to be compliant in 52 out of 66 areas of the core standards achieving a partial compliance overall. Non-compliant areas include a live exercise and testing, as well as new plans development and testing. An action plan is in place, developed in consultation with stakeholders and progress will be monitored by the Emergency Planning Committee, Trust Management Board and Trust Board.

## Information Governance (IG)

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

The Information Governance Committee (IGC), of which the Data Protection Officer (DPO) is an attending member, meets on a regular basis to assess risks to security and integrity of information, and management of confidential information. The committee monitors the completion of the data protection security toolkit submission and information risks, also ensuring the Trust has an effective framework with up to date policies, processes and management arrangements in place.

The Trust submitted a 'standards not met' toolkit on the June 30, 2023, alongside an improvement plan, which put the Trust in the position of "approaching standards". This demonstrated that the Trust has appropriate technical and organisational measures in place to keep personal, confidential data and special category data secure, but did not evidence one element relating to the percentage of Information Governance (IG) training compliance. An updated toolkit for 2023/24 will be submitted on June 30, 2024. It should be noted that the training element requirement has changed this year and the Trust has a signed off a training needs analysis where the majority of staff will need

to be 85 per cent compliant and those working in specialist roles or areas dealing with large volumes of sensitive data will need a compliance rate of 90 per cent.

The Trust carries out an annual assessment of its position against the Data Security and Protection Standards published by the Department of Health and Social Care, and submitted a “Baseline Assessment” on February 28, 2024. An internal audit will be carried out in March 2024 which will ensure that any evidence gaps can be addressed prior to the final submission which will be submitted on the June 30, 2024.

The Trust’s DPO and the IG team monitor data security incidents on a daily basis and these are reported and reviewed monthly at the IGC with the Senior Information Risk Officer (SIRO). Any themes to incidents are identified and action is taken to anticipate and address any issues.

Proactive monthly monitoring of compliance to IG training is reported at IGC and the Trusts Finance and Performance Executive. The Trust also has robust processes for incident reporting and the investigation of serious incidents.

### **IG work programme**

Our IG work programme is based on the National Data Guardian’s (NDG) data security standards, which are listed below.

#### **➤ Personal confidential data**

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

#### **➤ Staff responsibilities**

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

#### **➤ Training**

The Trust regularly reviews and updates its IG training programme which includes data protection and security training is received by; Trust Board members, staff with specialist roles, and clinical and corporate staff. The staff training is now provided using several different mediums e.g. face to face, MS teams, presentations and associated tests, also via Trust induction for all new staff, this incorporates the requirements of the GDPR and the Data Protection Act 2018.

#### **➤ Access**

The Clinical Systems Group and Hoople maintain a list of all staff and their roles and, for access to electronic prescribing, check professional registration. This is to ensure that staff only

access the Trust's clinical systems if they have a legitimate need and are suitably qualified. Confidential data is only accessible to staff who need it for their current role and access is revoked as soon as it is no longer required. Access is logged and regular audits are conducted to ensure that access to personal confidential data on IT systems is justified.

➤ **Process reviews**

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

➤ **Responding to incidents**

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

➤ **Continuity planning**

The Trust invests significant sums annually to maintain the security and resilience of its IT systems. This includes their continuity and recovery plans in the event of a significant failure or cyber-security incident. A regular testing programme is in place with annual assurance provided to the Trust's Audit committee. The Trust also participates in cyber and business continuity exercises conducted by the West Mercia Local Resilience Forum and, on a smaller scale but more frequently, by Hoople.

➤ **Unsupported systems**

The Trust has a robust system to prevent unsupported operating systems, software or internet browsers being used within the IT estate. All software and hardware is monitored and any that are approaching the end of manufacturer support are upgraded, removed or uninstalled. A limited number of exceptions are managed securely.

➤ **IT protection**

The Trust's systems are protected from cyber threats using a layered security model based on a proven cyber security framework. The Trust has previously been accredited under the Cyber Essential Plus framework. However, it is currently in the process of moving to the NCSC Cyber Assessment Framework in line with the NHS national cyber security strategy. Annual cyber assessments are conducted in line with this framework and are reported via the DSPT.

➤ **Accountable suppliers**

The Trust has a robust system in place via its Procurement Shared Service to ensure that all supplier contracts contain appropriate confidentiality and Data Protection clauses. Contracts make it clear who is responsible and accountable for the security of confidential data. Data Protection Impact Assessments are conducted for all new or substantially changed systems.

These include checks for recognised cyber-security certification and/or NHS data security and protection toolkit compliance.

A handwritten signature in black ink, appearing to read 'Glen Burley', is positioned above a thin horizontal line.

**Glen Burley**

Chief Executive

Date: 25 June 2024



# Part B - Annual Governance Statement

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Wye Valley NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wye Valley NHS Trust for the year ending March 31, 2024 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Trust's risk management process ensures that risks are identified, assessed, controlled, monitored and when necessary, escalated and is premised on managers knowing what the predictable risks are, ranking them in order of importance and taking action to control them. The range of risk types includes, but is not limited to, health and safety, fraud, fire safety, information governance, infection control, security and workforce. Issues in one area could impact on another. The outcome of risk profiling will be that the right risks have been identified and prioritised for action, and minor risks won't have been given too much importance to inform decisions about what risk controls measures are needed.

An audit of the Board Assurance Framework (BAF) and Risk Management Framework was undertaken as part of the approved internal audit plan for 2023/24. This is a core area of assurance that is required to be reviewed on an annual basis to inform the annual Head of Internal Audit opinion.

Taking account of the issues identified, the audit determined that the board can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective. This was an improvement on the 2022/23 audit opinion.



The auditors did, however, identify some minor issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

## The risk and control framework

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

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

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

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

There are clear responsibilities for risk identified across the Trust. Day to day management of risk is undertaken by operational management who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to executive directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations. The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly all managers. This can only be achieved through an 'open and just' culture where risk management is everyone's business and where risks, accidents, mistakes and 'near misses' are identified promptly and acted upon in a positive and constructive way.

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

## Leadership of risk management and escalation

### Trust Board

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

#### Board members are responsible for:

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

### Audit committee

The Audit committee, through assurance processes including internal and external audit, provides an independent objective opinion to the Board on whether the risk management arrangements in place are effective.

### Quality committee

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

### Executive Risk committee

The Executive Risk committee is chaired by the Trust's Managing director and attended by the executive team in addition to divisional directors. The Executive Risk committee has met on a monthly basis and, on exception during hi-intensity peaks bi-monthly, to review the following risks:

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

### Corporate Division Risk committee

The Corporate Division Risk committee is chaired by the Associate Director of Corporate Governance and reviews the following:

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

It has met on a monthly basis and, on exception during high-intensity peaks bi-monthly, and is attended by representatives from the following corporate functions:

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

### **Health, Safety and Wellbeing Committee**

The Health, Safety and Wellbeing committee is chaired by the Associate Director of corporate governance. The committee ensures the Trust discharges its health, safety and wellbeing duties, by setting strategy, monitoring health, safety and wellbeing performance, reviewing audit findings, and agreeing plans. The committee reports to the Executive Risk committee.

### **Data Security**

Risks to data security are managed through the Trust's Information Governance committee which is chaired by the Chief Finance Officer. The risk register for Information Governance is reviewed by this committee each month and any risks to data security are added to the Corporate Division risk register.

### **Training**

Staff receive appropriate training and support to manage risk in a way appropriate to their authority and duties, primarily through:

- Awareness of risk assessments which have to be carried out in their place of work and to be compliant with control measures introduced by these risk assessments
- Compliance with all legislation relevant to their role, including information governance requirements, set locally by the Trust
- Following all Trust policies and procedures
- Reporting all adverse incidents and near misses via the Trust incident reporting system (InPhase)
- Awareness of the Trust's Risk Management strategy and their own patient safety and risk management processes; and
- Knowing their limitations and seeking advice and assistance in a timely manner when relevant.

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

### **Risk appetite and tolerance**

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

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

## BAF risks

See page 56 for risk level coding.

Risk Title	Risk detail	Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating	Controls	Gaps in Controls	Assurance	Gaps in Assurance
**BAF 2023/24** Ability of system to manage flow across the urgent and emergency care pathway	There is a risk that the system is unable to enact the measures required to avoid the need for hospital care, the management of discharge pathways and the unblocking of barriers which, in turn, places a risk to quality of care.	20	4	4	16	8	<ul style="list-style-type: none"> <li>Trust Capacity meetings allowing visibility of the issues and escalation.</li> <li>Investment in additional ward discharge coordinator capacity.</li> <li>Enabling flow SOP in place (with proactive boarding on all acute wards)</li> <li>System wide silver meetings</li> <li>Winter Plan 2023/24 Discharge to Assess Board</li> </ul>	<ul style="list-style-type: none"> <li>Ability for out of area partners to respond to the repatriation of patients.</li> <li>Gaps in Homefirst provision and Discharge to Assess settings.</li> <li>Shortfalls in staffing at ward level creating delays in discharge planning.</li> <li>Additional financial burden as a result of inability to mitigate additional activity at the 'front door'.</li> <li>Winter Plan initiatives /schemes untested.</li> <li>Inability for Powys to respond to discharge pressures in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>System wide silver and gold calls.</li> <li>Finance and performance executive reporting</li> <li>Daily Trust-wide capacity meetings.</li> <li>One Herefordshire Partnership and Integrated Care Executive reports</li> <li>Monthly oversight by Herefordshire Discharge to Assess Board (starting June 23).</li> <li>Valuing Patients' Time Board.</li> <li>Standardization of discharge processes and planning of admission across patient settings.</li> <li>Ward Based Dashboards</li> <li>Better Care Fund oversight by both One Herefordshire Partnership and Integrated Care Executive.</li> <li>Winter Plan and capacity bridge analysis.</li> </ul>	System oversight of discharge delays and capacity.



Risk Title	Risk detail	Initial Risk Rating		Current Risk Rating		Target Risk Rating		Controls	Gaps in Controls	Assurance	Gaps in Assurance
		Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating					
**BAF 2023/24** Availability of Capital Funds to meet Trust's Strategic Objectives	There is a risk that capital funds are not sufficient to meet the collective requirements of the Trust, not limited to the delivering of key estates and investment being made on Trust medical equipment due to a restriction on the capital resources available to the Trust which could lead to an inability to procure essential equipment resulting in adverse impacts on healthcare delivery.	15	3	3	9	9	<ul style="list-style-type: none"> <li>Capital planning and prioritisation of key schemes and equipment</li> <li>Holding contingency funds for adhoc emergency requirements</li> <li>Seeking further capital funding from available outlets <ul style="list-style-type: none"> <li>Operational planning process</li> <li>Capital risks and opportunities analysis</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ability to determine emergency capital spend requirements</li> <li>Approval of capital fund applications</li> <li>Capital funding provided is not sufficient to meet whole requirement</li> </ul>	<ul style="list-style-type: none"> <li>Project teams and programme board structure in place for major schemes.</li> <li>Capital Planning and Equipment Committee</li> <li>Trust Management Board</li> <li>Financial reports to Board</li> <li>Operational Planning Process</li> </ul>		
**BAF 2023/24** Clinical and support staff recruitment and retention	There is a risk to achieving the Trust's strategic objectives due to staff shortages and being unable to recruit to clinical, nursing and support staff vacancies, resulting in the use of locum staff (and an inability to comply with agency caps), increasing costs, a lack of capacity to deliver national standards, local plans and to address service fragility.	20	4	3	12	8	<ul style="list-style-type: none"> <li>Recruitment and retention initiatives: plan for clinical staff; ICS-wide support worker recruitment campaign; international recruitment; 'golden hello' for hard to recruit role; TRAC recruitment system; flexible working policy; career and pay progression framework.</li> <li>Allocate Project Plan (which oversees implementation of innovative job planning) to allow adaptive use of existing workforce negating the need for recruitment by making best use of resources</li> <li>Workforce and OD Strategy and Leadership Development Programme - developing skills and competencies of managers to enable improved recruitment and retention.</li> <li>'Deep dives' and analysis</li> </ul>	<ul style="list-style-type: none"> <li>Clear medical workforce plan that addresses opportunities within ICS.</li> <li>Full implementation of e-rostering in clinical areas.</li> <li>Temporary Staffing engagement and deployment policy.</li> <li>Enhanced workforce planning and development support for managers.</li> <li>National shortage of clinical staff both Medics and Registered Nurses.</li> <li>Operational pressures impacting on the ability of managers to complete timely recruitment and retention processes.</li> <li>Uncertainty of the impact of industrial action.</li> <li>Cost of living impact on recruitment and retention.</li> </ul>	<ul style="list-style-type: none"> <li>HR Directors weekly ICS meeting.</li> <li>F&amp;PE reports</li> <li>E-rostering project board to deliver against plan.</li> <li>JNCC and Equalities group receive quarterly update on workforce issues.</li> <li>Staff recruitment and retention working group.</li> <li>Integrated Performance Report to Board</li> <li>MARP and NARP (reinstated in August 2022).</li> <li>Weekly MD-led vacancy review panel - reviews all non-clinical recruitment.</li> <li>Health and Wellbeing Group to review and assess effectiveness of health and wellbeing initiatives to support</li> </ul>	<ul style="list-style-type: none"> <li>Limited assurance that the master vendor contract will meet required agency fill rates which leads to use of higher cost tiers within the contract and other agencies - due to ongoing National shortage of clinical staff.</li> <li>Expediency of ICS-wide initiatives.</li> </ul>	

Risk Title	Risk detail	Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating	Controls	Gaps in Controls	Assurance	Gaps in Assurance
							<p>into areas of high turnover, vacancies, exit interviews and new starter surveys.</p> <ul style="list-style-type: none"> <li>Contract management and monitoring data of Master Vendor and Direct Engagement use. Including monitoring of agency price cap.</li> <li>Mutual Aid opportunities within the ICS and/or Group.</li> </ul> <p>National NHS workforce to inform WVT 5 year 'grow our own' workforce plan now in place</p>		recruitment and retention.	
**BAF 2023/24** Delivery of the Digital Strategy	There is a risk of a delay to the delivery of benefits and the future capital funding of the Digital Strategy due to the scale, number and complexity of individual projects and the change/transition requirements of the workforce.	16	4	3	12	8	<ul style="list-style-type: none"> <li>Trust and Foundation Group Digital Strategies</li> <li>Programme Team</li> <li>IT Project Managers</li> <li>Clinical Systems Governance Board provides clinical acceptance and engagement in any proposed solutions or changes</li> <li>Monthly review of programme progress against plan.</li> <li>Clinical Systems Group has been established to manage systems in BAU.</li> <li>Engagement with the national frontline digitisation programme.</li> </ul>	<ul style="list-style-type: none"> <li>Change management training of staff</li> <li>Staff engagement.</li> <li>Work pressures and availability of staff to be released to attend training.</li> <li>Lack of resilience in resource plans.</li> <li>Impact of the introduction of digital strategies across all stakeholders.</li> <li>Uncertainty in national priorities for delivery of digital strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Capital Planning and Equipment Ctte.</li> <li>Bi-monthly Board paper to Trust on digital progress.</li> <li>Internal audit reviews</li> <li>NHS England participation in governance forums</li> <li>Digital programme board with overview of projects to determine critical path, overlap and staff impact.</li> <li>Clinical Systems Group - maintenance and monitoring of BAU.</li> <li>Reporting to the national frontline digitisation programme.</li> </ul>	Uncertainty around NHSE Frontline Digitisation funding for IMS Maxims solutions based on historic Procurement concerns.

Risk Title	Risk detail	Risk Rating					Controls	Gaps in Controls	Assurance	Gaps in Assurance
		Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating				
**BAF 2022/23** Maturity of Integrated Care Executive	Risk is that reporting to ICE is immature, therefore, does ICE have sufficient information to manage the services detailed under the MOU	15	2	3	6	6	Regular reporting by ICE to the One Herefordshire Partnership Board and the Wye Valley NHS Trust Board. MOU including BCF agreed with ICB	Less variable attendance at ICE Improved dataset completeness	One Herefordshire Partnership ICE ToR	
**BAF 2022/23** Maturity of Primary Care Networks	There is a risk that Primary Care Networks are unable to achieve their objectives in support of the One Herefordshire Partnership in reducing inequalities and improving sufficiently the health and wellbeing of Herefordshire's residents given their immaturity.	15	3	3	9	6	<ul style="list-style-type: none"> <li>National DESs (directed enhanced services)</li> <li>Agreed PCN priorities</li> <li>Joint appointment between WVT and Taurus of Director of Strategy and Partnerships</li> </ul>	Variable PCN maturity and delivery	<ul style="list-style-type: none"> <li>One Herefordshire Partnership</li> <li>1H Integrated Primary Care Board</li> <li>Improving availability of data to support reporting</li> </ul>	Sufficient PCN-level management oversight
**BAF 2022/23** Recruitment to Health and Social Care Teams to Support Patients at Home	The Homefirst Team does not have sufficient capacity to meet the demand for discharges in a timely way	16	4	3	12	8	<ul style="list-style-type: none"> <li>MOU with delegated authority for BCF to 1HP Discharge to Assess (D2A) Board established July 2023</li> <li>Workforce Strategy and recruitment campaign in place for Homefirst recruitment.</li> </ul>	<ul style="list-style-type: none"> <li>Around 10% Homefirst vacancies</li> <li>Better Care Fund resources not yet understood in sufficient detail</li> <li>Home care market improved and meeting majority of demand. Concern that referral processes are too complex and take more than target of 1 day from referral to discharge</li> </ul>	<ul style="list-style-type: none"> <li>One Herefordshire Partnership Board - quarterly performance review of home care market.</li> <li>Integrated Care Executive - monitoring vacancy position.</li> <li>Integrated care finance and performance executive.</li> <li>D2A Board monitoring of Homefirst delivery.</li> </ul>	Incomplete but improved information to Discharge to Assess (D2A) Board Incomplete but improved information to ICE

Risk Title	Risk detail	Risk Rating					Risk Rating		Controls	Gaps in Controls	Assurance	Gaps in Assurance
		Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating	Current Risk Rating	Target Risk Rating				
<b>**BAF 2023/24**</b> Risks to productivity and operational capacity plans and delivery	There is a risk that the Trust will not be able to achieve its productivity and activity plans as a result of factors due to: vacancies; pace of productivity improvements; access to outsourced capacity; and, sub-optimal urgent care pathway. This may severely impact on the delivery of productivity and operational capacity plans that deliver safe and timely elective, emergency and urgent care. All factors, either individually or collectively, could significantly decrease the level of available capacity and productivity.	25	5	3	15	10	<ul style="list-style-type: none"> <li>• Recovery and Restoration plan (under regular review)</li> <li>• Escalation and surge plan</li> <li>• Ring-fenced elective pathways</li> <li>• Use of the private sector; outsourcing options have a formal agreement in place for routine continued use of private facilities.</li> <li>• Group and system-wide mutual aid</li> <li>• Activity plans.</li> <li>• Clearly documented value for money assessment of additional flexible capacity options as part of business case process.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in non-elective activity leading to capacity constraints for emergency admissions and impacts on recovery and restoration plan.</li> <li>• Ongoing impact of industrial action.</li> <li>• Productivity plans based on GiRFT faster further programme</li> </ul>	<ul style="list-style-type: none"> <li>• Daily reporting and escalation.</li> <li>• Trust operations group - weekly.</li> <li>• Restoration Meeting.</li> <li>• ICS restoration and recovery oversight group</li> <li>• Productivity Board</li> <li>• Finance and Performance Executive reports.</li> <li>• Integrated Performance report to Board.</li> <li>• Local and regional value-weighted activity is above 100% of 2019/20 levels.</li> </ul>	None Identified		
<b>**BAF23/24**</b> Improving Cleanliness Standards	There is a risk that WVT will fail to deliver improvements to cleanliness standards which could lead to increased infection rates.	20	4	4	16	8	<ul style="list-style-type: none"> <li>• Contractual cleaning schedule to meet nationally published (2021) standards</li> <li>• Regular meetings with PFI providers to resolve issues as they arise</li> <li>• Responsibility matrix setting out required standards and responsibilities for achievement</li> </ul>	<ul style="list-style-type: none"> <li>• Standard of cleaning.</li> <li>• Consistency of delivery.</li> <li>• Inconsistent monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• NHSE inspections</li> <li>• Infection Prevention Audit Programme</li> <li>• Monitoring team providing regular local inspection against the 2021 standards</li> <li>• Infection KPIs identifying change/trends</li> <li>• Commissioner peer review</li> <li>• Matron routine reviews</li> </ul>	<p>Frequency of routine reviews compromised at times of operational pressure</p> <p>Change in electronic audit tool December 2023 - highlights false assurance for previous 12 months - now being closely monitored</p>		

Risk Title	Risk detail	Initial Risk Rating	Current Consequence Score	Current Likelihood Score	Current Risk Rating	Target Risk Rating	Controls	Gaps in Controls	Assurance	Gaps in Assurance
**BAF23/24** One Herefordshire delivery of responsibilities contained within the MOU	There is a risk that One Herefordshire will be unable to make improvements to 'working in a more integrated way' due to an inability to achieve consensus. This includes being unable to realise the potential benefits of the MOU (containing new responsibilities for the Better Care Fund) between the ICB and One Herefordshire.	9	3	2	6	6	<ul style="list-style-type: none"> <li>• Terms of Reference for ICE to provide oversight of delivery of the MOU.</li> <li>• Availability of shared data</li> </ul>	<ul style="list-style-type: none"> <li>• Finalised and signed MOU</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly reports to ICE</li> <li>• One Herefordshire agreement of the MOU, enabling consensus.</li> </ul>	<ul style="list-style-type: none"> <li>• Defined reporting mechanism to assure delivery against the MOU.</li> </ul>
**BAF23/24** Delivery of Academic Programme to improve our Research Profile	There is a risk that WVT may be unable develop an effective academic programme in order to improve our research profile due to a lack of resources including finance, manpower and delivery models required to achieve improvements to patient care.	10	2	3	6	4	<p>Project oversight in place: Executive lead; Research and development lead; Associate CMO for education.</p> <p>Narrowed scope in place focusing on the research strategy</p>	Scope and project plan - to be reviewed in Workshop in February 2024. Project management.	Reviewed under normal research meetings Workshop in February 2024 planned	Scope of project not yet defined.

## Future Strategic Risks 2024/25

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

Risk Title	Risk Detail
<b>**BAF 2024/25 ** Clinical and support staff recruitment and retention</b>	There is a risk to achieving the Trust's strategic objectives due to staff shortages and being unable to recruit to clinical, nursing and support staff vacancies, resulting in the use of locum staff (and an inability to comply with agency caps), increasing costs, a lack of capacity to deliver national standards, local plans and to address service fragility.
<b>**BAF 2024/25 ** Risks to productivity and operational capacity plans and delivery</b>	There is a risk that the Trust will not be able to achieve its productivity and activity plans as a result of factors due to: vacancies; pace of productivity improvements; access to outsourced capacity; and, sub-optimal urgent care pathway. This may severely impact on the delivery of productivity and operational capacity plans that deliver safe and timely elective, emergency and urgent care. All factors, either individually or collectively, could significantly decrease the level of available capacity and productivity.
<b>**BAF 2024/25 ** Delivery of the Digital Strategy</b>	There is a risk of a delay to the delivery of benefits and the future capital funding of the Digital Strategy due to the scale, number and complexity of individual projects and the change/transition requirements of the workforce.
<b>** BAF 2024/25 **Fragility of the Haematology service at Wye Valley</b>	There is a risk of not providing clinical care to Haematology patients under the care of WVT due to all substantive consultants leaving the Haematology department. This could lead to increased waiting times for routine and urgent patients, delays in cancer patient pathways, and lack of oversight and clinical leadership to progress lab results. All of which will result in poor patient experience and timely health outcomes.
<b>**BAF 2024/25 ** Fragility of Medical cover for Stroke pathway</b>	There is a risk of harm to patients due to the loss of substantive stroke consultants. This could result in no stroke specific consultants at Wye Valley NHS Trust which in turn may result in poor decision making and poor clinical care.
<b>**BAF 2024/25 **Fragility of Histopathology Service: Lack of sufficient consultant histopathologists</b>	There is a risk of patient harm due to insufficient local histopathologist which will lead to a lack of 100% MDT cover, some urgent cases having to be outsourced and delays or lack of local 2nd opinions and hence diagnostic delays.
<b>**BAF 2024/25 ** Ability of system to manage flow across the urgent and emergency care pathway</b>	There is a risk that the system is unable to enact the measures required to avoid the need for hospital care, the management of discharge pathways and the unblocking of barriers which, in turn, places a risk to quality of care.
<b>**BAF 2024/25 ** Availability of Capital Funds to meet Trust's Strategic Objectives</b>	There is a risk that capital funds are not sufficient to meet the collective requirements of the Trust, not limited to the delivering of key estates and investment being made on Trust medical equipment due to a restriction on the capital resources available to the Trust which could lead to an inability to procure essential equipment resulting in adverse impacts on healthcare delivery.
<b>** BAF 2024/25 **Difficulties in delivering on the Equality, Diversity and Inclusion agenda (part of CQC Well Led)</b>	There is a risk of failing to deliver on the Equality, Diversity and Inclusion (EDI) agenda both from a strategic and operational perspective due to lack of dedicated specialist role and resources within the Trust, which will lead to falling further behind in responding to national/leg requirements and results in negatively impacting staff attraction, engagement and morale.
<b>**BAF2024/25 ** One Herefordshire delivery of responsibilities contained within the MOU</b>	There is a risk that One Herefordshire will be unable to make improvements to 'working in a more integrated way' due to an inability to achieve consensus. This includes being unable to realise the potential benefits of the MOU (containing new responsibilities for the Better Care Fund) between the ICB and One Herefordshire.
<b>**BAF 2024/25 ** Delivery of Academic Programme to improve our Research Profile</b>	There is a risk that WVT may be unable develop an effective academic programme in order to improve our research profile due to a lack of resources including finance, manpower and delivery models required to achieve improvements to patient care.
<b>** BAF 2024/25 **Risk of reputational damage to Wye Valley NHS Trust in relation to the strength of partnership working arrangements in the context of the inadequate rating for local children's services</b>	There is a risk that relationships are insufficiently developed between Health and Social Care partners which could lead to ineffective arrangements for children and young people
<b>** BAF 2024/25 **Inability to identify resource to 'left shift' and/or maintain financial flow into Herefordshire</b>	There is a risk of inability to move funding sources across providers within Herefordshire due to the funding arrangements across primary and secondary care which could lead to an inability to achieve left shift in all cases
<b>** BAF 2024/25 **Failure to gain system support for agreed Herefordshire Integrated Care Model</b>	There is a risk that the procurement process will find a solution that identifies an appropriate out of hours general practice service but one that does not support the agreed integrated urgent care model for Herefordshire.
<b>** BAF 2024/25 **Inability to fund the required resource to achieve maximum functionality of EMIS</b>	There is a risk that we will be unable to make the required improvements to both EMIS Community and EMIS GP due to lack of financial resource and the complexity of the underlying problems. Which would prevent the required improvements in functionality and intra-operability. Resulting in missed opportunity to improve support to community and general practice teams.

## Trust Board

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

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

## Board members

The composition of the Trust Board is balanced with five voting Non Executives and five voting Executive Directors. In line with the Code of Governance, the non-executive directors are all considered to be independent in that they have not:

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

The full list of members of the Trust Board who served throughout 2023/24, is as follows:

### Chair

**Russell Hardy**

### Non-executive directors and changes to the Trust Board

**Ian James**

**Frances Martin** (vice-chair from October 1, 2023)

**Andrew Cottom** (until September 30, 2023)

**Nicola Twigg**

**Grace Quantock**

**Sharon Hill** (from October 1, 2023 – formerly Associate Non-executive Director)

### Associate non-executive directors (non-voting)

**Frank Myers** (until December 31, 2023)

**Eleanor Bulmer** (from July 3, 2023)

**Joanne Rouse** (from April 1, 2023)

**Kieran Lappin** (from July 6, 2023)

**Sharon Hill** (from July 3, 2023 – October 1, 2023)

**Joanne Rouse** (ANED) is an appointed representative of the Trust's university medical school. Nonetheless, the Trust Board considers that Joanne Rouse is independent and provides essential oversight of the education and research objectives of the Trust, not just those limited to the University of Worcester.

### **Executive directors and changes to the Trust Board**

**Glen Burley** Chief Executive Officer

**Jane Ives** Managing Director – Voting member

**David Mowbray** Chief Medical Officer (until October 31, 2023) – Voting member

**Julianna Chizomam Agwu** Chief Medical Officer (from October 25, 2023) – Voting member

**Lucy Flanagan** Chief Nursing Officer – Voting member

**Geoffrey Etule** Chief People Officer

**Katie Osmond** Chief Finance Officer – Voting member

**Alan Dawson** Chief Strategy and Planning Officer

**Andrew Parker** Chief Operating Officer

**Jon Barnes** Chief Transformation and Delivery Officer

### **Profiles of Trust Board members**

Full profiles are available on the Trust website

### **Sub-committees of the Trust Board**

The Trust Board has the following sub- committees:

- Quality committee
- Audit committee
- Remuneration committee
- Trust management board
- Charitable funds committee

### **The role of the Board's sub-committees**

#### **Quality committee**

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

#### **Audit committee**

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



### Remuneration committee

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

### Trust management board

The Trust management board oversees the effective operational management of the Trust, including the achievement of statutory duties, standards, targets, and other obligations, and the delivery of safe, effective, high quality patient care. It informs and advises the Board in setting and delivering our strategic direction and priorities. It also promotes effective two-way communication between levels of senior management in the Trust and is the formal route to support the Managing Director to effectively discharge her duties and responsibilities to the Chief Executive Officer as the Accountable Officer. The Trust management board is not attended by Non-executive Directors.

### Charitable Funds committee

The Charitable Funds committee has been established by the Board to make and monitor arrangements for the control and management of the Trust's charitable funds. Key duties of the committee are to apply the charitable funds in accordance with the charity's governing documents; to make decisions involving the sound investment of charitable funds in a way that both preserves their capital value and produces a return consistent with prudent investment; and to ensure the charity's compliance with legal and regulatory requirements.

As the charitable funds are not material they are not consolidated into the Trust's accounts.

### Board and sub-committee attendance

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

Name of Board or sub-committee	Number of meetings held	Attendance 2023/24
Board	7	92.7%
Quality committee	12	84.9%
Audit committee	4	95.8%
Remuneration committee	3	76.6%
Charitable funds committee	4	78.4%

The Board of Wye Valley NHS Trust meets as part of the Foundation Group board meetings in May, August, November and February of each year and does not hold separate Trust Board meetings during those months. There was no Board meeting in January.

## Register of interests

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

## Clinical governance and risk

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

- Patient Safety committee
- Overarching Safeguarding committee
- Infection Prevention and Control committee
- Patient Experience committee
- Clinical Effectiveness and Audit committee
- Patient Safety panel

The Chief nursing officer is the executive lead for quality governance and is supported in this role by an associate chief nursing officer and a quality and safety team.

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

Clinical governance meetings also take place at divisional level.

## Operational performance and key targets

The NHS Oversight Framework (NOF) is used for overseeing providers and identifying potential support needs. The NOF looks at five themes:

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

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

The Trust remains in segment 3 of the NOF.

## Integrated performance report

There are regular discussions about the latest Integrated Performance Report (IPR) at the Trust Board. The IPR and patient safety dashboard includes:

- Operational performance
- Quality and Safety
- Well Led
- Financial performance

## Trust Break-even Duty

In 2023/24 the Trust reported an adjusted deficit of £13,388k which was in line with the forecast position agreed with NHSE. Further information is available on Page 117.

## Risk register

Clinical risks identified as having significant effect on the delivery of safe care across Trust services are included in the Board risk register. Executive ownership of this rests with the Managing Director and internal current assurance and actions to remove any gaps in assurance are described.

## Developing Workforce Safeguards

The Trust's workforce planning activity is an essential part of the business planning process. A robust approach to workforce planning helps to ensure the Trust complies with NHS England developing workforce safeguards recommendations.

The Safer Nursing Care Tool (SNCT) is an evidence based tool endorsed by National Quality Board's (NQB) guidance and National Institute Care Excellence (NICE) to supports NHS Trusts to develop effective and safe nursing establishments, within adult and pediatric wards and the Emergency Department. The tool enables nurses to assess patient acuity and dependency, incorporating a staffing multiplier to ensure that nursing establishments reflect patient needs in acuity and dependency terms. This tool usage alongside professional judgement and patient outcome data support the establishment setting.

To review staffing levels in areas where there is no evidence based tool available, the Trust undertakes staffing establishments through review of staffing standards in areas where available, used professional judgement, and review of patient outcomes. This outcomes of this process are signed off by the Chief Nursing Officer or Chief Medical Officer.

The Trust Board is provided with a bi annual review of Nursing and Allied Health Professional Staffing in line with the National Quality Board (2016) requirements. Additionally the quality committee receive a monthly update in relation to nurse staffing within the Trust, providing information on the position and progress made in meeting the requirements of National Safer Staffing Guidance. Further, during a Foundation Group Board meeting on a quarterly basis, safe staffing information is reported from all four trusts with consistent fill rates being reported on the 'safer staffing return'. It also noted that there has been no correlation between staffing incidents and reported patient harm. Work is ongoing across the Foundation Group to ensure controls are in place for use of bank and agency, specifically high cost agencies.

The Trust, generally has good compliance in most areas with the National Quality Board (NQB) Standards and Developing Workforce Safeguards. Although now included, further work is needed to incorporate staffing levels for the Trusts Allied Health Professionals within Board level reporting, while also ensuring Quality Impact Assessment are always completed when undertaking workforces changes. Appendix 1 provides more detail on our compliance with the nursing and midwifery component of Developing Workforce Safeguards (NHS Improvement, 2018).

### Wye Valley NHS Trusts compliance with Developing Nursing Workforce Safeguards for Nursing

Recommendation:	Compliance:
<p><b>Recommendation 1:</b> Trusts must formally ensure NQB's 2016 guidance is embedded in their safe staffing governance.</p>	<p><b>Compliant</b> <b>Evidence:</b> SNCT has been embedded to support nurse establishment setting within adult in patient areas, paediatric inpatient areas and now within the Emergency Department.</p>
<p><b>Recommendation 2:</b> Trust must ensure the three components are used in their safe staffing process.</p>	<p><b>Compliant</b> <b>Evidence:</b> SNCT is used within the Trust for establishment setting processes. Nurse sensitive indicator information is aligned to each establishment review, alongside the use of professional judgement.</p>
<p><b>Recommendation 3 &amp; 4:</b> Assessment will be based on review of the annual governance statement in which Trusts will be required to confirm their staffing governance processes are safe and sustainable.</p>	<p><b>Compliant</b> <b>Evidence:</b> Confirmation included in annual governance statement that our staffing governance processes are safe and sustainable.</p>
<p><b>Recommendation 5:</b> As part of the yearly assessment assurance will be sought through the Single Oversight Framework (SOF) in which performance is monitored against five themes.</p>	<p><b>Compliant</b> <b>Evidence:</b> Data is collated and reviewed monthly for a range of workforce metrics, quality indicators and productivity measures – as a whole and not in isolation from each other.</p>
<p><b>Recommendation 6:</b> As part of the safe staffing review, the Chief Nurse and Medical Director must confirm in a statement to their Board that they are satisfied with the outcome of any assessment that staffing is safe, effective and sustainable.</p>	<p><b>Compliant</b> <b>Evidence:</b> Bi annual nursing staffing establishment to board. Monthly staffing papers to board.</p>
<p><b>Recommendation 7:</b> Fully Compliant Nursing, Midwifery and Allied Health Professional Annual Staffing Report. April 2022. V1. 46 Trusts must have an effective workforce plan that is updated annually and signed off by the Chief Executive and Executive Leaders. The Board should discuss the workforce plan in a public meeting.</p>	<p><b>Partial Compliance</b> Allied Health Professionals Staffing discussed within board papers, further work needed to refine data required.</p>
<p><b>Recommendation 8:</b> They must ensure their organisation has an agreed local quality dashboard that cross-checks comparative data on staffing and skill mix with other efficiency and quality</p>	<p><b>Compliant</b> <b>Evidence:</b> Monthly Safe Staffing Reports for Nursing and Midwifery and staffing dashboard triangulates this information.</p>

Recommendation:	Compliance:
metrics such as the Model Hospital dashboard. Trusts should report on this to their Board monthly	
<p><b>Recommendation 9:</b></p> <p>An assessment or resetting of the nursing establishment and skill mix (based on acuity and dependency data and using an evidence-based toolkit where available) must be reported to the Board by ward or service area twice a year, in accordance with NQB guidance and NHS Improvement resources. This must also be linked to professional judgement and outcomes.</p>	<p><b>Compliant</b></p> <p><b>Evidence:</b> Bi-annual review for nursing is completed across all services. Actual biannual audit process utilising SNCT (21 days of data collected by trained experienced nurse). Safecare data collected daily.</p>
<p><b>Recommendation 10:</b></p> <p>There must be no local manipulation of the identified nursing resource from the evidence-based figures embedded in the evidence-based tool used, except in the context of a rigorous independent research study, as this may adversely affect the recommended establishment figures derived from the use of the tool.</p>	<p><b>Compliant</b></p> <p><b>Evidence:</b> SNCT utilised as per licence agreement.</p>
<p><b>Recommendation 11 &amp; 12:</b></p> <p>As stated in CQC's well-led framework guidance (2018) and NQB's guidance any service changes, including skill-mix changes and new roles, must have a full quality impact assessment (QIA) review.</p>	<p><b>Partial Compliance</b></p> <p><b>Evidence:</b> QIA should be completed for any service change or business case. This needs to be fully embedded in practice for service changes.</p>
<p><b>Recommendation 13 &amp; 14:</b></p> <p>Given day-to-day operational challenges, we expect trusts to carry out business-as-usual dynamic staffing risk assessments including formal escalation processes. Any risk to safety, quality, finance, performance and staff experience must be clearly described in these risk assessments. Should risks associated with staffing continue or increase and mitigations prove insufficient, trusts must escalate the issue (and where appropriate, implement business continuity plans) to the Board to maintain safety and care quality.</p>	<p><b>Compliant</b></p> <p><b>Evidence:</b> Daily staffing meetings. Staffing also discussed at the flow and capacity meetings throughout the day. Staffing escalation process in place, with twice daily staffing report. Safe Staffing Report for board on a monthly basis.</p>

## Workforce strategies

The Trust has in place policies that support the Trust to use best practice in effective staff deployment and workforce planning.

The Trust has:

- deployed sufficient suitably qualified, competent, skilled and experienced staff to meet care and treatment needs safely and effectively
- has a systematic approach to determining the number of staff and range of skills required to meet the needs of people using the service and keep them safe at all times
- uses an approach that reflects current legislation and guidance where it is available

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

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

Further, the Trust workforce and organisational development strategy identifies the Trust’s workforce priorities for the next five years and is designed to support the delivery of the Trust’s vision, mission and strategic objectives. It sets out strategic workforce priorities and the approach the Trust will take to deliver them.

The strategy builds on the foundations as a good employer and the CARE Values of Compassion, Accountability, Respect and Excellence. The Trust will continue building a highly engaged workforce who are motivated to provide great care in line with the Trust Mission i.e. to provide a quality of care we would want for ourselves, our families and friends.

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

The Trust’s main ambition is to make working in Wye Valley NHS Trust an attractive career opportunity for all and to support the development of a highly skilled, flexible and sustainable workforce for the future. The key workforce themes and actions are :

	Key actions
<b>Workforce Productivity</b>	<ul style="list-style-type: none"> <li>• E-rostering roll out for clinical staff and community hospitals</li> <li>• Introduction of e-job planning</li> <li>• Sickness absence &lt;4%</li> </ul>
<b>Recruitment &amp; retention</b>	<ul style="list-style-type: none"> <li>• Divisional recruitment and retention working groups</li> <li>• InTouch staff engagement programme</li> <li>• Grow own staff - FCP in MSK physio, apprenticeships, TNAs</li> <li>• Podiatry apprenticeships</li> <li>• Rotational roles for community hospitals</li> <li>• Yes to Flex / hybrid working / promoting health &amp; wellbeing</li> </ul>
<b>Training &amp; development</b>	<ul style="list-style-type: none"> <li>• General management development programme</li> <li>• Annual training needs analysis matrix for staff groups</li> <li>• Apprenticeships and local T levels for support staff</li> <li>• Leadership and management development programme</li> <li>• Service improvement training</li> <li>• Make Every Contact Count (MECC)</li> </ul>
<b>Workforce risks</b>	<ul style="list-style-type: none"> <li>• Operational pressures impacting on staff wellbeing, dev’t</li> <li>• Hard to fill roles - consultants, pharmacists</li> </ul>

#### Agency control

- Senior nursing oversight for day to day staffing
- Community hospital bank pool for support staff
- Senior management approval of locums

### CQC registration requirements

The Trust is fully compliant with the registration requirements of the CQC.

### Pensions

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

The Trust also has in place the pensions support service which is available for all staff to access and includes 1:1 advice and group workshops; regular updates are provided through this service.

### Equality, diversity and human rights legislation

Control measures are in place to ensure that all obligations under equality, diversity and human rights legislation are complied with; this is included in the ED&I Action Plan which encompasses the Equality Delivery System, WRES and WDES plans.

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

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

A robust Cost, Productivity and Improvement Programme (CPIP) and Quality Impact Assessment process is in place. During the year the Trust Board and its sub Committees have received regular reports providing information on all aspects of performance underpinning economy, efficiency and effectiveness in the use of resources.

The Board has adopted statistical process control as a mechanism of reporting to enable more informed use of the data.

For 2023/24 the Trust set a challenging financial plan. This included a stretching CPIP target of 3.7 per cent. At the end of the financial year 2022/23 the Trust had received reasonable assurance from internal auditors that the controls in place around CPIP were appropriate and these controls remained in place. During the 2023/24, management capacity to convert high risk schemes and opportunities into deliverable efficiency plans was impacted by planning for and recovering from the various periods of industrial action. The Trust has therefore delivered less CPIP than planned.

Despite this an agreed financial position was achieved, albeit with a greater reliance on non recurrent mitigations than initially planned. As a result the underlying position has remained largely flat.

### **Information governance**

IG incidents are graded using the NHS digital breach assessment grid, which is in line with the requirements of the GDPR and the data protection act 2018. The Trust ensures that data breaches are reported within 72 hours of being discovered. Incidents are graded according to their impact on the individual or groups of individuals affected, with 1 being the least serious and 25 the most serious. Incidents graded 6 or above are reportable to the ICO via the data security and protection toolkit incident reporting tool.

During the financial year 2023/24, no data breaches met the threshold for reporting via the Data Security and Protection Toolkit (DSPT) to the ICO. All information governance incidents are raised on the Trust's incident reporting system are subject to an investigation to ensure that actions are taken to address any breaches or near misses, and to put in place measures to ensure that similar issues do not reoccur.

### **Climate change**

The Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. See [Page 58](#) for more details.

### **Data quality and governance**

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

The Quality Committee has received an update on the Trust's Annual Quality Account for 2023/24 and received assurance that this presented a balanced view and that there were appropriate controls in place to ensure the accuracy of data.

The Trust recognises the importance of accurate data: it's a fundamental requirement for the effective, safe treatment of service users and the efficient operation of business. Frequent reporting at relevant meetings and to committees outlines performance in relation to explicit quality expectations and provides assurance of adherence to internal and external data quality metrics.

There are processes in place to identify and mitigate risks to data quality. No significant risks have been identified. Mitigations include quality assurance of information requirements, for example elective waiting time data, being undertaken through a combination of data validation, operational and executive oversight and peer review. To that end, the Foundation Group have established a group analytics board. The use of benchmark data; nationally sourced and verified data quality metrics (within internal assurance processes) and quality reporting systems all strengthen local assurance of nationally acceptable levels of data quality.



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

### **Compliance with Code of Governance for NHS Provider Trusts**

NHS England published the new '[Code of Governance for NHS provider trusts](#)' in October 2022. For the first time, the Code will not only apply to Foundation trusts but all NHS trusts too. It took effect from April 1, 2023 and is applicable to Wye Valley NHS Trust.

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

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

As with previous iterations of the guidance, the Code represents best practice, but does not represent mandatory advice, therefore non-compliance to the Code does not in itself represent a breach of governance conditions that NHSE require all trusts and foundation trusts to make, however, non-compliance may form part of a wider regulatory assessment on adherence to required standards. The Trust's Board considered the requirements of the code in a workshop on October 5, 2023 and, determined that the Trust was compliant from April 1, 2023.

### **Compliance with NHS Provider Licence Trust Condition 4**

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

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

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

There are processes in place to identify and mitigate risks to compliance. No significant risks have been identified.

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

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

The Trust's governance arrangements have been supported by:

- The Board having a good balance of skills and experience: Executive Directors have defined portfolios of responsibilities and Non-Executive and Associate Non-Executive Directors have lead areas of focus linked to their areas of expertise and the requirements of the Trust
  - Annual self-declaration from all Board members that is compliant with the NHS England fit and proper person test framework for board members and support the annual declaration from the Board as against its full compliance with this regulation.
  - Committee Reporting Structure - which enables a focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control.
  - Reporting and assurance sub-structure of Clinical Directorates with tri-umbrate leadership and clinically led.
  - Board Assurance Framework and combined Risk Register which details the risk to the delivery of the Trust's strategic aims.
- The Trust responds to all relevant guidance issued by NHS England through the actions of the CEO and the Executive Team.

- The Chief Executive's Report at every Board meeting also highlights any guidance issued by regulators.
- The Trust has Board approved Standing Orders, Standing Financial Instructions and a Scheme of Delegation. There are Terms of Reference for each Committee of the Board and effectiveness is assessed. On an annual basis a review is undertaken of each of the Terms of Reference for Committees reporting to the Trust Board. These are approved by each Committee and then the Trust Board.
- The Board has a well-established committee structure that provides for effective review, scrutiny and decision making on the priority areas of the Board's business and a clear focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control. This and an underpinning infrastructure of supporting management meetings enables the Board to discharge its responsibilities and duties effectively and efficiently.
- There is a clear reporting and assurance structure within the Clinical Directorates which has a triumvirate leadership team led by a Clinical Director. Job descriptions define duties, responsibilities and accountabilities across the management team and throughout the organisation.
- The Board ensures that the Trust meets necessary legislative requirements which include Care Quality Commission compliance. Various operational groups ensure that the Trust Board is assured that the organisation, decisions and business of the trust is monitored effectively. The Trust's transformation programme is testing new ways of delivering care that are more consistent; it is also looking at more efficient and effective ways of working through system opportunities. The overarching aim is to make best use of our resources within the current constraints of growing demand and financial challenges. It is an ambitious programme that is driven to improve the care we provide, to enable our staff to spend more time with the people they are supporting and to increase our efficiency as a NHS organisation. The Board has a number of points of assurance which include integrated performance reporting, financial performance, declarations and Annual Accounts, External Audit and Internal Audit reports and statements.
- Financial decision making and management and control systems are set out in the Trust's Standing Financial Instructions and Scheme of Delegation. The Clinical Directorates are held to account for their financial performance and Cost Improvement targets are set for all Directorates within the Trust.
- The Board has an agreed governance reporting structure and sequence of meetings though the timing of these is being reviewed to enable timely consideration of relevant and up to date information to make decisions.
- Risks that may affect the Trust in delivering our strategic aims and risk any associated compliance are set out in the Board Assurance Framework which is regularly updated through Executive Director and Committee review.
- A range of governance, risk and control processes are in place to ensure that the Trust remains compliant with its legal requirements.
- An integrated performance report is presented to the Board of directors each month. This report covers the key areas of Quality, Performance, Workforce and Finance and highlights variances from plan and what actions are being taken to improve.
- The Quality Committee ensures compliance in relation to quality governance and the Care Quality

Commission's standards and other regulatory bodies.

- All business plans are reviewed by the Trust Management Board prior to presentation to the Board of directors for approval (subject to financial values).
- The Finance and Performance executive reviews performance within the divisions on Finance, quality, performance and workforce.
- Internal and external assurance is provided through the Trust internal and external auditors.
- The Trust has a Quality Committee that meets every month and provides assurance to the Board on matters of quality and safety; it is chaired by a Non-Executive Director. Agendas are informed by standing items, items taken from a forward plan and any topical matters, such as changes in legislation of policy.
- Directorate Governance Board meetings take place on a monthly basis and their focus is on the quality and safety of the operational delivery of services; these meetings are led by the relevant Clinical Director. The Chief nursing officer and chief medical officer work together on measures to improve patient safety and experience and clinical effectiveness. A comprehensive structure of management meetings look at a range of specific aspects of quality and safety and are attended by a cross section of multi-professional staff and managers.
- A report is provided by the Chair of the Quality Committee to the Trust Board summarising discussions and decisions. In addition, the chief nursing officer provides a report on Quality which includes KPIs and forms part of the monthly Integrated Board Report.
- The minutes of the Quality Committee are also presented to the Trust Board
- The Trust has a well-established informatics team which assists with performance reporting. Each of the Executive Directors has a defined portfolio of responsibilities which clarifies their accountabilities. There is framework for risk management and a means of escalating concerns about internal control to the Audit Committee.
- All members of the Board are actively engaged in quality and safety initiatives. As a matter of course, the Trust takes into account the views of others through the feedback received from complaints, compliments, incident review, ongoing stakeholder meetings and discussions. Duty of Candour is a statutory duty that requires the Trust to be open and candid if someone is harmed when in our care.
- In addition to formal channels, such as the Freedom to Speak Up service, all Executive Directors operate an "open door" policy and access to any member of the Board can be arranged through the Trust Headquarters office for staff or members of the public.
- The Managing Director considers the capacity of the Executive team on an ongoing basis. Regular supervision sessions and weekly Executive meetings enable the Managing Director and her Executives to maintain a focus on delivery priorities.

## Well led

The CQC reinforces the strong link between the quality of overall management of a trust and the quality of its services. This involves quality of leadership at every level and how well the Trust manages the governance of its services including how well leaders continually improve the quality of services and safeguard high standards of care by creating an environment for excellence in clinical care to flourish.

The Trust has not had a full inspection this year and therefore the ratings for the Well Led framework remains as reported previously at March 18, 2020. Overall the CQC concluded that the Trust is rated 'requires improvement' regarding whether services are well led despite there being 10 out of 13 individual core services rated 'good' for well led. Since, Maternity services were inspected in June 2023 as part of the announced inspection programme following the publication of the Ockenden recommendations. The service was rated as 'good' in the Well led domain (improving from 'requires improvement'). Urgent and Emergency services (Emergency Department) was inspected in December 2023 seeing the overall rating for well led being downgraded from 'good' to 'requires improvement'.

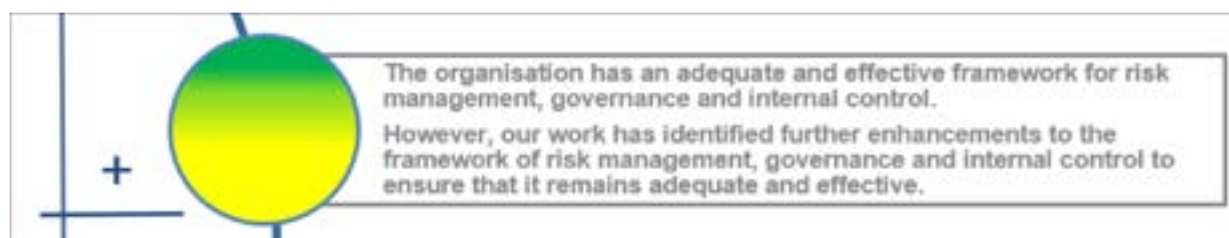
The Trust Board undertook an internal well led board evaluation in December 2023 to identify the areas of leadership and governance that would benefit from further targeted development work to secure and sustain future performance. The evaluation centred on the requirements of the key lines of enquiry (KLOEs) and the code of governances. The results indicated a well-functioning board.

### Review of effectiveness

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

I have relied on assurance provided by the following sources:

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



The internal auditors reviews have covered the following:

- Strategic Workforce Planning – Reasonable assurance;
- Key Financial Controls – Reasonable assurance;
- Board Assurance Framework – Reasonable assurance.
- Business Case Review Process – Advisory (does not include an opinion)
- Deprivation of Liberty Safeguards (DoLS) – Advisory (does not include an opinion)
- Sickness Absence Management - Partial assurance.
- Directorate/ Divisional Governance – Parital assurance.
- Health Rostering – Reasonable assurance
- Agency Spend – Reasonable assurance

In the audits shown as providing Reasonable Assurance, the auditors have identified some areas where enhancements are required and in each of these cases management actions have been agreed, the implementation of which will improve the control environment. In all of the audits, where enhancements are required, management actions have been agreed, the implementation of which will improve the control environment.

There are, however, a number of areas where partial assurance opinions from the internal audit were given. However, these were in areas specifically signposted by Trust Management during the internal audit planning process.

- Executive directors in the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.
- CQC Inspections:
  - Maternity services were inspected in June 2023 as part of the announced inspection programme following the publication of the Ockenden recommendations. The overall service rating improved from Requires Improvement to Good. The inspection focussed on the Safe and Well Led domains for the CQC inspection framework. The service remained Requires Improvement in the Safe domain and Good in the Well led domain (improving from requires improvement).
  - Urgent and Emergency Services (Emergency Department) was inspected in December 2023. The inspection was unannounced. The overall rating for the service was downgraded from Good to Requires Improvement. The service was downgraded in the safe, well led and effective domains to Inadequate. The service remained rated as good in the caring domain and remained at requires improvement in the responsive domain. As an immediate response, and prior to the CQC's follow up visit, the Trust held a safety summit and immediate actions were taken to address the issues identified. Improvements were noted on the follow up visit but recognised there was more work to do. These actions have been embedded into the comprehensive action plan developed on publication of the final report addressing all recommendations.

As both inspections were not comprehensive inspections of all services, the overall rating on **page 23** cannot formally be changed.

- Registration with the CQC – as at 31 March 2024, the Trust has no regulatory notices.
- The BAF itself provides me with evidence that the effectiveness of controls to manage risks to the organisation achieving its principal objectives have been reviewed.
- The Trust has had regular performance oversight meetings with NHS England and this provides me with independent external assurance regarding the Trust’s performance and the effectiveness of the Trust’s system of internal control.
- I have been advised on the effectiveness of the system of internal control by the following Committees within the Trust:
  - Audit committee
  - Quality committee
  - Finance and performance executive
  - Trust management board

I am assured that the Trust can demonstrate a commitment to address agreed management actions to introduce the necessary internal control improvements. Despite the 2024/25 financial landscape continuing to be challenging, we have further strengthened financial process and controls. The Board will ensure that a process of continuous improvement is in place in the Trust in 2024/25 as described below. Any issues will be reflected within the risk register and their management monitored through the BAF.

## **Trust Objectives 2024/25**

### **Quality Improvement**

- Develop a business case and implement our blueprint for integrated urgent and emergency care with our One Herefordshire partners
- Work with partners to ensure that patients can move to their chosen destination rapidly, reducing discharge delays
- Work with partners to deliver the improvement plan for Children’s services

### **Digital**

- Implement an electronic record into our Emergency Department that integrates with other systems
- Deliver the final elements of our paperless patient record plans in order to improve efficiency and reduce duplication
- Maximise the functionality of EMIS with One Herefordshire partners and the shared care record

### **Productivity**

- Deliver our Elective Day Case Surgical Unit project and associated productivity improvements in order to increase elective activity and reduce waiting times

- Continue our Community Diagnostic Centre project in order to improve access to diagnostics for our population
- Create system productivity indicators to understand the value of public sector spending in health and care

### Sustainability

- Work with group partners to identify fragile services and develop plans to make them more sustainable utilising the scale of the group and existing networks
- Redesign selected services to focus more on prevention in order to reduce secondary care activity
- Build our Integrated Energy Solution on the Hereford County Hospital site to reduce carbon emissions

### Workforce

- Deliver plans for 'grow our own' career pathways that provide attractive roles for applicants
- Increasing the number and quality of green spaces for staff and improve the catering offer at the County Hospital in order to improve the working environment for staff
- Embed ED&I objectives in our performance appraisals in order to make a demonstrable improvement in ED&I indicators for patients and staff

### Research

- Increase both the number of staff that are research active and opportunities for patients to participate in research through our academic programme in order to improve patient care and be known as a research active Trust
- Continue to progress our plans for an Education Centre in order to develop our workforce and attract and retain staff

Any issues will be reflected within the risk register and their management monitored through the BAF. The Trust will also continue to ensure the timely implementation of any internal and external audit recommendations. The system of internal control has been in place at the Trust for the year ended March 31, 2024 and up to the date of approval of the Annual Report and Accounts.

### Conclusion

There are no significant internal control issues identified.

We have considered the significant weaknesses in financial sustainability arrangements highlighted by the External Auditor in respect of our breach of the breakeven duty, our NOF rating of three and our failure to fully deliver our CIP target. We believe our internal controls allowed us to monitor accurately the financial position and we did achieve the revised financial plan agreed with the ICB and NHSE. However, whilst not indicative of a significant weakness in internal control we recognise the underlying deficit we face due to structural factors such as the local rurality and the high costs of our PFI hospital.

We have considered the significant weakness in governance arrangements highlighted by the External Auditor in respect of the Trust's CQC 'requires improvement' rating following the emergency department inspection in December 2023. Our internal controls ensured that the four must-do and



five should-do actions have been either completed or were in progress at March 2024. Robust oversight is in place through focused action plans reported routinely through Quality Committee and into Board. We have concluded that this does not represent a significant weakness in internal control.

The system of internal control has been in place at the Trust for the year ended March 31, 2024 and up to the date of approval of the Annual Report and Accounts.

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

A handwritten signature in black ink, appearing to read 'Glen Burley', is enclosed in a thin black rectangular border.

**Glen Burley**

Chief Executive

Date: 25 June 2024

# Part C - Accountability Report

(This report comprises the three statutory sections that help deliver accountability to Parliament and embody best practice: Corporate Governance Report, Remuneration and Staff Report and Parliamentary Accountability and Audit Report)

# Corporate governance report

## Directors' report

There are three statutory sections that help deliver accountability to Parliament and embody best practice: the corporate governance report, remuneration and staff

## Trust Board

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

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

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

Details of [public Board meetings and public Board papers are available on the Trust website](#).

The Trust's standing orders and standing financial instructions were reviewed on April 6, 2023 by the Trust Board.

## Corporate governance framework

### Sub-committees of the Trust Board

The Trust Board has the following sub-committees:

- Quality committee
- Audit committee
- Remuneration committee
- Executive risk management committee
- Trust management board
- Charity committee
- Private Finance Initiative (PFI) contract expiry committee

### Sub-committee membership

The table below details Board members' positions at March 31, 2024 on the sub-committees of the Trust Board. [Profiles of Trust Board members are available on the Trust website](#).

Non-executive board members	Committee membership
Russell Hardy, Chair	Remuneration Committee* Charity Trustee
Ian James, Non-executive Director	Quality Committee* Remuneration Committee Charity Trustee Audit Committee **
Frances Martin, Non-executive Director	Remuneration Committee Charity Trustee Quality Committee Audit Committee
Nicola Twigg, Non-executive Director	Audit Committee* Remuneration Committee Charity Trustee Quality Committee PFI Contract Expiry Committee*
Grace Quantock, Non-executive Director	Remuneration Committee Charity Trustee* Quality Committee
Andrew Cottom, Non-executive Director (until September 30, 2023)	Audit Committee* Remuneration Committee Charity Trustee
Frank Myers, Associate Non-executive Director (until December 31, 2023)	Charity Trustee* Remuneration Committee Audit Committee PFI Contract Expiry Committee
Eleanor Bulmer, Associate Non-Executive Director (from July 3, 2023)	Remuneration Committee Charity Trustee Quality Committee
Joanne Rouse, Associate Non-Executive Director (from April 1, 2023)	Remuneration Committee Charity Trustee Quality Committee
Kieran Lappin, Associate Non-Executive Director (from July 6, 2023)	Audit Committee Charity Trustee Remuneration Committee PFI Contract Expiry Committee
Sharon Hill, Non-Executive Director (from July 3, 2023)	Audit Committee Charity Trustee Remuneration Committee Quality Committee**
Executive directors	Committee membership
Glen Burley	Remuneration Committee** Charity Trustee Audit Committee ** for sign off of accounts

Jane Ives	Trust Management Board* Remuneration Committee** Charity Trustee Executive Risk Management Committee* Emergency Planning Committee
David Mowbray (until October 31, 2023)	Trust Management Board Charity Trustee Quality Committee Executive Risk Management Committee Emergency Planning Committee
Chizo Agwu (from October 25, 2023)	Trust Management Board Charity Trustee Quality Committee Executive Risk Management Committee Emergency Planning Committee
Lucy Flanagan	Trust Management Board Charity Trustee Quality Committee Executive Risk Management Committee Emergency Planning Committee
Geoffrey Etule	Trust Management Board Charity Trustee Remuneration Committee** Executive Risk Management Committee Emergency Planning Committee
Katie Osmond	Trust Management Board Charity Trustee Audit Committee PFI Contract Expiry Committee Executive Risk Management Committee Emergency Planning Committee
Alan Dawson	Trust Management Board Charity Trustee PFI Contract Expiry Committee Executive Risk Management Committee Emergency Planning Committee
Jon Barnes	Trust Management Board Charity Trustee Executive Risk Management Committee Emergency Planning Committee
Andrew Parker	Trust Management Board Charity Trustee Executive Risk Management Committee Emergency Planning Committee*

\* Chair

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

### Register of interests

A register of relevant and material Board member interests is maintained and published on the Trust's website (see page ??). Trust Board and committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in

the minutes of the meeting. There have been no occasions during the year where a member has needed to withdraw from the discussion or decisions taken at any Trust Board or committee meeting.

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

[Register of interests of executive and non-executive directors can be found on the Trust website.](#)

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

### **Summary of Trust Board activities 2023/24**

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

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

- Chief Executive Officer report
- Full business case for integrated energy solution
- Financial Plan
- Standing orders and standing financial instructions
- EPRR core standards
- Trust objectives
- Fit and proper persons
- Staff survey results
- Memorandum of understanding with One Herefordshire partners and Integrated Care Board
- Patient Safety Incident Response Plan
- CQC report and action plan
- Draft annual report and Annual Governance Statement
- Draft Quality account
- Board assurance self certification protecting and expanding elective capacity
- Terms of reference – Quality committee/Foundation Group strategy committee/audit committee
- BAF, Divisional Operational Risk Register and Risk Appetite
- Nursing workforce skill mix business case
- CNST
- Policy panel update
- Staff engagement
- Climate Change Adaptation Plan
- NHS Joint Forward Plan
- Infection Prevention annual report

- FTSU annual report
- Patient Experience quarterly reports
- Maternity services quarterly reports
- Security update
- Preparing for winter
- Armed Forces Covenant / Veterans hospital update
- Committee summary report and / or minutes – Quality Committee, Audit Committee, Integrated Care Executive, Foundation Group Board, Foundation Group Strategy Committee

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

- A regular front line team experience or patient story
- Medical Examiner service
- Healthwatch updates
- Better Care fund plan
- Patient Safety strategy
- Growing and maintaining the workforce
- Cyber security
- Productivity
- Board responsibilities for SEND
- Academic programme
- Digital strategy
- Code of Governance
- Integrated Primary Care Herefordshire Plan
- Estates strategy
- Equality, Diversity and Inclusion
- Board Safety training
- Objectives 2024/25
- Insights feedback
- Elective Day Case Surgical Unit /elective productivity
- Board evaluation
- Risk Appetite

### **Committee programmes during 2023/24**

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

#### **Quality committee**

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

- Safeguarding
- Quality Priority - pressure ulcers

- Mortality
- Divisional quarterly reports
- Nurse staffing
- CQC visits / action plan
- Radiology critical and incidental reporting – one off
- Maternity / PQSM
- Patient Safety summary report
- QP – Reduce CDI rates and deliver our Cleanliness strategy – one off
- LocSSIP update – one off
- Emergency Readmission rates – twice
- QP – ensuring patients receive timely critical medications
- Research and development
- Cancer Patient Experience survey results
- ED survey results
- PLACE inspection results
- Research and development
- Boarding report
- Draft Quality Account
- QP – MCA and DoLS
- Infection Prevention
- QI Report – now goes directly to Board
- VTE assessment
- Colposcopy report
- CEAC summary report
- Patient Experience summary report
- QP – Improve the management of the deteriorating patient
- QP – Nutrition
- Histopathology look back
- Human tissue authority
- Patient Safety Response Plan

**In Private discussion:**

- Serious Incident report – now Patient Safety Incident Response Framework
- Prevention of future deaths
- Lucy Letby verdict

**Audit committee**

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

- Review of Annual Report and Accounts
- Annual Governance statement
- Internal audit plan 2023/24 and progress reports:



- Strategic workforce planning
- Deprivation of Liberty safeguard – application of the medical capacity act
- Sickness absence management
- Directorate/division governance audit
- Business case review
- Consultant job planning
- Cost and productivity improvement programme
- Risk management and board assurance framework (risk policy and procedures)
- Governance mapping
- Cleanliness standards audit
- Discharge planning
- DHSC Gateway 5 review (hatted wards)
- Key financial controls - accounts payable / accounts receivable
- External Audit Plan 2023/24 and progress reports:
  - Audit findings and value for money
- Counter fraud
- Tender waivers
- Losses and compensation
- Standing orders and standing financial instructions
- ICS financial reporting / governance

### **Remuneration committee**

The Remuneration committee met on three occasions in 2023/24 to discuss executive remuneration, Executive Directors' performance, pay award for the most senior managers and Executive Director appointments.

### **Trust management board (TMB)**

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

- Freedom to Speak up Guardian quarterly update
- Guardian of Safe Working quarterly update
- Education - quarterly update
- Finance and CIP - monthly updates
- Digital programme - monthly updates
- Improvement Board monthly update
- Job planning and E-Rostering quarterly update
- All business cases for clinical innovation and operational development approved via TMB
- Capital programme projects updated as required

### Charitable funds committee

In addition to its core responsibilities, the charitable funds committee considered a number of bids, including staff health and wellbeing via the Halo contract, baby loss memorial garden and the main focus on the Education Centre.

### PFI contract expiry committee

The PFI Contract Expiry Committee was formed in 2022 as a formal sub-committee of the Board to oversee the hand-back of Hereford County Hospital PFI contract to the Trust. The committee provides assurance to the Board on all issues related to the PFI contract expiry but not replicating existing and ongoing PFI contract management arrangements. The committee will effectively form a project board for all issues related to PFI expiry.

### Executive risk management committee

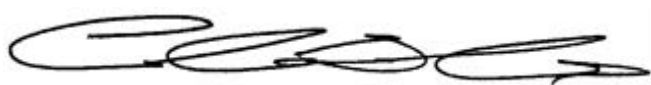
The Executive risk management committee has ensured the effective implementation of the risk management strategy and the core processes to manage risks across the organisation.

### Board performance and development

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

- System productivity
- PFI contract expiry
- Academic programme
- 1H – Integrated Care update
- Patient story
- Patient survey / Patient Experience
- Board evaluation
- Elective Day Case Surgical Unit /elective productivity
- Workforce plan
- Health and Wellbeing
- Staff survey
- WRES/ED&I data and plan
- Financial Recovery – medical agency and nurse agency reduction programmes.

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



**Glen Burley**

Chief Executive

Date: 25 June 2024

## Remuneration and staff report

The salaries for executive directors are set based on the pay ranges listed for small acute NHS trusts and Foundation Trusts. Initial salaries on appointment are reviewed by the Remuneration Committee as are any subsequent changes to salaries. All executive directors at the Trust were confirmed as being paid in line with the 'established' pay ranges listed for small acute NHS trusts and Foundation Trusts. The salaries of all executive directors were increased in line with the recommendations of NHS England in their guidance on the annual cost of living increases, backdated to April, 1 2023 and approved by the Remuneration Committee.

### Methods used to assess the performance of Executive directors

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

### Remuneration of the chair and non-executive directors

The Secretary of State for Health sets and reviews the level of remuneration payable to the Chair and Non-Executive Directors (excluding NHS Foundation Trusts who set their own rates). Current rates are £13,000 for Non-Executive Directors per annum. The Deputy Chair receives an additional £10,000 allowance. The Chair of the Trust is paid £18,000 per annum. The Chair also carries out the role of Chair of South Warwickshire University NHS Foundation Trust and George Eliot Hospital NHS Trust for which he is separately remunerated. The Chair and the Non-Executive Directors do not receive a pension provision.

Between April 1, 2023 and March 31, 2024, there were three meetings of the Remuneration Committee.

## Directors salaries and allowances table – this information is subject to audit

Name	Title	Duration	2023/24						2022/23						
			Salary (bands of £5,000)	All taxable benefits (nearest £100)	Annual performance related bonus (bands of £5,000)	Long term performance related bonus (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Salary (bands of £5,000)	All taxable benefits (nearest £100)	Annual performance related bonus (bands of £5,000)	Long term performance related bonus (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	
			£000	£	£000	£000	£000	£000	£000	£	£000	£000	£000	£000	
K Osmond	Chief Finance Officer	Jan-24-Mar-24	135-140					12.5-15	145-150				120-125		
S Joberns	Acting Chief Finance Officer		25-30					35-37.5	60-65					120-122.5	240-245
L Flanagan	Chief Nursing Officer		120-125					0-2.5	75-80					30-32.5	140-145
J Barnes	Chief Transformation and Delivery Officer (Note 5)													7.5-10.0	125-130
A Parker	Chief Operating Officer								82.5-85	195-200				155-157.5	255-260
G Burley	Chief Executive (Note 1)	To Oct-23 From Oct-23	50-55	1,600				5-7.5	60-65	45-50	1,600			45-50	
J Ives	Managing Director		135-140	5,800						145-150	130-135	4,800			135-140
D Mowbray	Chief Medical Officer (Note 2 and 4)		115-120					0-2.5	0-5		185-190			42.5-45	225-230
J Agwu	Chief Medical Officer (Note 3 and 4)		85-90					0-2.5	35-40						
G Etule	Chief People Officer		115-120					30-32.5	145-150					25-27.5	130-135
A Dawson	Chief Strategy and Planning Officer		115-120					0-2.5	115-120					50-52.5	155-160
R Hardy	Chairman (Note 6)			15-20						15-20	20-25				20-25
A Cottom	Non Executive Director		To Sep-23	05-10						05-10	10-15				10-15
R Humphries	Non Executive Director		To Sep-22								5-10				5-10
C Hargraves	Non Executive Director		To Sep-22								5-10				5-10
N Twigg	Non Executive Director		10-15							10-15				10-15	
F Martin	Non Executive Director (Deputy Chair)		15-20							15-20				10-15	
G Quantock	Non Executive Director		10-15							10-15				10-15	
I James	Non Executive Director		10-15							10-15				10-15	
E Bulmer	Non Executive Director	From Jul-23	05-10							05-10					
S Hill	Non Executive Director	From Jul-23	05-10							05-10					
K Lappin	Non Executive Director	From Jul-23	05-10							05-10					
F Myers	Non Executive Director	To Dec-23	05-10							05-10					
J Rouse	Non Executive Director	From Apr-23	10-15							10-15					

Note 1. Glen Burley is seconded from South Warwickshire NHS Foundation Trust (SWFT) on a shared appointment with SWFT and George Eliot NHS Trust for a proportion of his time and the remuneration identified reflects this. G Burley's secondment covers both 2023/24 and 2022/23 and his full salary was within the range £345-350k (2022/23 £245-250k). The increase reflects the additional responsibility of having Worcestershire Acute Hospitals NHS Trust included in the Foundation Group in the year. G Burley received a monthly cash pension benefit from April 2023.

Note 2. D Mowbray's remuneration includes £50.8k payable for his role as a Consultant Surgeon for the Trust. His assignment ended 31<sup>st</sup> October 2023.

Note 3. J Agwu's remuneration includes £40.8k payable for her role a Consultant Paediatrician in Diabetes and Endocrinology.

Note 4. Payments for D Mowbray and J Agwu clinical excellence awards have been included within their salary value.

Note 5. J Barnes excluded within 2023/24 due to shared entity arrangement in which he works for the Herefordshire & Worcestershire ICB.

Note 6. R Hardy is seconded from South Warwickshire NHS Foundation Trust (SWFT) on a shared appointment with SWFT and George Eliot NHS Trust for a proportion of his time and the remuneration identified reflects this. R Hardy's secondment covers both 2023/24 and 2022/23 and his full salary was within the range £90-95k (2022/23 £75-£80k).

**Pensions Benefits 2023/24 – this information is subject to audit**

Name	Title	Real increase in pension at 60 (£2,500 bands) £000	Real increase in lump sum at 60 (£2,500 bands) £000	Accrued pension at 60 as at 31-03-24. (£5,000 bands) £000	Accrued lump sum as at 31-03-24. (£5,000 bands) £000	Cash equivalent transfer value as at 01-04-24 £000	Real increase in cash equivalent transfer value £000	Cash equivalent transfer value as at 31-03-23 £000	Employer's contribution to stakeholder pension £000	Notes
J Ives	Managing Director (Note 2)	-	-	-	-	-	-	-		Opted out NHS Pensions in Jun 2023.
K Osmond	Chief Finance Officer	0	35-37.5	40-45	105-110	786	198	518		
L Flanagan	Chief Nursing Officer	0	32.5-35	40-45	120-125	1,038	152	790		
D Mowbray	Medical Director (Note 3)	0	15-17.5	50-55	140-145	92	0	1,097		Left the organisation 31/10/23 - D Mowbray is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.
J Barnes	Chief Transformation and Delivery Officer (Note 2)	-	-	-	-	-	-	-		Opted out NHS Pensions in Oct 2022.
G Etule	Chief People Officer (Note 1)	0-2.5	0-2.5	20-25	45-50	487	80	355		
A Dawson	Chief Strategy and Planning Officer	0	32.5-35	40-45	115-120	996	181	726		
A Parker	Chief Operating Officer	2.5-5	35-37.5	45-50	120-125	988	247	659		
J Agwu	Medical Director (Note 4)	0	0	70-75	195-200	1,790	0	1,659		New starter - Commenced 25/10/23
S Joberns	Acting Chief Finance Officer (Note 5)	0-2.5	0	10-15	0-5	162	6	123		Acting up role to cover sick leave – 1/1/24-31/3/24

Note 1. G Burley did not make any contributions in to the NHS Pension Scheme in 2023/24.

Note 2. Both J Ives and J Barnes chose not to be covered by the pension arrangements during the reporting year.

Note 3. D Mowbray left the organisation October 31, 2023. He was also claiming existing scheme benefits and therefore had no CETV on this scheme.

Note 4. J Agwu started working for the organisation October 25, 2023

Note 5. S Joberns acting up to Chief Finance officer between January 1, 2024 and March 31, 2024.

Note 6. K Osmond, L Flanagan, D Mowbray, A Dawson, and J Agwu are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at March 31, 2024. HM Treasury published updated guidance on 15 January 2024; this guidance will be used in the calculation of 2024 to 2025 CETV figures.

## Awards to past senior managers/directors

No pay awards have been made to past senior managers/directors.

## Pay Ratio Commentary - *this information is subject to audit*

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation to the median 25th and 75th percentile remuneration values. These are disclosed in the table below for 2023/24 and the prior year. The table also discloses the remuneration for the highest paid director and remuneration of the median, 75th and 25th percentile employees.

	Pay Ratio		
	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
<b>2023/24</b>	5.2	3.8	2.8
<b>2022/23</b>	7.3	5.5	4.1

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

The ratios declined compared to the previous year which reflects a small decrease in the remuneration of the highest paid director.

	Total Remuneration	
	2023/24	2022/23
<b>Highest Paid Director</b>	£137,500	£187,500
<b>Minimum</b>	£1,476	£9,405
<b>Median</b>	£36,207	£33,567
<b>75th percentile</b>	£49,689	£44,874
<b>25th percentile</b>	£26,561	£25,362
<b>Average Remuneration</b>	£42,952	£39,802

The reduction in the highest paid director in year was 26.70 per cent which is due to the post-holder leaving part way through the year (2022/23 increased by 2.70 per cent). Average remuneration has increased in 2023/24 by 7.91 per cent (2022/23 increase of 22.8%) the methodology of calculating the average change has been revised in the 2023/24 financial year, however, prior year comparatives have not been restated as the Trust does not believe the revised methodology has a material impact on the percentage.

The total remuneration has been disclosed within the fair pay calculations, this is the same as the salary component, meaning these have not been split out.

Salaries paid by the Trust on a full time equivalent basis, varied between £1k and £454k per annum compared to £9k and £516k in 2022/23.

In 2023/24, 82 employees received remuneration in excess of the highest paid director based on payment received in the year (2022/23 - 20). Total remuneration includes salary, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The remuneration calculation also cover staff engaged on a bank and agency basis as well as substantive posts. In addition to regular salaries, some staff receive additional remuneration relating to the delivery of activity outside their contracts such as the delivery of waiting list initiatives.

The highest paid director reduced during the year as a result of a staff change over within the chief medical officer role.

The information contained within the pay ratio calculation is consistent with Wye Valley NHS Trust's pay, reward and progression policies applied to its employees.

### Disclosures of Trade Union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period 1.

Full time equivalent employee number 0.87.

#### Percentage of time spent on facility time

Percentage of time (%)	Number of employees
0%	
1-50%	
51% - 99%	
100%	<b>1</b>

#### Percentage of pay bill spent on facility time

Total cost of facility time	£30,960
Total pay bill	£222,351k
Percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time/total pay bill) x 100	0.01%



## Sickness Absence Figures for Wye Valley NHS Trust 2023/24

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2023	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
3,394	38,140	1,238,815	61,871	11.2

The staff turnover percentage for the 2023/24 financial year was 9.2 per cent. Turnover statistics are reported to NHS England and NHS Improvement. Figures refer to staff on permanent contracts only and includes all voluntary and involuntary reasons for leaving the Trust.

### Staff costs – this information is subject to audit

Costs	Permanent	Other	Total 2023/24	Total 2022/23
	£000	£000	£000	£000
Salaries and wages	163,253	248	163,501	147,821
Social security costs	16,635	0	16,635	15,184
Apprenticeship levy	817	0	817	693
Employer's contributions to NHS pension scheme	25,870	0	25,870	23,030
Temporary staff		16,308	16,308	23,196
<b>Total staff costs</b>	<b>206,575</b>	<b>16,556</b>	<b>223,131</b>	<b>209,924</b>
Of which				
Costs capitalised as part of assets	524	256	780	2,151
<b>Total staff costs charged to revenue</b>	<b>206,051</b>	<b>16,300</b>	<b>222,351</b>	<b>207,773</b>
<b>Average number of employees (WTE basis)</b>				
Medical and dental	235	217	452	416
Administration and estates	824	46	870	823
Healthcare assistants and other support staff	704	149	853	766
Nursing, midwifery and health visiting staff	984	183	1,167	1,050
Nursing, midwifery and health visiting learners	0	2	2	4
Scientific, therapeutic and technical staff	381	34	415	391
Healthcare science staff	74	5	79	80
<b>Total average numbers</b>	<b>3,202</b>	<b>636</b>	<b>3,838</b>	<b>3,530</b>
Of which:				
Number of employees (WTE) engaged on capital projects	8	2	10	21

## Workforce profile (average headcount)

	2023/24 Total Number	2022/23 Total Number	2021/22 Total Number
Medical and Dental	433	389	364
Estates and Ancillary	133	113	109
Administration and Clerical	942	883	858
Nursing and Midwifery registered	1268	1105	1103
Healthcare Scientists	90	86	91
Allied Health Professionals	375	313	300
Additional Clinical Services	913	850	811
Students	0	3	4
Add Prof Scientific and Technical	136	147	167
<b>Total</b>	<b>4290</b>	<b>3889</b>	<b>3807</b>

### Of which:

Number of employees (WTE) engaged on capital projects: 10

## Gender Split for General Staff

	2021/22		2022/23		2023/24	
	Total Number	Total %	Total Number	Total %	Total Number	Total %
Female	3161	83.03	3188	81.97	3490	81.35
Male	646	16.97	701	18.03	800	18.65
<b>Total</b>	<b>3807</b>	<b>100</b>	<b>3889</b>	<b>100</b>	<b>4290</b>	<b>100</b>

## Gender Split for Trust Board

	2021/22		2022/23		2023/24	
	Total Number	Total %	Total Number	Total %	Total Number	Total %
Female	8	47.06	7	41.18	11	64.71
Male	9	52.94	10	58.82	6	35.29
<b>Total</b>	<b>17</b>	<b>100</b>	<b>17</b>	<b>100</b>	<b>17</b>	<b>100</b>

Nb: includes E Hermon (Company Secretary).

## Workforce by Disability

	2022/23		2023/24	
	Total Number	Total %	Total Number	Total %
No	3294	84.70	3663	85.38
Not Declared	313	8.05	271	6.32
Prefer Not To Answer	4	0.10	10	0.23
Unspecified	120	3.09	115	2.68
Yes	158	4.06	231	5.38
<b>Total</b>	<b>3889</b>	<b>100</b>	<b>4290</b>	<b>100</b>

## Workforce by Ethnicity

	2021/22		2022/23		2023/24	
	Total Number	Total %	Total Number	Total %	Total Number	Total %
White - British	3038	79.80	2944	76.94	3146	73.33
White - Irish	20	0.53	15	0.39	18	0.42
White - Any other White background	123	3.23	135	3.43	133	3.10
Mixed - White & Black Caribbean	6	0.16	9	0.25	10	0.23
Mixed - White & Black African	12	0.32	16	0.39	22	0.51
Mixed - White & Asian	17	0.45	17	0.52	22	0.51
Mixed - Any other mixed background	1	0.03	2	0.05	4	0.09
Asian or Asian British - Indian	253	6.65	343	8.29	454	10.58
Asian or Asian British - Pakistani	32	0.84	35	0.84	46	1.07
Asian or Asian British - Bangladeshi	14	0.37	21	0.49	33	0.77
Asian or Asian British - Any other Asian background	75	1.97	90	2.07	107	2.49
Black or Black British - Caribbean	5	0.13	6	0.17	8	0.19

Black or Black British - African	55	1.44	77	1.70	102	2.38
Black or Black British- Any other Black background	6	0.16	9	0.22	11	0.26
Chinese	15	0.39	11	0.30	15	0.35
Any Other Ethnic Group	76	2.00	94	2.22	91	2.12
Not Stated	59	1.55	65	1.70	68	1.59
<b>Total</b>	<b>3807</b>	<b>100</b>	<b>3889</b>	<b>100</b>	<b>4290</b>	<b>100</b>

### Workforce by Sexual Orientation

	2022/23		2023/24	
	Total Number	Total %	Total Number	Total %
Bisexual	40	1.03	48	1.12
Gay or Lesbian	40	1.03	52	1.21
Heterosexual or Straight	3259	83.80	3612	84.20
Not stated (person asked but declined to provide a response)	-	-	484	11.28
Other sexual orientation not listed	16	0.41	26	0.61
Undecided	4	0.10	7	0.16
Not stated	530	13.63	61	1.42
<b>Total</b>	<b>3889</b>	<b>100</b>	<b>4290</b>	<b>100</b>

### Exit packages - *this information is subject to audit*

The Trust reported no exit packages in 2023/24 or 2022/23.

### Compensation for loss of office – *this information is subject to audit*

There has been no payment or compensation paid for early retirement or loss of office or payments made to past directors in 2023/24 or 2022/23.

### Off Payroll Engagements

Off payroll engagements relate to individuals employed by the Trust but not remunerated via the organisations payroll function. Typically, this would relate to self-employed individuals or those contracted via agencies. The Department of Health requires NHS bodies to report any off-payroll engagements as at 31 March 2024, for more than £245 per day\*

	Number
Number of existing engagements as of 31 March 2024	49
<b>Of which, the number that have existed:</b>	
for less than one year at the time of reporting	25
for between one and two years at the time of reporting	10
for between 2 and 3 years at the time of reporting	7
for between 3 and 4 years at the time of reporting	1
for 4 or more years at the time of reporting	6

\*The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

For all new off-payroll engagements between 1 April 2023 and 31 March 2024, for more than £245 per day:

	Number
No. of temporary off-payroll workers engaged between 1 April 2023 and 31 March 2024	113
<b>Of which...</b>	
No. not subject to off-payroll legislation	0
No. subject to off-payroll legislation and determined as in-scope of IR35	110
No. subject to off-payroll legislation and determined as out of scope of IR35	3
the number of engagements reassessed for compliance or assurance purposes during the year	110
Of which: no. of engagements that saw a change to IR35 status following review	0

The 113 engagements reported above all relate to individuals contracted to work for the Trust via employment agencies and therefore the Trust have not been required to introduce contractual clauses.

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

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements	11

### **Expenditure on consultancy**

The Trust spent £127k on consultancy during 2023/24 compared to £56k in the previous year. This equates to just 0.036 per cent of the Trust's turnover in 2023/24.

# Parliamentary Accountability and Audit Report

## Statutory basis

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

## Financial Performance

During the 2022/23 the financial regime aimed to return to more of a pre COVID-19 arrangement. Providers and commissioners were asked to agree a fixed element, based on funding an agreed level of activity alongside a variable element, which aimed to further support the recovery of elective services by operating a volume-related payment for actual activity delivered. During the year this was paused as COVID was still prevalent in the early months of 2022/23 impacting on performance nationally. Additional income was also available to support the additional costs of responding to COVID-19, although at a reducing value.

For 2023/24 the same financial regime was in place. The Trust submitted a plan for a deficit of £22.3m with an initial target of achieving 106.8 per cent of 2019/20 activity. Industrial action during the year led to additional funding re-allocated nationally and a reduced activity target of 102 per cent. As at the end of January the Trust was achieving c105 per cent and earned additional income. However during the year a number of cost and operational pressures led to a revised forecast of £26.3m. In March 2024 further national funds were re-allocated and the Trust exited the year with a deficit of £13.4m

## Financial Break-even

In 2023/24, the Trust delivered an unadjusted surplus on the face of the statement of comprehensive income (SOI) of £1,796k. Once technical adjustments are made to remove the impact of tangible asset revaluations, capital grants, donated depreciation and the IFRS 16 PFI re-measurement are accounted for this equates to an adjusted deficit of £13,388k.

The table overleaf indicates the overall value of the deficit once technical adjustments are accounted for.

## Trust Break-even Duty

The Trust break-even duty is calculated based on the retained Surplus/(Deficit) for the year adjusted for asset impairments and revaluations and the impact of donated assets and capital grants received. The impact of re-measuring the Trust's PFI liability under IFRS 16 is also adjusted, along with a small impact relating to centrally held and issued inventory linked to COVID-19.

In 2023/24 the Trust reported an adjusted deficit of £13,388k which was in line with the forecast position agreed with NHSE.

	<b>2023/24</b>
<b>Adjusted financial performance (control total basis):</b>	<b>£000</b>
Surplus / (deficit) for the period per SOCI	1,796
Remove net impairments not scoring to the Departmental expenditure limit	(4,971)
Remove I&E impact of capital grants and donations	(10,730)
Remove impact of IFRS16 impact on IFRIC 12 schemes	(39)
Remove net impact of inventories received from DHSC group bodies for COVID response	556
<b>Adjusted financial performance surplus / (deficit)</b>	<b>(13,388)</b>

Prior to the Health and Care Act 2022 coming into force, the Trust also had a statutory financial duty to achieve a break-even position on revenue and expenditure taking one year with another. However, the financial duty is to break-even over a 3-year period as set by NHS England. Therefore, the Trust continue to report on the break-even positions and the table below shows the cumulative performance against the break-even duty for the last five years.

	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
Break-even duty in-year financial performance	-17,058	2,347	1,536	-6,512	-13,239
Break-even duty cumulative position	-140,165	-137,818	-136,282	-142,794	-156,033
Operating income	231,646	267,580	304,155	330,289	361,927
Cumulative break-even position as a percentage of operating income	-60.5%	-51.5%	-44.8%	-43.2%	-43.1%

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

- pay a public dividend capital (PDC) dividend to the DHSC each year. In 2023/24 the Trust paid £2,645k (£2,617k in 2022/23)
- manage within a pre-set external financing limit (EFL). The Trust is permitted to underspend but not overspend its EFL.

	2022/23	2023/24
	£000	£000
Cash flow financing	7,402	33,824
External financing requirement	7,402	33,824
External financing limit (EFL)	7,402	38,805
Under / (over) spend against EFL	0	4,981

- meet the capital resource limit (CRL)

	2022/23	2023/24
	£000	£000
Gross capital expenditure	14,437	29,229
Less: Disposals	0	0
Less: Donated and granted capital additions	0	(9,225)
Charge against Capital Resource Limit	14,437	20,004
Capital Resource Limit	14,689	22,115
Under / (over) spend against CRL	252	2,111

- comply with the better payment practice code 178 for the payment of invoices.

	2023/24	2023/24	2022/23	2022/23
	Number	£000s	Number	£000s
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	57,397	170,765	59,842	139,135
Total Non-NHS Trade Invoices Paid Within Target	51,537	150,522	53,931	116,608
Percentage of NHS Trade Invoices Paid Within Target	89.8%	88.1%	90.1%	83.8%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	1,343	14,677	1,353	12,213
Total NHS Trade Invoices Paid Within Target	1,194	14,230	1,023	10,489
Percentage of NHS Trade Invoices Paid Within Target	88.9%	97.0%	75.6%	85.9%
Total bills paid in the year	58,740	185,442	61,195	151,348
Total bills paid within target	52,731	164,752	54,954	127,097
Percentage of bills paid within target	89.8%	88.8%	89.8%	84.0%

### Cost productivity improvement programme (CPIP)

The Trust delivered £10.4m of savings from a broad range of best value for money, pay and non-pay saving initiatives. This was against a plan of £15.8m. £5.2m of the savings were delivered recurrently with a resulting benefit in future years.

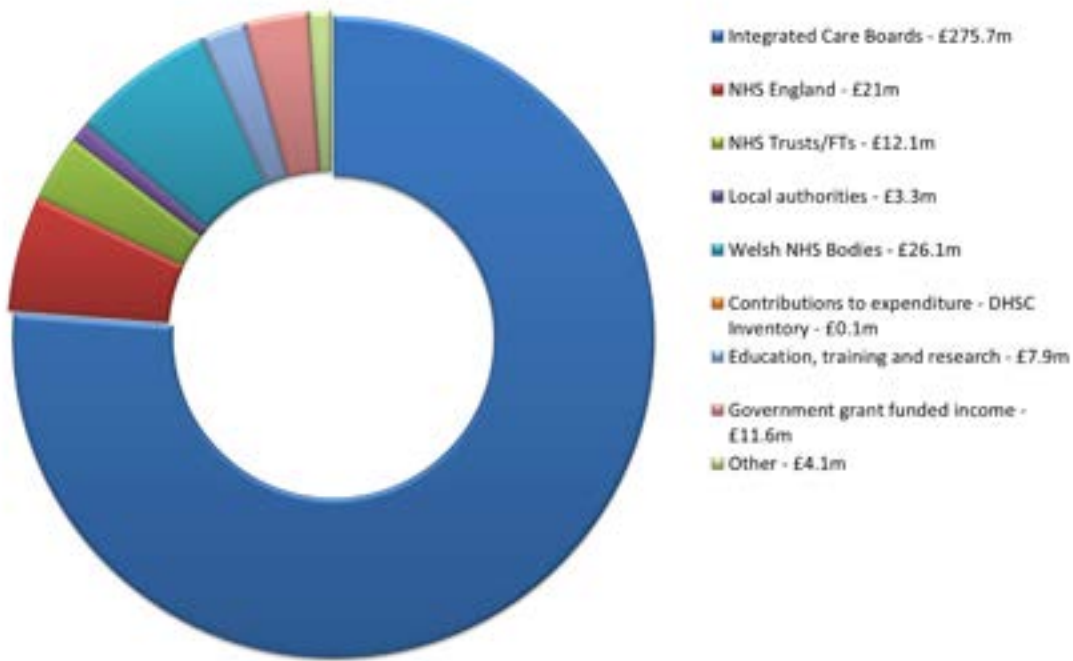
### Resources – Income and Expenditure

The Trust generated income of £362m during 2023/24. The first pie chart, overleaf, identifies income received from different sources for health related activity. The largest share of income is derived from Integrated Care Boards (ICBs). The primary source of income was from NHS Herefordshire and Worcestershire ICB.

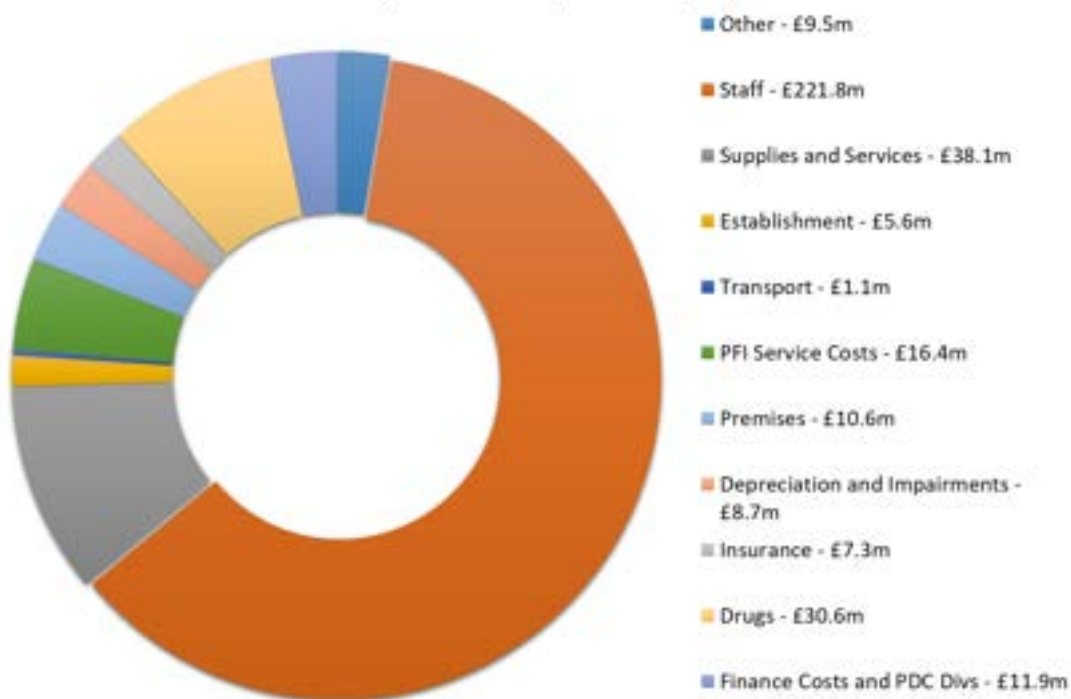


The second pie chart identifies annual expenditure incurred in the year. Salaries and wages paid to permanent and temporary staff, including those employed through agencies, totalled £222m. Total expenditure on goods and services amounted to £128m and finance costs plus PDC dividends totalled £11.9m.

**2023/24 Income Sources (£m)**



**2023/24 Annual Expenditure (£m)**



## Resources - How the Trust spends its capital

The Trust spent £29.2m on capital investments during 2023/24. The most significant elements within the capital programme were:

2023/24 Capital Expenditure	2023/24
	£k
Community Diagnostic Centre	3,492
Clinical Equipment	2,322
Digital (Systems and ICT)	1,393
Elective Day Case Surgical Unit	12,122
Integrated Energy Scheme Phase 2	9,225
Other Estates Schemes	675
<b>Total Capital Expenditure</b>	<b>29,229</b>

## Pension Liabilities

Within the annual accounts, ongoing employer pension contribution costs are included within employee costs (see Notes 8 and 9 to the annual accounts for more detail).

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

## Better payment practice code

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

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

It can be seen in the earlier table that in invoice volume terms the Trust's performance against the Better Payment Practice Code deteriorated marginally in 2023/24. However in value terms, the Trust's performance improved compared to 2022/23. Further improvements continue to be made in efforts to achieve the 95 per cent target.

## Counter fraud and corruption

The Trust has in place effective arrangements to ensure a strong counter fraud and corruption culture exists across the organisation and to enable any concerns to be raised and appropriately investigated. These arrangements are underpinned by a dedicated local counter fraud specialist and a programme of counter fraud education and promotion. The fitness for purpose of these

arrangements is overseen by the Audit Committee which has confirmed them as being effective and proportionate to the assessed risk of fraud.

The Trust employs RSM Risk Assurance Services LLP to provide a service. This service undertakes investigations in addition to doing proactive work in relation to fraud in the NHS. There were nine referrals received during the year. Of the nine referrals investigated six are ongoing and three have been closed. The three investigations which were closed had no fraud proven.

### **Going Concern**

International Accounting Standard 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity. During 2023/24 the Trust's operations were fulfilled within the context of an annual financial plan. In 2023/24 the Trust delivered an adjusted deficit of £13.4m. In the 2024/25 plan the Trust forecasts an adjusted deficit of £31.4m. This has been agreed in conjunction with Herefordshire and Worcestershire ICB.

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

### **Statement of disclosure for auditors**

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

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

# Statement of the chief executive's responsibilities as the accountable officer of Wye Valley NHS Trust

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

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

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

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

Signed  .....Chief Executive

Date.....25 June 2024

# Statement of directors' responsibilities in respect of the accounts

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

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


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

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

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

By order of the Board

25 June 2024    Date .....  ..... Chief Executive

.....25/06/24.....Date.....  ..... Chief Finance Officer

## Independent Auditor's certificate of completion of the audit

### Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2024 issued on 27 June 2024 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of the trust's affairs as at 31 March 2024 and of its income and expenditure for the year then ended; and
- had been properly prepared in accordance with accounting requirements of Department of Health and Social Care Group Accounting Manual, as directed by the Secretary of State.

### Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2024 issued on 27 June 2024, we were required to report to you if we had not been able to satisfy ourselves that the trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. In that opinion, we reported significant weaknesses in the trust's governance arrangements and arrangements to secure financial sustainability.

### Certificate of completion of the audit

In our audit report for the year ended 31 March 2024 issued on 27 June 2024, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our statement on consolidation schedules. We have now completed our work in this area.

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

We certify that we have completed the audit of Wye Valley NHS Trust in accordance with requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the Comptroller & Auditor General.



Ian Howse (Key Audit  
Partner) For and on behalf of  
Deloitte LLP Appointed  
Auditor

Cardiff, UK

8 July 2024

## Independent auditor's report to the directors of Wye Valley NHS Trust

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Wye Valley NHS Trust (the 'trust'):

- give a true and fair view of the financial position of the trust as at 31 March 2024 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by the Secretary of State.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 39.

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 the Secretary of State.

#### 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, the Local Audit and Accountability Act 2014 (the 'Act') 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 directors**

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the trust without the transfer of the 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](http://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 trust and its control environment, and reviewed the trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management 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 trust 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 trust'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 it are described below:

- determination of whether expenditure is capital in nature is subjective: we tested a sample of expenditure items to assess whether they meet the relevant accounting requirements to be recognised as capital in nature and were 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 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

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the Accounts Direction made under 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 the Act, we are required to report to you if we have not been able to satisfy ourselves that the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In our audit report dated 29 June 2021 we reported to the trust a significant weakness in the trust's arrangements to secure financial sustainability. The significant weakness reported was that the trust remains in breach of Section 30 of the Local Audit and Accountability Act 2014, in respect of the trust's breakeven duty for the three-year rolling period ended 31 March 2021. In 2021/22 the trust made an adjusted surplus of £1.54m which was on a non-recurrent basis mainly due to additional funding in the year. In 2022/23 the trust made an adjusted deficit of £6.51m. In 2023/24 the trust made an adjusted deficit of £13.24m. The trust remains in a cumulative deficit position and hence in breach of its legal duty to breakeven on a cumulative basis. Therefore, we consider the significant weakness in arrangements to secure financial sustainability remains. We recommend the trust continues to work with the ICS/ICB to address the underlying funding issues that have existed for a number of years.

On 21 June 2024 we reported to the trust a significant weakness in the trust's arrangements to secure financial sustainability related to the achievement of the trust's Cost and Productivity Improvement Programme (CPIP) target. The trust has failed to achieve its CPIP target for the year. The trust reported £10.3m savings during the year against its target of £15.7m, only 50% of the savings reported were recurrent. Therefore, the shortfall of £5.4m and the non-recurrent savings of £5.1m are added to the saving requirement for 2024/25. Our recommendation for improvement included that CPIP delivery needs to be a focus for the Trust going into 2024/25, holding divisions to account in the delivery of their savings. Clear targets and plans to achieve these should be documented and regularly reviewed.

On 21 June 2024 we reported to the trust a significant weakness in the trust's governance arrangements in relation to the December 2023 unannounced CQC inspection which was performed covering the emergency department of the county hospital. The final report was published in February 2024 with a 'requires improvement' rating, and the safety of the service saw its rating decrease from requires improvement to inadequate. Our recommendation for improvement included that the Trust should continue to monitor and review CQC actions taken to ensure the desired outcomes are being achieved and become embedded.

On 21 June 2024 we reported to the trust a significant weakness in the trust's governance arrangements related to NHSE having assessed the Trust as 3 against the NHS Oversight Framework (NOF), which indicates 'significant support needs against one or more of the five national oversight

themes and in actual or suspected breach of the license', with no improvement from the prior year, and certain workstreams seeing a deterioration in relation to their rating. Our recommendation for improvement included that the Trust should continue to ensure it engages in discussions to develop enablers that will help the Trust and the ICS move from an NOF rating of 3 to 2 and then 1.

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

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

We are required under the Code of Audit Practice and section 21(3)(c) of the Act, as amended, to satisfy ourselves that the trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We 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 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 trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. Other findings from our work, including our commentary on the trust's arrangements, will be reported in our separate Auditor's Annual Report.

***Governance statement and reports in the public interest or to the regulator***

We have a duty under the Act to refer a matter to the Secretary of State without delay if we have reason to believe that the trust, or an officer of the 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.

The trust has breached its duty to breakeven over the three year period ending 31 March 2024 as required under paragraph 2(1) of Schedule 5 of the National Health Service Act 2006. We will be required to report to the Secretary of State in respect of this matter.

We are also required to report to you if:

- in our opinion the governance statement does not comply with the guidance issued by NHS England; or
- we issue a report in the public interest under section 24 of the Act.

We have nothing to report in respect of these matters.

**Delay in certification of completion of the audit**

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

**Use of our report**

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



Ian Howse (Key Audit Partner)  
For and on behalf of Deloitte LLP  
Appointed Auditor  
Cardiff, United Kingdom  
27 June 2024

Wye Valley NHS Trust

Annual accounts for the year ended 31 March 2024

## Statement of Comprehensive Income

		2023/24	2022/23
	Note	£000	£000
Operating income from patient care activities	3	334,599	306,637
Other operating income	4	27,328	23,652
Operating expenses	7, 9	<u>(349,705)</u>	<u>(316,244)</u>
<b>Operating surplus from continuing operations</b>		<b><u>12,222</u></b>	<b><u>14,045</u></b>
Finance income	11	1,488	563
Finance expenses	12	(9,269)	(6,605)
PDC dividends payable		<u>(2,645)</u>	<u>(2,617)</u>
<b>Net finance costs</b>		<b><u>(10,426)</u></b>	<b><u>(8,659)</u></b>
<b>Surplus for the year</b>		<b><u>1,796</u></b>	<b><u>5,386</u></b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	8	(135)	-
Revaluations	16	1,132	4,704
Other reserve movements		<u>4</u>	<u>1</u>
<b>Total comprehensive income for the period</b>		<b><u>2,797</u></b>	<b><u>10,091</u></b>



## Statement of Changes in Equity for the year ended 31 March 2024

		Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	Note	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 1 April 2023 - brought forward</b>		<b>270,216</b>	<b>21,050</b>	<b>(169,375)</b>	<b>121,891</b>
Surplus/(deficit) for the year		-	-	1,796	<b>1,796</b>
Impairments	8	-	(135)	-	<b>(135)</b>
Revaluations	14	-	1,132	-	<b>1,132</b>
Other reserve movements		-	-	4	<b>4</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>997</b>	<b>1,800</b>	<b>2,797</b>
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	28	-	-	(33,728)	<b>(33,728)</b>
Public dividend capital received		36,205	-	-	<b>36,205</b>
<b>Taxpayers' and others' equity at 31 March 2024</b>		<b>306,421</b>	<b>22,047</b>	<b>(201,303)</b>	<b>127,165</b>



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

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>		<b>261,447</b>	<b>16,346</b>	<b>(174,762)</b>	<b>103,031</b>
Implementation of IFRS 16 on 1 April 2022		-	-	-	-
Surplus/(deficit) for the year		-	-	5,386	<b>5,386</b>
Revaluations	14	-	4,704	-	<b>4,704</b>
Public dividend capital received		8,891	-	-	<b>8,891</b>
Public dividend capital repaid		(122)	-	-	<b>(122)</b>
<b>Taxpayers' and others' equity at 31 March 2023</b>		<b>270,216</b>	<b>21,050</b>	<b>(169,375)</b>	<b>121,891</b>

## **Information on reserves**

### **Public dividend capital**

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

### **Revaluation reserve**

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

### **Income and expenditure reserve**

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

## Statement of Cash Flows

	2023/24	2022/23
Note	£000	£000
<b>Cash flows from operating activities</b>		
Operating surplus / (deficit)	12,222	14,045
<b>Non-cash income and expense:</b>		
Depreciation and amortisation	7.1 13,514	11,248
Net impairments	8 (4,861)	(8,523)
Income recognised in respect of capital donations	4 (11,597)	(4,433)
(Increase) / decrease in receivables and other assets	(6,493)	(8,044)
(Increase) / decrease in inventories	438	(224)
Increase / (decrease) in payables and other liabilities	(7,245)	5,709
Increase / (decrease) in provisions	(66)	74
<b>Net cash flows from / (used in) operating activities</b>	<b>(4,088)</b>	<b>9,852</b>
<b>Cash flows from investing activities</b>		
Interest received	1,488	563
Purchase of intangible assets	(835)	(2,686)
Purchase of PPE and investment property	(35,903)	(10,481)
Receipt of cash donations to purchase assets	11,597	4,433
<b>Net cash flows from / (used in) investing activities</b>	<b>(23,653)</b>	<b>(8,171)</b>
<b>Cash flows from financing activities</b>		
Public dividend capital received	36,205	8,891
Public dividend capital repaid	-	(122)
Capital element of finance lease rental payments	(1,403)	(2,110)
Capital element of PFI, LIFT and other service concession payments	(9,680)	(3,996)
Interest paid on finance lease liabilities	(207)	(254)
Interest paid on PFI, LIFT and other service concession obligations	(2,177)	(6,287)
PDC dividend (paid) / refunded	(3,754)	(2,542)
<b>Net cash flows from / (used in) financing activities</b>	<b>18,984</b>	<b>(6,420)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>(8,757)</b>	<b>(4,739)</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>	<b>34,969</b>	<b>39,708</b>
<b>Cash and cash equivalents at 31 March</b>	<b>26,212</b>	<b>34,969</b>
21.1		

## **Notes to the Accounts**

### **Note 1 Accounting policies and other information**

#### **Note 1.1 Basis of preparation**

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

#### **Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### **Note 1.2 Going concern**

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

The Trust reported deficits in its accounts from 2015/16 to 2019/20. Note 37 identifies the value of deficits incurred in recent years. In 2020/21 and 2021/22 the trust reported a small surplus on an adjusted basis, removing the impact of impairments and Government grants. In 2022/23 the Trust reported an adjusted deficit of £6.5m which was in line with the annual plan agreed with NHSE. In 2023/24 the Trust reported an adjusted deficit of £13.4m which was in line with the revised forecast agreed with NHSE. Further details of the performance adjusted deficit are provided in note 38.

The high level of deficit delivered over recent years reflects the underlying structural nature of the Trust's financial deficit. The Trust has been subject to a referral by its external auditors to the Secretary of State under Section 30 of the Local Audit and Accountability Act, 2014 relating to its deficit position and an adverse value for money conclusion relating to its financial resilience. The Trust's underlying financial position is still in deficit and the Trust plans for a deficit of £37m in 2024/25. The Trust is very clear about the scale of the accumulated deficit in relation to turnover.

The Trust is limited by geographical constraints that means it cannot meaningfully reconfigure services and address structural limitations on its capacity to undertake elective activity. In addition, the relatively high impact of the PFI site on Trust finances results in an unavoidable cost pressure which will continue for at least a further six years. The Board of Directors have considered the principle of "going concern" and concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast doubt on the Trust's ability to deliver a breakeven position in the medium term, however, in line with guidance from NHSE the Trust has used the going concern basis of accounting as there has been no notification from the Secretary of State of any intention for dissolution without transfer of services or function to another entity.

Nevertheless, the Directors concluded that assessing the Trust as a going concern remained appropriate. There are no discontinued operations. Plans have been agreed for funding for 2024/25 through the Herefordshire and Worcestershire ICB and a financial plan has been prepared accordingly. The Trust's strategic partnership with South Warwickshire NHS Foundation Trust, George Eliot NHS Trust and Worcestershire Acute Healthcare Trust provides executive leadership and support. No decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of support from the Department of Health (NHS Act 2006 s42a) to continue to deliver the full range of services for the foreseeable future.

#### **Note 1.3 Consolidation**

##### **NHS Charitable Fund**

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. However, the value of charitable funds held by the Trust is not deemed to be material and has therefore not been consolidated in to the accounts.

## **Note 1.4 Revenue from contracts with customers**

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

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

The Trust recognises income in relation to healthcare contracts based upon delivery of performance obligations carried out in relation to the contract during the year. This will include the receipt of contract payments made during the year plus accruals where deemed necessary to reflect activity delivered against contract but not invoiced before year-end.

### **Revenue from NHS contracts**

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

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

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

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

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

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

### **Revenue from research contracts**

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

### **NHS injury cost recovery scheme**

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

### **Note 1.5 Other forms of income**

#### **Grants and donations**

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

#### **Apprenticeship service income**

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

### **Note 1.6 Expenditure on employee benefits**

#### **Short-term employee benefits**

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

#### **Pension costs**

##### *NHS Pension Scheme*

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

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

### **Note 1.7 Expenditure on other goods and services**

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

## **Note 1.8 Property, plant and equipment**

### **Recognition**

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

#### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

### **Measurement**

#### *Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

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

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

### *Depreciation*

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

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

### *Revaluation gains and losses*

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

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

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

### *Impairments*

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

### **De-recognition**

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

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

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

### **Donated and grant funded assets**

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

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



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

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

### *Initial recognition*

In accordance with HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

### *Subsequent measurement*

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

### *Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities*

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

## Useful lives of property, plant and equipment

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

	<b>Min life</b>	<b>Max life</b>
	<b>Years</b>	<b>Years</b>
Buildings, excluding dwellings	5	69
Dwellings	26	27
Plant & machinery	3	15
Transport equipment	5	10
Information technology	2	10
Furniture & fittings	4	25

Useful lives of buildings and dwellings are not total lives but remaining lives as these are reassessed by the valuer every year as part of the valuation. These remaining lives drive depreciation.

## Note 1.9 Intangible assets

### Recognition

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

#### *Internally generated intangible assets*

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

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

#### *Software*

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

### Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

#### *Amortisation*

Intangible assets are amortised, on a straight line basis, over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

### Useful lives of intangible assets

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

	<b>Min life Years</b>	<b>Max life Years</b>
Software licences	3	7

### **Note 1.10 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

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

### **Note 1.11 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

### **Note 1.12 Financial assets and financial liabilities**

#### **Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

#### **Classification and measurement**

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

#### **Financial assets and financial liabilities at amortised cost**

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense.

## **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

The Trust differentiates between NHS and Non NHS receivables when assessing credit losses. Credit losses relating to NHS bodies are not recognised other than through the maintenance of a credit note provision to account for variable contracts where activity is not finalised. A credit provision is identified for Non NHS receivables and is based on the recognition of a proportion of longstanding receivables within the provision.

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

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

## **Derecognition**

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

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

## **Note 1.13 Leases**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

### **The Trust as a lessee**

#### *Recognition and initial measurement*

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

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

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

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

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term 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 also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

### **The Trust as a lessor**

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

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

#### *Finance leases*

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

#### *Operating leases*

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

### **Initial application of IFRS 16 in 2022/23**

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

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

#### *The Trust as lessee*

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

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

## Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

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

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

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

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

## Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 24.2 but is not recognised in the Trust's accounts.

## Non-clinical risk pooling

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

## Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

#### **Note 1.16 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

#### **Note 1.17 Value added tax**

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### **Note 1.18 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

#### **Note 1.19 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. See also note 30.



### **Note 1.20 Early adoption of standards, amendments and interpretations**

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

### **Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted**

As required by IAS 8, trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector and an assessment subsequent application will have on the financial statements.

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

IFRS 17 Insurance Contracts: Application required for accounting periods beginning on or after 1 January 2023. Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted. This standard is unlikely to have a material impact on the financial statements as the majority of our income is due to regulation and legislation, which is outside the scope of IFRS 17.

IFRS 18, Presentation and Disclosure in Financial Statements, was issued by the International Accounting Standards Board (IASB) on 09 April 2024. This standard is not yet interpreted and adopted by the FReM. IFRS 18 provides a consistent structure, with subtotals, for the statement of profit or loss, thereby improving comparability. IFRS 18 will not affect how organisations measure their financial performance and the overall profit figure.

### **Note 1.22 Critical judgements in applying accounting policies**

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### **PPE**

Note 1.8 describes the MEA approach for valuation of PPE. The MEA model has been updated to take account of changes to the Trust's PPE valuation. The Trust has made a judgement regarding the required size and location of assets required in order to deliver health care services using the MEA basis of valuation. This methodology was adopted some years ago based on professional advice. There have been no changes in the judgements regarding the MEA in 2023/24. These would be revisited if there was a change in clinical strategy or service provision, no such changes are anticipated.

#### **Radiotherapy unit**

Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT) has built a Radiotherapy unit at the County Hospital site on land owned by the Trust. GHNHSFT have financed the build. Completion of the project was delivered in 2014/15 and on completion GHNHSFT took control of the unit. The Trust receive a nominal rent for the land from GHNHSFT and the Trust will receive the unit at nil consideration at the end of the agreement in 25 years' time. Any costs incurred by the Trust are being recovered from GHNHSFT. The Trust has determined that, as it does not control the use of the unit, it is not its asset and will not be included in its SoFP. The asset will be recognised when the asset is transferred to the Trust in 15 years' time. The trust is accruing a deferred debtor over the period of the contract to reflect the eventual value of the asset transfer.

#### **Radiology MES**

The Trust entered in to a Managed Equipment Service with Philips for the provision of Radiology services in April 2018. The contract is operational until March 2029. The service includes the provision to replace assets over the life of the contract and is accounted for through the use of a financial model that recognises the assets and liabilities inherent within the contract and accounts for changes in assets and liabilities within the SoFP as well as recognising expenditure related to the service within the SoCl. Judgement is exercised in calculating the split of the unitary payment between services, interest and liability repayment through interpretation of the financial model. The judgement impacts the value of assets and liabilities relating to the MES as at 31 March 2024. Interpreting the financial model to account for the value of assets and liabilities relating to the MES as at 31 March 2024.

### **Note 1.23 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:

Note 1.8 refers to the measurement of the value of Property, plant and equipment. The valuation uses the MEA method and is undertaken by the Trust's professional advisor. Such valuations will always be subject to a degree of uncertainty. The carrying value of land, buildings and dwellings is £99m. Asset lives and indices are disclosed in note 1.8.

## **Note 2 Operating Segments**

The Trust reports its performance as a single business segment which relates to the provision of healthcare.

Under IFRS 8 (Operating Segments), the Trust has determined that, within its internal Business Unit management structure, one unit has similar characteristics to another and can, therefore, be aggregated under the standard. This particularly relates to the similarities of services offered by each area and the patient population that they serve. Overall, each area's main objective is the delivery of acute health care to NHS patients.

The income from external sources for the Trust is £361,927k and further analysis is provided within Notes 3 (Operating income from patient care activities) and 4 (Other operating income). Expenditure is £349,705k, interest income is £1,488k, interest expense is £9,269k and PDC dividends £2,645k. The surplus for the year is £1,796k.

### Note 3 Operating income from patient care activities

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

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Income from acute services	267,336	228,732
<b>Community services</b>		
Income from community services	59,029	54,558
<b>All services</b>		
Private patient income	288	212
Elective recovery fund	-	9,852
National pay award central funding***	124	6,246
Additional pension contribution central funding**	7,822	7,037
<b>Total income from activities</b>	<b>334,599</b>	<b>306,637</b>

The contracting mechanism has changed in 2023/24 resulting in the 2022/23 figures not being directly comparable. Note 3.2 provides a clearer year on year comparison.

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

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

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

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

### Note 3.2 Income from patient care activities (by source)

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Income from patient care activities received from:</b>		
NHS England	19,398	27,891
Clinical commissioning groups*	-	54,219
Integrated care boards	275,749	190,319
Other NHS providers	9,573	7,584
NHS other	26,051	23,122
Local authorities	3,196	2,979
Non-NHS: private patients	288	212
Non-NHS: overseas patients (chargeable to patient)	29	2
Injury cost recovery scheme	314	309
Non NHS: other	-	-
<b>Total income from activities</b>	<b>334,599</b>	<b>306,637</b>
<b>Of which:</b>		
Related to continuing operations	334,599	306,637

\*Clinical Commissioning groups dissolved in July 2022 and became Integrated Care Boards

Injury cost recovery income is subject to a provision for impairment of receivables of 23.07% to reflect expected rates of recovery.

NHS Other income includes income from Welsh NHS bodies of £26,051k (2022/23 £21,500k, some of which relates to Note 4, Other Contract Income).

**Note 3.3 Overseas visitors (relating to patients charged directly by the provider)**

	2023/24	2022/23
	£000	£000
Income recognised this year	29	2
Cash payments received in-year	14	2

**Note 4 Other operating income**

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	424	-	424	394	-	394
Education and training	7,503	542	8,045	6,439	424	6,863
Reimbursement and top up funding				1,580		1,580
Income in respect of employee benefits accounted on a gross basis	-		-	-		-
Receipt of capital grants and donations and peppercorn leases		11,597	11,597		4,433	4,433
Charitable and other contributions to expenditure		111	111		849	849
Revenue from operating leases		92	92		-	-
Other income	7,059	-	7,059	9,533	-	9,533
<b>Total other operating income</b>	<b>14,986</b>	<b>12,342</b>	<b>27,328</b>	<b>17,946</b>	<b>5,706</b>	<b>23,652</b>
<b>Of which:</b>						
Related to continuing operations			27,328			23,652
Related to discontinued operations			-			-

Other income includes £7,059k of cross charges to other NHS bodies including Worcestershire Acute Hospitals Trust (£1,130k, 2022/23 £0k) and Herefordshire and Worcestershire Health and Care NHS Trust (£960k, 2022/23 £224k). The balance of £4,969k is made up of income generation and other non-contract related sources.

**Note 5 Transaction price allocated to remaining performance obligations**

	<b>31 March</b>	<b>31 March</b>
	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	1,653	2,227
after one year, not later than five years		
after five years		
<b>Total revenue allocated to remaining performance obligations</b>	<u><u>1,653</u></u>	<u><u>2,227</u></u>

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

The Trust does not have any performance obligations arising from contracts. Healthcare contracts are of one year duration and no balances remain at the year-end.

## Note 6 Operating leases - Wye Valley NHS Trust as lessor

This note discloses income generated in operating lease agreements where Wye Valley NHS Trust is the lessor. The Trust rents space out to third parties in its Belmont Abbey and Ross community sites and in its Franklyn Barnes building. Any risks are managed and insured in accordance with the rest of the estate.

### Note 6.1 Operating lease income

	2023/24	2022/23
	£000	£000
<b>Lease receipts recognised as income in year:</b>		
Minimum lease receipts	92	-
Variable lease receipts / contingent rents	-	-
<b>Total in-year operating lease income</b>	<b>92</b>	<b>-</b>

### Note 6.2 Future lease receipts

	31 March	31 March
	2024	2023
	£000	£000
<b>Future minimum lease receipts due in:</b>		
- not later than one year	92	-
- later than one year and not later than two years	73	-
- later than two years and not later than three years	73	-
- later than three years and not later than four years	73	-
- later than four years and not later than five years	73	-
- later than five years	504	-
<b>Total</b>	<b>888</b>	<b>-</b>

## Note 7.1 Operating expenses

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	3,101	2,038
Staff and executive directors costs	221,660	207,566
Remuneration of non-executive directors	133	117
Supplies and services - clinical (excluding drugs costs)	34,947	31,476
Supplies and services - general	3,103	2,421
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	30,592	29,228
Consultancy costs	127	56
Establishment	5,645	5,134
Premises	10,581	7,397
Transport (including patient travel)	1,143	1,205
Depreciation on property, plant and equipment	8,636	8,169
Amortisation on intangible assets	4,878	3,079
Net impairments	(4,861)	(8,523)
Movement in credit loss allowance: contract receivables / contract assets	29	50
Change in provisions discount rate(s)	120	64
Fees payable to the external auditor		
audit services- statutory audit	570	81
Internal audit costs	90	94
Clinical negligence premium - amounts payable to NHS resolution	7,213	6,332
Legal fees	296	(99)
Insurance	83	83
Research and development	45	47
Education and training	1,751	1,335
Expenditure on short term leases	441	452
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	16,449	15,637
Hospitality	-	3
Losses, ex gratia & special payments	54	37
Other	2,879	2,765
<b>Total</b>	<b>349,705</b>	<b>316,244</b>
<b>Of which:</b>		
Related to continuing operations	349,705	316,244

Fees payable to the external auditor in 2023/24 includes the correction of an under accrual in relation to the prior year audit of £228k which has been corrected in the current period, in line with IAS 8. The under accrual occurred due to the final fee being agreed when the prior year accounts were finalised and agreed not to adjust the accounts as the adjustment was not material. The additional 2022/23 audit fee is reflected in the 2023/24 cost. Audit fees are stated gross of irrecoverable VAT.

Total Other costs include amounts relating to ICT services, £1,501k (2022/23, £1,395k); professional fees, £782k (2022/23, £737k) and Other, £946k (2022/23, £619k).

## Note 7.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

## Note 8 Impairment of assets

	2023/24	2022/23
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Abandonment of assets in course of construction	110	-
Changes in market price	(4,971)	(8,523)
<b>Total net impairments charged to operating surplus / deficit</b>	<b>(4,861)</b>	<b>(8,523)</b>
Impairments charged to the revaluation reserve	135	-
<b>Total net impairments</b>	<b>(4,726)</b>	<b>(8,523)</b>

Following a revaluation in 2023/24, a number of previous asset impairments were reversed to reflect the increase in valuation of the main hospital site in 2023/24. The net impact to the operating surplus/ deficit was (£4,861k) and arose as a result of the following;

Annual revaluation of the Trust's estate as at 31 March 2024:

- Gross reversal of impairments previously charged to the operating /surplus deficit of (£5,150k) driven by increasing buildings values.
- Impairment charged to the operating surplus/deficit of £179k, driven by the devaluation of land in the year.
- Impairment charged to the operating surplus/deficit of £110k, due to the impairment of the Education Centre development fees held as assets under construction in 2022/23.

The net reversal of impairment to assets in 2022/23 totalling £8,523k arose as a result of the annual revaluation of the Trust's estate as at 31 March 2023:

- Gross reversal of impairments previously charged to the operating /surplus deficit of (£9,426k), driven by the overall value of the buildings and dwellings held by the trust increasing by £9,864k in 2022/23.
- Impairment of £903k relating to the new wards link corridor coming into use during the year.



## Note 9 Employee benefits

	<b>2023/24</b>	<b>2022/23</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	163,501	147,821
Social security costs	16,635	15,184
Apprenticeship levy	817	693
Employer's contributions to NHS pensions	25,870	23,030
Temporary staff (including agency)	16,308	23,196
<b>Total gross staff costs</b>	<b>223,131</b>	<b>209,924</b>
Costs capitalised as part of assets	780	2,151

Employer contributions to NHS pensions for 2023/24 include £7.8m (2022/23 £7m) of contributions to reflect the increase in employer contribution rate.

Internal Bank staff are included in the Salaries and Wages value as prescribed in the FReM.

### Note 9.1 Retirements due to ill-health

During 2023/24 there were 3 early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £836k (0k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

## **Note 10 Pension costs**

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

### **a) Accounting valuation**

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

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

### **b) Full actuarial (funding) valuation**

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

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

**Note 11 Finance income**

Finance income represents interest received on assets and investments in the period.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Interest on bank accounts	1,488	563
<b>Total finance income</b>	<b>1,488</b>	<b>563</b>

**Note 12.1 Finance expenditure**

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Interest expense:</b>		
Interest on lease obligations	207	255
<b>Finance costs on PFI, LIFT and other service concession arrangements:</b>		
Main finance costs	2,181	1,160
Contingent finance costs*	-	5,129
Remeasurement of the liability resulting from change in index or rate*	6,745	
<b>Total interest expense</b>	<b>9,133</b>	<b>6,544</b>
Unwinding of discount on provisions	136	61
<b>Total finance costs</b>	<b>9,269</b>	<b>6,605</b>

\* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 28.

**Note 13 Intangible assets - 2023/24**

	Software licences £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2023 - brought forward</b>	<b>29,035</b>	<b>357</b>	<b>29,392</b>
Additions	330	505	<b>835</b>
Reclassifications	92	(241)	<b>(149)</b>
<b>Valuation / gross cost at 31 March 2024</b>	<b>29,457</b>	<b>621</b>	<b>30,078</b>
<b>Amortisation at 1 April 2023 - brought forward</b>	<b>10,930</b>	-	<b>10,930</b>
Provided during the year	4,878	-	<b>4,878</b>
Reclassifications	(89)	-	<b>(89)</b>
<b>Amortisation at 31 March 2024</b>	<b>15,719</b>	-	<b>15,719</b>
<b>Net book value at 31 March 2024</b>	<b>13,738</b>	<b>621</b>	<b>14,359</b>
<b>Net book value at 1 April 2023</b>	<b>18,105</b>	<b>357</b>	<b>18,462</b>

Intangible assets include the Electronic Patient Record (EPR) Phase 2 system which has a net book value of £7,839k and a remaining amortisation period of 4 years at 31 March 2024.

Useful economic lives of property, plant and equipment are disclosed in note 1.8

**Note 13.1 Intangible assets - 2022/23**

	<b>Software licences £000</b>	<b>Intangible assets under construction £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2022 - as previously stated</b>	<b>17,334</b>	<b>4,743</b>	<b>22,077</b>
Additions	2,365	321	<b>2,686</b>
Reclassifications	9,336	(4,707)	<b>4,629</b>
<b>Valuation / gross cost at 31 March 2023</b>	<b>29,035</b>	<b>357</b>	<b>29,392</b>
<b>Amortisation at 1 April 2022 - as previously stated</b>	<b>7,851</b>	-	<b>7,851</b>
Provided during the year	3,079	-	<b>3,079</b>
Reclassifications	-	-	-
<b>Amortisation at 31 March 2023</b>	<b>10,930</b>	-	<b>10,930</b>
<b>Net book value at 31 March 2023</b>	<b>18,105</b>	<b>357</b>	<b>18,462</b>
<b>Net book value at 1 April 2022</b>	<b>9,483</b>	<b>4,743</b>	<b>14,226</b>

**Note 14.1 Property, plant and equipment - 2023/24**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2023 - brought forward</b>	<b>3,462</b>	<b>89,710</b>	<b>2,260</b>	<b>3,850</b>	<b>22,756</b>	<b>37</b>	<b>7,032</b>	<b>6,230</b>	<b>135,337</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	878	-	24,931	1,525	-	749	5	<b>28,088</b>
Impairments	(281)	(33)	-	(110)	-	-	-	-	<b>(424)</b>
Reversals of impairments	-	5,122	28	-	-	-	-	-	<b>5,150</b>
Revaluations	-	(1,910)	62	-	-	-	-	-	<b>(1,848)</b>
Reclassifications	(1)	33	(2)	(15)	(9)	(4)	274	22	<b>298</b>
Disposals / derecognition	-	-	-	-	(346)	-	(210)	-	<b>(556)</b>
<b>Valuation/gross cost at 31 March 2024</b>	<b>3,180</b>	<b>93,799</b>	<b>2,348</b>	<b>28,656</b>	<b>23,926</b>	<b>33</b>	<b>7,845</b>	<b>6,257</b>	<b>166,044</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	-	-	-	-	<b>11,307</b>	<b>37</b>	<b>3,701</b>	<b>1,464</b>	<b>16,509</b>
Provided during the year	-	2,896	85	-	2,453	-	1,078	557	<b>7,069</b>
Impairments	-	(0)	-	-	-	-	-	-	<b>(0)</b>
Reversals of impairments	-	(0)	-	-	-	-	-	-	<b>(0)</b>
Revaluations	-	(2,895)	(85)	-	-	-	-	-	<b>(2,980)</b>
Reclassifications	-	-	-	-	(122)	(4)	341	23	<b>238</b>
Disposals / derecognition	-	-	-	-	(346)	-	(210)	-	<b>(556)</b>
<b>Accumulated depreciation at 31 March 2024</b>	-	<b>0</b>	-	-	<b>13,292</b>	<b>33</b>	<b>4,910</b>	<b>2,044</b>	<b>20,279</b>
<b>Net book value at 31 March 2024</b>	<b>3,180</b>	<b>93,799</b>	<b>2,348</b>	<b>28,656</b>	<b>10,634</b>	-	<b>2,935</b>	<b>4,213</b>	<b>145,765</b>
<b>Net book value at 1 April 2023</b>	<b>3,462</b>	<b>89,710</b>	<b>2,260</b>	<b>3,850</b>	<b>11,449</b>	-	<b>3,331</b>	<b>4,766</b>	<b>118,828</b>

Note that although Reclassification of assets for the above note does not balance, overall asset reclassification including Note 12 and 13.1 across cost and depreciation reconciles to zero.

Useful economic lives of property, plant and equipment are disclosed in note 1.8

**Note 14.2 Property, plant and equipment - 2022/23**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2022 - as previously stated</b>	<b>3,378</b>	<b>76,536</b>	<b>1,744</b>	<b>5,333</b>	<b>24,364</b>	<b>37</b>	<b>6,258</b>	<b>5,982</b>	<b>123,632</b>
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(6,388)	-	-	-	(6,388)
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	3,556	-	3,741	3,750	-	699	6	11,752
Impairments	-	(903)	-	-	-	-	-	-	(903)
Reversals of impairments	-	9,426	-	-	-	-	-	-	9,426
Revaluations	84	825	516	-	780	-	-	242	2,447
Reclassifications	-	270	-	(5,224)	250	-	75	-	(4,629)
Disposals / derecognition	-	-	-	-	-	-	-	-	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>3,462</b>	<b>89,710</b>	<b>2,260</b>	<b>3,850</b>	<b>22,756</b>	<b>37</b>	<b>7,032</b>	<b>6,230</b>	<b>135,337</b>
<b>Accumulated depreciation at 1 April 2022 - as previously stated</b>	-	-	-	-	<b>10,917</b>	<b>37</b>	<b>2,654</b>	<b>827</b>	<b>14,435</b>
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(2,163)	-	-	-	(2,163)
Provided during the year	-	2,449	75	-	2,150	-	1,047	603	6,324
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,449)	(75)	-	403	-	-	34	(2,087)
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation at 31 March 2023</b>	-	-	-	-	<b>11,307</b>	<b>37</b>	<b>3,701</b>	<b>1,464</b>	<b>16,509</b>
<b>Net book value at 31 March 2023</b>	<b>3,462</b>	<b>89,710</b>	<b>2,260</b>	<b>3,850</b>	<b>11,449</b>	-	<b>3,331</b>	<b>4,766</b>	<b>118,828</b>
<b>Net book value at 1 April 2022</b>	<b>3,378</b>	<b>76,536</b>	<b>1,744</b>	<b>5,333</b>	<b>13,447</b>	-	<b>3,604</b>	<b>5,155</b>	<b>109,197</b>

**Note 14.3 Property, plant and equipment financing - 31 March 2024**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	3,180	39,476	1,942	19,431	10,004	-	2,935	247	77,215
On-SoFP PFI contracts and other service concession arrangements	-	52,790	406	-	-	-	-	-	53,196
Owned - donated/granted	-	1,533	-	9,225	630	-	-	3,966	15,354
<b>Total net book value at 31 March 2024</b>	<b>3,180</b>	<b>93,799</b>	<b>2,348</b>	<b>28,656</b>	<b>10,634</b>	<b>-</b>	<b>2,935</b>	<b>4,213</b>	<b>145,765</b>

**Note 14.4 Property, plant and equipment financing - 31 March 2023**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	3,462	37,408	1,866	3,850	10,499	-	3,331	310	60,726
On-SoFP PFI contracts and other service concession arrangements	-	50,846	394	-	-	-	-	-	51,240
Owned - donated/granted	-	1,456	-	-	950	-	-	4,456	6,862
<b>Total net book value at 31 March 2023</b>	<b>3,462</b>	<b>89,710</b>	<b>2,260</b>	<b>3,850</b>	<b>11,449</b>	<b>-</b>	<b>3,331</b>	<b>4,766</b>	<b>118,828</b>



**Note 15 Donations of property, plant and equipment**

The Trust has engaged in a contract with a Government backed organisation and as a result has received £11.6m in grant funding to further develop assets as part of an expanded integrated energy system (2022/23 £4.4m). the fair value of the assets acquired has been valued at £9.2m.

**Note 16 Revaluations of property, plant and equipment**

The Trust's estate was valued as at 31 March 2024 by Mr Neil Rayner BSc (Hons) MSc DIC MRICS, Principal Surveyor at the District Valuation Service (DVS).

The valuations took the form of a desktop asset valuation as at 31 March 2024. The valuation basis used was on an optimised MEA basis. This represented a continuation of valuation methodology. The valuation has been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Professional Standards 2014 UK edition.

**Note 17 Leases - Wye Valley NHS Trust as a lessee**

This note details information about leases for which the Trust is a lessee.

The Trust leases a number of premises from which its activities are carried out. In addition, the Trust also leases a significant amount of medical equipment via individual finance leases. It also holds a managed equipment service contract for radiology equipment.

**Note 17.1 Right of use assets - 2023/24**

	<b>Property (land and buildings) £000</b>	<b>Plant &amp; machinery £000</b>	<b>Transport equipment £000</b>	<b>Total £000</b>	Of which: leased from DHSC group bodies £000
<b>Valuation / gross cost at 1 April 2023 - brought forward</b>	<b>2,894</b>	<b>7,833</b>	<b>45</b>	<b>10,772</b>	<b>101</b>
Additions	14	292	-	306	-
Disposals / derecognition	-	(34)	-	(34)	-
<b>Valuation/gross cost at 31 March 2024</b>	<b>2,908</b>	<b>8,091</b>	<b>45</b>	<b>11,044</b>	<b>101</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	<b>681</b>	<b>3,403</b>	<b>11</b>	<b>4,095</b>	<b>18</b>
Provided during the year	492	1,060	15	1,567	19
Disposals / derecognition	-	(34)	-	(34)	-
<b>Accumulated depreciation at 31 March 2024</b>	<b>1,173</b>	<b>4,429</b>	<b>26</b>	<b>5,628</b>	<b>37</b>
<b>Net book value at 31 March 2024</b>	<b>1,735</b>	<b>3,662</b>	<b>19</b>	<b>5,416</b>	<b>64</b>
<b>Net book value at 1 April 2023</b>	<b>2,213</b>	<b>4,430</b>	<b>34</b>	<b>6,677</b>	<b>83</b>
Net book value of right of use assets leased from other NHS providers					-
Net book value of right of use assets leased from other DHSC group bodies					64

Useful economic lives of property, plant and equipment are disclosed in note 1.8

**Note 17.2 Right of use assets - 2022/23**

	<b>Property (land and buildings)</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Total</b>	Of which: leased from DHSC group bodies
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Valuation / gross cost at 1 April 2022 - brought forward</b>	-	-	-	-	-
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	6,388	-	<b>6,388</b>	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	2,894	1,188	45	<b>4,127</b>	101
Additions	-	-	-	-	-
Revaluations	-	257	-	<b>257</b>	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>2,894</b>	<b>7,833</b>	<b>45</b>	<b>10,772</b>	<b>101</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	-	-	-	-	-
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	2,163	-	<b>2,163</b>	-
Provided during the year	681	1,153	11	<b>1,845</b>	18
Revaluations	-	87	-	<b>87</b>	-
<b>Accumulated depreciation at 31 March 2023</b>	<b>681</b>	<b>3,403</b>	<b>11</b>	<b>4,095</b>	<b>18</b>
<b>Net book value at 31 March 2023</b>	<b>2,213</b>	<b>4,430</b>	<b>34</b>	<b>6,677</b>	<b>83</b>
<b>Net book value at 1 April 2022</b>	-	-	-	-	-
Net book value of right of use assets leased from other NHS providers					-
Net book value of right of use assets leased from other DHSC group bodies					83

### Note 17.3 Revaluations of right of use assets

The trust is not measuring right of use assets applying the revaluation model in IAS 16

### Note 17.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 23.1.

	2023/24	2022/23
	£000	£000
<b>Carrying value at 31 March</b>	<b>6,680</b>	<b>4,712</b>
IFRS 16 implementation - adjustments for existing operating leases		4,077
Lease additions	306	-
Interest charge arising in year	207	255
Lease payments (cash outflows)	(1,610)	(2,364)
<b>Carrying value at 31 March</b>	<b>5,583</b>	<b>6,680</b>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

### Note 17.5 Maturity analysis of future lease payments

	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March	31 March	31 March	31 March
	2024	2024	2023	2023
	£000	£000	£000	£000
<b>Undiscounted future lease payments payable in:</b>				
- not later than one year;	1,220	18	1,681	14
- later than one year and not later than five years;	3,995	47	4,999	70
- later than five years.	368	-	-	-
<b>Total gross future lease payments</b>	<b>5,583</b>	<b>65</b>	<b>6,680</b>	<b>84</b>
Finance charges allocated to future periods	-	-	-	-
<b>Net lease liabilities at 31 March 2024</b>	<b>5,583</b>	<b>65</b>	<b>6,680</b>	<b>84</b>
<b>Of which:</b>				
Leased from other NHS providers		-		-
Leased from other DHSC group bodies		65		84

## Note 18 Disclosure of interests in other entities

The Trust retains a 16% share in Hoople Limited, established in 2011 as a joint venture between Herefordshire County Council and local health organisations. The value of the Trust's share in the company is estimated to be £533k based on the company's 2022/23 accounts (2021/22, £526k). Hoople is a registered company, limited by shares therefore Wye Valley NHS Trust's risks and liabilities are limited to its shareholding in the company which are fully paid.

The Trust is not aware of any specific contingent liabilities relating to its share in the joint venture.

Hoople is a public sector owned company based in Hereford, specialising in providing support services to the public sector as well as commercial customers. They provide a range of service areas including IT services, training, education, recruitment, HR & payroll, finance, revenues & benefits, care, building, cleaning & maintenance and school MIS support services. Hoople was established in April 2011 to provide services to its shareholders. These are Herefordshire Council, Wye Valley NHS Trust and Lincolnshire County Council.

## Note 19 Inventories

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Drugs	2,078	2,115
Work In progress	-	-
Consumables	2,772	3,148
Energy	28	53
Other	-	-
<b>Total inventories</b>	<b><u>4,878</u></b>	<b><u>5,316</u></b>
<b>of which:</b>		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £35,922k (2022/23: £34,774k). Write-down of inventories recognised as expenses for the year were £0k (2022/23: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £111k of items purchased by DHSC (2022/23: £849k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

**Note 20.1 Receivables**

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Current</b>		
Contract receivables*	24,509	17,138
Allowance for impaired contract receivables / assets	(701)	(672)
Prepayments (non-PFI)**	9,054	2,890
PDC dividend receivable	1,223	114
VAT receivable	1,005	1,066
Corporation and other taxes receivable	76	-
Other receivables	660	549
<b>Total current receivables</b>	<b><u>35,826</u></b>	<b><u>21,085</u></b>
<b>Non-current</b>		
Corporation and other taxes receivable	-	85
Other receivables	408	488
<b>Total non-current receivables</b>	<b><u>408</u></b>	<b><u>573</u></b>
<b>Of which receivable from NHS and DHSC group bodies:</b>		
Current	22,534	13,349
Non-current	408	488

\*Contract receivables includes; deficit support funding £13,000k 2023/24; (£0k 2022/23) and an accrual for 22/23 pay award funding £0k 2023/24; (£6,246k 2022/23)

\*\*Prepayments includes a capital prepayment relating to the Integrated Energy Centre Scheme £6,970k 2023/24; (£0k 2022/23)

**Note 20.2 Allowances for credit losses**

	2023/24		2022/23	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 April - brought forward</b>	<b>672</b>	-	<b>622</b>	-
New allowances arising	-	-	50	-
Changes in existing allowances	29	-	-	-
<b>Allowances as at 31 Mar 2024</b>	<b>701</b>	-	<b>672</b>	-

This applies to non-NHS debts only and also excludes Welsh NHS bodies.

**Note 20.3 Exposure to credit risk**

Credit Provision - 2023/24	Opening balance	Changes in existing allowances	Closing balance
RTA	594	40	634
General bad debt provision	78	(11)	67
<b>Total</b>	<b>672</b>	<b>29</b>	<b>701</b>

The RTA provision reflects an increased recognition of RTA income over the value of claims settled. This has resulted in an increase in the credit provision which is based on 23.07% of accrued income.

The general provision is calculated based on a set percentage of Non NHS receivables as at 31 March 2024.

### Note 21.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2023/24	2022/23
	£000	£000
<b>At 1 April</b>	<b>34,969</b>	<b>39,708</b>
Net change in year	(8,757)	(4,739)
<b>At 31 March</b>	<b>26,212</b>	<b>34,969</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	81	48
Cash with the Government Banking Service	26,131	34,921
<b>Total cash and cash equivalents as in SoFP</b>	<b>26,212</b>	<b>34,969</b>



**Note 22.1 Trade and other payables**

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Current</b>		
Trade payables	7,599	5,973
Capital payables and accruals	3,878	4,719
Accruals*	15,406	25,313
Receipts in advance and payments on account	1,654	2,227
PFI lifecycle replacement received in advance	-	-
Social security costs	2,202	1,974
VAT payables	-	-
Other taxes payable	2,281	1,815
PDC dividend payable	-	-
Pension contributions payable	2,554	2,235
Other payables	1,701	1,105
<b>Total current trade and other payables</b>	<b><u>37,275</u></b>	<b><u>45,361</u></b>
<b>Non-current</b>		
<b>Total non-current trade and other payables</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	3,288	4,655
Non-current	-	-

\*Accruals included the 2022/23 backdated pay award (2023/24 £0k; 2022/23 £6,246k)

**Note 23.1 Borrowings**

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Current</b>		
Lease liabilities	1,220	1,681
Obligations under PFI, LIFT or other service concession contracts	11,473	4,098
<b>Total current borrowings</b>	<b><u>12,693</u></b>	<b><u>5,779</u></b>
<b>Non-current</b>		
Lease liabilities	4,363	4,999
Obligations under PFI, LIFT or other service concession contracts	49,557	26,139
<b>Total non-current borrowings</b>	<b><u>53,920</u></b>	<b><u>31,138</u></b>

**Note 23.2 Reconciliation of liabilities arising from financing activities**

	<b>Lease Liabilities £000</b>	<b>PFI and LIFT schemes £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2023</b>	<b>6,680</b>	<b>30,237</b>	<b>36,917</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	(1,403)	(9,680)	<b>(11,083)</b>
Financing cash flows - payments of interest	(207)	(2,181)	<b>(2,388)</b>
<b>Non-cash movements:</b>			
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023		33,728	<b>33,728</b>
Additions	306	-	<b>306</b>
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	6,745	<b>6,745</b>
Application of effective interest rate	207	2,181	<b>2,388</b>
<b>Carrying value at 31 March 2024</b>	<b>5,583</b>	<b>61,030</b>	<b>66,613</b>

	<b>Lease Liabilities £000</b>	<b>PFI and LIFT schemes £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2022</b>	<b>4,712</b>	<b>34,231</b>	<b>38,943</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	(2,110)	(3,996)	<b>(6,106)</b>
Financing cash flows - payments of interest	(254)	(1,158)	<b>(1,412)</b>
<b>Non-cash movements:</b>			
Impact of implementing IFRS 16 on 1 April 2022	4,077		<b>4,077</b>
Additions	-	-	-
Application of effective interest rate	255	1,160	<b>1,415</b>
<b>Carrying value at 31 March 2023</b>	<b>6,680</b>	<b>30,237</b>	<b>36,917</b>

## Note 24.1 Provisions for liabilities and charges analysis

	<b>Pensions: early departure</b>			
	<b>costs</b>	<b>Legal claims</b>	<b>Other</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 April 2023</b>	<b>243</b>	<b>997</b>	<b>501</b>	<b>1,741</b>
Transfers by absorption	-	-	-	-
Change in the discount rate	11	109	(91)	<b>29</b>
Arising during the year	-	-	133	<b>133</b>
Utilised during the year	(31)	(217)	(7)	<b>(255)</b>
Reclassified to liabilities held in disposal groups	-	-	-	-
Reversed unused	-	-	-	-
Unwinding of discount	14	122	27	<b>163</b>
<b>At 31 March 2024</b>	<b>237</b>	<b>1,011</b>	<b>563</b>	<b>1,811</b>
<b>Expected timing of cash flows:</b>				
- not later than one year;	14	23	155	<b>192</b>
- later than one year and not later than five years;	58	120	35	<b>213</b>
- later than five years.	165	868	373	<b>1,406</b>
<b>Total</b>	<b>237</b>	<b>1,011</b>	<b>563</b>	<b>1,811</b>

Provisions relating to Early Departure Costs covers the pre 1995 early retirement costs. Liabilities and the timing of liabilities are based on pensions provided to individual ex-employees and projected life expectancies using government actuarial tables. The major uncertainties rest around life expectancies.

Legal claims relate to permanent injury benefit for two former employees which is paid quarterly until death and employer liability claims which are currently being processed by the Trust's insurers. The provision for 2023/24 has been revised using updated actuarial life tables provided by the Office for National Statistics. The Post-employment benefits discount rate applicable to these and pensions provisions has been changed to 2.45% in 2023/24 (2022/23 - 1.70%) as advised by HM Treasury.

The Other category includes a provision relating to the potential tax liability on Consultant's superannuation contributions (the Trust participates in a national scheme to indemnify Consultants against additional tax liabilities) and a provision for ongoing employment tribunal cases.

## Note 24.2 Clinical negligence liabilities

At 31 March 2024, £93,674k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Wye Valley NHS Trust (31 March 2023: £93,050k).

## Note 25 Contingent assets and liabilities

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	11	-
<b>Gross value of contingent liabilities</b>	<u>11</u>	<u>-</u>
Amounts recoverable against liabilities	-	-
<b>Net value of contingent liabilities</b>	<u>11</u>	<u>-</u>
<b>Net value of contingent assets</b>	-	-

## Note 26 Contractual capital commitments

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Property, plant and equipment	11,351	6,907
Intangible assets	9	161
<b>Total</b>	<u>11,360</u>	<u>7,068</u>

## Note 27 On-SoFP PFI, LIFT or other service concession arrangements

The PFI project involved the redevelopment of the site at Hereford County Hospital to enable the Trust to integrate its existing operations on that one site, thus ensuring that the previous sites at the General Hospital and Victoria Eye Hospital became surplus to requirements. The 30 year contract saw the Trust's PFI partner become responsible for the provision of design, construction, insurance, ongoing maintenance and hotel services at the County Hospital. Furthermore, the contract replaced some major equipment within the Radiology department.

The contract start date of the scheme was 16 April 1999 with the end of the concession period being 15 April 2029. At this date, the assets revert to the ownership of the Trust.

Under the terms of the Trust's PFI contract, its PFI partner has leased, with full title guarantee, the land at Hereford County Hospital over a period of 125 years at peppercorn rent. However, the lease will automatically cease on expiry of the PFI agreement.

Under IFRIC 12, the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and payments comprise two elements – imputed finance lease charges and service charges. Both elements are shown in the tables below.

### Note 27.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2024	31 March 2023
	£000	£000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>66,770</b>	<b>33,960</b>
<b>Of which liabilities are due</b>		
- not later than one year;	13,433	5,123
- later than one year and not later than five years;	53,337	23,256
- later than five years.	-	5,581
Finance charges allocated to future periods	(5,740)	(3,723)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>61,030</b>	<b>30,237</b>
- not later than one year;	11,473	4,098
- later than one year and not later than five years;	49,557	20,741
- later than five years.	-	5,398

### Note 27.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2024	31 March 2023
	£000	£000
<b>Total future payments committed in respect of the PFI, LIFT or other service concession arrangements</b>	<b>149,015</b>	<b>196,584</b>
<b>Of which payments are due:</b>		
- not later than one year;	29,882	30,930
- later than one year and not later than five years;	119,133	132,342
- later than five years.	-	33,312

### Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2023/24	2022/23
	£000	£000
<b>Unitary payment payable to service concession operator</b>	<b>28,310</b>	<b>25,920</b>
<b>Consisting of:</b>		
- Interest charge	2,181	1,160
- Repayment of balance sheet obligation	9,680	3,994
- Service element and other charges to operating expenditure	15,653	14,529
- Revenue lifecycle maintenance	796	1,108
- Contingent rent	-	5,129
<b>Total amount paid to service concession operator</b>	<b>28,310</b>	<b>25,920</b>

## Note 28 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

### Note 28.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24 £000	IAS 17 basis (old basis) 2023/24 £000	Impact of change 2023/24 £000
<b>Unitary payment payable to service concession operator</b>	<b>28,310</b>	<b>28,310</b>	<b>-</b>
<b>Consisting of:</b>			
- Interest charge	2,181	1,024	1,157
- Repayment of balance sheet obligation	9,680	4,098	5,582
- Service element	15,653	17,039	(1,386)
- Lifecycle maintenance	796	796	-
- Contingent rent	-	5,353	(5,353)
- Addition to lifecycle prepayment	-	-	-

### Note 28.2 Impact of change in accounting policy on primary statements

<b>Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:</b>	<b>£000</b>
Increase in PFI / LIFT and other service concession liabilities	(34,891)
Decrease in PDC dividend payable / increase in PDC dividend receivable	-
Increase in cash and cash equivalents (impact of PDC dividend only)	1,200
<b>Impact on net assets as at 31 March 2024</b>	<b>(33,691)</b>

<b>Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:</b>	<b>£000</b>
PFI liability remeasurement charged to finance costs	(6,745)
Increase in interest arising on PFI liability	(1,157)
Reduction in contingent rent	6,739
Reduction in PDC dividend charge	1,200
<b>Net impact on surplus / (deficit)</b>	<b>37</b>

<b>Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:</b>	<b>£000</b>
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(33,728)
Net impact on 2023/24 surplus / deficit	37
<b>Impact on equity as at 31 March 2024</b>	<b>(33,691)</b>

<b>Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:</b>	<b>£000</b>
Increase in cash outflows for capital element of PFI / LIFT	(5,582)
Decrease in cash outflows for financing element of PFI / LIFT	5,582
Decrease in cash outflows for PDC dividend	1,200
<b>Net impact on cash flows from financing activities</b>	<b>1,200</b>

## **Note 29 Financial instruments**

### **Note 29.1 Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with its NHS commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. All treasury activity is subject to review by the Trust's internal auditors.

#### **Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### **Interest rate risk**

In prior years the Trust has borrowed from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The Trust's borrowing was restructured in 2020/21 when all DHSC loans were re-financed as Public Dividend Capital. This eliminated DHSC loans and risk relating to interest payments.

The Trust has entered in to an MES agreement for Radiology services and in addition holds leases for the medical equipment. These agreements incorporate implied interest rates which are fixed under the contractual agreements.

The Trust therefore has low exposure to interest rate fluctuations.

#### **Inflation risk**

The Trust's contract with its PFI provider allows for an annual uplift of non-pay related elements of the contract linked to the RPI. This represents a risk in relation to ongoing high levels of inflation on (e.g.) consumables and energy. Inflation is built into our planning assumptions and cost improvement programmes mitigate such risks. There have been no changes to inflation risk exposure or policies and processes for managing the risk since the previous year.

#### **Credit risk**

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 2023/24 are in receivables from customers, as disclosed in the trade and other receivables note.

#### **Liquidity risk**

The Trust's operating costs are incurred under contracts with clinical commissioning groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.



### Note 29.2 Carrying values of financial assets

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2024</b>				
Trade and other receivables excluding non financial assets	24,876	-	-	24,876
Cash and cash equivalents	26,212	-	-	26,212
<b>Total at 31 March 2024</b>	<b>51,088</b>	-	-	<b>51,088</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2023</b>				
Trade and other receivables excluding non financial assets	17,065	-	-	17,065
Cash and cash equivalents	34,969	-	-	34,969
<b>Total at 31 March 2023</b>	<b>52,034</b>	-	-	<b>52,034</b>

### Note 29.3 Carrying values of financial liabilities

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2024</b>			
Obligations under leases	5,583	-	5,583
Obligations under PFI, LIFT and other service concession contracts	61,030	-	61,030
Trade and other payables excluding non financial liabilities	29,388	-	29,388
<b>Total at 31 March 2024</b>	<b>96,001</b>	-	<b>96,001</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2023</b>			
Obligations under leases	6,680	-	6,680
Obligations under PFI, LIFT and other service concession contracts	30,237	-	30,237
Other borrowings	2,350	-	2,350
Trade and other payables excluding non financial liabilities	36,960	-	36,960
<b>Total at 31 March 2023</b>	<b>76,227</b>	-	<b>76,227</b>

#### Note 29.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	<b>31 March</b>	<b>31 March</b>
	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
In one year or less	44,041	46,114
In more than one year but not more than five years	57,332	28,255
In more than five years	368	5,581
<b>Total</b>	<b><u>101,741</u></b>	<b><u>79,950</u></b>

#### Note 29.5 Fair values of financial assets and liabilities

Book value (carrying value) is deemed to be a reasonable approximation of fair value for all the financial assets and liabilities disclosed.

**Note 30 Losses and special payments**

	2023/24		2022/23	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Bad debts and claims abandoned	84	18	253	5
Stores losses and damage to property	24	223	23	184
<b>Total losses</b>	<b>108</b>	<b>241</b>	<b>276</b>	<b>189</b>
<b>Special payments</b>				
Ex-gratia payments	27	19	16	14
<b>Total special payments</b>	<b>27</b>	<b>19</b>	<b>16</b>	<b>14</b>
<b>Total losses and special payments</b>	<b>135</b>	<b>260</b>	<b>292</b>	<b>203</b>

**Note 31 Gifts**

No gifts were made by the Trust in 2023/24 or 2022/23 above the disclosure threshold of £300.

## **Note 32 Related parties**

The Department of Health and Social Care is regarded as a related party. During the year 2023/24, Wye Valley NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. Those entities where transactions during the year were greater than £100k and/or outstanding balances at 31 March 2024 were greater than £50k are listed below:

### **NHS Trusts/Foundation Trusts**

Birmingham Women's and Children's NHS Foundation Trust  
Gloucestershire Hospitals NHS Foundation Trust  
South Warwickshire University NHS Foundation Trust  
University Hospitals Birmingham NHS Foundation Trust  
George Eliot Hospital NHS Trust  
Shrewsbury and Telford Hospital NHS Trust  
The Royal Wolverhampton NHS Trust  
Worcestershire Acute Hospitals NHS Trust  
Herefordshire and Worcestershire Health and Care NHS Trust

### **NHS Commissioning bodies**

NHS Bath and North East Somerset, Swindon and Wiltshire ICB  
NHS Birmingham and Solihull ICB  
NHS Black Country ICB  
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB  
NHS Coventry and Warwickshire ICB  
NHS Gloucestershire ICB  
NHS Herefordshire and Worcestershire ICB  
NHS Shropshire, Telford and Wrekin ICB  
NHS England

### **Other NHS organisations**

NHS Resolution  
Supply Chain Coordination Limited  
NHS Property Services  
NHS Blood and Transplant

In addition, the Trust has had a number of material transactions (within the limits defined above) with other government departments and other central and local government bodies. These include the following:

### **Welsh Government bodies**

Welsh Health Bodies - Aneurin Bevan Local Health Board  
Welsh Health bodies - Powys Local Health Board

### **Other Government bodies**

Herefordshire Council  
UK Health Security Agency

### **Income Tax, NI, VAT and Superannuation transactions**

HM Revenue & Customs  
NHS Pension Scheme

### **Other organisations**

Wye Valley NHS Trust Charitable Fund. The executive directors and non-executive directors of the Trust Board share the responsibility for ensuring that the NHS body fulfils its duties as Trustee in managing the charitable funds. Non-executive members of the Trust Board were appointed by NHS England. Executive members are appointed by the Trust Board. Members are not individual trustees under Charity Law but act as agents on behalf of the trustee. The receivables position for the Trust includes £260k for expenditure incurred via the Trust's procure to pay system, on behalf of the charitable funds, to be repaid to the Trust.

## **Note 33 Events after the reporting date**

None to report

**Note 34 Better Payment Practice code**

	<b>2023/24</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2022/23</b>
<b>Non-NHS Payables</b>	<b>Number</b>	<b>£000</b>	<b>Number</b>	<b>£000</b>
Total non-NHS trade invoices paid in the year	57,397	170,765	59,842	139,135
Total non-NHS trade invoices paid within target	51,537	150,522	53,931	116,608
Percentage of non-NHS trade invoices paid within target	89.8%	88.1%	90.1%	83.8%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	1,343	14,677	1,353	12,213
Total NHS trade invoices paid within target	1,194	14,230	1,023	10,489
Percentage of NHS trade invoices paid within target	88.9%	97.0%	75.6%	85.9%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

**Note 35 External financing limit**

The trust is given an external financing limit against which it is permitted to underspend

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Cash flow financing	33,824	7,402
<b>External financing requirement</b>	<b>33,824</b>	<b>7,402</b>
External financing limit (EFL)	38,805	7,402
<b>Under / (over) spend against EFL</b>	<b>4,981</b>	<b>-</b>

**Note 36 Capital Resource Limit**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Gross capital expenditure	29,229	14,437
Less: Donated and granted capital additions	(9,225)	-
<b>Charge against Capital Resource Limit</b>	<b>20,004</b>	<b>14,437</b>
Capital Resource Limit	22,115	14,689
<b>Under / (over) spend against CRL</b>	<b>2,111</b>	<b>252</b>

**Note 37 Breakeven duty financial performance**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Adjusted financial performance surplus / (deficit) (control total basis)	(13,388)	(6,512)
Remove impairments scoring to Departmental Expenditure Limit	110	-
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	39	-
<b>Breakeven duty financial performance surplus / (deficit)</b>	<b>(13,239)</b>	<b>(6,512)</b>

### Note 38 Breakeven duty rolling assessment

The Trust has a statutory duty to deliver a cumulative breakeven position over a five year period. Note 1.2 describes how, although this has not been met, the Trust has delivered to its control totals agreed with NHSE and remains a going concern. The table below shows the cumulative performance against the breakeven duty.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,165	46	(1,958)	294	1,029	844	(20,456)
Breakeven duty cumulative position	1,510	2,675	2,721	763	1,057	2,086	2,930	(17,526)
Operating income		116,785	121,544	171,898	175,798	173,450	182,637	178,046
<b>Cumulative breakeven position as a percentage of operating income</b>		2.3%	2.2%	0.4%	0.6%	1.2%	1.6%	(9.8%)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(37,204)	(26,158)	(42,219)	(17,058)	2,347	1,536	(6,512)	(13,239)
Breakeven duty cumulative position	(54,730)	(80,888)	(123,107)	(140,165)	(137,818)	(136,282)	(142,794)	(156,033)
Operating income	177,567	188,498	186,020	231,646	267,580	304,155	330,289	361,927
<b>Cumulative breakeven position as a percentage of operating income</b>	(30.8%)	(42.9%)	(66.2%)	(60.5%)	(51.5%)	(44.8%)	(43.2%)	(43.1%)

### Note 39 Adjusted financial performance (control total basis)

	2023/24	2022/23
Surplus / (deficit) for the period	1,796	5,386
Remove net impairments not scoring to the Departmental expenditure limit	(4,971)	(8,523)
Remove I&E impact of capital grants and donations	(10,730)	(3,498)
Remove impact of IFRS 16 on IFRIC 12 schemes	(39)	
Remove net impact of inventories received from DHSC group bodies for COVID response	556	123
<b>Adjusted financial performance surplus / (deficit)</b>	<b>(13,388)</b>	<b>(6,512)</b>