THE ROYAL ORTHOPAEDIC HOSPITAL

ANNUAL REPORT

2021 - 2022

NHS

The Royal Orthopaedic Hospital

NHS Foundation Trust

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Annual Report & Accounts 2021/22

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

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Chair and Chief Executive's introduction

Given the ongoing impact of the COVID-19 pandemic, the past year has continued to be a period of challenging and unprecedented circumstances, not only for the Royal Orthopaedic Hospital ("the ROH") but for the NHS as a whole. Echoing the reflections in last year's annual report, we have seen the NHS experience some further challenging times but again we have also seen how effective the NHS can be as its different organisations and their staff pull together in unified support. For the ROH, there have been a number of adaptations to the ROH's usual working practices and patient pathways during the year in order to support other Provider organisations from across the Birmingham and Solihull system ("the system") and the wider West Midlands region. Despite these challenges, we are incredibly proud of the dedication we have seen from our staff and of some of the key achievements that have been delivered over the past year.

Alongside managing the impact of the pandemic, the Trust has focussed heavily this year on progressing its vision and ambition to be regarded as the lead provider of Orthopaedic and musculoskeletal (MSK) care, both for the region and nationally. To support this, on 16 June 2021 we launched the Birmingham and Solihull MSK Transformation Programme, which received fantastic engagement and contribution from across the system. The event provided an opportunity to agree the priorities and to establish the workstreams and leads. It was attended by representatives from NHS England/Improvement who contributed to the programme and helped to ensure that the MSK national programme and improvement initiatives are aligned to and work in collaboration with the Transformation Programme. In addition to the MSK Transformation Programme, further work was progressed to develop the National Orthopaedic Alliance (NOA) and on 20 October 2021, we attended and officially opened the NOA annual conference which was held in Birmingham. The event was attended by Andrew Bennett, the national Clinical Director for MSK services, as well as by patients who presented and demonstrated the real value of Orthopaedic care and treatment to their everyday lives. Much is planned to accelerate the work started this year as we move into 2022/23 and adopt our newly refreshed Trust strategy.

The Trust has continued to be an active member of the Birmingham and Solihull (BSol) system over the year and has worked closely with local partners to manage the response to the COVID-19 pandemic. During the year we supported the response by treating patients who required treatment for ambulatory trauma and spinal surgery after attending the Emergency Department at University Hospitals Birmingham NHSFT. Over the Christmas and New Year period we also scaled back our elective activity to allow a cohort of rehabilitation patients from across the system to be treated while the Acute Provider organisations handled the challenges associated with the Omicron wave of the pandemic. The Trust continues to embrace the requirement to work collaboratively and in an integrated way as required by the new Health and Social Care legislation that enshrines the formal establishment of Integrated Care Systems from 1 July 2022.

The Trust did not receive a full inspection by the CQC during the year. In June 2021, we did however, undergo a virtual assessment against the CQC's Well-Led Transitional Monitoring Approach (TMA) Key Lines of Enquiry. This was a great opportunity for ourselves with Executive colleagues, to share with the CQC team our progress and the sustainable improvements we had made since the last formal inspection. While there was no formal feedback from the assessment, the team did acknowledge how much had been delivered while, at the same time, managing the impact of the pandemic. In addition to the virtual Well-Led assessment, in August 2021 the CQC held a focus group with our staff who are from a Black, Asian and Minority Ethnic (BAME) background to hear from them their experience of working at the ROH. We strive to make the ROH as inclusive as possible for all our staff and have incorporated any actions arising from the feedback from the CQC's focus group within our dynamic Inclusion action plan that is overseen by the Trust's Staff Experience & Organisational Development Committee. The Trust remains at a 'Good' rating across all domains of the CQC framework. In addition to the CQC, the Trust was also able to showcase its achievements to Saffron Cordery, Deputy Chief Executive of NHS Providers. The virtual meeting held during the summer 2021, focussed specifically on the significant role the ROH had played in the systemwide response through the pandemic, in addition to the ambitious plans for the ROH through the delivery of its strategy.

A highlight towards the end of the year was the publication of the National Staff Survey results, which positioned the Trust positively against some important elements of the national 'People Promise', these being associated with the ability to work flexibly, staff being safe and healthy and overall morale in the organisation. The Trust is positioned higher than the national average across each domain of the 'People Promise', which is a fantastic achievement. A response rate of 57% was also achieved, a further increase on last year's position, with this also being the highest response rate of all Provider organisations in the system. The Trust's position compared to other specialist acute trusts was also very favourable with some incremental movement towards being the best rated organisation in this cohort against many key elements.

In terms of the Board and Executive Team composition, it has been a year of relative stability following the departure of Dame Yve Buckland last year. The Board was joined in April 2021 by Les Williams, a former longstanding NHS Director who provides a rich skill set and experience in commissioning, strategy and operational management. The recruitment of a Chief People Officer also occurred during the year, which culminated in the appointment of Sharon Malhi who had been acting into the role of Associate Director of Workforce & Organisational Development. We wish both every success in their Board roles.

Given the national social distancing requirements imposed as a result of the COVID pandemic, it was difficult for most of the year to host large physical events and celebrations. As the country returns to a degree of normality, the ROH will in its true style celebrate together. Despite the difficulties, we acknowledged Nurses' Day and Operating Department Practitioner (ODP) Day in May 2021. Other events that we held during the year included a LGBTQ+ awareness week,

organised to promote the inclusive culture we value at the ROH, including raising the new Progress flag at a small, socially distanced gathering. The work of our equality & diversity

network and the Multi Minority Ethnicity Group (MMEG) has been instrumental this year in achieving progress in making the ROH an inclusive and welcoming organisation for all. In July we celebrated Key Worker Day, a national event celebrating the contribution of key workers during the pandemic. Staff were given a range of commemorative gifts and there was of course cake available, a tradition at the ROH that was very much welcomed! Later in the year we celebrated Black History Month and Freedom to Speak Up month. On 18 October we also celebrated World Menopause Day, the theme this year being focussed on bone health. I, as Chief Executive, was interviewed by ITV Central News to share my personal experience of the menopause with the intention of helping others in the same situation to speak up and ask for support if they needed it. Several other colleagues across the Trust were also interviewed about their experience and we thank them for their brave and honest accounts.

A particular celebration during the year was welcoming HRH The Princess Royal to the Trust on 29 September to officially open our new Theatres and Ward 4. The visit included many parts of the hospital and it was heart-warming to see so many colleagues welcoming HRH and other dignitaries to the Trust in such a positive way. Huge recognition is deserved for colleagues across the Trust who contributed to making the day so special for the visitors and our entire staff.

We were pleased to receive some other special visitors to the Trust this year, including Richard Davidson, Chief Executive of Sarcoma UK, who took the opportunity to meet staff at the ROH as part of his visit to the Midlands to attend the Expert Advisory Group that was held in Birmingham.

The Trust continued its Enabling a Productive Inclusive Culture (EPIC) programme during the year, delivered by West Midlands Leadership Academy, with the final session of the first cohort concluding in July 2021. The twelve-month programme celebrated and supported inclusive learning amongst cohorts of all staff across the organisation and has already commenced with a second cohort of staff.

There was significant focus on health and wellbeing during the year, which again included an extensive COVID-19 and 'flu vaccination programme. A specific wellbeing initiative during the year which received national recognition was our 'Behind the Stigma' campaign. This underlined the importance of recognising disabilities, both visible and hidden, with several colleagues across the Trust sharing their experience of living with a disability. This initiative was funded by a successful bid for funds from the Workforce Disability Equality Standards (WDES). It was pleasing to see that the national Chief People Officer shared an update about the exhibition in her monthly briefing which was distributed to all NHS Human Resource professionals.

We are delighted with some more accolades and achievements that the Trust has received during the year, the key highlight being shortlisted for the Health Service Journal (HSJ) acute Trust of the Year. The awards ceremony was held on 18 November and a team of 19 colleagues from across the Trust joined the celebrations in London. While the Trust did not win the trophy, the team had an enjoyable evening and were very proud to represent the ROH. The Trust improved its position as one of the 50 Inclusive Companies, with a move forward from the 34th last year to the 15th place. The Trust hosted the Transport Planning and Network Strategy team from Birmingham City Council during the year who presented the Trust with Modeshift Starts Bronze Accreditation Certificate for our Green Travel plan in recognition of excellence in supporting cycling, walking and other forms of sustainable and active travel. The Trust was named as a National Joint Registry (NJR) Quality Data Provider after successfully completing a national programme of local data audits. At a clinical level, a team from the ROH, led by Mr Andrew Thomas, based in the Department of Chemical Engineering at the University of Birmingham, was nominated as a finalist in the Life Sciences section of the prestigious HPC Wire high-performance computing awards. The nomination was in recognition of our work on tracking bacteria carrying particulates expelled from surgical gowns in ultraclean operating theatres.

We have been fortunate to have been joined in the year by a significant number of new staff into key positions. Recruitment into the Heads of Nursing posts was completed in the year, with Karen Hughes being confirmed as the substantive Head of Nursing for Division 1 and we were joined by Stacey Waldron as the Head of Nursing for Division 2. Although we said goodbye to Christian Ward as the Deputy Director of Nursing & Clinical Governance, we have welcomed Nikki Brockie as the Deputy Chief Nurse. We also recruited Claudette Jones into the role of Freedom to Speak Up Officer after the departure of Mandy Johal during the year. Finally, we have also been fortunate to attract some very talented new medical staff into the Trust, which have joined the spinal, foot & ankle and anaesthetic departments. We wish all those who have joined us or been successful in being recruited into new posts every success at the ROH.

In terms of the Council of Governors, there were a number of changes, as we said goodbye to Marion Betteridge, one of the most longstanding public governors and Carol Cullimore, whose second term of office expired. The terms of office of Adrian Gardner and Karen Hughes, our two clinical staff governors expired during the year and David Richardson, non-clinical staff governor also stepped down from his post. We did however, welcome Julia Liddle and Pat Clarke, as new public governors and Andrew McQueen, Wilson Thomas and Matthew Maycock as new staff governors. The Annual General Meeting was held in November which was largely a virtual event again this year, broadcast through social media.

The Trust has continued to see the development of its estate over the past year, with the addition of some state-of-the-art facilities, including a second MRI scanner to increase capacity for diagnostics at the ROH and also for the wider system. The ROH were honoured to welcome back Paralympic Champion Tully Kearny to open this new facility. Tully, who has also recently

become a triple World Champion and World Record Holder, has been a patient at the ROH since 2010.

In May 2021, we also opened our purpose-built Pre-Operative Assessment Centre which again increases our capacity and has given the Trust the opportunity to improve the pathway for our patients due to undergo treatment at the hospital. There have also been significant changes implemented in the Children's and Young People's Unit, which is co-located in the Outpatients department. The area is now a space which includes bright and colourful waiting areas with entertainment, newly decorated clinic rooms and an improved playroom for younger patients. Many of the changes were supported through the use of Charitable Funds and we are extremely grateful to everyone who donated money to the scheme. Alongside the formal structural changes to the site, we have also worked in partnership with AccessAble to create detailed access guides to facilities, wards and departments.

There was continued success of the Trust Charity this year with a key highlight being the opening of the Sir Cpt Tom Moore's wellbeing room in September 2021. The creation of this space was funded from the allocation from NHS Charities Together following a detailed grant application in late 2020. Staff across the organisation were involved in designing the space to ensure it met their needs. The space was designed to support colleagues to unwind, communicate with each other and practice meditation. Further funding has since been received from NHS Charities Together, some of which has been directed into supporting the innovations developed as part of our MSK Transformation Programme.

The end of the year echoes the start of this overview, where we reflect on the impact that the COVID-19 pandemic has had on the Trust and on the wider healthcare systems. The successes during this time have been reliant on the willingness and flexibility of our extraordinary staff but also on effective system and partnership working, particularly with our largest partner, University Hospitals Birmingham NHS FT (UHB).

Over the coming year we look forward to our continuing relationship with system partners as the new Health and Social Care Act comes into being and the integrated care arrangements continue to mature. It is clear that there remains a significant challenge to address the legacy and ongoing impact of the pandemic, most notably the backlog of patients to be treated by the NHS. We are confident that the ROH can continue to build on its very solid foundations of great care and clinical practice to become an exceptional leader in the delivery of ground-breaking orthopaedics work, at both a system level and nationally. Some truly innovative and exciting work is planned going into the coming year with the adoption of the reinvigorated and ambitious strategy.

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

Tim Pile, Chair

Jo Williams, Chief Executive

PERFORMANCE REPORT

1.0 Overview

1.1 Purpose of the overview section

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

1.2 Purpose and Activities, Business Model and Organisational Structure

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

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

The Trust's annual financial turnover is in the region of £115 million. It has fourteen operating theatres, six wards and 125 beds, eight of which are on a High Dependency Unit.

The Trust employs circa 1,200 staff, including more than 80 Consultant medical staff, each supported by multi-disciplinary clinical teams including surgeons, nurses, anaesthetists, physiotherapists, radiologists, pathologists, occupational therapists and other clinical professionals.

When operating in normal times, only a small amount of emergency and urgent activity is undertaken, generally in the field of spinal disorders; the core business of the ROH is elective surgery, therefore under usual circumstances no trauma activity is usually undertaken in the early stages after injury. During the financial year covered by this report however, the Trust has supported a number of trauma pathways to enable the local system to respond effectively to the COVID-19 pandemic and make best use of intensive care facilities in the region. The main elective surgery activities are joint replacement surgery (arthroplasty), joint arthroscopy and reconstruction (keyhole surgery and ligament repairs), plus hand and foot surgery.

The hospital provides a specialist bone infection service. The hospital is one of the centres in England for the diagnosis and treatment of malignant bone tumours and the bone tumour

service commissioned by specialised commissioning. The Trust is one of 12 centres in England for the treatment of soft tissue sarcomas.

The Trust's vision is 'to be the first choice for orthopaedic care' and our ambition is to grow and enhance the services offered to patients via our teams of highly specialist surgeons, many of whom are nationally and internationally recognised for their expertise. The Trust is working closely with partners in the Birmingham & Solihull Integrated Care System (ICS) and with the National Orthopaedic Alliance to shape the future of musculoskeletal services and orthopaedic services across the city and nationally as the country emerges out of the COVID-19 pandemic and restoration and recovery of services progresses.

1.3 Planning for the future

The Trust's 'Strategy for Excellence' (2019/20 – 2023/24) was developed in line with a number of key strategic drivers, including the NHS Long Term Plan (published January 2019), the National Orthopaedic Alliance and working in partnership with the Birmingham and Solihull Integrated Care System. The Trust's vision to be the 'The First Choice for Orthopaedic Care' and the organisation's values of Respect, Compassion, Excellence, Pride, Openness and Innovation remain unchanged, although the main focus is around five key goals, known as the 'Five Ps':

5Ps	Objective	Where will we be by 2023/24
Patients	Safe, high quality patient care	• Recognised as delivering 'outstanding' care by the CQC • Continue to be in the top 10 hospitals in the country for patient experience, according to the CQC inpatient survey • Deliver sustained reductions in length of stay, making day case surgery a reality for joint procedures • Provide real time access to patients about their care via a patient portal • Regularly submit national grant applications and increase patient participation in research trials
People	A diverse, highly skilled and well supported workforce	• Recognised in the top quartile for staff engagement nationally • Increased diversity of the workforce • Expanded education, training opportunities to staff • Increased opportunities for staff to work across BSOL, through the creation of joint appointments • Development of new roles, including apprenticeship positions
Partnerships	Improved and integrated services	• The creation of an integrated care system for orthopaedic services

		• High quality orthopaedic care for patients, regardless of where they live or access services across BSOL • Public and patients routinely engaged in service redesign and improvement • Strong commercial and academic partnerships to drive research, education and innovation
Process	Productive and efficient processes	• Manage an increasing proportion of patients on follow-up at home and in community settings • Interoperable clinical systems, providing real time information for clinicians through a clinical portal • Theatres running at 95% list utilisation and 90% in-session utilisation, with an increase of at least 1 additional large joint case per list • Deliver effective processes for the identification and monitoring of cost improvement schemes • A high proportion of staff trained in and able to use continuous improvement methodologies
Performance	A sustainable future through growth and financial stability	• Upgraded estate, including four new theatres and a new 23 bedded ward (complete) • Increase the ROH share of orthopaedic activity across BSOL • Treat 95% patients within 18 weeks across all sub-specialities, exceeding the national target of 92% • See all patients in a maximum of 26 weeks across all sub-specialities • Financial sustainability secured, aligned to an integrated care system for orthopaedics

Although the impact of the global COVID-19 pandemic has deferred some of the work planned in the early years of the strategy there has been good progress during the past year on the establishment and implementation of an ambitious MSK Transformation Programme. This is a key tenet of the refreshed version of the strategy that is being developed and will be launched during 2022/23. The refreshed five-year strategy will reflect the introduction of the Integrated Care System, and the drive for a greater integration across health, social care and the voluntary sector. It will also reflect the challenges that have been posed through the COVID-19 pandemic, and the ROH role in supporting elective backlog recovery for Birmingham and Solihull.

The Trust Strategy is underpinned by a range of 'enabling strategies', one of which is the Clinical Strategy. The Clinical Strategy was developed in 2020/21 and is aligned closely to the Trust's five-year strategy, and includes priorities and plans around the changing clinical landscape, increased Musculoskeletal (MSK) demand, meeting patients' expectations, delivering 'more for less', building partnerships through integration, and maximising digital innovation. Central to this strategy is the ROH leading the system wide reconfiguration of MSK services, including the development of a new MSK Academy. Other enabling strategies will also be refreshed or developed during the year ahead including the People Strategy and the Estates Strategy.

1.4 Brief History and Statutory Background

The ROH is situated in the south of Birmingham, five miles from Birmingham City Centre. It provides services to a population of around 1.3 million.

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

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

The accounts have been prepared under a direction issued by NHS Improvement under the National Health Service Act 2006.

1.5 Key Issues, Risks and Opportunities

The Trust manages its internal risks through a Corporate Risk Register and the Board Assurance Framework (BAF), the second of which highlights major risks to the delivery of the Trust's strategic objectives and organisational goals. The BAF is aligned to the 'Five Ps' in the Trust's strategy and the key risks identified during the year and discussed by the Board during the year can be summarised as:

Patients

- There is an increased risk of patient harm for peri-operative patients testing positive for COVID-19. Patients with COVID-19 have a significant morbidity and mortality. (Risk closed as at the end of 2021/22)
- The current suspension of the Paediatric Oncology service at BCH creates long delays for patients requiring surgery leading to poor patient experience, clinical outcomes and disenfranchisement of the oncology consultants (Risk closed as at the end of 2021/22)

People

- There is clear evidence that there is a disproportionate impact of COVID-19 on individuals who are from a BAME (Black Asian & Minority Ethnic) background and those at higher risk or vulnerable due to age, gender, underlying health conditions and pregnancy.
- There is also evidence to suggest that BAME colleagues are less likely to speak up and raise concerns.

Partnership

- The Trust fails to exert influence in the region and on the plans to develop an Integrated Care System, leading to loss of identity and brand, which could impact on the level of referrals, lowering of staff morale and loss of key skills (Risk closed as at the end of 2021/22)
- Innovation slows at the Trust as a result of reluctance to enter into commercial partnerships due to the uncertainty over the future influences of the Integrated Care System (Risk closed as at the end of 2021/22)

Process

- Theatres' engineering plant is beyond its normal life expectancy and has a high risk of failure, with significant impact on clinical services.
- There is a risk that the current IT capacity and functionality will not support the new ways of working developed during the COVID response, such as virtual clinics, remote operation and videoconferencing
- There is a risk of increased virus transmission and reproduction rates, leading to further waves of the pandemic creating operational pressures in the hospital
- There is a risk that there will be insufficient capacity to handle the activity from the new services being handled by the Trust as part of the restoration and recovery phase
- There is a large and increasing growth in the number and type of malicious attempts to disrupt IT systems and hold organisations to ransom.

Performance

- The Trust fails to meet the national target of treating 92% and patients waiting 52 weeks increases creating significant delays in patient treatment and as a result of cessation of elective activity mandated as part of the national response to the Covid-19 pandemic
- Current Financial Modelling suggests that the Trust (and ICS) has a significant run-rate pressure over the next four years.

Further information on the risk appetite of the Trust, key risks on the BAF linked to key performance Indicators of the Trust, their risk score, and mitigating actions can be found in the Annual Governance Statement (Section 8 of this report).

In terms of opportunities for the future, the Trust has the chance as part of the plans for restoration and recovery across the system, to lead a fundamental service reconfiguration for orthopaedic and MSK services and take responsibility for the entire pathway, making best use of current capacity and resources.

1.6 Performance Analysis

During 2021/22, the strategic and operational performance of the Trust was delivered through our divisional structure, comprising two clinical divisions (Patient Services and Patient Support Services) and two supporting divisions (Estates & Facilities and Corporate Services). These divisions were responsible for the delivery of safe and effective patient centred care, high quality outcomes and compliance with national and local finance and performance targets. Operational Performance metrics are presented and discussed at the Trust's Finance and Performance Committee on a monthly basis and within the Divisional structure operational performance metrics are monitored at the Operational Management Board, Divisional Management Board, PTL (Patient Tracking list) meetings, Theatre Planning and Theatre Lookback meetings.

In March 2021 the 'Refresh and Recover' programme was established in order to continue the safe recovery of elective services following wave one and two of the COVID-19 pandemic and to continue to build on the progress made in the Restoration and Recovery Programme from December 2020.

The aim of 'Refresh and Recover' was:

- To maintain a 'Covid Protected' hospital site that allowed elective work to recommence, while supporting the continued care of a specified urgent caseload, and maintaining protection of vulnerable patients and staff.
- To support a system wide approach to the treatment of the orthopaedic patient backlog, whilst building on the lessons learnt during wave one and two of the pandemic.

Rationale

Following the second wave of the COVID-19 pandemic, a large backlog in the treatment of elective orthopaedic patients has developed across Birmingham and Solihull (BSol). As a 'cold' elective site, the ROH is in an ideal position to restore elective surgery, managing a caseload of both ROH patients, and those from other hospital sites in the BSol area, in order to help address this backlog.

In order to achieve this safely and effectively, both patient and staff flow needed to be managed effectively to ensure the risks from COVID-19 were mitigated, whilst ensuring the service needs of the system were met.

Key Objectives

- Establish a capacity management model that supports BSol in the medium and long term.
- Deliver an increase in activity in 2021/2022 to support backlog reduction. Activity plans were agreed in two six-month periods (H1 & H2), with an overall Trust target of 13,571 for admitted activity. This was a challenging plan against a context of continued COVID-

19 challenges relating to Infection Prevention & Control (IPC) restrictions, isolation guidelines, the acuity and prioritisation of patients in line with Royal College of Surgeons clinical prioritisation and staff availability.

- Continuous updating of the preoperative testing protocol in light of new regional and national evidence.
- Quantify the scale of the caseload backlog for each elective specialty with a view to prioritising potential 52-week breaches, informed by the Harm Review framework. (An early initiative led by the Royal College of Surgeons introduced a prioritisation system to support Trusts in identifying patients to bring forward most urgently and those who could potentially wait longer for treatment.)The Trust further developed its established harm review framework to take account of the impact of the COVID-19 pandemic on capacity and the Integrated Care System requirements, expectations of mutual aid and the ROH's own internal waiting lists.
- Recommence elective surgery in all services, where cases are chosen using an agreed Trust prioritisation process.
- Continue to support system working and providing mutual aid to University Hospital Birmingham (UHB), Birmingham Women's & Children's Hospital (BWCH) and Robert Jones & Agnes Hunt (RJAH).
- Ensure workforce requirements were adequate to facilitate activity restoration, whilst ensuring the safety of patients and staff has been addressed, and ongoing review is in place.

The financial framework across the NHS also changed to facilitate this emergency response, with provider-based and then healthcare system-based block allocations replacing the normal activity-based tariff and contracting framework.

1.6.1 Operational Performance

In April 2021, the operational focus was on continuing the recovery of elective services with five project groups established to support the aims and objectives and also to build on the lessons learnt from phase one 'Restoration and Recovery'.

Following the completion of lessons learnt in phase one, the need for a greater emphasis on staff wellbeing and system wide support was highlighted. It was also decided that the groups would work more effectively if based across the patient journey, rather than individual services. Five project groups were therefore established to focus on:

- Preop, Testing and scheduling
- Inpatients
- Outpatients
- Workforce and wellbeing
- ROH/UHB system elective recovery

The ‘Refresh and Recover’ phase was closed in August 2021, once assurance was provided in relation to four of the projects and services being successfully restored. The preop, testing and scheduling group remained flexible due to the changing landscape with testing and infection control measures, and continues to meet as required.

Due to the COVID-19 pandemic, the relationship between The Royal Orthopaedic Hospital (ROH) and University Hospitals Birmingham (UHB) has developed rapidly, with working relations and services continually changing at pace.

A robust governance structure and processes to enable both ROH and UHB surgeons to operate on the ROH site were developed. A UHB elective service at ROH commenced in April 2021, utilising three elective lists at ROH per day to tackle the elective backlog, reduce long waits and working towards a system response to delivering elective care recovery plans ensuring the most urgent clinically prioritised patients including the longest waiters were prioritised and treated.

A project group was also created to establish an Amputee Osseointegration Service at ROH involving both ROH and UHB surgeons. This service was set up to provide treatment for a group of patients that may otherwise have not undergone surgery due to lack of capacity at UHB. The service launched successfully in March 2022.

During 2021/22, an external scoping exercise was undertaken across the Outpatients Department to identify any potential opportunities in processes and procedures and to support and inform the Outpatient Transformation Programme and work streams for 2022/23. NHSE/I also undertook a ‘critical friend’ review of Theatres and the Pre-Operative Assessment Centre (POAC) to support efficiency and productivity work streams in Quarter 2 of 2021.

In December 2021 UHB requested assistance from the system to meet the ongoing demands of COVID-19 in addition to winter pressures, assistance was required to increase bed capacity and resources. ROH offered to support UHB and the wider system with a medical rehabilitation ward accommodating 25 patients with the aim to reduce the pressures on bed capacity and staffing primarily on the QE site. The rehabilitation ward was mobilised just before Christmas 2021 and remained in place until the first week of February 2022.

With elective services reopening in February 22, unfortunately the elective activity that the Trust would normally undertake has been significantly impacted. This can be seen in the reduction in performance against the Referral to Treatment Standard and the increase in the numbers of patients waiting over 52 weeks (which had previously been zero).

Activity Undertaken 2019/20-2020/21-2021/22

	Actual Treated 2021/22	Actual Treated 2020/21	Actual Treated 2019/20
Inpatients	7,161	4,212	6,643
Day cases	6,250	3,152	7,317
Total Admitted Patient Care	**13,411**	**7,364**	**13,960**
First Appointment	19,219	7,701	21,195
Follow Up Appointment	40,309	14,115	41,924
Outpatient Procedures	2,317	1,345	5,758
Total Outpatients	**61,845**	**23,161**	**68,877**

Despite the significant challenges with IPC, isolation guidelines and the acuity of patients in line with Royal College of Surgeons clinical prioritisation, for 2021/22 the final position for elective activity was 13,411 actual v 13,571 plan (-1%).

The Trust has an ambitious plan to recover activity through 2022/23.

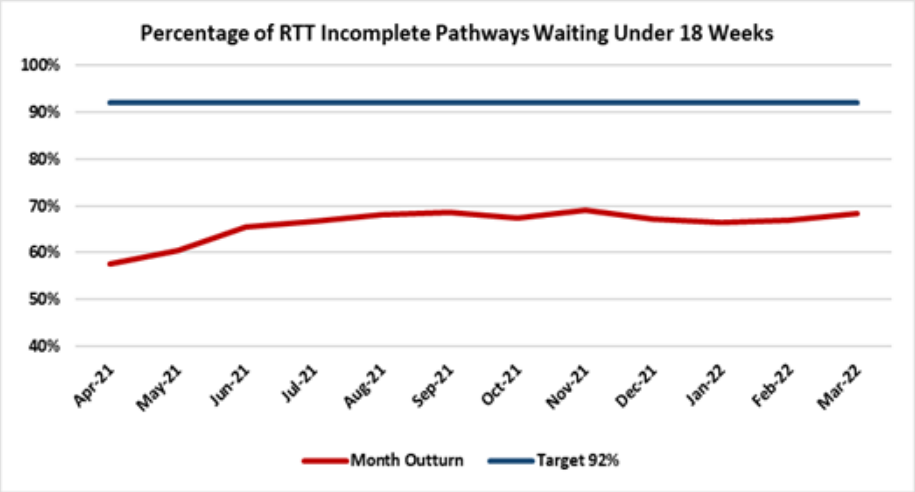
Key Performance Indicators at the end of Q4 (March)

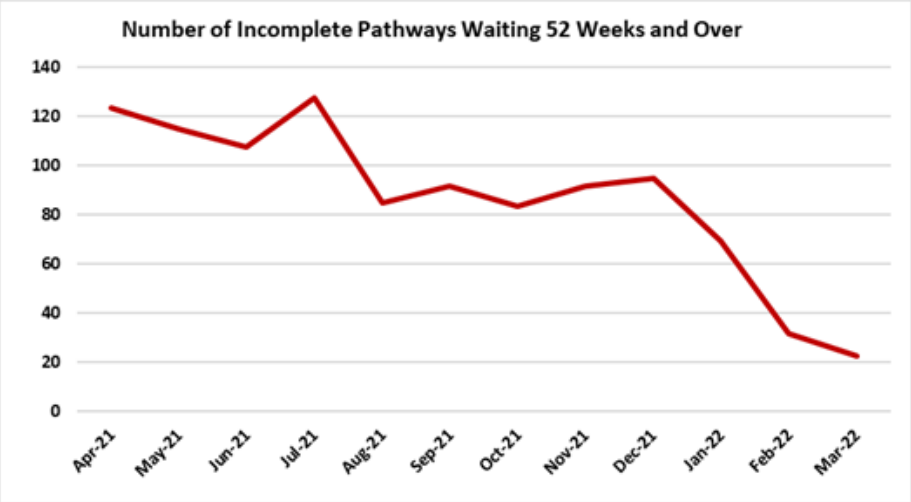
Key Performance Indicators	Target	Q4
% incomplete pathways less than 18 weeks	92%	68.34%
Number of patients waiting over 52 weeks	0	23
% urgent cancer referrals seen within 2 weeks wait	93%	96%
% patients treated within 31 days of decision to treat	96%	88%
% patients receiving subsequent treatment within 31 days (surgery)	94%	100%
% cancer patients treated within 62 days of urgent GP referral	85%	100%
% patients waiting less than 6 weeks for diagnostic test	99%	96%

Referral to Treatment

The Referral to Treatment (RTT) position for March 2022 is 68.34% against the National compliance target of 92%. This is reflective of the cessation of elective procedures during 2021/22 in order to undertake core critical services.

There are 23 patients over 52 weeks in March 2022, a steady decline since July 2021. All these patients have or will be reviewed through the harm review process. No harm has been concluded on all patients to date.





Cancer Standard

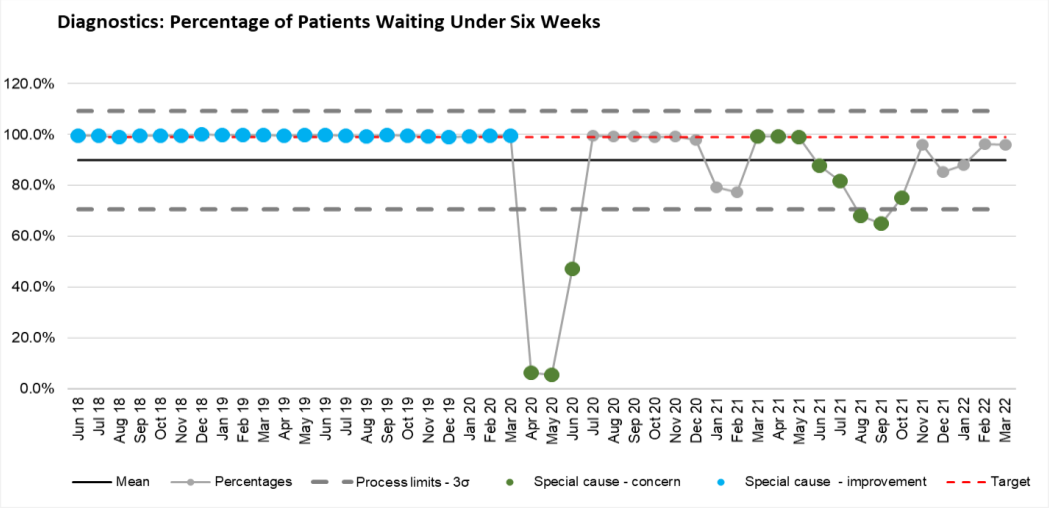
Key Performance Indicators: Cancer Services 2021/22	Target	Q1	Q2	Q3	Q4
% urgent cancer referrals seen within 2 weeks wait	93%	99.30%	96.30%	97.40%	97.40%
% patients treated within 31 days of decision to treat	96%	96.70%	96.60%	96.90%	86.80%
% patients receiving subsequent treatment within 31 days (surgery)	94%	100.00%	100%	94.70%	87.50%
% cancer patients treated within 62 days of urgent GP referral	85%	77.80%	44.44%	83.80%	85.70%
Faster Diagnostic standard	75%	80.40%	87.30%	80.20%	82.90%

Overall performance against the Cancer Standards has been maintained, however the 62 day (traditional target) was not continually met, which is consistent with previous year performance of this metric and remains challenging due to the small number of patients being treated each month (an average of four per month). The Trust is one of only five specialist bone sarcoma centres in the United Kingdom and receives referrals from a wide geographical spread. Some of the patients have been referred to the Trust after a prolonged pathway and are of high complexity which makes treatment within 62 days challenging to achieve. Individual Root Cause

Analysis with detailed timelines are completed for all patients who breach the 62 day standard and discussed at the Cancer Board and as part of the Trust's harm review process, to capture any lessons learned and changes in process adopted. Improvements are continually being made to optimise these patient pathways.

Diagnostic standards

The national six-week standard for diagnostics is 99%. This diagnostic target was not achieved at the end of Quarter 4 (achieved 96%) due to the increase in demand, specifically for MRI but also due to backlogs as a result of the pandemic. Additional capacity will be available in May 2022 to support the overall recovery of the diagnostic target. The graph below demonstrates the diagnostic performance over the last 12 months.



Reporting times remain some of the best when compared nationally.

Key to accurate reporting against these metrics and standards is the need for high quality data. Work has continued this year under the leadership of the Chief Operating Officer to improve the quality of the Trust's information. This work is explained more fully in Section 7.0 of the Annual Governance Statement and the outcome of the Internal Audit review into data quality is also reflected in Section 8.0 of the Annual Governance Statement.

2022/23 Developments

Following a successful 'Refresh and Recover' programme, service improvement remains a key focus for the Trust. A Service Improvement Board has therefore been established, to ensure clear governance and assurance is provided whilst driving service improvement. The Board will oversee the project work to maximise efficiencies in both Pre-operative Assessment Centre (POAC) and Theatres. An 'enhanced' JointCare pathway will also be developed to continue the

work around improved patient experience and reduced length of stay. This will include the roll out of day case knee replacement surgery, and an expansion into hip and shoulder replacement day case surgery. This will be supported by the business case to develop a 23-hour admissions and day care unit.

In November 2021, ROH was awarded 'Major Revision Centre' status. A patient pathway is being developed to enable hip and knee revision cases from across the region to be efficiently and effectively reviewed at the ROH. Assessment and treatment standards will be developed to ensure high quality of care is delivered regionally.

1.6.2 Quality Performance

The Trust worked to deliver a set of quality priorities during 2021/22, as described in last year's Quality Accounts. Four of these have being achieved during the year and one will continue to be delivered as part of the work next year:

- Patient wellbeing priority - Ensure that we care for the patient's spiritual and pastoral needs whilst at the Royal Orthopaedic Hospital (2020/21 rolled over priority).
- Children's and Young Person priority – supporting the child or young person as patient, visitor or member of local community.
- Volunteer priority – support volunteers and managers to create new volunteer roles.
- Data and Digital inclusion priority – ensuring that our data on ethnicity is collected in a timely fashion and that we do not leave any section of the community behind whilst moving to more digitally connected patient pathways.
- Surgical Site Infections priority – applying the 'onetogether' UK pathway tool to support reduced risk of surgical site infections for ROH patients.

Recognising the hard work already achieved and the need for the NHS to recover and move to a 'living with covid' model, the following are our 2022/23 quality priorities which have been set.

- Embedding the Patient Safety Strategy across the Trust with a focus on VTE, and the Safer Surgery Checklist.
- Bereavement Services and Multi-faith Provision.
- Equitable care review - complete a review of outpatient DNA rates and inpatient waits based around demographic characteristics.
- Learning Disability – implement the learning disability improvement standards for NHS Trusts.
- Timely assessment and management of pain.
- Implement shared decision making - achieve 65% in monitoring and publish 10 + Major pathways.

Allied to this work is that undertaken during the year to improve the quality governance framework. This is described in more detail within the Accountability element of this report (Section 1.16) and also in the Annual Governance Statement (Section 4.3).

1.6.3 Financial Performance

As has been discussed above, the 2021/22 financial year has been another extraordinary year. Once again NHS England and Improvement (NHSEI) split the year into two (H1 and H2) for financial management purposes, with funding allocations being managed at an Integrated Care System (ICS) level across Birmingham and Solihull, rather than being given to individual providers directly. For both H1 and H2 the Trust was in receipt of significant additional funding to support elective recovery, which has resulted in a small surplus for the year of £0.383m.

Narrative to the Accounts

This section sets out the key features of the trust's financial performance in 2021/22. A full set of accounts is attached including:

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

Statement of Comprehensive Income (SOCI)

The Trust's financial position is based on a consolidated financial position of the Trust and its Charity. This consolidated financial position is referred to as the Group within the annual accounts and this commentary. The Group delivered a £0.383m surplus for 2021/22 as per the Statement of Comprehensive Income (SOCI). In previous years, a Control Total has been set for the Trust which adjusts the retained deficit for the Group and removes the impact of impairments, donated assets and the Trust's Charity. Although a Control Total was not set for 2021/22, this remains the method that is used to assess the Trust's financial performance, giving the Trust a surplus of £0.421m.

Financial Performance 2019/20-2021/22

£000s	2021/22	2020/21	2019/20
Operating Income (including PSF*)	115,584	110,513	87,937
Operating Expenses	(113,783)	(110,911)	(97,768)
Operating Surplus / (Deficit)	**1,801**	**(398)**	**(9,831)**
Net Finance Costs / Other gains and losses	(1,418)	(774)	(1,022)
Retained deficit for the year (per SOCI)	**383**	**(1,172)**	**(10,853)**

Control Total Adjustments:			
Reversal of impairments	361	449	602
Consolidation of charities	(104)	(444)	128
Donated assets	(218)	65	(91)
'Control Total' Surplus / (Deficit)	**421**	**(1,102)**	**(10,214)**
Control Total	N/A	N/A	(5,312)

The table above reconciles the surplus position reported in the Group's SOCI to the performance against its Control Total, and shows the Trust delivered a £0.421m surplus in year. The following control total adjustments are made:

- Impairments and revaluation (£0.361m). The Group has been subject to a valuation of its land and buildings during the current financial year and has also made a reversal of a previous impairment as required by accounting policies. As a result, this generated a small net loss and is recognised in the accounts. This is detailed in Note 9.2 and shows a net loss of £0.361m being charged to the SOCI, whilst £1.417m is charged to the revaluation reserve;
- Consolidation of Charities (£0.104m). The accounts are provided in Group form. This adjusts to show Trust transactions only; and
- Donated assets income and depreciation (£0.218m)

The bottom of the SOCI also reflects other comprehensive income (and expenditure) that is not classified as Income and Expenditure.

Statement of Financial Position as at 31 March 2022 (SOFP)

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

- Current assets (£5.535m increase) – An expected reduction in the valuation of stock (inventories) held by the Trust is offset by an increase in prepayments (trade receivables) as part of the transition to a managed service provider for theatres. There has been an increase in cash due to the timing of a credit note being received from a supplier.
- Total Assets employed - The overall assets employed by the Group has remained remarkably consistent at £47.846m (£0.002m decrease from 2020/21)

Statement of Cash Flows for the year ended 31 March 2022

The Group ended 2021/22 with a cash balance of £11.891m, an increase of £4.929m on the previous year-end cash balance.

Analytical Review of 2021/22 Annual Accounts

Review of Operating Income

The Group earned income of £115.585m in 2021/22, a rise of £5.087m compared to the previous year (2020/21, £110.498m). This is inclusive of all non-recurrent COVID reimbursement and provider elective recovery funding received. Of this, £109.533m relates to patient care activities, with the remaining £6.052m generated from other operating income.

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

Review of Operating Expenses

The Group incurred operating expenses of £113.422m in 2021/22, a rise of £2.975m compared to the previous year (2020/21, £110.447m). Pay costs continue to account for most of the expenditure, with £65.364m or 58% (2020/21, £58.997m and 53%).

The increase in expenditure is attributable to the following factors:

- Pay costs increased by £6.367m;
- Purchase of Healthcare from non-NHS bodies reduced by £1.805m;
- Operating Leases increased by £0.485m; and
- Clinical Negligence costs reduced by £0.566m.

In addition to Operating Expenditure, there is a net impairment charge of £0.361m.

International Financial Reporting Standards (IFRS) 16 Disclosures

The accounts also give additional information about the estimated impact of accounting standards that have been issued, but not yet adopted.

The introduction of IFRS 16 (Leases) will result in many of the Trust's operating leases being reclassified as Right of Use Assets (similar to finance leases) from 1st April 2022. As this change is post year end, the impact on this year's financial statements is limited to the disclosure of potential impact shown (Paragraph 1.25 of the Accounts).

Existing operating leases will be brought on balance sheet as an asset and liability calculated as the present cost of minimum future lease payments. The net impact on the balance sheet will be immaterial.

There will be a cost pressure on the Statement of Comprehensive Income as a result of the introduction – operating lease payments are replaced by depreciation of the right of use asset and interest charges. The phasing of the costs is different, and as a result, whilst the net overall cost is same over the life of the lease, it brings some of the costs earlier.

Right of Use Assets signed up to post 1st April 2022 will be brought on balance sheet in a similar manner, and will impact on the Trust's Capital Departmental Expenditure Limit (CDEL) metrics.

Financial Accounts

The full set of Accounts is included within this report. The accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the Trust's accounting policies. Their preparation has been guided by the 2021/22 Department of Health and Social Care Group Accounting Manual (GAM) and the 2021/22 NHS Foundation Trust Annual Reporting Manual (FT ARM).

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

Post Year-End Events

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

Information on Environmental Matters

In 2021 the Trust Board approved its 'ROH Green Plan', which sets out the Trust's strategy for playing its part in working towards delivering our contribution to a 'Net Zero NHS'. In keeping with many other NHS Trusts, the ROH has already started to examine and question its approach to environmental factors, carbon reduction and achieving a more ecological sustainable future.

Investment has been made to ensure that any refurbishment to the hospital estate includes sustainable development, energy efficient devices and fittings. Energy efficient boilers continue to be installed in various locations which helps reduce our energy consumption. Alterations to our courtyard entrance has also improved our energy performance.

The Trust has invested in electric vehicles for the transportation of blood samples and medical notes between local healthcare providers. We continue to work with local transport providers to provide discounted travel.

The Trust recognises technological developments in 'alternative energy'; these will play a big part in adapting our environments to meet the future needs of the service and working towards our 'Net Zero' target. The future development of a 'Solar Farm' on our roofs will add to our solar capacity on site and enable us to move over to a more sustainable energy solution.

The Trust, in conjunction with its local transport partners continues to develop its 'Health Travel Strategy' with a focus on reducing single occupancy car journeys and the impact of transportation within our Supply Chain.

The Trust continues to make changes to its non-clinical waste streams and has seen a reduction in the amount of waste going to landfill. The appointment of a Waste Manager will enable a culture of change in the way we collect and manage waste to be embedded in the Trust.

The ROH Trust has a long 100-year history in providing well maintained grounds & gardens for its staff and service users. The 'Woodlands Site' has a varied collection of trees which support the control of greenhouse gases. The Trust continues to maintain its green canopies, invest in the planting of new trees and is proud of its 'Green Apple' award status.

The Trust has planted an additional 40 fruit trees as part of the Queen's Platinum Jubilee celebrations; these trees will help with carbon off-setting. The Trust continues to nurture and improve its 'Greenspace', which has benefits for people's Health & Wellbeing, and leads to improved air quality, noise reduction and supports Biodiversity.

Statement on the Modern Slavery Act 2015

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

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

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

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

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

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

Anti-bribery

The Trust has adopted the model policy around conflicts of interest, which includes references to the Bribery Act 2010. The policy remained live for the 2021/22 year. It provides clear guidance on the acceptability of accepting gifts, hospitality and sponsorship and the processes needing to be followed when offered. The Trust has the benefit of the services of a Local Counter Fraud Specialist, who working with the Chief Executive, has developed a public statement for the Trust on anti-fraud and bribery.

2.6 The Knowledge Hub

2.6.1 Education and Training Summary

When it comes to Education and Training, The Royal Orthopaedic Hospital NHS Foundation Trust, is a highly regarded teaching hospital. As a Local Education Provider (LEP) for Health Education England (HEE), the Trust provides specialist orthopaedic teaching and education for a number of local universities and Higher Education institutes. Through the annual Learning and Development Agreements (LDA) with HEE, the Trust's educational activity generates £2.33m in financial income. The income received from the LDA, supports the Trust in mitigating the impact student teaching may have on activity levels, whilst allowing the Trust to provide an exceptional education infrastructure to enable the provision and delivery of the training, education activities and resources.

During 2021/22 the Education and Training department navigated the impacts of COVID-19 seamlessly. Maintaining and exceeding standards and delivery requirements, whilst adapting and effectively implementing innovative approaches and solutions to enable all students and staff to receive the placements and training opportunities required to complete their studies and maintain performance levels.

2.6.2 Education and Training – Key Highlights 2021/22

<u>Medical Education</u>

Undergraduate Academy Medical Education

The Trust continues its partnership with the University of Birmingham (UoB), with 380 fourth year medical students completing a two-week musculoskeletal placement on site. Our Patient Simulated Teaching (SIMS) sessions continue to be very well received and are widely recognised as the leading simulated teaching experience in the West Midlands. During the pandemic the academy adapted its placement timetables to enable all students to receive an effective learning experience, whilst maintaining social distancing requirements. Zero COVID-19 outbreaks were recorded within the department.

Feedback gathered by UoB confirms their positive placement experience. Below are Medical Student Quotes from their feedback reports during 2021/22:

- *"Very friendly and welcoming, good teaching. My knowledge has greatly increased. Thank you."*
- *"Really great placement, quality of teaching has been really high, feel well prepared and more confident."*
- *"I really enjoyed and felt very welcome. Thank you so much for clearly all the hard work that has gone into organising it."*
- *"Thank you so much everyone, it's been a great placement. I've learned lots and it's been really enjoyable."*
- *"I never thought I would enjoy the orthopaedics week and I loved it."*
- *"An excellent example of how to teach a speciality, every bit of it was pretty exemplary!"*

Aston University Medical School:

The Trust continues to work in close partnership with the new Aston University Medical School whose first students commenced at Aston in September 2018. The Trust welcomed its first Aston Medical School students in September 2020, with sixty third Year medical students attending the Trust for their two-week orthopaedic placement. Their student numbers increased to 120 during the 2021/22 academic year. They follow the same placement programme as UoB students, and they gave positive feedback within their evaluations.

Aston orthopaedic placement student feedback:

- "*Very helpful - real practise an experienced patient was super useful."*
- *"Was very fun and useful."*
- *"Great place, great staff."*
- *"Really enjoyed all the lectures."*

In April 2021, the Trust provided its first Peri-operative medicine placement for the Aston Medical students. This is a new placement for the ROH and is led by the new Anaesthetics Senior Academy Tutor, Dr Simran Minhas, Consultant Anaesthetist. The programme is supported by a range of tutors from within the Anaesthetics department, including a specialist anaesthetics clinical teaching fellow.

Feedback for this new programme was positive, and fulfilled the curriculum:

- *"In theatre with anaesthetists was the best part, everyone was exceptionally welcoming, and the bedside teaching given was really good and I definitely learned the most from this department. Really appreciated the staff that took the time to go into detail with me and my peers."*
- *"Really appreciated when staff members took the time to explain things really helped with my learning."*
- *"Really enjoyed the whole week."*
- *"Very informative and we were involved in theatres."*
- *"I enjoyed the teaching a lot."*

Undergraduate Academy Service Evaluation:

In October 2021, a service evaluation entitled: "Medical students educational experience at ROH before COVID 19 and during COVID-19", prepared by Uzo Ehiogu Clinical Teaching Fellow within the Trust's Undergraduate Academy, was published. The outcomes of this are summarised below, and a copy of the full report is available on request.

Due to the risks to medical students and the potential of students transmitting COVID 19, all patient facing activities (clinics, ward work and theatre work) were stopped. To ensure safe systems of working the placements were re-structured to include clinical simulations using actors, project work and clinical workshops led by Teaching Fellows and online education.

- The standard of teaching before the onset of the pandemic did not change significantly. Students reported a marginal increase in their perception of the standard of teaching during the pandemic.

- The student's perceptions of the resources available during the pandemic saw a small upward increase in the very good category compared to pre-pandemic. However, there was a downward trend in students rating the resources as good during the pandemic.

- Secondary thematic analysis of the students' individual feedback found a trend of students expressing positive feedback regarding their interactions with ROH staff during the placement.

- A reduction in students requesting additional time in clinics and theatres during the pandemic was noted. Before the pandemic in 2019/2020 there was an unusual increase in students wanting to spend more time in clinics and theatres than during the pandemic period.

On balance, the students' perceptions of their experiences at ROH during the pandemic was no worse than before the pandemic when comparing different academic years. The Undergraduate Academy has been able to maintain the standards of teaching and resource allocation to a level commensurate with pre-pandemic levels of performance. Although, the hospital has been challenged during the pandemic the students' experience does not appear to have been negatively affected. However, the Academy has seen challenges regarding the organisation of placements which is evidenced by the students' feedback. The Academy administrative staff and clinical faculty with its customary student focus has worked extremely hard to mitigate the loss of clinical services to its portfolio of educational resources.

Post Graduate Doctors training:

Post Graduate GP trainee placements and teaching:

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

During 2021, following applications to Health Education England, and evidencing the positive placement experience, the Trust allocation was increased from five, and it now supports up to eleven GP trainees on placement, and will be welcoming an additional anaesthetics registrar from March 2023.

Birmingham Orthopaedic Teaching Programme (BOTP):

The Trust continues to host the BOTP. One of the largest and most successful orthopaedic training programmes in the UK, comprising 40 trainees rotating through twelve hospitals across the West Midlands, all of which are committed to training the orthopaedic consultants of the future; the ROH hosts the weekly teaching sessions. Twelve registrars work on rotation with the Trust developing their skills whilst delivering great patient experience and outcomes.

During COVID-19, the Medical Education team quickly and efficiently developed a Post Graduate Virtual Learning Environment to enable the delivery of the BOTP weekly teaching and regional events virtually rather than face to face. This was implemented in May 2020, just six weeks after the first lock down. This platform and medium were considered a success, meeting all the expectations and requirements of the trainees and the trainers. This platform continues to be used, and the learning from this has enabled a hybrid approach to teaching to create more efficiency and opening the scope of who can support training, regardless of their location.

Fellowship of the Royal Colleges of Surgeons Revision Course:

The Medical Education team have hosted three Fellowship of the Royal Colleges of Surgeons Trauma & Orthopaedic (FRCST&O) Revision courses, led by Mr Khalid Baloch, Training Programme Director and Consultant Orthopaedic Surgeon. These were held in October 2021, January 2022, and April 2022.

The course is designed to prepare senior registrars for their FRCS exams. The course faculty is made up of over 60 consultants from across the West Midlands. This year, the course was delivered to support registrars from across the three West Midlands orthopaedic programmes, including Oswestry Rotation, and the Coventry and Warwick Rotation. Due to the success of the programme, and feedback received, the format of the course is being replicated within other regions. The feedback was very positive, with delegates valuing the knowledge and experience of the faculty of examiners.

Birmingham Orthopaedic Network:

The Birmingham Orthopaedic Network (www.BON.ac.uk) continues to grow from strength to strength since its launch. The BON is active on social media (twitter @borthonet), and through connections with colleagues and regional and national level stakeholders, has been shared and presented widely. It has supported two specialties within the region to establish their own collaborative network. In addition, out of region doctors are asking about opportunities within the BON. BON is not restricted to just medical staff, and we continue to engage and develop the platform to include colleagues in other specialties, including nursing and therapy services.

The BON website was used to promote, advertise, and receive abstract submissions for the bi-annual Naughton Dunn Club (NDC) at which Trainees showcase research work, an NDC Best Paper prize is awarded, and feedback and advice provided for development and learning.

The overall benefit has been in two main areas. Larger stakeholders are affiliated with a project that helps them meet their strategic aims. Smaller stakeholder groups have seen an improvement in their career development, particularly as collaborative work is now becoming increasingly recognised.

The BON maintains a public and visible website which will continue to expand. In time we hope to engage more with the public and patient groups to ensure that the collaboration never loses sight of our aim of providing the best care to our communities.

Non-medical Education and Training

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

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

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

In addition, the Trust supports elective student placements from other universities, where the student specifically requests to attend the ROH to gain experience from our organisation. These students are supported by a network of trained professional mentors and this area is overseen by the Trust's Practice Placement Manager.

The Trust is actively engaged with supporting the implementation of the education reforms across the Solihull and Birmingham Integrated Care System. The Trust works closely with other local trusts, universities and Higher Education Institutions as part of the regions Education Partnership Group (EPG), to ensure university places are fully utilised, the regional capacity for providing placements is enhanced, and that a future workforce supply of registered professionals is continually produced.

During the pandemic, the Trust was highly engaged supporting the systems via the EPG to enable all students to access placements within Trusts. Since April 2021, the ROH has been able to increase its nursing student capacity by 28% which is the highest in the Birmingham and Solihull region.

Library Services

As part of the standards within the Learning and Development Agreement, the Trust is required to provide multi-professional library services and resources. The ROH library holds an extensive specialist orthopaedic journal collection, spanning more than 30 years, with more recent content being available to access online. Training and support are available to all staff and students with literature searching and finding evidence and information to enhance innovation in research and patient care. The library also offers access to an informal study space with computers, printing, scanning, and photocopying freely available.

During the pandemic, the library continued to provide its full range of services and provided continuing access to all resources within the library. It continues to have a strong presence on social media; Facebook and twitter via @ROHKnowledgehub

The Trust is currently developing its new Library and Knowledge Services Strategy, to be a leader for MSK and Orthopaedic knowledge, of which our library will be at the heart of that ambition. We are aiming to redevelop our facilities to create a modern space for study, research, and networking. The Trust has invested in new computer hardware to support staff and students, which will be installed during 2022.

Personal and Professional Development of our workforce

Apprenticeships:

It has been 5 years since the new Apprenticeship Levy came into force in April 2017. This levy amounts to 0.5% of the Trust pay bill, at £230,000.00 annually, which the Trust can invest in the delivery of apprenticeship standards and career frameworks within the organisation.

The Trust developed a robust Apprenticeship strategy (2018-2022) which it has performed well against despite the challenges of the pandemic during the last two years. A summary of our Apprenticeship targets and achievements are detailed below:

YEAR	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
Number new apprenticeship qualifications commencing during the year	7	25	28	17	24	0	101
Annual Target: 2.3% of workforce	24	23	25	26	28	28	126
Percentage of qualifications to national annual target	29.66%	107.51%	113.77%	64.27%	86.52%	0.00%	80.38%
Trust headcount	1026	1011	1070	1150	1260	1239	-----
Apprenticeships as a percentage of workforce headcount (2.3% target)	0.68%	2.47%	2.62%	1.48%	1.99%	0.00%	1.85%

In total, 24 new apprenticeship qualifications commenced during the financial year April 2021 to March 2022, achieving 86.52% of Trust's annual target to date. This included a new cohort of the Management Skills Programme (MSP) of 14 delegates who commenced in February 2022.

For 2022/23, there are already plans and agreements in place for an additional Trainee Nursing Associate, four ODP Degree Apprenticeships, and two L6 Chartered Manager Programme. One additional Pharmacy Technician Apprentice commenced in April 2022, and two existing staff

are signing up to higher level qualifications and will commence during 2022. We are also planning the next MSP Cohort of 12 for February 2023. This already totals 21 potential new apprenticeship starts during our next financial year, against our target of 28.

There are also several additional opportunities in discussion in the following areas: Health and Social Care L3 / L4, Radiography Apprenticeships, Physiotherapy Degree Apprenticeship, Clinical Coder / Informatics, Education and Training Apprentice and a Senior Leaders MBA apprenticeship.

We are now at the point of developing our next 5-year Apprenticeship strategy, the key aims of which will be to:

- Develop our talent and support internal career progression and personal development
- Embrace new NHS workforce models
- Exceed our 2.3% of annual headcount targets for new apprenticeship starts, and effectively utilise the apprenticeship levy.
- Deliver against the Trust's Vision to be "First Choice for Orthopaedic Care"

The Trust will continue its work with the BSol Apprenticeship Federation, and during 2020/21 the ROH lead on the 'career development on a page' frameworks, developing a web platform that enables individuals to review the career web of career development stages, and the opportunities and requirements to move between each. This was launched in September 2021 and is available from the following link:

Index - Career PathFinder (rohcareerpathfinder.com)

Functional Skills:

Staff wishing to progress with Apprenticeship Qualifications need to complete their functional skills in Maths & English, either in advance of or during their apprenticeship programme. The Department for Education is keen to level up these key skills which are often not attained in school. Apprenticeships such as Trainee Nursing Associate and Trainee Operating Department Practitioners require functional skills in Maths and English to be evidenced as part of the qualifications criteria.

Upon enrolling for functional skills individuals are assessed to see their initial skill level. Individuals work through activities and assessments, including mock examinations. When ready, individuals will sit the final examination, and upon satisfactory completion they will receive a Functional Skills Level 2 Certificate which is equivalent to a GCSE pass Grade 4 or C.

The Trust works with SkillsTrainingUK on several Apprenticeships, and they have identified with the West Midlands Combined Authority that there is a skills gap. The programme is currently funded by The West Midlands Combined Authority in conjunction with SkillsTrainingUK.

Completion time depends on the learner and their initial assessment. Some learners may have the fundamentals and may just need to complete a few practice papers, whereas other learners may not have studied for quite some time and may need to go right back to basics to build up their skills and confidence. Either way SkillsTrainingUK guide students through and provide regular feedback to ensure progress is being made.

Since August 2020, the Trust has supported the following numbers of staff in completing their functional skills.

	Royal Orthopaedic Hospital - January 2022					
No of learners	Number of qualifications	Achieved	Withdrawn	Ongoing	Partial	Completed but no achievement
47	152	113	13	13	2	11

Average of qualifications per learner:	3.23
Average of qualifications achieved p/learner:	2.4
Success rate:	91.10%

Example Departments
Theatre
Ward 3 - Oncology
ADCU Nursing
Outpatients
Ward 10
Ward 12
Radiology Department
Pre Admission Screening
HDU
Portering General
Pharmacy
Ward 2

Investment in Learning:

The Investment in Learning charitable fund was set up in December 2013, with the key aim to support the personal and professional development of staff in Band 1-4 roles and higher banded non-clinical staff. Charitable funding was initially allocated to support apprenticeship qualifications, Customer care training, developing technical skills and professional qualifications for career progression.

The Investment in Learning charitable fund allocation continues to support the professional and personal development of staff, who continue to be extremely grateful for the support, which has enabled them to progress in their careers and achieve further development opportunities.

Investment in Learning – Course summary	Numbers
Access to HE Diploma - HCA	4
OSCE and Clinical Exam - HCA	1
CBT Test - HCA	1
AMSPAR Level 2 - Admin staff	3
AMSPAR Level 3 - Admin staff	1
Auditing in Healthcare Environment - Housekeeping	1
Level 3 Award in Delivering Training / Housekeeping	1

ROSPA Level 2 Award in Defensive Driver Development - Drivers	1
L4 & L5 Health & Social Care, HCA OPD	1
Touch Typing - Medical Records Admin	1
Total Numbers:	**15**

Access to Health care qualifications:

Over the last 18 months, four Health Care Assistants and Theatre Assistants have been supported to undertake an "Access to Health Care" qualification enabling them to apply for higher apprenticeship qualification.

One International Qualified HCA was supported through the NMC OSCE and CBT courses to enable them to practice as qualified Nurses and apply for Nursing positions within the UK.

Environmental Excellence training for Housekeeping and facilities staff:

Continuing the ongoing working relationship with Environmental Excellence, the Head of Facilities and Housekeeping Managers have been able to provide additional professional development workshops for housekeeping and facilities staff.

AMSPAR medical terminology training:

Four staff have been supported with funding to complete the AMSPAR medical terminology programme with the "Activity Group".

Activity group Personal development courses:

The Trust has also commissioned the Activity Group to deliver a series of personal and professional development workshops that support the achievement of the Trust's Objectives and support staff in their personal development. These programmes have generated great interest and we have experienced high attendance rates. The courses have also evaluated very positively.

Over the eight years since the introduction of the Investment in Learning funding, the Trust has been able to support the personal and professional development of over 100 staff within Band 2 to 4, from a range of specialities and backgrounds. Funding is still available for staff to apply for support, and the charitable fund continues to be committed to support this investment.

Personal and Professional Development

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

- Management Skills Programme – A 12-month programme, linked to a Level 3 Team Leader / Supervisor Qualification.
- Senior Nursing and AHP Development Programmes – A 12-month programme supporting the progression of Band 6 Nursing and AHP staff.
- Preceptorship Programme – A 12-month programme supporting newly qualified nurses joining the organisation
- Personal Development Courses – a range of half a day, and full day courses to support your personal and professional development.
- Access to the NHS Leadership Academy resources. https://www.leadershipacademy.nhs.uk/ - access to the full range of leadership development programmes.

Clinical Training

The Clinical Training Team offer a range of learning opportunities to ensure our colleagues have access to the skills that are required to provide essential safe care. Whether they are newly qualified, new to the Trust, an experienced practitioner, or a health care support worker there is a training programme available to meet their needs.

The clinical training team offer the following courses and updates which are advertised on the Trust training calendar.

- ✓ Intravenous Therapy
- ✓ Cannulation
- ✓ Phlebotomy
- ✓ ECG recording
- ✓ Male/female catheterisation
- ✓ Care Certificate
- ✓ NSPSA
- ✓ Clinical Update Days
- ✓ Student skills and teaching sessions (various subjects)

The Clinical Training Team also specialise in supporting staff on training programmes and in their practice, including:

- ✓ Post registration courses
- ✓ Trainee Nursing Associates
- ✓ Health Care Assistants and Support workers
- ✓ Theatre staff
- ✓ HDU Staff

- ✓ Pre-registration non-medical students
- ✓ Preceptorship
- ✓ Performance development
- ✓ NMC Revalidation
- ✓ Interview preparation

Core and Role Specific Mandatory training activity

The COVID-19 pandemic created an immediate challenge for the Training and Development team to find solutions to continue to deliver the Trust's mandatory training requirements, whilst navigating the daily changes around social distancing measures.

Immediately the Trust encouraged all staff to access their core mandatory training requirements to online e-learning modules only. These were all aligned to the National Core Skills Training Framework. From a compliance figure of 92.45% in March 2020, the Trust recorded its lowest figure of 74.59% in December 2020, and with focus, built its compliance back up to 90.49% in September 2021. It ended the year, at 85.30%.

The Trust has now reintroduced face to face mandatory training sessions and has a plan in place to improve its compliance figures during 2022/23.

During 2022/23, we will continue to review and refine training processes to reduce costs and enhance delivery of training materials.

Knowledge hub developments

The Knowledge Hub is the Trust's home for education, training, research, and outcomes Between December 2019 and August 2020, the Knowledge Hub and Lecture Theatre went through a dramatic refurbishment programme. Building works had to cease in March 2020, but recommenced in June 2020, with the refurbishment being completed for its official launch on Wednesday 26th August 2020. Aligning perfectly with the new medical student academic year and welcoming the new cohort of Aston Medical Students from September 2020.

The refurbishment focused on 4 main areas:

An enhanced Welcome Lobby:

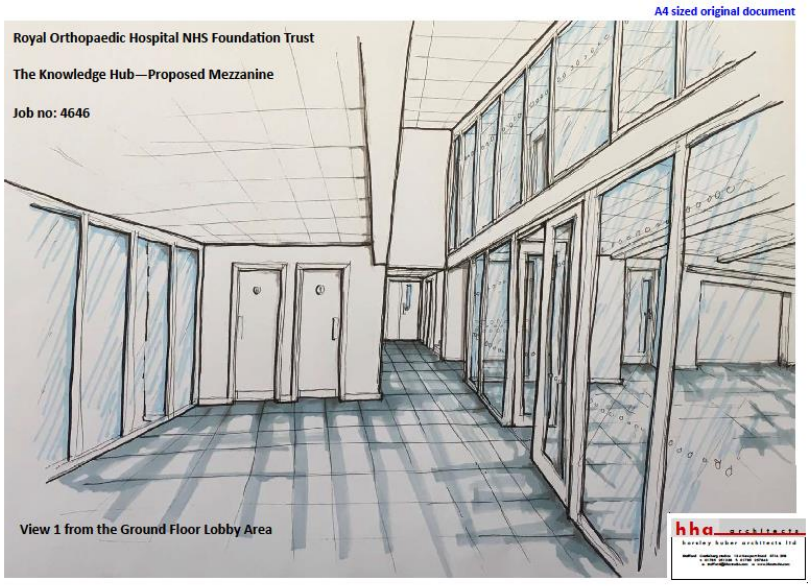
A larger, open reception area, the main access to all the venues in the Hub, to meet and greet visitors with available refreshments.

A re-purposed Hub Foyer:

A refurbished open plan multi-use area, for 1:1 and small group meetings, to work on your own personal devices, relax and lunch, read, and undertake wellbeing activities.

A new Medical Student Mezzanine:

A teaching and common room area dedicated for the Medical Students from the University of Birmingham and Aston University. A new floor, utilising the air space above the existing foyer area.



And a fully refurbished Lecture Theatre:

Following the Charitable Fund appeal "When is a chair more than a chair", the Trust raised sufficient funds to commence the refurbishment of the Lecture Theatre. Installing new seating, carpets, lighting, and audio-visual system to create an enhanced learning environment.

Each sponsored chair can be inscribed with up to ten words and sponsors receive a special certificate and note of thanks from the Royal Orthopaedic Hospital. Each chair costs £220 which can be paid in a lump sum or monthly over a year.

For full details on payment and the appeal, please visit www.rohcharity.org or call 0121 685 4379.

To know more about the day-to-day events and activities within the Knowledge Hub follow us on Twitter, Facebook, and Instagram:

@ROHKnowledgeHub

ROH Knowledge Hub

@rohknowledgehub

Summary of Achievements:

When asking the Education and Training team what they are most proud of, and what they believe are our key achievements, there were five strong themes:

1. We take pride in supporting the development of the NHS workforce of the future, with a culture which enables individuals to develop and progress
2. Delivering an excellent, high performing service, dealing with queries and complaints professionally, quickly, and efficiently.
3. The team work well together. We all help one another to manage our workload / stress, manage deadlines and deliver an exceptional service. Helping compliance stay up even with the challenges due to COVID. And the teams focus has been on everyone's wellbeing and looking after each other.
4. Comments from staff visiting our department: *"I enjoy visiting up here as everyone is so nice, helpful and friendly."*
5. The teams continue to receive wonderful feedback from students – both verbally and on their evaluations at the end of placement. Often saying it is the '*best organised placement they have been to'.*

During the pandemic, the team provided a safe environment for staff and students, with zero COVID-19 outbreaks during the last 24 months. The team implemented new and innovative approaches in all elements of education and training and maintained and exceeded standards and continued to build on our high and positive reputation.

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

Auditor's Opinion

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

2.7 Going Concern Statement

International Accounting Standards (IAS 1) requires the Directors to assess, as part of the accounts' preparation process, the Foundation Trust's ability to continue as a Going Concern. The formal review period to be assessed is at least 12 months from the date of approving the financial statements, i.e. up to June 2023, although the wording of the standard is the foreseeable future and is often assessed as 18 months after the year end i.e. September 2023.

In the current year, NHSE/I have confirmed that management's going concern assessment within the NHS can be based on an assessment of whether the services are anticipated to continue. The Trust is a specialist provider of orthopaedic services, treating patients not only from the local area for common procedures such as primary hip and knee surgery, but also from across the UK for some of its specialist services, such as complex spinal deformity (e.g. spinal scoliosis), orthopaedic oncology, bone infection procedures and complex revision

surgery. Increases in referrals in many of these areas suggest a continuing need in the UK population that is required to be met, in addition to the huge growth in orthopaedic waiting lists across the UK as a result of the COVID pandemic.

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

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

Approved by the Board of Directors on 14 June 2022

Jo Williams
Chief Executive
14 June 2022

ACCOUNTABILITY REPORT

Section 1:

Directors' Report

1.0 Directors holding office during 2021/22

Timothy Pile – Chair (January 2021 – Present). Appointed in January 2021, with the first term of office in this role concluding in January 2024.

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

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

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

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

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

Following Yve Buckland's resignation in January 2021, Tim, on approval by the Council of Governors, took up post as Chair, with an initial term of office concluding on 1 January 2024. Prior to this, he was the Trust's Vice Chair and Chair of the Finance & Performance Committee.

Joanne Williams, Chief Executive (from 6 May 2019)

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

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

After an external selection and recruitment process in April 2019, Jo was appointed as substantive Chief Executive of the ROH, a post she assumed from 6 May 2019. Jo is the lead Chief Executive for the National Orthopaedic Alliance.

Simone Jordan – Non-Executive Director & Vice Chair. (Term of Appointment as an Associate Non-Executive: 1 July 2017 – 30 June 2019 which was further extended for a further fixed term to 30 June 2020 and then to June 2021). Appointed as a substantive Non-Executive Director from October 2020 and Vice Chair from April 2021.

Simone is an experienced Executive, working at Board level for 20 years, as a Chief Executive, Executive and Non-Executive Director. Her professional background is in Workforce, Human Resources and Organisational Development. She also has significant leadership and personal development expertise. Her UK experience includes service and hospitality sectors,

manufacturing, health, higher education and other public sector organisations. Simone's roles have included Managing Director of Health Education East Midlands, Director of Workforce for East Midlands Strategic Health Authority and Deputy Chief Executive and Chief Operating Officer for the NHS Institute for Innovation & Improvement.

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

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

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

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

Kathryn Sallah – Non-Executive Director & Senior Independent Director (Term of Appointment: First term of Appointment until 31 March 2018, extended until 31 March 2023)

Kathryn Sallah worked as an independent management consultant from January 2007 following her retirement from the NHS. Her portfolio consisted of health service reviews and redesign, advice to and development of NHS Boards, policy development and providing professional coaching. Kathryn, a qualified nurse and midwife, has over 40 years' experience in healthcare in the UK and abroad. Kathryn's main focus has been on women's health issues and improvement in maternity services and consequently has also been the Midwifery Advisor to the Department of Health over several years. Kathryn has developed a keen interest in public health issues, which resulted in her successfully completing a Masters in Public Health at Birmingham University. She has held three Director of Nursing posts: Walsall Manor Hospital, Birmingham Women's Hospital and Birmingham Strategic Health Authority.

This considerable experience at Board level has given Kathryn great understanding of corporate governance and accountability from both an Executive and Non-Executive Director perspective. Kathryn was the Project Director for the Mid Staffordshire independent case note review. In 2007 Kathryn was awarded a MBE for services to Health Care in the Queen's Birthday Honours list.

Kathryn took up the role of Senior Independent Director from April 2021 and is also Chair of the Quality & Safety Committee.

Prof David Gourevitch – Non-Executive Director (Term of appointment: 1 February 2017 until 31 January 2020, which was further extended for a second term to 31 January 2023)

Professor David Gourevitch was appointed as a consultant surgeon in 1992 after completing his surgical training with dual accreditation in thoracic and upper GI/general surgery. Previously, he had worked in Africa (Mzuzu, Malawi, Durban, South Africa and Nqutu, Kwazulu) and written his MD thesis in vascular surgery.

Originally appointed with a particular interest in upper GI re-sectional surgery to Sandwell Hospital, his clinical practice was large and encompassed those of the neighbouring hospitals. In addition, he ran a large paediatric surgical service.

His practice was transferred to University Hospitals Birmingham NHS Foundation Trust (UHB) in 2003 when he was asked to lead the upper GI service at the teaching hospital.

David has held administrative appointments at UHB and national surgical societies, national committees and the Royal College of Surgeons.

David retired from regular clinical practice in March 2019, however he continues in a consulting capacity to QEHB and as a magistrate in the Birmingham Division.

David is Chair of the Charitable Funds Committee.

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

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

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

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

Richard is Chair of the Finance & Performance Committee.

Ayodele Ajose – Non-Executive Director (Term of Appointment as an Associate Non-Executive Director: 1 November 2019 – 31 October 2020) Appointed as a substantive Non-Executive Director from 1 October 2020 until 30 September 2023.

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

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

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

Ayodele is the Trust's wellbeing guardian.

Gianjeet Hunjan - Non-Executive Director (Term of Appointment: First term of Appointment until 30 September 2023)

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

Gianjeet is a qualified accountant with extensive experience in the NHS and Education sector. She started her career as a Regional Finance Trainee in the West Midlands and has worked at director level in a variety of health care finance roles within acute services, mental health, forensic sciences and primary care, principally in the West Midlands and North West regions. She has worked at Board level in both Executive and Non-Executive roles. Her interest in education, learning and training extended into Education and supporting businesses through her work with Business Links and the West Midlands Manufacturing Advisory Service.

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

Gianjeet is Chair of ACCEA West Midlands and a Governor for Oldbury Academy and Ferndale Primary School. She also serves as a Non-Executive Director for Birmingham and Solihull Mental Health NHS Foundation Trust.

Les Williams - Non-Executive Director (Term of Appointment: First term of Appointment until 31 March 2024)

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

Les's career included working in operational management and then as an Executive Director in contracting, information, planning, delivery and strategy at several of the major hospitals in Birmingham. After several years on the Board at Dudley Group of Hospitals, Les became

Programme Director for Right Care Right Here, a service transformation programme in Sandwell and West Birmingham, which developed a range of community-based services and facilities as an alternative to hospital-based care. After working at the Black Country PCT Cluster during the 2012 re-organisation, Les became Director of Operations and Delivery for the NHS England Area Team for Birmingham, Solihull and the Black Country. His final role in the NHS was as Director of Performance and Delivery for Birmingham Cross City CCG, commissioning services for three quarters of the population of Birmingham.

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

Les is delighted to have joined the Board of Directors at the Royal Orthopaedic Hospital, and hopes to use his experience of strategy, performance, service re-design and public engagement to help the Trust meet the challenges of continuing to deliver exceptional quality of care in innovative ways. He is passionate about ensuring performance is used to create better outcomes for patients in a supportive environment for staff, governors and volunteers.

Mr Matthew Revell – Executive Medical Director

Matthew Revell is a Consultant Orthopaedic Surgeon with an interest in hip replacements and revisions. Matthew was appointed as Medical Director for the Royal Orthopaedic Hospital in February 2019.

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

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

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

Garry Marsh – Executive Director of Nursing & Clinical Governance and Director of Infection Prevention & Control

Garry joined the Trust in February 2015 from United Lincolnshire NHS Trust, where he had been Deputy Chief Nurse for four years.

Beginning his nursing career as a healthcare assistant in an orthopaedic hospital, Garry continued to undertake his nurse training, qualifying in 1997.

Since qualifying he has gained a wide range of experience in a variety of both clinical and operational roles. Garry holds an MSc in Healthcare Management & Policy.

His portfolio responsibilities include Nursing, Clinical Governance, Controlled Drug Accountable Officer, Safeguarding & Director of Infection Prevention & Control.

Marie Peplow – Executive Chief Operating Officer

Marie Peplow was appointed as Chief Operating Officer in September 2019. She is keen to continue to transform services whilst keeping the highest quality patient care at the heart of everything she does. Marie started her NHS career over 25 years ago as a Radiographer in Birmingham. Having developed her clinical and academic career in a range of acute Hospital settings in Leicestershire, she then moved into various leadership roles managing Radiology

services across Birmingham and Solihull and gained a Masters in Organisational Development. Marie has an impressive track record for achieving national performance targets and driving excellence. Marie started working at ROH in April 2018 as the Deputy Chief Operating Officer (COO), and quickly 'fell in the love with the place.' In her role as Deputy COO Marie drove forward improvement projects such as redeveloping the Pre-operative assessment Centre (POAC) pathway, Theatre expansion, & Improving referral to treatment times (RTT). Now as the Executive Chief Operating Officer, Marie has pledged to deliver a number of key objectives in her role, as well as maintaining her passion for keeping patients & staff at the heart of everything she does is the most prominent. Marie will be working with our partners to listen to patients and staff to build on the relationships she has fostered over the last 18 months to improve the services we offer further and to continue working with the ROH family to do great things together.

Prof Phil Begg – Executive Director of Strategy & Delivery

Phil has been in the Trust since 2014 he provides executive leadership at Board level on strategy, estates, communications, research, education, innovation and development. His role is to lead on the implementation of the five-year strategy and all strategic developments. Phil is also the Trust's Accountable Emergency Officer (AEO), where he is accountable for leading on major emergency incidents and the implementation of the Trust's Major Incident response. Phil is also the Trust Designated Individual (DI) for Human Tissue and works closely with the Human Tissue Authority to ensure the Trust's compliance with the Human Tissue Act. Phil has led the recent redevelopment of the ROH estate including the new ward and theatres, new pharmacy, the Pre-Operative Assessment Centre (POAC), The Knowledge Hub and the Second MRI Scanner. He also holds academic and research Chairs at the Universities of Kentucky and Farleigh Dickinson University (USA) and Brunel (UK). He has recently been awarded an Honorary Chair in Health and Life Sciences at Aston University. He has a significant history of senior management positions, which sit alongside a successful research and clinical career.

Steve Washbourne – Executive Director of Finance and Performance

Steve joined the Trust on secondment from University Hospitals Birmingham NHSFT (UHB) in October 2017, where he was the trust lead for strategy and planning.

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

Steve also leads on Procurement and Digital, Data and Technology, and is the Trust's Senior Information Risk Officer (SIRO). He was also the Senior Responsible Officer for Staff Vaccinations and Testing.

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

Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary (Non-Voting)

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

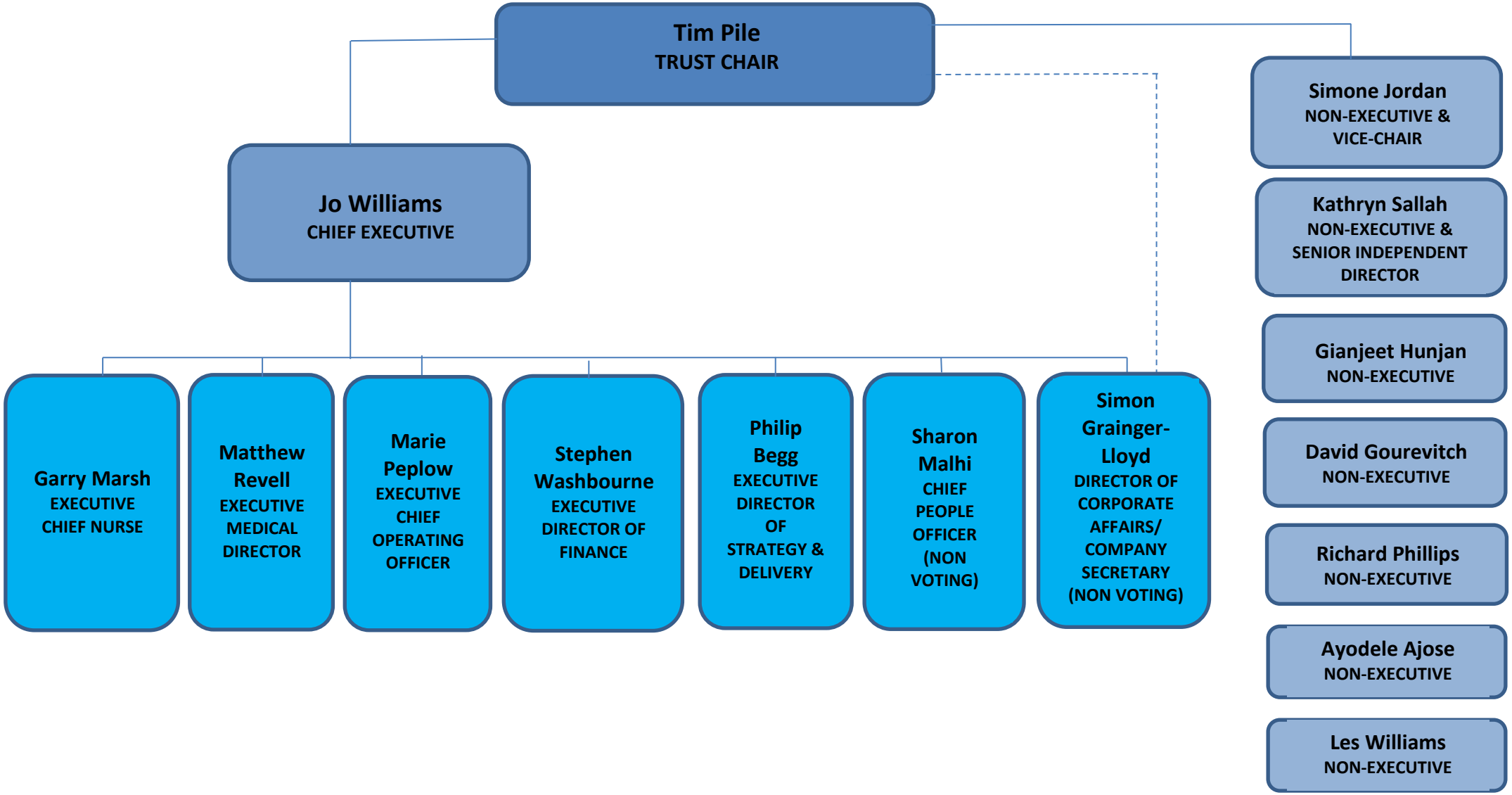
Simon is the ROH's Data Protection Officer. His other portfolio responsibilities include risk management, claims & litigation, Freedom to Speak Up, Freedom of Information and governor & membership engagement and development.

Sharon Malhi – Chief People Officer (Non-Voting)

Sharon Malhi joined the Trust in April 2019 and has worked as a Senior HR Professional for over 15 years. Sharon is an Alumni of the NHS HR Graduate Management Training Scheme and gained her membership of the CIPD in 2008 following successful completion of her Post Graduate Diploma and went on to complete her MA in Human Resources in 2015. Her experience includes service within the public, private and voluntary sectors where she has led on Organisational Development, Learning and Development, Human Resources and Business Development initiatives and she is also a qualified coach, mentor and incident debriefer. She is a Trustee for Victoria Academies Trust and is Joint Senior Responsible Officer for the Leadership and Inclusion workstream across the Birmingham and Solihull Integrated Care System. Sharon was born in Bradford, grew up in Leeds and moved to the West Midlands in 2006.

Following a period as the Acting Associate Director of Workforce & OD, Sharon was successful in being appointed to the role of Chief People Officer, a process started in 2021/22.

Trust Board structure as at 31 March 2022



1.1 Directors' interests and independence

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

Director of Corporate Affairs & Company Secretary
The Royal Orthopaedic Hospital NHS Foundation Trust
Bristol Road South
Northfield
Birmingham, B31 2AP

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

1.2 Balance, completeness and appropriateness of the Board of Directors

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

As at 31 March 2022, the Trust has two Non-Executives on its Board with a clinical background; two Non-Executives with financial expertise: one of whom is a qualified Accountant, a Non-Executive with a clear commercial focus, a Non-Executive with skills and experience in workforce and innovation & improvement, a Non-Executive with operational, NHS commissioning and strategy experience and a Non-Executive with a legal background. The Chair has a wide range of experience in the private sector.

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

1.3 Board of Directors' discharge of obligations

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

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

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

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

1.4 Meetings of the Non-Executive Directors

In accordance with the Foundation Trust Code of Governance during the year, as and when required, the Chair held meetings with the Non-Executive Directors without the Executives Directors being present. In addition, the Chair systematically held regular meetings prior to formal Board meetings with Non-Executive Directors without Executive Directors being present. On some occasions, the Chief Executive attended these meetings by invitation to discuss a particular item of interest, particularly at the monthly Non-Executive briefing sessions which were added into the Trust's corporate calendar at the start of the COVID-19 pandemic.

1.5 Significant Commitments of the Trust Chair

Tim Pile is a Non-Executive Director at Marshalls PLC.

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

During 2021/22 the Non-Executive cadre of the Board comprised seven Non-Executive Directors plus the Chair.

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

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

There was one new Non-Executive appointment during the year, with Les Williams joining the Trust Board. The appointment process included informal meetings with key members of the Board, prior to formal interview with the Council of Governors. This process was endorsed by NHS Improvement. Preparations for the recruitment of two new clinical Non-Executives commenced during the year in preparation for the departure of Kathryn Sallah and David Gourevitch.

1.7 Removal of the Chair or Non-Executive Director

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

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

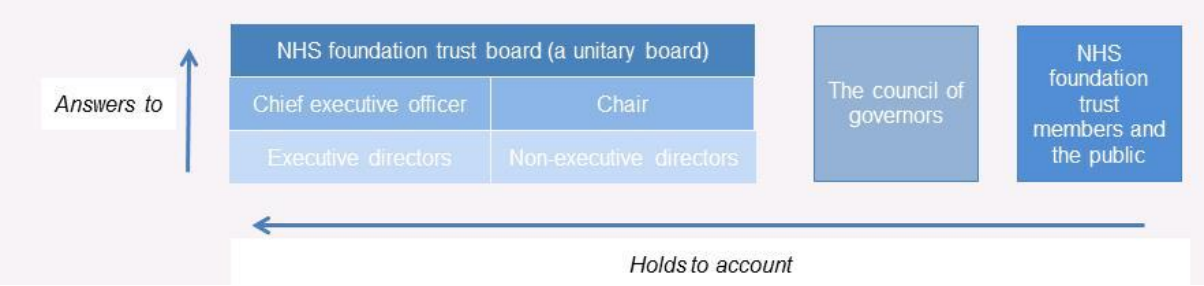
The Board of Directors comprises Executive Directors and Non-Executive Directors. The Executive Directors are employees, led by the Chief Executive Officer and they are responsible for the day-to-day management of the Trust.

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

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

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

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



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

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

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

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

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

The Board of Directors:

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

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

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

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

1.9 Working with Governors and Members

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

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

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

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

1.10 Evaluation of the Trust Board

Each Board Committee has in place an annual work plan and evaluates its performance against this by way of an annual report which is presented to the Trust Board. In addition, each Board and Committee agenda includes an item for some reflection on the effectiveness of the meeting. During 2020/21 there was a continued focus on upward reporting on matters of positive assurance, risks or concerns requiring Board attention, decisions made at the meetings and major work commissioned or underway.

Within the year, as they were during 2020/21, in line with the national directive from NHS Improvement, a number of the Committee meetings were scaled back to allow sufficient time to focus on the operational response to the COVID pandemic. The key points of the assurance briefings which replaced the formal meetings continued to be reported to the Trust Board in public and the Quality & Safety Committee operated with a full agenda and reported up to the Board using the standard reporting template.

The Board was also subject to a virtual well led assessment by the CQC, the details of which are described in detail in Section 1.15 and in the Annual Governance Statement.

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

1.11 Board and Committee Membership

The Board continually reviews the structure of its Board Committees with a view to improving upward reporting and the escalation of issues. The future operation of the Trust Board and its committees will be informed by the recommendations of the well led assessment described previously.

It should be noted that the structure, content and operation of the Board and its committees was impacted during the year by the global COVID pandemic referenced in Section 1.10, when an interim set of governance arrangements was implemented in early 2022, that scaled back the scope of the Board and committee meetings. Agendas and membership were reduced to essential items and members only. Most Board and Committee meeting continued to be held using virtual technology during the year.

Trust Board

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

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

Board meetings are held on a regular basis and are chaired by the Trust Chair. There were eleven meetings of the Trust Board during the year including one special meeting to approve the annual report and accounts.

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

MEMBER	ATTENDANCE										TOTAL
	7/4/2021	5/5/2021	2/6/2021	7/7/2021	1/9/2021	7/10/21	2/11/2021	12/1/2022	2/2/2022	2/3/2022	
Tim Pile (Ch)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Kathryn Sallah	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	9/10
Richard Phillips	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
David Gourevitch	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Simone Jordan	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	9/10
Gianjeet Hunjan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Ayodele Ajose	✓	✓	✓	✓	✓	A	✓	A	✓	✓	8/10
Les Williams	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	9/10
Jo Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Matthew Revell	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	9/10
Garry Marsh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Phil Begg	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	9/10
Marie Peplow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Stephen Washbourne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Sharon Malhi	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	9/10
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10

KEY:

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

Board Committees

During 2021/22 the Board was supported by the following committees as detailed below.

Audit Committee

The Audit Committee is chaired by a Non-Executive of the Trust, Gianjeet Hunjan, who is a finance professional and qualified accountant. During 2021/22 the Committee met five times. The Director of Finance is the lead executive for the Committee, supported by the Director of Corporate Affairs & Company Secretary. The Audit Committee ensures the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance. It maintains an oversight of the Trust's general risk management

structures, processes and responsibilities, including the production and issue of any risk and control-related disclosure statements. It reviews the adequacy of underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of principal risks.

The Committee provides assurance to the Board that the controls and systems in place are robust, reliable and fit for purpose.

MEMBER	MEETING DATE					TOTAL
	07/05/21	23/06/21	23/07/21	15/10/21	21/01/22	
Gianjeet Hunjan (Ch)	✓	✓	✓	✓	✓	**5/5**
Les Williams	✓	✓	✓	✓	✓	**5/5**
Kathryn Sallah	✓	✓	✓	✓	✓	**5/5**
Executive Directors in attendance						
Steve Washbourne	✓	✓	✓	✓	✓	**5/5**
Garry Marsh	A					**0/1**
Matthew Revell	✓	✓	✓	A	✓	**4/5**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	**5/5**

KEY:

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

During 2021/22, in line with its approved internal audit plan, the Trust commissioned a number of internal audit reviews. The internal auditors issued six reports, three of which gave Significant Assurance with minor improvements and three provided Partial Assurance with improvements required. A summary of the opinions from the internal audit report is below:

Review	Assurance provided
Data Quality Governance	Partial Assurance with improvements required
Clinical Audit	Significant Assurance with minor improvements
General IT Controls – Tiara	Partial Assurance with improvements required
Key Financial Controls	Significant Assurance with minor improvements
Data Security and Protection Toolkit	Partial Assurance with improvements required
Board Assurance Framework & Risk Management	Significant Assurance with minor improvements

During 2021/22 the Audit Committee sought assurances and reviewed performance across a range of areas, primarily:

- Reviewing evidence of the effective operation of internal controls and risk management processes;
- Ensuring an effective internal audit function that provides appropriate independent assurance to the Audit Committee, Chief Executive and Board;
- Receiving reports on counter-fraud work within the Trust;
- Considering the nature and scope of the external audit, reviewing all external audit reports and ensuring coordination, as appropriate, with other external audit functions in the local health economy; and
- Reviewing audit and management reports, and monitoring progress with the implementation of improvement actions and report recommendations across the Trust

In addition, the Committee:

- Considers and makes recommendations to the Council of Governors in relation to the appointment, re-appointment and removal of the Trust's External Auditor and oversees the relationship with the External Auditor;
- Monitors the integrity of the financial statements of the Trust, reviewing significant financial reporting issues and judgements which they contain.

The Audit Committee provides an annual report of its work to the Trust Board meeting and an assurance report is provided by the Chair of the Audit Committee to the following Trust Board meeting. The Committee has an annual work plan that ensures it embraces the necessary range of activities, including those relating to internal and external audit activities.

Where work which is not of an audit nature is undertaken by auditors, this is separately commissioned against a clear brief and is undertaken by someone not engaged in independently auditing the Trust. Where possible, this is scheduled into the work plan and is

included in the information presented to the Council of Governors. The Chair of the Audit Committee is available to update the Council on any matters of interest.

Discharge of Responsibilities

During 2021/22 the Audit Committee reported assurance to the Trust Board with a particular focus on:

- Ensuring the financial statements for the year end reflected a true and fair position.
- A special briefing to the Board related to the challenges of finalising the year end position for 2020/21;
- Ensuring the Annual Governance Statement reflected the Committee's knowledge of the Trust and no further disclosures were required. The Committee considered in detail the annual Head of Internal Audit Opinion and other sources of assurance;
- Following-up on audit work completed in the previous year, the Committee continued to receive regular reports from executive managers, albeit in a less formal way due to the slimmer agendas during the year as a result of the COVID-19 response;
- During the year the Committee continued to operate with a supportive working relationship with the Quality & Safety Committee (QSC). A Non-Executive member of the Quality & Safety Committee is a member of the Audit Committee which provides the link between Audit Committee and the work of the Quality & Safety Committee and its sub-committees. The Medical Director is also a regular attendee at the meeting;
- The Audit Committee reviews arrangements that allow staff of the Trust and other individuals where relevant to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters;
- The Committee monitored closely matters of compliance with specific clinical policies and procedures, as noted in the Annual Governance Statement and worked with the Quality & Safety Committee to strengthen controls and compliance in this area;
- The Trust's internal audit function was provided by KPMG LLP during the year and the Trust works closely with a Partner and Senior Manager to ensure independent, objective assurance is provided on our systems of internal controls and evaluation of improvements on the effectiveness of our risk management, control and governance processes.
- The Audit Committee agrees an annual internal audit plan that has been developed in line with the Trust's key strategic risks and objectives and the Committee monitors delivery against this plan at each meeting.
- The Counter-Fraud function is currently provided by RSM UK, a representative of which attends the majority of the Audit Committee meetings;
- In usual times, to strengthen the role of the Audit Committee in holding the Executive to account, a slot is included on the agenda of each meeting to allow the relevant Executive leads to join the meeting to update the Committee on the work undertaken to address the recommendations arising from the internal audit reviews. This practice will be reinstated from the summer of 2022.

In 2022/23, the Committee will consider a review of its effectiveness. Members and regular attendees of the Audit Committee will be issued with a questionnaire over summer 2022, asking them to provide a view of the strength of the Committee's arrangements in respect of a number of measures covering seven domains:

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

The methodology and questionnaire used is based on the approach set out in the Audit Committee Institute Audit Committee Handbook 2014. It had been intended to have been completed during 2021/22, however the response to the COVID-19 pandemic created limited opportunity to undertaken additional work alongside the usual workplan this year.

Quality & Safety Committee

The Quality & Safety Committee has designated responsibility for oversight of clinical risk management and is chaired by Kathryn Sallah, a Non-Executive Director of the Trust with a clinical background. The Chief Nurse is the lead Executive. A member of the Council of Governors has a standing invitation to attend meetings, although this year declined to attend due to limited availability to do so. The Trust Chair attends periodically, although has a standing invite to join as required.

The Quality & Safety Committee meets most months and regularly reviews clinical risks through consideration of an extract of the Corporate Risk Register or Board Assurance Framework.

The Quality & Safety Committee provides upward assurance to the Board on the activities undertaken by its subgroups covering particular aspects of quality, for example safeguarding, and infection control. The quality and content of the upward reports from the subgroups into the Quality & Safety Committee had remained strong during the year and is offered using the prescribed 'quadrant' format which subgroup chairs narrate when they attend by rotation to present to the Committee. The effectiveness of the Committee has also been supported during the year by the Quality & Safety Executive, a forum which quality assures information being reported up to the Quality & Safety Committee and to handle some of the more operational matters previously considered by the Committee including some of the upward reporting from a number of the more functional groups across the Trust.

During the year, the Quality & Safety Committee began a stocktake of its effectiveness, which considered whether the Committee was performing the key duties of a Board subcommittee

as set out in the Code of Governance for Foundation Trusts. The work will conclude during 2022/23.

MEMBER	MEETING DATE											TOTAL
	28/4/21	26/5/21	30/6/21	28/7/21*	25/08/21	29/09/21	27/10/21	24/11/21	26/01/22	23/02/22	30/03/22	
Kathryn Sallah (Ch)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**11/11**
David Gourevitch	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	**10/11**
Simone Jordan	✓	A	✓	✓	✓	✓	A	✓	✓	A	✓	**8/11**
Jo Williams	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	**10/10**
Garry Marsh	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	**10/11**
Matthew Revell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**11/11**
Marie Peplow	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	**10/10**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	**10/11**

KEY: ✓	Attended	A	Apologies tendered
	Not in post/not required	*	The July meeting was an assurance briefing

Finance and Performance Committee

The Committee is chaired by Richard Phillips and the Director of Finance and Performance is the lead Executive for this committee. The Trust Chair and other members of the Board, although not formal members, attended the committee meetings from time to time during the year. The Committee meets monthly (apart from August and December) and regularly reviews finance and performance-related risks through consideration of an extract of the Corporate Risk Register or the Board Assurance Framework.

A key area of focus for the Committee during the year was on the impact of the pandemic on the operational and financial performance of the Trust, particularly given the new pathways that needed to be supported and the amended financial regime. The Committee also continued to receive upward reports from the 'Perfecting Pathways' Programme Board and the Information Governance Group.

MEMBER	MEETING DATE										
	27/4/21	25/5/21	29/6/21	27/7/21	28/9/21	26/10/21	30/11/21	25/1/22	1/3/22	29/3/22	
Richard Phillips (Ch)	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	**9/10**
Ayodele Ajose	✓	✓	✓	✓	A	✓	A	✓	✓	✓	**8/10**
Gianjeet Hunjan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Les Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Jo Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Stephen Washbourne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Marie Peplow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Phil Begg	✓	A	✓	✓	✓	✓	✓	✓	A	A	**7/10**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**

KEY:

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

Staff Experience and Organisational Development (OD) Committee

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

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

MEMBER	MEEETING DATE										TOTAL
	31/3/21*	26/5/21	30/6/21	28/7/21	29/9/21	27/10/21	24/11/21	26/1/22	16/2/22	30/3/22	
Richard Phillips (Ch)	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	**9/10**
Simone Jordan (Ch) **	✓	A	✓	✓	✓	A	✓	✓	✓	✓	**8/10**
David Gourevitch	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Ayodele Ajose										✓	**1/1**
Jo Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Matthew Revell		✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
Garry Marsh		✓	✓	✓	A	✓	✓	✓	✓	✓	**8/9**
Marie Peplow		✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	**9/10**

KEY:

✓	Attended	A	Apologies tendered
	Not in post/not required to attend		
*	Briefing Meeting		
**	Chair from January 2022		

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

Charitable Funds Committee

The Trust Board is the corporate trustee for the charitable funds of the Trust. Charitable funds are examined separately from exchequer funds and the Trustees discharge their responsibilities independently from the Foundation Trust itself. The Committee usually meets four times per year however during 2021/22 it met twice where business this financial year continued to be conducted virtually in line with the revised interim governance arrangements associated with the response to the COVID pandemic.

Membership comprises all voting members of the Trust Board, a governor representative, a patient representative and a patient facing staff member.

During the year, the Committee considered a number of requests for funding, an update on the financial health of the charity and the annual report and accounts, which was considered and approved at the September 2021 meeting.

TRUSTEE	DATE		TOTAL
	9/6/21	22/9/21	
David Gourevitch (Ch)	✓	✓	**2/2**
Simone Jordan	A	✓	**1/2**
Kathryn Sallah	✓	✓	**2/2**
Richard Phillips	✓	A	**1/2**
Tim Pile	A	✓	**1/2**
Ayodele Ajose	✓	A	**1/2**
Gianjeet Hunjan	✓	✓	**2/2**
Les Williams	A	✓	**1/2**
Garry Marsh	✓	A	**1/2**
Stephen Washbourne	✓	✓	**2/2**
Phil Begg	✓	A	**1/2**
Jo Williams	✓	A	**1/2**
Matt Revell	A	✓	**1/2**
Marie Peplow	A	A	**0/2**

KEY:

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

Nominations and Remuneration Committee (Executive Directors)

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

The Committee serves a dual purpose:

- To review the structure, size and composition of the Executive element of the Board (including skills, knowledge and experience) required of the Board and make recommendations to the Board or Council of Governors where appropriate with regard to any changes. It also considers succession planning, appraisal and development plans. The Committee identifies and nominates suitable candidates to fill Executive Director vacancies. The Committee liaises closely with the Council of Governors' Nominations and Remuneration Committee.

- The Remuneration Committee has delegated responsibility for setting the remuneration for all Executive Directors, including pension rights and any compensation payments. The Committee also recommends and monitors the level and structure of remuneration for senior management. The Committee provides the Board with advice concerning the terms and conditions of employment, including the remuneration packages for the Chief Executive and the Executive Directors. The Committee also seeks assurance on the robustness of the plans for the delivery of Trust's reward and recognition strategy for the Chief Executive and Executive Directors.

MEMBERS	DATE				TOTAL
	15/09/2021	20/10/2021	1/12/2021	16/2/2022	
Simone Jordan (Chair)	✓	✓	✓	✓	**4/4**
Tim Pile	✓	✓	✓	✓	**4/4**
Kathryn Sallah	✓	✓	✓	✓	**4/4**
Richard Phillips	✓	✓	✓	A	**3/4**
David Gourevitch	✓	✓	✓	A	**3/4**
Les Williams	A	✓	✓	✓	**3/4**
Ayodele Ajose	A	✓	A	✓	**2/4**
Gianjeet Hunjan	✓	✓	✓	✓	**4/4**
Jo Williams	✓		✓	✓	**3/3**

KEY:

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

1.12 Cost allocation and charging guidance

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

1.13 Political Donations

There were no political donations during the financial year.

1.14 Better Payment Practice

The Trust paid 94.0% of invoices (86.7% by value) within 30 days against the target of 95%, as detailed below.

	Actual	Actual
	31/03/2022	31/03/2022
		YTD
	Number	£'000
Non NHS		
Total bills paid in the year	20,558	44,505
Total bills paid within 30 days	19,365	40,752
Percentage of bills paid within 30 days	**94.2%**	**91.6%**
NHS		
Total bills paid in the year	193	6,688
Total bills paid within 30 days	144	3,652
Percentage of bills paid within 30 days	**74.6%**	**54.6%**
Total		
Total bills paid in the year	**20,751**	**51,193**
Total bills paid within 30 days	**19,509**	**44,404**
Percentage of bills paid within 30 days	**94.0%**	**86.7%**

The Trust did not incur any late payment penalties during 2021/22 under the Late Payment of Commercial Debts (Interest) Act 1998.

1.15 NHS Improvement's well-led framework

The Board commissioned an external well led assessment undertaken in 2019 by the consultancy arm of Grant Thornton UK LLP. This was the first developmental review of leadership and governance using the NHS Improvement well led framework that the Trust had undertaken since its authorisation as a Foundation Trust. The review and assessment was far reaching and involved Board and Committee observations, board member, stakeholder and focus group interviews and analysis of the effectiveness of the risk and control environment from ward through the divisions and up to Board. The action plan developed in response to the recommendations made by the review has been delivered over the past two years and is designed to create a strengthened leadership and governance model for the Trust. Further work will be undertaken during 2022/23 to revisit the action plan and create a focus on delivery of the actions identified where needed.

During the year, the Trust also underwent an informal assessment against the Key Lines of Enquiry within the CQC's Well Led domain. The assessment was positive and allowed the Trust to showcase the achievements delivered in spite of the pandemic and to show how the findings of the formal Well Led assessment undertaken in 2019 had been sustained. Although there was no formal feedback from the virtual Well Led assessment, the team was supportive of the work outlined and a follow up on site assessment was not instigated.

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

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

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

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

Work has continued throughout the year to develop enhanced approaches to data reporting through the continuous refinement of the Finance and Performance Overview, Quality and Patient Safety report and Workforce overview to enable greater and more informed scrutiny. Some important work has been undertaken during the year to develop an integrated performance dashboard, which will be launched during Spring 2022. The dashboard will be presented to each of the main Board committees to allow better triangulation and visibility of data from a range of sources.

There is a process of escalation of risk related to quality throughout the Trust; much work has been undertaken during the year to strengthen existing risk registers as part of the Risk Improvement Plan. The plan has also focused this year on delivery of training on risk management, identification of risk leads throughout the organisation and more systematically creating a higher level of awareness in the organisation about risk identification and management. An internal audit undertaken by KPMG in early 2022 recognised the progress with the delivery of the Risk Improvement Plan and the strengthened risk management framework in the organisation. There is further work to do in 2022/23 to implement a revised electronic solution for risk management, with an update to current technology planned.

There has been a return to Non-Executive Board members carrying out informal walkabouts in which they gain first-hand experience regarding the quality of care and the views of patients and staff and others. In 2022/23 the formal programme of Quality Assurance walkabouts will be reintroduced led by the Patient Experience function. Although there has been a return to physical walkabouts, the programme has been limited to some degree during the year due to

social distancing and infection prevention and control restrictions created by the pandemic, however the Chair of the Quality & Safety Committee has undertaken a number of virtual walkabouts, having conversations with patients through the use of a 'roving' iPad. There are plans to strengthen the reporting of the outcome and action plans from these visits to the Quality & Safety Committee when the usual cycle of the business resumes. In addition to the Quality Assurance walkabouts, during the year a 'Chat & Check' Executive walkabouts initiative was embedded. This allows members of the Executive Team to visit all areas of the Trust by rotation in pairs and hold informal conversations with staff around their experience of working at the Trust which may identify quality issues that need to be handled.

Assurance is obtained routinely on compliance with CQC registration requirements through Directors and Senior Managers of the Trust having specific responsibilities in respect of CQC standards and more generally in maintaining internal control systems to support those standards. In 2022/23 there are plans to deliver a CQC readiness programme, where at a divisional and corporate level, an assessment will be undertaken against the existing CQC Key Lines of Enquiry to identify where there may be shortfalls or a lapse in sustainability of actions or processes previously implemented.

The Trust has continued to deliver the action plan developed in response to the inspections by the CQC in 2019. There now remain a small number of open actions with a robust plan to address these. Exception reports on the delivery of the plan are considered by the Quality and Safety Committee and Trust Board as part of their routine cycle of business.

During the year, the Trust Board agenda included a regular update on the Trust's adaptations to the national guidance issued in response to the pandemic, the updates being provided predominantly by the triumvirate formed of the Chief Nurse, Chief Operating Officer and the Medical Director. The Board considered a regular update against the NHS England Infection Prevention and Control Board Assurance Framework with an exception report being considered to show where compliance was strong or needed to be strengthened. An update on the Infection Prevention and Control response was also considered on the monthly agendas including an update on the handling of COVID-19 outbreaks and the risk assessment processes for the various areas of the Trust.

1.17 Patient Care

The Trust has demonstrated clear progress in delivering its Quality Priorities for 2021/22, which included recognising the importance of children and young people experiences when visiting or working for the Trust; improving the number of volunteers supporting our services (Sponsored by governors); improving inequalities datasets while working toward reducing health inequalities in our pathway; reducing potential surgical site infection and recognising the gaps in NHS chaplaincy guideline and services.

The Trust continues to work hard to sustain these improvements and we are committed to continue our improvement journey for the coming year. To this end, the Trust has identified six new improvement priorities for 2022/23, progress against which will be monitored using a

range of surveys and audits to determine improvement against a benchmarked position. Oversight of the performance will be provided by the Clinical Quality Group, ensuring early escalation of complications by way of regular progress reports. Allowing for early escalation to the Quality & Safety Committee.

Due to the COVID-19 pandemic, NHS England introduced block payments for all Trusts to provide certainty for all organisations providing NHS-funded services under the NHS Standard Contract. This minimised the burden of formal contract documentation and contract management processes, so that staff could focus fully on the waiting list recovery and COVID-19 response. CQUIN (both CCG and specialised) for Trusts has been suspended for the period from April 2021 to March 2022 for the second year running.

The provision of Patient Experience services has continued to be monitored during the year; the transition of all Patient Experience data to the Patient Advisory Liaison Service (PALS) and Complaints department has proved to be successful from a number of perspectives. Firstly, it has enabled triangulation of all data to ensure that any concerns are identified and acted upon promptly. It has also ensured that good practice is identified and shared.

The Friends and Family Test (FFT) is the mandated patient tool that supports the fundamental principle that people who use NHS services have the opportunity to provide feedback on their experience. The Friends and Family question is a single question with a choice of answers used across the NHS to establish whether patients and service users are happy with the standard of care that they receive.

Patients who indicate that they have had very good or good experience within the service that they have used are considered to have provided positive feedback. Similarly, patients who indicate that they have had very bad or bad experiences within the service that they have used are considered to have provided negative feedback. Any neither likely nor unlikely or don't know feedback is considered neutral.

In 2021/2022, we terminated the contract with our external provider called 'I Want Great Care' who supported our delivery of the Friends and Family Test. Since then, the Trust has received just over 10,200 individual pieces of feedback from the Friends and Family Test in 2021/2022, across all areas and departments. Data was collected internally; all feedback is read on receipt by the Patient Experience Team (internal) and action is taken immediately where necessary. Compliments, concerns and feedback is recorded and shared with individuals and teams on a weekly basis. Average positive scores for inpatient and outpatient areas were on average 98% this year which is 5% better than last year (93%). This means that 99% of our patients have had very good experience.

During 2021/2022 the Trust has received 47 formal complaints and 617 PALS contacts. This is an 18% decrease in the formal complaints and 9.9% decrease in the PALS contacts compared with 2020/2021. The Trust continues to strive to improve the service offered to patients to resolve their concerns at the most appropriate level. This ensures that we continue to adhere to all recommendations of the Clywd/Hart Review (2013) and Francis (2013) report.

All key performance indicators for the year have been met, with greater scrutiny of actions taking place at Divisional meetings, ensuring on-going learning from complaints is overseen at the right place.

The Executive Team receives updates on the status of all complaints and there have been no issues highlighted with the management of complaints during the year.

The Patient Experience team has been invested in during 2021/2022, while continuing to work closely with operational and nursing colleagues to ensure that patient experience remains at the heart of decision making in the Trust. In particular, the Trust has closed and delivered a Patient Involvement, Engagement and Volunteer Strategy 2018-2021 by involving patients, carers, staff and Healthwatch Birmingham. Work is underway to review and refresh these strategies.

1.18 Stakeholder Relations

During the year, the Trust has continued to develop its place and contribution within the formative Birmingham and Solihull Integrated Care System (ICS). Alongside this, there has been a requirement to collaborate with specific system partners to support the response to the COVID-19 pandemic by accepting cohorts of patients that are out with the Trust's traditional elective caseload. At the end of 2021/22 an arrangement was made to support University Hospitals Birmingham NHSFT with the systemwide plan to address the backlog of treatment that had developed over the second and third wave of the COVID pandemic.

The decision to cease paediatric surgery in 2017 necessitated a widescale public engagement process, both communicating the decision and the potential impact where understood, as well as listening to concerns from the relatives and carers of our paediatric patients. Discussions were ongoing with partners through 2020/21 around the plans to resume the service, which restarted again in April 2021.

The Trust has also continued to use the robotic technology to assist with joint replacement surgery. The JointCare reunion events, albeit held virtually this year, have provided a sound opportunity for engaging with a large cohort of our patients and the feedback on their experience has been useful in shaping the future service offerings.

The Trust re-instated Patient Experience & Engagement forums during the year, with good attendance and the introduction of patient representatives who have added the patient voice to our work during the recovery phase of the pandemic, with initiatives over the year such as:

- ✓ Feedback on new website via Healthwatch Birmingham (March 2021)
- ✓ Discussions with Patient Engagement & Experience Group around involvement of the patients and carers within the Trust Governance Structure. (December 2021)
- ✓ The Patient Participation Group is planned to be rolled out in June 2022 (February 2022)
- ✓ Outpatient and Inpatient areas collected feedback from patients about their experience and potential improvements (April 2021)

- ✓ Patients asked for feedback on the design, delivery and structure of all patient related projects and surveys (July 2022)
- ✓ Patient feedback canvassed around Smiley Faces Feedback System (September 2021)
- ✓ In-depth surveys for all outpatient departments, formulated by staff and departmental managers that work within area (March 2022)
- ✓ Feedback collected from children and young people on the forms designed for them with animations and the possibility to draw us a picture
- ✓ Patient Experience Week celebration at ROH (March 2022)

There are further plans moving into 2022/23, when the impact of the COVID-19 pandemic has been managed, to introduce a Patient Participant Forum. Furthermore, the Trust is working towards the introduction of the 'Patient Safety Partner' role, which is part of the NHS Patient Safety Strategy (July 2019). It recognises the importance of involving patients, their families, and carers in the improvement of safe care in the NHS.

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

1.19 Material inconsistencies

There are no material inconsistencies between:

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

1.20 Statement as to Disclosure to Auditors

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

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

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

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

Section 2: Remuneration Report

1.0 Annual statement on Remuneration

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

The Committee sought the advice of the Acting Associate Director of Workforce & OD in assisting the Committee with its decision-making at this meeting who considered the proposal in the context of the plans of other organisations in the Birmingham and Solihull system.

2.0 Senior managers' remuneration policy

2.1 Future policy table: Executive Directors

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

	Salary and fees	Taxable Benefits	Annual Performance -related bonuses	Long-term Performance-related bonuses	Pension-related benefits	Other Remuneration
The maximum that could be paid in respect of that component	Fixed salary determined by Nominations & Remuneration Committee	Not Applicable	Not Applicable	Not Applicable	As determined by NHS Pension Scheme Entitlements	As determined by national terms and condition of employment
Where applicable, a description of the framework used to assess performance	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Accompanying notes

There were no new core components of the remuneration package.
There were no changes made to existing components of the remuneration package other than the pay award referred to above.
The policy on remuneration for other employees is to utilise national terms and conditions of employment, with local policies relating to pay progression.
The approach for senior managers is currently as determined above.
Provisions for the recovery of sums paid to directors and other staff exist where overpayments have been made in error or annual leave taken in excess of entitlement.

2.2 Future policy table: Non-Executive Directors

	Fee payable	Any additional fees payable for any other duties to the foundation trust	Such other items that are considered to be remuneration in nature
Description	Fee for the Chair, Committee Chairs and other Non-Executive Directors	Not applicable	Expenses incurred in the course of their duties such as public transport, mileage and subsistence as determined by Trust policy.
How that component supports the short and long-term strategic objectives of the foundation trust;	To ensure the Trust is well-led and all short and long-term needs met, the fee for Non-Executive Directors must be competitive in order to recruit and retain talented individuals	Not applicable	To ensure Non-Executive Directors are appropriately compensated for those journeys they have undertaken on behalf of the Trust. The policy for Non-Executive Director expenses is the same as that applying to other staff
An explanation of how that component operates	The Chair and Non-Executive members are entitled to be remunerated by the Trust for so long as they continue to hold office as Chair or Non-Executive member. They are entitled to receive remuneration only in relation to the period for which they hold office. There is no entitlement to compensation for loss of office. The level of remuneration is determined by the Governors with due regard to the remuneration paid in other Foundation Trusts and guidance received during the year from NHS Improvement, designed to improve the parity of remuneration between Non-Executives and Chair of NHS FTs and NHS trusts	Not applicable	Mileage and subsistence allowances for Non-Executive Directors are set by the Council of Governors.

	Fee payable	Any additional fees payable for any other duties to the foundation trust	Such other items that are considered to be remuneration in nature
The maximum that could be paid in respect of that component	The rate of remuneration payable to the Chair of the Trust is £43,000 pa (from 1 April 2022) for up to two days per week. The Vice Chair and the Senior Independent Director are remunerated at a rate of £15,000 pa. The Chair of the Audit Committee is remunerated at £14,567. The current rate of remuneration payable to other Non-Executives is £13,000 pa for approximately three days a month.	Not applicable	Not applicable
Where applicable, a description of the framework used to assess performance	Performance of Non-Executive Directors is assessed by the Chair annually, and for the Chair, by the Lead Governor and Senior Independent Director	Not applicable	Not applicable

2.3 Service contracts obligations

There were no obligations on the Trust which:

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

2.4 Policy on payment for loss of office

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

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

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

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

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

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

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

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

2.6 Trade Union Facility Time

Table 1

Relevant union officials

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

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
3	1,113

Table 2

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	*Number of employees*
0%	1
1-50%	1
51%-99%	1
100%	0

Table 3

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

	Figures
Provide the total cost of facility time	£27,036
Provide the total pay bill	£60,675,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.04%

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

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

2.7 Senior managers paid in excess of £150,000[#1]

Two directors whose remuneration exceeded £150,000 were in post prior to 1 April 2022. The remuneration for each post holder was assessed and benchmarked against comparable Trusts, utilising published independent market salary information and was considered appropriate.

[#1]£150k is the threshold used in Civil Service for approval by the Chief secretary to the Treasury, as set out in guidance issued by the Cabinet Office. The Cabinet Office approvals process does not apply to NHS foundation trusts but this is considered a suitable benchmark above which NHS foundations trusts should make this disclosure.

2.8 Payments to past senior managers

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

3.0 Annual Report on Remuneration

3.1 Service contracts

Name and title	Date of service contract	Unexpired term	Notice period
Mr Timothy Pile **Chair (from 18 January 2021)**	1 January 2021 as Chair	31 December 2023	Note 1
Mrs Jo Williams **Chief Executive**	6 May 2019	Not applicable	6 months
Mr Matthew Revell **Executive Medical Director**	18 February 2019	Not applicable	6 months
Mr Garry Marsh **Executive Director of Nursing & Clinical Governance**	1 September 2015	Not applicable	6 months
Mrs Marie Peplow **Executive Chief Operating Officer**	1 September 2019	Not applicable	6 months
Prof Philip Begg **Executive Director of Strategy & Delivery**	1 November 2014	Not applicable	6 months
Mr Stephen Washbourne **Interim Executive Director of Finance**	On secondment from University Hospital Birmingham NHS Foundation Trust from October 2017		
Mr Simon Grainger-Lloyd **Director of Corporate Affairs & Company Secretary**	4 August 2015	Not applicable	6 months
Mrs Sharon Malhi **Chief People Officer**	4 April 2022	Not applicable	6 months
Mrs Kathryn Sallah **Non-Executive Director**	1 April 2015	31 March 2023	Note 1
Mr Richard Phillips **Non-Executive Director**	1 February 2017	31 January 2023	Note 1
Prof David Gourevitch **Non-Executive Director**	1 February 2017	31 January 2023	Note 1
Ms Simone Jordan **Non-Executive Director**	1 October 2020	30 September 2023	Note 1
Ms Ayodele Ajose **Non-Executive Director**	1 April 2021	31 March 2024	Note 1
Mrs Gianjeet Hunjan **Non-Executive Director**	1 October 2020	30 September 2023	Note 1
Mr Leslie Williams **Non-Executive Director**	1 April 2021	31 March 2024	Note 1

Notes: #1 Non-Executive Directors may resign by giving three months' notice in writing

3.2 Remuneration Committee

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

- Details of the membership of the Remuneration Committee. This means the names of the Chair and members of the Remuneration Committee should be disclosed (Code of Governance A.1.2).
- The number of meetings and individuals' attendance at each should also be disclosed (Code of Governance A.1.2).

3.3 Disclosures required by Health and Social Care Act

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

4. 0 Remuneration subject to audit - 2021-22

Name and Title	2021-22 (12 months to 31st March 2022)						Total
	Salary and fees (bands of £5,000) £000	Taxable Benefits Rounded to the nearest £100	Annual Performance - related bonuses (bands of £5,000) £000	Long-term performance - related bonuses (bands of £5,000) £000	Pension - related benefits (bands of £2,500) £000	Other Remuneration (bands of £5,000) £000	(bands of £5,000) £000
Mrs Joanne Williams, Chief Executive Officer	160-165	0	0	0	82.5-85	0	245-250
Mr Garry Marsh Executive, Director of Nursing & Clinical Governance	120-125	0	0	0	62.5-65	0	185-190
Mr Matthew Revell, Executive Medical Director	160-165	0	0	0	62.5-65	0	225-230
Professor Philip Begg, Director of Strategy and Delivery	110-115	0	0	0	160-162.5	0	275-280
Mr Stephen Washbourne, Interim Executive Director of Finance	125-130	0	0	0	47.5-50	0	175-180
Mrs Marie Peplow, Chief Operating Officer	115-120	0	0	0	130-132.5	0	250-255
Mr. Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	110-115	0	0	0	65-67.5	0	180-185
Mr Tim Pile, Chair	40-45	0	0	0	0	0	40-45
Mrs. Kathryn Sallah, Non-Executive Director	15-20	0	0	0	0	0	15-20
Professor David Gourevitch, Non-Executive Director	10-15	0	0	0	0	0	10-15
Mr. Richard Phillips, Non-Executive Director	10-15	0	0	0	0	0	10-15
Ms. Ayodele Ajose, Non-Executive Director	10-15	0	0	0	0	0	10-15
Ms. Simone Jordan, Non-Executive Director	15-20	100	0	0	0	0	15-20
Mrs. Gianjeet Hunjan, Non-Executive Director	10-15	0	0	0	0	0	10-15
Mr. Les Williams, Non-Executive Director	10-15	0	0	0	0	0	10-15

4.1 Remuneration subject to audit - 2020-21

Name and Title	2020-21 (12 months to 31st March 2021)						Total
	Salary and fees (bands of £5,0000 £000	Taxable Benefits Rounded to the nearest £100	Annual Performance - related bonuses (bands of £5,000) £000	Long-term performance -related bonuses (bands of £5,000) £000	Pension - related benefits (bands of £2,500) £000	Other Remuneration (bands of £5,000) £000	(bands of £5,000) £000
Mrs Joanne Williams, Chief Executive Officer	155-160	0	0	0	87.5-90	0	240-245
Mr Garry Marsh Executive, Director of Nursing & Clinical Governance	110-115	0	0	0	50-52.5	0	160-165
Mr Matthew Revell, Executive Medical Director	160-165 (note 1)	0	0	0	300-302.5	0	490-495
Professor Philip Begg, Director of Strategy and Delivery	105-110	0	0	0	142.5-145	0	265-270
Mr Stephen Washbourne, Interim Executive Director of Finance	120-125	0	0	0	47.5-50	0	175-180
Mrs Marie Peplow, Chief Operating Officer	105-110	0	0	0	172.5-175	0	270-275
Mr. Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	95-100	0	0	0	25-27.5	0	150-155
Dame Yve Buckland, Chair (until 20 January 2021)	25-30	0	0	0	0	0	25-30
Mr Tim Pile, Chair (from 20 January 2021), previously Vice-Chair and Non-Executive Director	20-25	0	0	0	0	0	20-25
Mr. Rod Anthony, Non-Executive Director (until 30 November 2020)	5-10	0	0	0	0	0	5-10
Mrs. Kathryn Sallah, Non-Executive Director	10-15	0	0	0	0	0	10-15
Professor David Gourevitch, Non-Executive Director	10-15	0	0	0	0	0	10-15
Mr. Richard Phillips, Non-Executive Director	10-15	0	0	0	0	0	10-15
Ms. Ayodele Ajose, Non-Executive Director (from 1 October 2020)	10-15	200					10-15
Ms. Simone Jordan, Non-Executive Director (from 1 October 2020), previously Associate Non-Executive Director	10-15	200	0	0	0	0	10-15
Mrs. Gianjeet Hunjan, Non-Executive Director (from 1 October 2020)	5-10	0	0	0	0	0	5-10

Note

1 As Executive Medical Director, Mr. Revell's salary is comprised of both medical and management fees. The medical fees are in the band £50k-£55k.

4.3 Fair Pay Multiple - subject to audit

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2021/22 was £160-165k (2020/21: £155-£160k). This is a change between years of 3%.

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

For employees of the Trust as a whole, the range of annualised remuneration in 2021/22 was from £10k to £176k (2020-21: £7k to £180k).

One employee received remuneration in excess of the highest-paid director in 2021/22 (2020/21: two).

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

2021/2022	25th percentile	Median	75th percentile
Salary component of pay	£ 19,918	£27,780	£40,092
Total pay and benefits excluding pension benefits	£ 19,918	£27,780	£40,092
Pay and benefits excluding pension: pay ratio for highest paid director	8.71:1	6.25:1	4.33:1

2020/2021	25th percentile	Median	75th percentile
Salary component of pay	£ 19,337	£24,907	£37,890
Total pay and benefits excluding pension benefits	£ 19,337	£24,907	£37,890
Pay and benefits excluding pension: pay ratio for highest paid director	8.71:1	6.77:1	4.45:1

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

The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is an increase of 8%.

5.0 Salary and Pension Entitlements of Senior Managers

a) Pension Benefits 2021-22 – subject to audit

Name and title	Real increase/ (decrease) in pension and related lump sum at age 60 (bands of £2500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2021 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2022 £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Real Increase/ (decrease) in Cash Equivalent Transfer Value £000	Employer's Contribution to Stakeholder Pension To nearest £100
Mrs. Joanne Williams – Chief Executive Officer	10-12.5	120-125	726	632	90	0
Mr. G. Marsh – Director of Nursing & Clinical Governance	7.5-10	125-130	728	652	73	0
Mr. Stephen Washbourne – Interim Director of Finance and Performance	5-7.5	130-135	758	695	60	0
Mrs. Marie Peplow - Chief Operating Officer	20-22.5	200-205	1,258	1,084	169	0
Mr. Matthew Revell – Medical Director	5-7.5	185-190	1,139	1,045	89	0
Professor. P. Begg – Director of Strategy and Delivery	22.5-25	80-85	324	272	51	0
Mr. Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	7.5-10	50-55	320	255	64	0

b) Pension Benefits 2020-21 – subject to audit

Name and title	Real increase/ (decrease) in pension and related lump sum at age 60 (bands of £2500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2021 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Real Increase/ (decrease) in Cash Equivalent Transfer Value £000	Employer's Contribution to Stakeholder Pension To nearest £100
Mrs. Joanne Williams – Chief Executive Officer	7.5-8	110-115	632	552	71	0
Mr. G. Marsh – Director of Nursing & Clinical Governance	2.5-5	115-120	652	597	45	0
Mr. Stephen Washbourne – Interim Director of Finance and Performance	2.5-5	125-130	695	636	48	0
Mrs. Marie Peplow - Chief Operating Officer	22.5-25	180-185	1,084	896	173	0
Mr. Matthew Revell – Medical Director	47.5-50	175-180	1,045	732	300	0
Professor. P. Begg – Director of Strategy and Delivery	5-7.5	55-60	272	126	144	0
Mr. Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	2.5-5	40-45	255	212	26	0

5.1 Total Pension Entitlement

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

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

The CETV figures, and from 2007/08 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

6.0 Directors and Governors in office and expense claims

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

	2021-22	2020-21
Number of Directors in office*	13*	15*
Number of Directors with expense claims	2	2
Financial value of expense claims made by Directors (£00)	1	4
Number of Governors in office	18	16
Number of Governors with expense claims	0	0
Financial value of expense claims made by Governors (£00)	0	0

* Voting members only and excludes the interim Executive Director

Jo Williams
Chief Executive
14 June 2022

Section 3:

1.0 Staff Report

1.1 Analysis of Average Staff Numbers

Table 1: The Number of Staff employed by the Trust by Whole Time equivalents (WTE)

	2020/21	2021/22		
	Total	Permanently Employed:	Agency:	Total:
Medical and Dental	128	125	9	134
Administration and Estates	414	481	0	481
Healthcare assistants and other support staff	161	207	1	208
Nursing, Midwifery and Health Visiting Staff	282	299	49	348
Nursing, Midwifery and Health Visiting Learners	0	0	0	0
Scientific, therapeutic and technical staff	122	148	9	157
Other	0	0	0	0
	1,107	**1,260**	**68**	**1,328**

1.2 Employee expenses and numbers – Trust only

			2021/22			2020/21		
		Total £'000	Permanently Employed £'000	Agency £'000		Total £'000	Permanently Employed £'000	Agency £'000
Salaries and wages		44,441	44,441	0		47,762	47,762	0
Social security costs		4,199	4,199	0		4,839	4,839	0
Apprenticeship levy		194	194	0		218	218	0
Employer's contributions to NHS Pensions		5,053	5,053	0		5,460	5,460	0
Employer contributions paid by NHSE on providers behalf		2,208	2,208	0		2,396	2,396	0
On Cost		0	0	0		13	13	
Agency staff		2,713	0	2,713		4,443	0	4,443
TOTAL EMPLOYEE EXPENSES		58,818	56,105	2,713		65,131	60,688	4,443

Note: the information above relates to Trust employees only as the associated charity which has been consolidated into these accounts does not employ any staff.

1.3 Employee expenses

The total Employer Pension contribution payable for the period to 31 March 2022 is £5,460k (31 March 2021 £5,053k).

1.4 Staff breakdown by gender

Table 2: Gender and Role (by headcount) as at 31st March 2022 (Not including bank staff)

Title	Female	Male	Total
Non-Executive Directors	4	4	8
Executive Directors	2	5	7
Other Employees	888	357	1245
Total	894	366	1260

1.5 Staff breakdown by disability

Table 3: Disability and Role (by headcount) as at 31st March 2022 (Not including bank staff)

Title	Yes	No	Not Stated	Total
Non-Executive Directors	0	7	1	8
Executive Directors	0	6	1	7
Other Employees	46	1019	180	1245
Total	46	1032	182	1260

1.6 Staff breakdown by ethnicity

Table 4: Ethnicity and Role (by headcount) as at 31st March 2022 (Not including bank staff)

Title	BME	White	Not Stated	Total
Non-Executive Director	2	6	0	8
Executive Director	1	6	0	7
Other Employees	303	910	32	1245
Total	305	923	32	1260

1.7 Staff breakdown by sexual orientation

Table 5: Sexual Orientation and Role (by headcount) as at 31st March 2022 (Not including bank staff)

Title	Heterosexual or Straight	Bisexual	Gay or Lesbian	Other Sexual Orientation Not Listed	Undecided	Not Stated	Total
Non-Executive Director	3	0	0	0	0	5	8
Executive Director	5	0	2	0	0	0	7
Other Employees	1035	7	18	1	0	184	1245
Total	1043	7	20	1	0	189	1260

1.8 Sickness Absence

Details of staff sickness absence data can be found via NHS digital publication services on 'NHS Sickness Absence Rates' NHS Sickness Absence Rates - NHS Digital

1.9 Staff Policies and Actions applied during the financial year

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

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

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

Managers ensure that all adverts, job descriptions and person specifications provided to the Recruitment Team do not include statements which could be deemed discriminatory.

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

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

The Trust recognises that staff with a disability may have unintended increased levels of absence therefore time off for treatment or rehabilitation may be provided as a reasonable adjustment and flexibility is at the heart of the approach that managers are encouraged to take. The Trust's Human Resources team works closely with the Trust Health and Safety Officer to ensure that reasonable adjustments for staff are considered in a holistic manner by all experts who may be able to support the individual.

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

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

All staff have access to an Employee Assistance Programme, Staff Counselling and Occupational Health support as well as mental health and manual handling training. During this financial year, staff have been able to self-refer to counselling. All staff receive regular updates on wellbeing initiatives carried out across the Trust, and 'Special Interest Groups' (SIGS) have been implemented to ensure the views and wants of the workforce are listened to, captured and acted upon as appropriate.

During the COVID-19 pandemic the Chief Executive played an active part in maintaining contact with our most vulnerable staff who were shielding and absent from work. This included regular communication and updates via e- mail in addition to support listening calls where the Chief Executive and other colleagues in the Trust could check in and consider what additional support we could be providing to our staff who were having to remain at home.

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

The Trust is committed to the supporting physical and psychological wellbeing of all its staff.

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

The Trust has in place a range of communication channels in order to provide employees with relevant information in a timely manner. These include regular daily composite e-mails via e-bulletins, a weekly e-mail update from the Chief Executive, a monthly team brief and staff intranet. The Trust also has increased its social media presence recognising the shift in how people communicate and key updates, access to opportunities and general information is also shared via these means.

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

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

1.9.3 Informing and consulting with our staff

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

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

The Trust Consultative Committee (TCC) meets bi-monthly to discuss workforce issues related to nonmedical employees of the Trust and is attended by local and regional staff side colleagues and the Trust's Executive Team.

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

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1.9.4 Staff Turnover

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

1.9.5 Inclusion and Diversity

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

The Trust has during the year worked on developing an Inclusion Strategy for sign off in 2021/22 of which the key objectives are to create a truly inclusive environment at the ROH which will continue to improve the patient, colleague and visitor experience through:

- Tackling and removing all forms of discrimination in order to promote equality for all
- Creating an inclusive and healthy ROH culture through Trust values
- Ensuring our Leaders and Managers role model in a compassionate and inclusive way
- Giving colleagues a voice to speak up and ask for access to opportunities

- Being recognised as a Top Inclusive Employer externally through best practice approach

We have further enhanced existing staff networks (see more details in section 2.1 below). The Disability Forum is well established and has run a campaign on supporting people with hidden disabilities to share their experiences. The LGBTQ+ network has successfully taken steps to achieving 'Diversity Champion' accreditation with Stonewall. The Multi Minority Ethnic Group (MMEG) has launched a Career Mentoring programme. The Mentoring programme aims to support colleagues from a MMEG background to achieve career progression. It is one-day programme which will consists of a Mentoring session, Inclusive Mentoring session and Mentee session.

The Trust has been ranked in the Top 50 Inclusive Companies index, reaching number 15 in top 50 list which is an increase from Dec 2020 ranking at 34. This shows the continuous commitment in creating an inclusive culture where everybody can thrive.

The Trust has successfully implemented the launch of the second cohort of the Enabling a Productive and Inclusive Culture (EPIC) programme. The aim of the EPIC programme is to educate colleagues to become Inclusion Ambassadors within the Trust embedding and role modelling inclusive behaviours throughout their teams. The programme has a cohort circa of 16 colleagues who upon successful completion of the programme will become 'Inclusion Ambassadors' for the Trust.

It is anticipated that all the programmes and activities outlined will increase representation and ensure a diverse workforce at all levels of the organisation. The Staff Engagement and Organisational Development (SE&OD) Committee receives a regular workforce report detailing the diversity profile of the Trust and this oversight will ensure that actions are taken pro-actively to ensure that the Trust is diverse in its composition.

Compared to national data, the Trust is rated higher in seven of the nine indicators for the Workforce Race Equality Standards (WRES) indicators. The Trust has been highlighted as one of the best performing and one of the Trusts with sustained long-term improvement for questions linked to the staff survey. For the Workforce Disability Standards (WDES) again there has been improvements in questions link to staff survey feedback.

Any actions from the WRES and WDES standards are aligned to the overview Inclusion Action plan which will supports the delivery of the Inclusion Strategy.

1.10 Occupational Health and Health and Safety Performance

COVID Measures taken to safeguard the health, safety, and welfare of staff

Throughout the reporting period the Trust continued to monitor arrangements for managing the risks to health posed by COVID-19. Public Health England led the national response to the

global pandemic and published specific guidance aimed at the healthcare sector. Similarly, the Health & Safety Executive issued general guidance aimed at all employers. The list is not exhaustive, but measures adopted included: -

- Reviewing systems of ventilation throughout the trust, prioritising the effectiveness of mechanical ventilation. An external contractor has been assigned to review mechanical systems, primarily inside Theatres. The contractor has provided the services of an Authorised Engineer (Ventilation) to provide further advice and guidance.
- Promotion of HSE guidance - 'Working Safely during the COVID Outbreak'.
- Individual office/communal area risk assessments completed by Project Support Officers (PSOs). 57 risk assessments conducted in total.
- Temperature checks/hand sanitising and issue of facemasks set up at entrance points.
- Hand sanitiser made available in all work areas.
- Aerosol generating procedures (AGPs) identified and risk assessed.
- Suitable PPE sourced and provided by the procurement department.
- Mask fit testing delivered to staff ensuring respiratory protective equipment fits and is worn correctly. Training records maintained.
- Additional waste bins provided in work areas for safe disposal of facemasks.
- Approximately 120 mental health first aiders on hand to support staff.
- Staff access to Occupational Health Service.
- Wellbeing Officer in situ to support staff.
- Health and Wellbeing initiatives frequently promoted.
- Extensive use of signage throughout the Trust to promote social distancing/rule setting and one-way routes.
- Employees completed a Tier 1 risk assessment to help managers identify BAME and high-risk staff with co-morbidities. As a result, bespoke control measures were identified to reduce risk to vulnerable individuals.
- Before their 'start date' all new employees completed Tier 1 Covid risk assessments.
- Virtual BAME support group met regularly to support staff with issues/concerns.
- Regular Communications bulletins were issued reminding staff to self-isolate if diagnosed with COVID or if symptomatic.
- Regular virtual Chief Executive updates to staff via MS Teams were held, including question and answer sessions.
- Face to face staff meetings discouraged. Use of MS Teams promoted. Training literature and support provided by I.T Dept.
- Board room meetings were limited to a maximum number of 9 occupants.
- Extensive use of perspex screens on reception desks and within office spaces were implemented
- Tables and seating in Cafe Royale were configured to ensure social distancing.
- Hot desking was avoided where possible. Otherwise sanitise after and before each use.

- To reduce the risk of widespread departmental infections managers identified staff who can work from home, whilst ensuring business continuity.
- Annual face to face mandatory training sessions were suspended and have only recently been relaxed. Prior to this training was undertaken on-line.
- A new Stress Awareness Policy published aimed at helping managers identify the causes of work-related stress, signs and symptoms of stress and strategies to help support individuals or groups.

Number of accidents broken down by category. 1 Apr 2021 - 31 Mar 22.

(Employees/Visitors/Contractors)

Accident Category	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
Manual Handling Injuries	1		1	1		2		1	2	2		2
Burns / Scalds												
Contact with hazardous substances (COSHH)				1						1		
Road traffic accident/ incident												
Sharps injuries	1	2	2	2		1	2	1	2		5	
Slips, trips, and falls (staff, visitors & contractors)		1	1	2			1	4	0	2	3	1
Impact Injury (with static or moving object)	2							4	2	1		
Total figure for each month	=4	=3	=4	=6	=0	=3	=3	=10	=6	=6	=8	=3

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

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

Date of Incident	Summary of incident	Date RIDDOR Report submitted to HSE
16 Jun 21	Staff member inside Theatres slipped and fell causing a fractured ankle.	20 Jul 21
24 Nov 21	Staff member fell in car park causing a fractured foot.	9 Feb 22
24 Mar 22	Staff member fell off a chair causing a fractured coccyx.	8 Apr 22

Health and Safety staff training

Due to COVID-19 restrictions first-aid training could not be delivered to staff, a matter which was recognised by the HSE as a national issue affecting many employers. As an interim measure the HSE decreed that existing first-aiders fast approaching their expiry dates would have their qualifications extended for a further 6 months. Later, as Covid restrictions began to ease, an opportunity arose to deliver first-aid training to staff.

A three-day course was delivered by RoSPA on 21-23 June 2021 and was well attended. The qualification lasts for 3 years.

Again, as restrictions eased opportunities arose to deliver face-to-face mandatory H&S training. A total of 12 training sessions were delivered: -

- Mandatory training - x7 sessions.
- Care Certificate training - x5 sessions.

The responsibility for patient handling training previously delivered by a service level agreement with Derby Hospitals was brought in-house during the year. Staff from the Trust's Physiotherapy department have taken on the role after successfully completing the Level 3 Safer Patient Handling Course. This has given the Trust the opportunity to further enhance the service. This new arrangement is working to good effect.

Central Alerting System (CAS) Alerts

During the period 1 April 2021-31 March 2022 a total of 26 CAS alerts were received and subsequently actioned by the Trust.

The management of patient safety critical alerts, now known as 'National Patient Safety Alerts' (NatPSAs) has been made more robust by adherence to the National Patient Safety

Implementation Plan. NatPSAs now require action to be centrally coordinated on behalf of the whole organisation, rather than by multiple individual teams, divisions, or directorates, as had been the case previously. All NatPSAs now require executive level oversight of governance systems that provide evidence that the required actions have been fully completed before any NatPSA is recorded as 'action completed' on CAS.

1.11 Information on policies with respect to countering fraud and corruption

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

1.12 Off-payroll engagements: Trust policy

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

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

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

1.13 Off-payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2022	0
Of which…	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for between four and five years at time of reporting	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

Off-payroll engagements as of 31 March 2021, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2021	0
Of which…	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for between four and five years at time of reporting	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

New off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021,	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0
Of which…	
No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received	0

Those individuals where contractual clauses were not included in their contracts were instead requested to complete the off-payroll engagements assurance statement provided by HMRC in their guidance on IR35 arrangements. The Trust continues to review its procedures with regards to the use of off-payroll contractors to reflect the evolution in guidance as it is received from HMRC.

New off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0
Of which…	
No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received	0

Those individuals where contractual clauses were not included in their contracts were instead requested to complete the off-payroll engagements assurance statement provided by HMRC in their guidance on IR35 arrangements. The Trust continues to review its procedures with regards to the use of off-payroll contractors to reflect the evolution in guidance as it is received from HMRC.

1.14 Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "Board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	16

1.15 Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "Board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	15

1.16 Exit packages

Exit package cost band (including any special payment element	2021/22 Number of compulsory redundancies Number	2021/22 Number of other departures agreed Number	2021/22 Total number of exit packages by cost band Number	2020/21 Number of compulsory redundancies Number	2020/21 Number of other departures agreed Number	2020/21 Total number of exit packages by cost band Number
<£10,000	**0**	**0**	**0**	0	0	0
£10,000-£25,000	**0**	**0**	**0**	0	0	0
£25,001-£50,000	**0**	**0**	**0**	0	0	0
£50,001-£100,000	**0**	**0**	**0**	0	0	0
£100,001-£150,000	**0**	**0**	**0**	0	0	0
£150,001-£200,000	**0**	**0**	**0**	0	0	0
Total number of exit packages by type	**0**	**0**	**0**	0	0	0
Total resource expense (£'000)	**0**	**0**	**0**	0	0	0

This note relates to the Trust only as the Charity does not have any employees.

*This element of the annual report has been audited

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme except for three employees who left the Trust via the Mutually Agreed Resignation Scheme. This disclosure reports the number and value of exit packages taken by staff leaving in the year and the expense associated with these departures may have been recognised in part or full in a previous period.

1.17 Retirements due to ill health

During the year to 31 March 2022 there were no early retirements from the Trust agreed on the grounds of ill-health (31 March 2021, nil).

1.18 Gender pay gap reporting

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

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

2.0 Staff Survey

The Trust has made notable progress in relation to its approach to staff engagement and considers effective staff engagement being core to delivering high quality outcomes for our patients.

The Trust continues to rely on virtual methods to engage with staff and briefings have been taking place since the start of the pandemic to ensure that there has been opportunity for two-way feedback.

Virtual walkabouts for Non-Executive Directors are established in addition to Executive 'Chat and Checks' – monthly engagement sessions with teams across the Trust where Executive Directors can engage with people and hear any feedback they may have about working at the Trust and giving staff the opportunity to engage with the Trust Board. The Trust's monthly Team brief provides opportunity for staff to ask questions of the Executive Team on anything they choose to.

The staff survey is conducted annually and NHS quarterly Pulse surveys have been reintroduced in 2022.

From 2018 to 2021 the results from questions were grouped as detailed below to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. However as of this year, the results are measured against the seven 'People Promise' indicators aligned to the NHS People Strategy. It is therefore not possible to compare results for this year with previous data. The first table shows the previous results, and the second table outlines the most update to data which will be used to compare future results.

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

National Staff Survey Results 2018 - 2020

	2020		2019		2018	
	Trust	**Benchmarking Group**	**Trust**	**Benchmarking Group**	**Trust**	**Benchmarking Group**
Equality, Diversity & Inclusion	9.3	9.2	9.2	9.2	9.2	9.3
Health and Wellbeing	6.5	6.5	6.3	6.3	6.3	6.3
Immediate Managers	7.2	7.1	7.2	7.1	7.3	7.0
Morale	6.3	6.4	6.4	6.4	6.4	6.3
Quality of Care	7.8	7.9	7.8	7.9	6.9	7.8
Safe environment – bullying and harassment	8.6	8.4	8.3	8.3	8.1	8.2
Safe environment – violence	9.8	9.8	9.9	9.8	9.8	9.7
Safety Culture	6.9	7.0	7.3	7.0	6.9	6.9
Staff Engagement	7.3	7.4	7.5	7.5	7.4	7.4
Team Working	6.8	6.8	6.9	6.9	-	-

National Staff Survey Results 2021

There has been a positive increase again in the completion rate to 57%. Bank staff have for the first time been invited to complete the staff survey.

	ROH	**Average Benchmarking**	**Best Benchmarking**
We are compassionate and inclusive	7.6	7.5	7.8
We are recognised and rewarded	6.2	6.1	6.3
We each have a voice that counts	7.1	7.0	7.3
We are safe and healthy	6.4	6.2	6.5
We are always learning	5.6	5.6	5.9
We work flexibly	6.5	6.3	6.7
We are a team	6.9	6.9	7.1
Staff Engagement	7.3	7.3	7.5
Morale	6.2	6.0	6.3

Themes/observations show that there has been:

- A positive response from colleagues on ROH action taken on health and wellbeing
- A positive improvement in how staff feel they have been treated
- An improvement in how staff feel they are supported by their managers
- A sustained improvement in how staff from a minority ethnic background feel they are treated has been highlighted in a national NHS WRES report
- A positive response from staff in relation to their morale during COVID-19

In addition, ROH has very positive scores when compared against regional trusts.

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

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

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

2.1 Staff networks

ROH Networks – Staff Voice

The Trust has a growing number of networks run by colleagues to promote the voice of our diverse staff groups. The Trust recognises the strength of supporting our network groups. Equality and Diversity was the first network formed in November 2018, with the remit of raising awareness and promoting Inclusion across the Trust. Following on from the success of the E&D Network, other diverse networks have formed, as shown below. These networks have their own identity and focus and are aligned to the overall Inclusion plan. The ambition is for the diversity of staff voices to be increased over the coming years as either standalone networks, or as part of the Equality and Diversity Network. The following networks have clear Terms of Reference with the overarching aims to provide support, awareness, education, and positive action. All the networks have Chairs or Co-ordinators and sponsors from the ROH Executive Team.

Equality & Diversity Network (E&D Network)

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

Multi Minority Ethnic Group (MMEG)

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

Disability Network

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

LGBTQ+ Network (Be Myself)

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

Menopause Support Network

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

2.2 Expenditure on consultancy

Consultancy spend for the year was £341,000 (2020/21, £149k) which included spend on digital strategy and HR.

Section 4:

1.0 The work of the Council of Governors 2021/22

1.1 Structure and Members

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

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

Key aspects of the Governors' role include:

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

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

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

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

1.2 Doing its job – as a whole Council

During the year, the Council of Governors continued to work with the Board to provide input to some of the Trust's key decision-making, particularly in relation to its response to the COVID pandemic. In addition to formal meetings a series of briefings were organised to keep governors updated on the operational response to the pandemic and to give them an opportunity to seek assurance around how the organisation was functioning during the challenging time.

1.3 Governor Representation on Trust Committees/Groups/walkabouts

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

During the year, members of the Council attended as observers at the following groups:

- Charitable Funds Committee
- Patient Experience & Engagement Group

In addition, a standing invite is offered to attend the Quality & Safety Committee.

In usual times, the governors are also invited to join the quality assurance walkabouts which are scheduled monthly.

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

1.3 Council of Governors Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises four governors and is chaired by the Trust Chair. The Committee decides the remuneration, allowances and other terms and conditions for the Chair and Non-Executive Directors. The Director of Corporate Affairs & Company Secretary provides support to the Committee.

The Nominations and Remuneration Committee of the Council of Governors has not been required to meet this year.

1.4 Contacting the Governors

The Governors can be contacted through the Director of Corporate Affairs & Company Secretary, the Royal Orthopaedic Hospital NHS Foundation Trust, Bristol Road South, Northfield, Birmingham, B31 2AP.

1.5 Governor Constituencies

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

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

1.6 Public Members

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

During 2021/22 the Trust had two public constituencies within its public membership:

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

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

1.7 Staff Members

The Trust has two constituencies within its staff membership:

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

1.8 Appointed Governors

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

- Birmingham City Council
- Bournville Village Trust
- Member of Northfield Community Partnership
- Birmingham City University
- University of Birmingham

1.9 Governor Elections 2021/2022

During the year, the Trust conducted Governor Elections to fill seats that had become vacant and used an external company, Civica (formerly Electoral Reform Services), to oversee the election process with both sets of elections being conducted using the single transferable electoral system.

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

1.9.1 Result: Rest of England and Wales

An election took place in the Summer of 2021 to fill **two** seats for the Rest of England and Wales:

The election was run by an external provider, Civica, and the successful candidates were Mary (Pat) Clarke and Arthur Hughes. Pat was elected for a first term of office of three years and Arthur was elected for a second term of office. Both Pat and Arthur's term of office will finish on 31 August 2024.

Election 1

Electorate	1,704
Total number of votes cast (by post: 191 and online: 23)	214
Turnout	12.6%
Invalid votes cast	3
Total valid votes	211

Election 2

During 2021/22, an election took place for a non-clinical staff governor which ran concurrently with the above (Election 1). Again, this election was also overseen by Civica.

1.9.2 Staff Elections and Results

Number of eligible voters	451
Votes cast online	72
Total number of votes cast	72
Turnout	16.0%
Number of votes found to be invalid	0
Total number of valid votes to be counted	72

Gavin Newman was re-elected for a second term of office of three years which will finish on 31 August 2024.

Other Vacancies

In addition to the above, during 2021/22, the Trust has two vacancies in the Birmingham and Solihull constituency. The following candidates were elected unopposed:

- Julia Liddle
- Petro Nicolaides

There were also vacancies for two clinical staff governors and again, the following candidates were elected unopposed:

- Andrew McQueen
- Wilson Thomas

1.9.3 Elections during 2022/2023

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

Birmingham and Solihull	1 seat
Rest of England and Wales	1 seat

In addition, elections will be organised to fill already vacant governor roles, one in the rest of England & Wales constituency and one in the clinical staff governor constituency.

1.9.4 Process for removal of a governor

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

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

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

1.10 Governor Profiles

Profiles for each governor, together with their term of office, who served on the Council of Governors during the period 1 April 2021 to 31 March 2022 are provided below:

Public Governors

- **Brian Toner, Lead Governor** - Brian belongs to the Rest of England and Wales constituency. He considers the Trust's paramount goal is to deliver high quality health care, whilst responding to today's economic demand. Having twice been a patient at the Hospital, he had been hugely impressed by the professionalism of the staff and care he received and was happy to become a member and later a Governor, and give something back. Brian believes that quality services are delivered by committed staff, supported by a strong governance foundation, including feedback from service users. Equally, strategic direction needs to be developed through genuine stakeholder engagement and his experience as a patient, his health service background**,** work with charities and his involvement with the Care Quality Commission will enable him to make a positive contribution as a Governor to the Trust's success and ongoing development. Brian continues his role as Lead Governor until 31 May 2022 and if successful in being elected for a further term as a public governor is interested in maintaining his role as Lead Governor.

Birmingham and Solihull (five seats):

- **Lindsey Hughes** - Having spent over 38 years in the NHS, including several as a Head of Nursing and Clinical Governance Lead, Lindsey became a volunteer at the Royal Orthopaedic Hospital. Lindsey is passionate about the best care for patients and wishes to ensure high standards of care are maintained. Lindsey has participated in two PLACE assessments and enjoys obtaining feedback from patients on their care. Lindsey is an experienced risk assessor and problem solver; constructive and tenacious. Lindsey's first term of office ended in May 2019 and she was elected to serve a second term of office which will end on 28 May 2022.

- **Marion Betteridge** - Marion has lived in Northfield for the last fifty plus years and has been a volunteer at the Royal Orthopaedic Hospital for a number of years doing a range of jobs to assist patients. Marion wanted to give something back which is why she became a Governor. She is proud to help the hospital continue to provide its excellent care and treatment. Marion's third and final term of office came to an end on 31 July 2021.

- **Petro Nicolaides** - Petro has been a patient with ongoing treatment since January 2010. He is extremely grateful to the hospital for all it has done and continues to do for him, and wanted to contribute back to the hospital. Petro runs a small financial and business consultancy practice locally and serves as a School Governor in a local secondary school. Petro's second term of office came to an end on 31

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

- **Anne Waller** – Anne was elected as Governor, having worked for the NHS for over 25 years, before retiring 6 years ago. During this time Anne served as a Staff Governor for two consecutive terms for a large hospital Trust in Birmingham and gained the necessary understanding of how the NHS works in a hospital setting and the NHS in general. Anne is also a past patient of ROH and is a local resident of the hospital, therefore is interested in the ongoing care that it provides. Anne is a member of the Trust and likes to keep herself updated on the work that is taking place at the hospital. Ann's first term of office will come to an end on 5 October 2023.

- **Anthony Thomas** – Anthony was elected for a first term of office of three years which will finish on 31 December 2023. Anthony is a past Governor of the ROH and last served on the Board of Governors in 2017. Anthony is also a patient of the hospital and would like to give something back to the organisation. He has recently retired from the post of Project Manager (Capital Works) within the NHS at another Trust where his project work included ward alteration and upgrade works to Trust properties, through from inception to final handover. Anthony is a chartered technologist (MCIAT), a qualified Project Manager (MAPM) and a Surveyor (Assoc RICS). Having been a former governor and employee within the NHS, Anthony believes he can offer a positive input to the Hospital.

- **Julia Liddle** – Julia was elected for a first term of office in the Summer of 2021. Julia has been a volunteer at a large local hospital since 2010. Having enjoyed the experience of working closely with the staff and being a member of the Patient Carer Council where she volunteers, Julia finds it very rewarding to help and make a difference to both patients and staff. Julia's association with The Royal Orthopaedic Hospital is as a patient and has been for a number of years. Julia would now like to help repay the care that she has received from the Trust and welcomes the opportunity to become more involved in a local and smaller Trust to help and support them in achieving their goals. Julia's term of office will come to an end on 31 August 2024.

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

- **Carol Cullimore** – Carol was elected as a Governor in July 2015 and her first term of office ended on 31 July 2018; she was successfully elected to serve a second three-year term. Carol retired from nursing after 45 years and has also been a patient of the Hospital for over 20 years. She brings her expertise as both a nurse and as a patient to the role of Governor and recognises the challenges faced by the Trust and to give something back to help make a difference. Carol's second term of office came to an end on 31 July 2021.

- **David Roy** – David was elected as Governor in October 2020 for a first term of office. David has worked in the NHS for over 25 years and is currently a Clinical Governance Manager/Slit Lamp Practitioner. David was elected and served as a Staff Board Governor at the Heart of England NHS Foundation Trust from 2011 to 2013 and was also the Deputy Chair of the Governor's Clinical Governance Committee. David was responsible for representing and voting on interests of the Trust members including staff, public and stakeholder organisations in the local health economy following Monitor's Code of Governance (2006). David was actively involved with Governors internal inspections across General Acute, Medical, and Surgical specialities across the Trust. As a former patient of the Royal Orthopaedic Hospital and an NHS member of staff, David would like to actively make a difference to the hospital and share his experience and knowledge. David's term of office will come to an end on 5 October 2023.

- **Arthur Hughes** - Arthur was elected as Governor in August 2021 for a second term of office of three years. Arthur's national and international business life has given him experience of listening to both sides of discussions in helping/guiding with solutions. Arthur has lived/worked in Africa, Europe, North America and China working alongside management boards of companies, government departments/ organisations and professional bodies (including the World Health Organisation). Arthur is a former patient of the hospital and a member of Patient and Carers Forum. He wishes to work with the Trust in his Governor role to help the hospital continue its successful progress. Arthur's second term office will come to an end on 31 August 2024.

- **Mary (Pat) Clarke** - Pat was elected as Governor in August 2021 for a first term of office which will come to an end on 31 August 2024. Pat is a former Staff Nurse of the Royal Orthopaedic Hospital and retired nurse from the District Nursing Service. She feels her contribution from both areas of the NHS would bring a more holistic view of healthcare on behalf of the members to the Council of Governors. The Pandemic made Pat realise that she would like the opportunity to contribute to the ROH on behalf of the patients, public and members in providing an efficient and amicable feedback to the Council.

Stakeholder Governors

- **Bournville Village Trust** - David Robinson is the Director of Financial Resources at Bournville Village Trust who own the freehold of the Hospital as the Cadbury family donated the building and land to the people of Birmingham for health purposes.

David joined BVT in May 2017 and covers all aspects of Finance and IT for them and its associated managed societies. David's professional membership includes Fellow of the Royal Society of Arts (FRSA) and through his fellowship he contributes to several groups and forums on public policy and supports the Society in their aims to contribute to building a better society. He is also a member of the Charity Finance Group and Charity Group as well as a Member of the Voluntary Organisations Disabilities Group – Finance Director Group. David's first term of office came to an end on 30 April 2021 and was reappointed for a further three years.

- **Birmingham City Council** - Liz Clements is a Councillor on Birmingham City Council and was elected on 3 May 2018 to represent the Bournville and Cotteridge Ward. On the Council she is Chair of the Sustainability and Transport Overview & Scrutiny Committee. Her Committee Membership from 2018 to 2019 consisted of Co-ordinating the Overview & Scrutiny Committee, Sustainability and Transport Overview & Scrutiny Committee and WMCA Overview & Scrutiny Committee. Liz's first term of office as Governor with the Trust concluded on 31 July 2021. Liz will be serving a second three-year term which will come to an end on 31 July 2024.

- **University of Birmingham** - Dr Dagmar Scheel-Toellner represents the University of Birmingham on the Council of Governors. Dagmar is currently leading a research team at the University of Birmingham that investigates the basic mechanism of joint inflammation in patients with rheumatoid arthritis. Dagmar initially trained as a pharmacist, and the translation of her research on autoimmunity into therapeutic strategies is still an important long-term aim in her work. She closely collaborates with her clinical colleagues within the Rheumatology Research Group in their investigation of the early stages of the development of rheumatoid arthritis. Dagmar's first term of office came to an end on 31 July 2020. Dagmar will be serving a second term of office, for a further three years, which will conclude on 31 July 2023.

- **Birmingham City University** - Hannah Abbott represents Birmingham City University (BCU) on the Council of Governors. Hannah's current role at BCU is an Associate Professor and Acting Head of School for the School of Health Sciences. Hannah is passionate about the development of the future healthcare workforce and being part of ROH allows her to better understand the issues affecting the hospital. Hannah's professional background is in theatres as an Operating Department Practitioner, and therefore has a keen interest in surgery and particularly patient safety. Hannah's first term of office came to an end on 31 August 2020. Hannah will be serving a further three-year term and her second term of office will come to an end on 31 August 2023.

- **Northfield Community Partnership** – Maxine Shanahan has been the Operational Manager at Northfield Community Partnership (a charity helping people and

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

Clinical Staff Representatives (two seats)

- **Adrian Gardner** – Adrian was elected as Clinical Staff Governor on 17 August 2018. Adrian has been involved with the Trust, firstly as a trainee and then became a consultant since 2002. He acknowledges in the future the ROH faces even more change with the loss of paediatrics and the inevitable reorganisation of some services with UHB at the Queen Elizabeth Hospital.

  Adrian feels that colleagues should all be able to say "I would bring my mother to the ROH for her surgery" knowing it would be the best. He did exactly that several years ago and stands by that decision. He is of the opinion that this is the level where we as a hospital should be and can be. Adrian's first term of office came to an end on 18 August 2021.

- **Karen Hughes** - Karen has been a registered nurse since 1989 and has a background in surgical nursing. Karen has worked at the Hospital as clinical nurse tutor since 2010 and during the year was appointed as one of the two Heads of Nursing in the Trust. She is undertaking a Master's Degree in Advanced Healthcare Practice. Karen is passionate about high quality standards of care and the good stewardship of valuable NHS resources. Karen was re-elected to serve a third and final term which came to an end on 9 September 2021.

- **Wilson Thomas** – Wilson has been a Consultant in the hospital for over 14 years, working on the floor in the Trust, and has been the lead for medical workforce to improve the overall staff experience. Wilson seeks the privilege to represent the view and needs of the Trust, especially with the challenges of the 10-year NHS forward plan and integration of services within the BSol system. Wilson would like to share his knowledge and experience and engage with the Board to improved patient care and staff experience. Wilson's first term of office will come to an end on 31 August 2024.

- **Andrew McQueen** – Andrew has worked at the Trust since 2015 and is currently a member of the Rapid Response Team. Andrew works both clinically and in an educational capacity across the Trust. Andrew is passionate about patient care and experience and is keen to further develop patient pathways in helping the Trust build on its reputation further. Andrew would like to help the Trust achieve its objectives and impact positively as a staff representative. Andrew is passionate

about staff achieving and progressing in their roles and is keen for all staff to develop themselves and their skills. During the year Andrew's stepped down as a staff governor as he left the hospital.

Non-Clinical Staff Representative (two seats)

- **David Richardson** - David has worked at the hospital for 8 years, and currently works as the Head of Education and Training. His interest in being a governor is twofold: firstly, he is passionate about the Trust, and wants it to be successful and he feels that his experience in both the public sector and private sector would enable him to be of value during this significant period of change. Secondly, his role touches on all departments and staff within the Trust, and spreads externally through schools, colleges, higher education institutes and other NHS organisations. This breadth of contact enables David to understand the views and experiences of a much wider audience. David's first term of office came to an end on 14 September 2020. During the year David was re-elected for a second term of office which was planned come to an end on 5 October 2023, however David stepped down as a staff governor during the year.

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

  As a governor, Gavin wishes to continue to embrace the changes required to provide the best possible outcome for the ROH and its patients and continue to build on the CQC "good" evaluation.

  Gavin is very proud to be a Governor of an organisation that strives to provide excellent care for every patient it serves and having been born and bred within a mile of the ROH he appreciates value to the community. Gavin's first term of office came to an end on 9 September 2021. Gavin was re-elected for a second term of office which will come to an end on 31 August 2024.

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

for Orthopaedic care. Matthew's first term of office will come to an end on 31 December 2024.

1.11 Attendance by Governors at Council of Governor Meetings 2021/22

During the period 1 April 2021 to 31 March 2022 the Council of Governors formally met on two occasion with two additional briefing sessions arranged throughout the year to ensure that the governors were informed of the Trust's response to the COVID pandemic. A record of the attendance by each Governor at the formal meeting is included in the table below:

GOVERNOR/CHAIR	DATE		TOTAL
	16/6/21	7/10/21	
Tim Pile (Ch)	✓	✓	**2/2**
Brian Toner	✓	✓	**2/2**
Pat Clarke		A	**0/1**
Marion Betteridge	✓		**1/1**
Julia Liddle		✓	**1/1**
Wilson Thomas		✓	**1/1**
Andrew McQueen		✓	**1/1**
Petro Nicolaides	✓	✓	**2/2**
Carol Cullimore	✓		**1/1**
Lindsey Hughes	✓	✓	**2/2**
Arthur Hughes	A	✓	**1/2**
Tony Thomas		✓	**1/1**
David Robinson	✓	✓	**2/2**
Hannah Abbott	✓	A	**1/2**
Dagmar Scheel-Toellner	A	✓	**1/2**
David Roy	A	A	**0/2**
Anne Waller	✓	✓	**2/2**
Liz Clements	✓	✓	**2/2**
David Robinson	✓	✓	**2/2**
Maxine Shanahan	A	✓	**1/2**
David Richardson	✓	✓	**2/2**
Gavin Newman	✓	✓	**2/2**
Karen Hughes	✓		**1/1**
Adrian Gardner	A		**0/1**

KEY:

✓	Attended	A	Apologies tendered
[redacted]	Not in post or not required to attend		

A record of attendance by Board members at the Council of Governor meeting during 2020/21 is provided in the table below:

BOARD MEMBERS	MEETING DATE	
	16/06/2021	07/10/2021
Kathryn Sallah	✓	✓
David Gourevitch	[redacted]	✓
Simone Jordan	✓	✓
Gianjeet Hunjan	✓	✓
Jo Williams	✓	✓
Steve Washbourne	✓	[redacted]
Matthew Revell	[redacted]	✓

KEY:

✓	Attended	A	Apologies tendered
[redacted]	Not in post or not required to attend		

The Annual General Meeting was held on 25 November 2021 and was broadcast via social media. The event was attended by a small number of individuals given the ongoing requirement to ensure that face to face meetings were held in a socially distant way.

1.12 Council of Governor Meetings

Topics covered at the formal meeting included:

- Chair and Chief Executive's updates
- Summary of the clinical strategy
- Legal view of the Integrated Care System and its implications
- Progress with governor-sponsored quality priority
- Annual Governance Declarations – compliance with the FT licence and General Condition 6
- Overview of Non Executive responsibilities
- Fit & Proper Persons Test update
- Update on the work of the Board Committees
- Progress with governor elections

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

- The Chief Executive attended each Council of Governors meeting during the year to provide updates on key areas, including the ROH's participation in the work of the Birmingham and Solihull Integrated Care System (ICS)
- The Medical Director joined to present an overview of the clinical strategy
- The Director of Finance joined to provide an overview of the annual accounts
- The Director of Corporate Affairs & Company Secretary attended all meetings to provide secretarial support and also present a number of reports on matters such as compliance with the Fit and Proper Person's Test and Non-Executive responsibilities

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

1.13 Governor Training and Induction

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

At the October 2021 meeting, the governors were joined by a lead lawyer from Browne Jacobson LLP to provide them with an overview of the ICS legislation and the implications of this. At the June 2021 meeting the Director of Corporate Affairs also provided the governors with a refresh on the role of the Non-Executives and specifically the roles of the Vice Chair and Senior Independent Director.

Acknowledging that there is more that can be done to train our governors, as the impact of the pandemic subsides work will be undertaken in 2022/23 to further develop additional training sessions, including creating a forum for sharing best practice between our peer organisations and linking in with the work of the Integrated Care Board.

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

1.14 Effectiveness of the Council of Governors

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

At the end of each meeting, there is an opportunity to discuss the effectiveness of the Council of Governor meeting and a pre-meet of the governors that started in 2019 will continue

throughout the year which allows the governors to talk about matters that may not lend themselves to discussion in the confines of a formal meeting.

1.15 The Council of Governors' Register of Interests

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

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

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

1.16 Engaging Our Membership

Due to the COVID-19 pandemic and social distancing measures outlined by the government, we continued to hold events virtually throughout 2021/22 wherever possible. This made a significant impact on both the engagement with members as well as new member recruitment.

Events held in 2021/22 included our Key Worker Day celebration, Knowledge Hub re-development opening and Annual General Meeting.

We actively connected with 23% of members (1102) who provided us with email addresses and opted-in to regular communication. This increased over the year after regular communication with members and new recruitment campaigns. Throughout 2021/22 these members have been contacted on a quarterly basis with regular updates from both the Trust and Charity with news and engagement opportunities.

On average we have a 15-20% open and click rate on links within the mailouts sent.

A significant number of members do not currently receive regular communication from apart from notification of upcoming elections and voting opportunities. This is because for many members we do not hold a recent and relevant e-mail address. Multiple mailout campaigns have been organised asking for this. In 2022/23 we hope to look into more opportunities to connect with members physically by utilising the mandatory election notifications sent to all members' homes.

Our Trust Newspaper, ROH Life, is emailed to all Foundation Trust Members upon release once a quarter. The newspaper is also available for the public to receive physically within the hospital. An appeal for new members is included within each edition to enhance our membership. The online open rate of the newspaper is on average 845 views per edit.

Member Recruitment

Although the strategy for this year focussed specifically on engagement rather than recruitment, there have been some steps taken to actively recruit new members. Some of the usual ways in which we recruit members have been ceased due to cancellation of events within the Trust.

Actions taken over the last year include:

- Foundation Trust Membership recruitment space within each ROH Life newspaper edition.
- Social media campaigns once a quarter, advertising the benefits of membership and encourage engagement in virtual meetings/surveys.
- Information provided at Junior Doctor induction and Simulated Patients Day.
- All staff leavers and charity donors were sent information regarding foundation trust membership and how to apply.

Recruitment methods to start again in 2022/23:

- Membership presence at all Harrison Lectures and any additional public teaching sessions.
- Membership session at the yearly Work Experience sessions, encouraging individuals to sign up.

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

1.17 Membership Strategy

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

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

1.18 Membership size and movements

The Trust has two membership constituencies as follows:

- Public constituency
- Staff constituency

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

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

	2021/2022	Next year (estimated)
Public constituency		
At year start (April 1)	4740	4672
New members	31	300
Members leaving	99	100
At year end (March 31)	4,672	4,872
Staff constituency		
At year start (April 1)	1193	1239
New starters	197	221
Staff leavers	188	211
At year end (31 March)	1234	1245

* Leavers on flat turnover rate of 12.10%

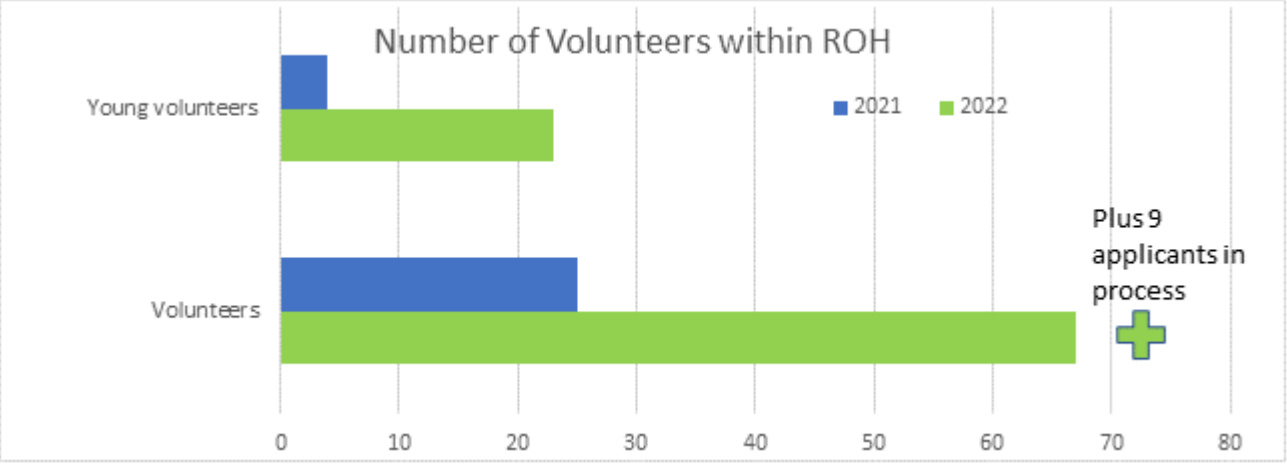
** New starters increase of 12.38%

1.19 Volunteers

The Royal Orthopaedic Hospital NHS Foundation Trust (The Trust) recognises and values the huge contribution that volunteers make to its services. Volunteers provide a rich resource of experience, skills, and time, complementing and enhancing the work of staff. Therefore, the aim of the Volunteer Service is to support and encourage volunteers, providing a robust structure for their enrolment, management, training, and supervision, ensuring that any additional support within our hospital enhances patient experience.

Through the Trust's commitment to the principles of social inclusion and community involvement, it is hoped that volunteers will experience mutual benefits including workplace experience, a sense of purpose, achievement, and improved wellbeing.

Performance:



It was in June 2021, we were finally allowed to welcome back the volunteers and to start a fresh and exciting new recruitment campaign, particularly targeting young volunteers and volunteers from BAME backgrounds. The recruitment of young volunteers is important to those who wish to pursue a career in a medical profession but to also help with gaining confidence and understanding of the working environment and goings on within a hospital setting.

This recruitment drive has been and continues to be highly successful with numbers of volunteers going from strength to strength and new roles being created to accommodate all volunteers and departmental needs. New roles that have been approved and are being successfully filled are Pre-Operative Assessment Centre (POAC) greeters – the volunteer will greet each patient, take temperatures, offer hand gel and facemasks to all those who are not exempt. In the instance a patient is exempt an alternative option will be offered. Another role now available is portering – this includes sorting and delivering mail around the hospital and the moving of patients between wards and theatres.

There are also roles awaiting approval including – Chaplaincy roles, PAT therapy dogs and Check in and chat volunteers. Our vision is to promote happiness and well-being throughout The Trust with the involvement of volunteers and the promotion of volunteering.

Since June 2021 Volunteer Services (with support from Comms) have successfully created a volunteer logo, this is now on all our correspondence around the hospital and within the community on recruitment posters. This logo along with the uniform introduced has given the volunteers a real feeling of respect and belonging within the hospital. Another achievement the volunteer services is proud of is the introduction of volunteers onto the ESR system – this gives volunteers the same access to online training/absence booking and personal development as staff within The Trust.

For our newest recruitment campaign, we have created new posters and invited our current volunteers to say what volunteering means to them.

I have been nursing for the past 47 years and The Royal Orthopaedic Hospital and the wonderful staff have looked after both my mum and myself over the past few years. It was for this reason that I decided to join the volunteering team at the ROH as I come to the end of my nursing career with spare time on my hands.

Volunteering is the perfect opportunity for me to give back and to say thank you for all the excellent care both my mum and myself have received.

Work is also currently underway on creating a volunteer report, detailing more about the volunteers and the amazing contribution to the ROH.

Section 5:

1.0 Code of Governance and Foundation Trust Reporting Manual Disclosure requirements

1.1 Disclosure of Corporate Governance Arrangements

The Royal Orthopaedic Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, last updated July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

1.2 Statutory Requirements

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

1.3 Provisions Requiring a Supporting Explanation

The Code of Governance contains a number of provisions that require the Trust to give a supporting explanation as to whether the Trust is compliant or not. The relevant disclosure statements are detailed below.

Code of Governance **reference**	**Summary of requirement**	**Reference in Annual Report/ Response**
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors.	Detail included in the Accountability Report (Section 1 (1.8)): Directors Report)

A.1.2	The annual report should identify the Chairperson, the deputy Chairperson (where there is one), the Chief Executive, the senior independent director and the Chairperson and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those committees and individual attendance by directors.	Detail included in the Accountability Report (Section 1 (1.1)): Directors Report)
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Detail included in the Accountability Report (Section 4 (2.5)): Council of Governors Report)
n/a	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and directors.	Detail included in the Accountability Report (Section 4 (2.6)): Council of Governors Report)
B.1.1	The Board of directors should identify in the annual report each Non-Executive Director it considers to be independent, with reasons where necessary.	Detail included in the Accountability Report (Section 1 (1.0)): Directors Report)
B.1.4	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	Detail included in the Accountability Report (Section 1 (1.0)): Directors Report
n/a	The annual report should include a brief description of the length of appointments of the Non-Executive Directors, and how they may be terminated.	Detail included in the Accountability Report (Section 1 (3.1)): Directors Report
B.2.10	A separate section of the annual report should describe the work of the Nominations Committee(s), including the process it has used in relation to Board appointments.	Detail included in the Accountability Report (Section 1 (1.11)): Directors Report
n/a	The disclosure in the annual report on the work of the Nominations Committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.	Detail included in the Accountability Report (Section 1 (1.6))
B.3.1	A Chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Accountability Report (Section 1 (1.5)): Directors Report)

B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Accountability Report (Section 4 (1.2)): Council of Governors Report)
n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151(8) of the Health & Social Care Act 2012. * Power to require one or more of the directors to attend a Governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or Directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012	This power was not exercised during 2021/2022
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its Committees and its Directors, including the Chairperson, has been conducted.	Accountability Report (Section 1 (1.10)): Directors Report)
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Accountability Report (Section 1 (1.15)): Directors Report)
B.6.5	Led by the Chairperson, the Council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Accountability Report (Section 4 (2.9)): Council of Governors Report)
C.1.1	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Accountability Report (Section 1 (1.3)): Directors Report and Section 8: Annual Governance Statement)
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Accountability Report (Section 8: Annual Governance Statement)

C.2.2	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Accountability Report (Section 1 (1.11)): Directors Report and Section 8: Annual Governance Statement)
C.3.5	If the Council of governors does not accept the audit Committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the Audit Committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Not applicable
C.3.9	A separate section of the annual report should describe the work of the Audit Committee in discharging its responsibilities. The report should include: the significant issues that the Committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Accountability Report (Section 1 (1.11)): Directors Report)
D.1.3	Where an NHS foundation trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable
E.1.2	The Board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Accountability Report (Section 1 (1.18)) and Section 8: Annual Governance Statement (Section 4.9)
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Accountability Report (Section 1 (1.9)): Directors Report and Section 4 (2.7)): Council of Governors Report)
E.1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Accountability Report (Section 4 (3.0)): Council of Governors Report)
E.1.4	Contact procedures for members who wish to communicate with Governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	Accountability Report (Section 4 (1.4)): Council of Governors Report)

n/a	The annual report should include: a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; information on the number of members and the number of members in each constituency; and a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Accountability Report (Section 4 (2.0)): Council of Governors Report)
n/a	The annual report should disclose details of company directorships or other material interests in companies held by Governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Alternative disclosure Accountability Report (Section 1 (1.1)): Directors Report)

2.0 Comply or explain requirements

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

Jo Williams
Chief Executive

14 June 2022

Section 6:

Regulatory Ratings Report

1.0 NHS System Oversight Framework

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

1.0 Segmentation

The Trust remained within Segment 2 through the financial year 2021/22.

The Birmingham Solihull Integrated Care System remained within Segment 3 through the financial year 2021/22.

Jo Williams
Chief Executive

14 June 2022

Section 7:

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

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

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

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

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual have been followed,* and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy; and
- prepare the financial statements on a Going Concern basis and disclose any material uncertainties over Going Concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above-mentioned

Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Jo Williams
Chief Executive
14 June 2022

Section 8:

Annual Governance Statement

1.0 Scope of responsibility

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

2.0 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Royal Orthopaedic Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Royal Orthopaedic Hospital NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

3.0 Capacity to handle risk

3.1 How leadership is given to the risk management process

The Chief Executive has overall responsibility for having an effective risk management system in place within the Trust and for meeting all statutory requirements.

At an operational level, the Director of Corporate Affairs & Company Secretary, oversees the risk management framework within the Trust.

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

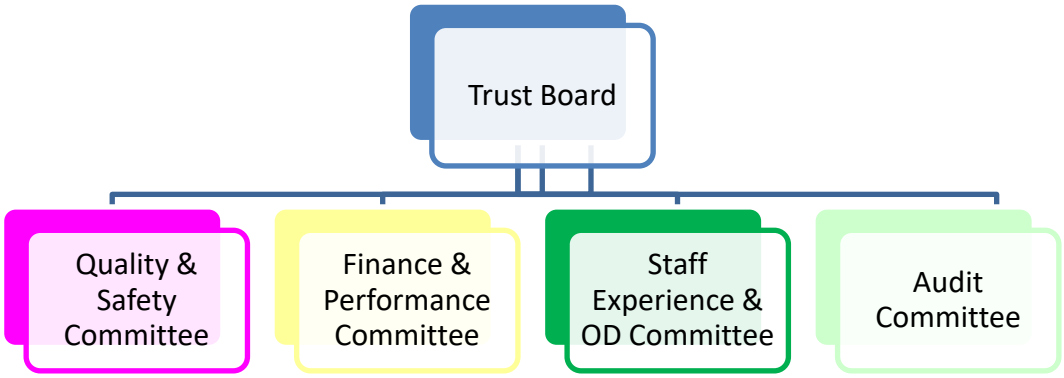


Figure 1: Trust Board & Committee structure

Quality & Safety Committee: The Quality & Safety Committee has designated responsibility for oversight of clinical risk management and is chaired by a Non-Executive Director of the Trust. The Executive Chief Nurse is the lead executive for this committee. The Committee meets monthly (apart from July and December when an assurance briefing is held) and regularly reviews clinical risks through consideration of a Quality & Patient Safety overview. The Committee's cycle of routine business also requires a set of subcommittees and groups with a clinical focus to report to the Committee on their work and to highlight any risks within their remit which may not otherwise be included on the formal risk registers. This process includes the evaluation of mitigating actions that have taken place to understand and assess the outcomes of these actions.

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

Staff Experience & OD Committee: The Staff Experience & OD Committee has designated responsibility for the oversight of workforce-related matters, including HR performance metrics, delivery of workforce strategies and organisational development. It is chaired by a Non-Executive Director. During the year, the Executive lead for the Committee was the Chief Executive. Following the appointment of the Chief People Officer, this responsibility will move to that role going forward. The Committee meets monthly (apart from August and December) and regularly reviews risks associated with the Trust's workforce and its development through a workforce overview

which is considered on alternate months. The overview includes a focus on different professional groups on a rotational basis.

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

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

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

During 2021/22, as it was during the prior year, a national directive was issued by NHS Improvement aimed at reducing the burden of administration during the pandemic, which suggested that the usual operation of the Board committees, apart from the Committee with oversight of Quality, be scaled back to essential business only. This arrangement was implemented for Committee meetings in January and February 2022, with full agendas resuming from March 2022.

The Chief Executive chairs a weekly business meeting of the **Executive Team** which comprises the Executive Directors, the Director of Corporate Affairs & Company Secretary and the Chief People Officer. The agenda for the Executive Team covers operational delivery, clinical governance, risk management and policy approval as standard items, together with a range of ad hoc matters which require decision or discussion by the entire Executive Team. The Executive Team business meeting provides a forum for the Chief Executive to hold colleagues to account and offers assurance to the Board and its Committees on the day to day management and decision-making in the organisation when needed, including via a report back to the Board on the relevant matters discussed by the Executive Team in the Chief Executive's update at the public sessions of the Trust Board meetings. Updates to the Corporate Risk Register are presented to the Executive Team meetings by the Risk and Policy Officer on a six-weekly basis.

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

The Trust has an electronic risk register system (Ulysses) that facilitates management of both local and corporate risk registers and the Board Assurance Framework and building on the work undertaken through the Risk Improvement Plan in 2021/22, further work is planned through 2021/22 to develop the functionality of this system or to replace it with an updated technical solution.

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

The education and training of all staff on the principles of risk management is an essential element of the Trust's Risk Management policy. Risk management update training is provided to new staff as part of the induction programme to the organisation and all existing staff receive annual updates on key elements as part of the governance section of the mandatory training programme. The Risk & Policy Officer also attends key operational management meetings to present the risk register and offers support to those wishing to raise a risk or strengthen their knowledge of risk management. As part of the Trust's Risk Improvement Plan a Standard Operating procedure was developed in 2021/22 setting out the key elements of discussion needed around risk at these corporate forums. A training package was also developed and delivered to a set of risk champions who act as the primary local sources of expertise on risk management within the Trust.

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

The Trust seeks to learn from good practice in governance and the management of risk through a number of means including partnering with other organisations, external reviews by experts and internal activities such as trust-wide learning events for staff. Work has progressed during the year but further activity is planned to strengthen the processes for learning lessons from incidents, Root Cause Analyses, complaints, Freedom to Speak Up concerns and litigation. A formal "lessons-learned" annual report will be developed during the forthcoming year as part of the workplan of the Quality & Safety Committee.

4.0 The risk and control framework

4.1 The key elements of the risk management framework

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

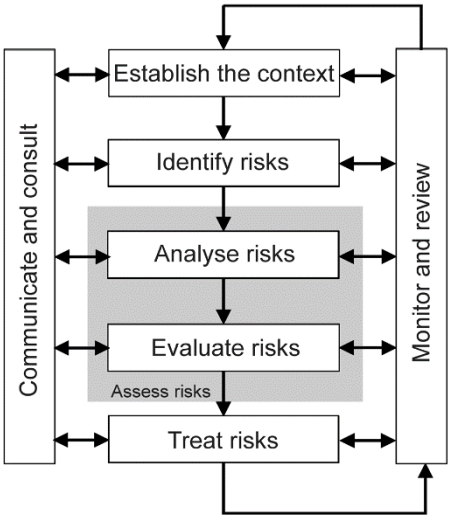


Figure 2: Risk management process

The risk management framework includes:

- Identification of hazards and risks and their communication to all stakeholders
- Risk analysis and control including prevention and reduction of loss
- Developing and maintaining a risk register
- Managing, reporting and recording of near miss and incidents
- Investigation of serious incidents and root cause analyses
- Complaints and claims management
- Education of staff on safety awareness including feedback from incidents, complaints and claims
- Ensuring compliance with law and professional or other relevant standards

During the year, there has been continued work undertaken to cleanse the content of existing risk registers and the Ulysses system to ensure that only relevant risks remain captured and that actions to mitigate the risks are accurate and robust.

4.2 How risk appetites are determined

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

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

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

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

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

A Board session was held in October 2019 to discuss the concept of risk appetite and to demonstrate how this is applicable in practice at the ROH. A further session is scheduled in the strategic Board workplan for 2022/23, to be led by the Corporate Governance Manager/Assistant Company Secretary, to create a more developed understanding of risk appetite and to develop a fit for purpose risk appetite statement for the Trust. This is a recommendation from the Internal Audit review into Risk Management and the BAF undertaken during the year.

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

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

The Quality & Safety Committee provides upward assurance to the Board on the activities undertaken by its subgroups covering particular aspects of quality, for example safeguarding and infection control. A Quality & Safety Executive forum is also in place to streamline some of the reporting by the governance groups and provide an additional level of oversight before upwardly reporting to the Quality & Safety Committee. The Quality & Safety Executive meets monthly during the week before the Quality & Safety Committee and upwardly reports using the standard 'quadrant' format that is used as a standard way of reporting for all Board Committees, setting out: matters to escalate/key risk, positive assurances gained, decisions taken and major actions commissioned or underway. This format is also used by those reporting into the Quality & Safety Executive and other bodies within the workplan of the Quality & Safety Committee.

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

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

Although formal walkabouts have not been possible in all cases this year, some Board members have carried out virtual walkabouts in which they gain first-hand experience regarding the quality of care and the views of patients and staff and others. The Executive Team also conducts a routine 'Chat & Check' walkabout, visiting both clinical and non-clinical areas of the Trust in rotation on an approximately six-weekly basis, to understand staff's experience of working at the Trust and to undertake a physical inspection of the areas in which staff are working. The formal programme of Quality Assurance walkabouts has been suspended this year. This will recommence when social distancing guidance is relaxed and the sessions are led by the Clinical Governance Team and

involve Non-Executives, patient representatives and members of the Council of Governors, together with operational managers.

The Executive Team hosts a monthly briefing with staff from across the Trust, for dissemination of key messages to teams and to receive feedback from the organisation. The Chief Executive also arranges special briefings on significant matters of interest to the wider organisation, such as to communicate the Trust's approach and system support arrangements during the pandemic. In addition to this, Non-Executive and governor briefing sessions and were held during the year in addition to, or as a replacement of formal meetings to ensure that information flows were maintained during this ongoing time of challenge.

The Trust was last formally inspected by the CQC in October 2019, which reviewed three of the Trust's core services: surgery, medicine and critical care and then a planned review against the Well Led framework. The Trust's overall rating remained at 'Good', with a 'Good' rating being awarded across each of the CQC domains.

During 2021/22 there has been continued good progress with delivery of our CQC action plan.

Assurance is obtained on compliance with CQC registration requirements on an ongoing basis through Directors and Senior Managers of the Trust holding specific responsibilities in respect of CQC standards and more generally in maintaining internal control systems to support those standards. The Trust benefits from the HealthAssure system which provides the capability to assess the Trust's position against the CQC Key Lines of Enquiry (KLoE), both at a divisional and department level and at an organisational level. The Quality & Safety governance fora have also received during the year some specific assessments against the CQC Key Lines of Enquiry, together with detail of work planned to address any weaknesses in compliance identified.

Meetings between the CQC Relationship Manager and the Executive Chief Nurse were suspended for the most part of the year, but have now recommenced. There have also been some specific interactions with the CQC during the year following a focus group held with staff from a Black, Asian and Ethnic Minority (BAME) background.

4.4 How risks to data security are being managed and controlled

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

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

The network infrastructure has in built data security control features and security threats are monitored. Controls also include software patching and anti-virus. Encrypted data sticks are not permitted and portable devices are protected by encryption and trust owned tablets/smartphones are monitored via Mobile Device Management (MDM) software. No personal devices can operate on the Trust network. Remote access to data is protected by two-factor authentication. Work has been ongoing during the year to move the Trust's infrastructure onto a Cloud-based platform which will provide additional security for the Trust's data. The Trust Board receives a monthly update on progress with this work and any exceptions to the programme are highlighted.

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

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

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

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

The following is an extract from the Trust's Board Assurance Framework, which details the strategic risks with the highest pre-mitigation and controlled residual risk scores and therefore represent the areas where the Trust Board has been focussing its attention in 2021/22.

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
FINANCE & IT			
Current Financial Modelling suggests that the Trust (and Birmingham and Solihull Integrated Care System) has a significant run-rate pressure over the next four years	The Trust continues to deliver consistent deficits, thereby attracting regulatory attention and potential intervention under the oversight framework	F	• Work is being undertaken by each Provider in the ICS to understand the nature of their individual pressure, and the degree to which this is being generated by the post COVID financial regime and the onus of restoration and recovery. • The ROH is leading system work on the MSK pathway in preparation for the production of a case-for change document. • Further detailed planning work is being undertaken by each provider and is co-ordinated through the ICS.

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• A system Investment Committee is being stood up to review investment decisions across providers, and further work around productivity, efficiency and sustainability, as well as what service transformation is planned • The ICS Chief Finance Officers have commissioned some external work to undertake some initial work for the creation of a unit to specifically support trusts in reducing the current identified gap Outcome assessment: • Reported financial position monitored by the Finance & Performance Committee and ICS financial fora on a monthly basis
There is a risk that the current IT capacity and functionality will not support the new ways of working developed during the COVID-19 response, such as virtual clinics, remote operation and videoconferencing	Inability to deliver existing services in an agile and efficient manner. Poor patient and staff experience as individuals struggle to access information and services they need	IY/F	• Majority of remote consultations have been undertaken by phone • Video Conferencing is being piloted in a number of services and expected to be adopted much wider across the Trust. • Attend Anywhere is being used to support appointment scheduling. • The Trust has purchased laptop and desktops as part of the thin client replacement project which has been rolled out in 2021/22. • The Trust is part of wider system working around video consultation. • The bandwidth of the Trust's network has been upgraded. • Trust is now moving forward with Solution from Doctor Dr which will be provided through Clinical Portal. Outcome assessment: • Increased use of virtual appointments vs. face to face

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Survey outcomes from patient accessing services remotely • Staff workforce planning includes consideration and plans to build in remote working
There is a large and increasing growth in the number and type of malicious attempts to disrupt IT systems and hold organisations to ransom.	The Trust is vulnerable to a cyberattack, thereby comprising the Trust's ability to operate its range of systems and processes to support safe clinical care and there is a risk of patient confidentiality being compromised	IY/F	• Automated process implemented to patch corporate windows servers and c. 50 other high-risk software monthly. • Disaster recovery testing has been completed and the disaster recovery plan has been strengthened to enable testing of the full recovery of all Trust data • System wide cyber security and IT review completed and outcome reported to the Finance & Performance Committee • The Trust will continue to work through the mitigations to ensure that the Trust's systems are as protected as possible • Increasing and enhanced communications to Trust staff around the threat of cyber security and routine dummy 'phishing' exercises undertaken to improve awareness Outcome Assessment: • Compliance against the Data Security and Protection Toolkit • IT security incident reports • 'Phishing' exercise results
OPERATIONAL PERFORMANCE			
The Trust fails to meet the national target of treating 92% within 18 weeks of referral and patients waiting 52 weeks increases creating significant delays in	• Patients wait excessively long time before treatment • Potential deterioration or harm to patients	IY/F	• Delivery of restoration and recovery plans as part of the wider system for Priority 2 and 3 elective operating. • Second phase of modular theatres programme delivered and second MRI Scanner operational.

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
patient treatment and as a result of cessation of elective activity mandated as part of the national response to the COVID-19 pandemic	• Regulatory oversight regime invoked		• Continued transformation of Outpatients services maximising the digital opportunities. • Embedded harm review patients for those waiting excessively long times • Ongoing system working for elective orthopaedics for P2, P3 • Regular meetings of the Operational Delivery Group (ODG) to monitor and agree systemwide recovery plans, including mutual aid when needed Outcome Assessment: • Routine monitoring against constitutional standards • Outcome of harm reviews • Opinion of regulatory bodies • Progress with systemwide elective recovery plans
There is a risk of increased virus transmission and reproduction rates, leading to further waves of the COVID-19 pandemic	Increased operational pressures in the Trust and inability to deliver restoration and recovery plans leading to longer waits for patients	IY/F	• Flow & Cohorting and Testing & Scheduling processes were implemented using agreed Standard Operating Procedure. • Protocols implemented to minimise the transmission to and between staff and patients. • Operational pathways reviewed to implement revised ways of working. • Risk assessments completed in all areas of the hospital and changes implemented to ensure staff safety whilst at work. • Protected Patient Pathways and a Risk Managed Pathway introduced. • Pathways monitored through the three daily site office meetings. • Continued dialogue between Public Health & Microbiology with learning from any outbreaks embedded in ongoing practice.

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Patients clinically triaged as part of pre-operative assessment vaccination status discussed with patients. • All staff encouraged to participate in national rollout of vaccination programme. Outcome assessment • Outbreak updates provided to Trust Board at each public meeting, including monitoring of nosocomial infection rates • Progress with restoration and recovery reported routinely through Finance & Performance fora • Number of staff accepting vaccination opportunities • Daily site reports
Inability to replace equipment beyond its useful life due to limited capital funding	Poor patient flow and inability to meet performance targets.	IY/F	Mitigation/Controls: • Capital plan 2021/22 • Theatre close down routine maintenance during period when there was cessation of elective activity • Phase 2 of the modular theatres implemented Outcome Assessment: • Increased theatre utilisation • Reduction in hospital-instigated cancellations • Approvals from the Medical Devices Advisory Group • Progress with key capital workstreams in the 'Perfecting Pathways' Programme
PATIENT SAFETY			

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
There is a risk that there could be cross contamination of patients that are COVID-positive or COVID-possible with non-COVID patients within clinical areas, causing the spread of the virus in a clinical setting	Nosocomial infection of patient cohorts and outbreaks	IY	Mitigation/Controls: • Pre-operative self-isolation regime • COVID tests on two occasions pre-admission • Designation of COVID-managed and COVID-protected wards • Adherence to Personal Protective Equipment (PPE) guidance • Revised estates set up to allow for social distancing • Increase in cleaning hours • Enhanced oversight by Infection Prevention and Control Committee Outcome assessment: • Numbers of nosocomial infections reported • Breaches to adherence of national PPE guidance • Daily site reports
WORKFORCE			
There is clear evidence that there is a disproportionate impact of COVID -19 on individuals who are from a BAME (Black & Ethnic Minority) background and those at higher risk due to age, gender, underlying health conditions and pregnancy ('vulnerable groups').	High sickness absence levels in key staff groups	IY	Mitigation/Controls: • Risk assessments carried out for all BAME staff and those who fall into vulnerable groups, this work being undertaken by the Trust and the system • Occupational Health providing support for any complex cases. • Targeted work to encourage staff from a BAME background to accept a vaccination through the work of the Multi Minority Ethnicity Group (MMEG) Outcome assessment: • Daily figures for staff sickness by group and ethnicity

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Sickness absence reports to Staff Experience & OD Committee
There is a risk that sickness absence may increase as a result of staff exhaustion or emotional strain due to different working patterns and exposure to emotional or stressful situations during the COVID pandemic	High sickness absence levels in key staff groups	IY	Mitigation/Controls: • Sickness absence rates are monitored on a daily basis through the COVID SitReps • The national and regional offers regarding staff health and wellbeing have been promoted to all staff including in house support from trained mental health first aiders. • Enhanced wellbeing offering developed by the Trust • Routine review of annual leave being taken. Outcome assessment: • Daily COVID SitRep figures for staff sickness by group and ethnicity • Sickness absence reports to Staff Experience & OD Committee • Staff survey results around health and wellbeing

The decision was taken by the Board in September 2020 to migrate the some of the risks on the COVID risk register developed during the prior year, either onto the Board Assurance Framework, Corporate Risk Register or local risk register depending on the risk score and focus. Some risks were also closed as the impact of the pandemic had lessened.

During the year, there were two Never Events reported: one retained foreign body and another involving a wrong implant. In both cases, the assessment was than no harm had been caused to the patients involved. The usual Duty of Candour obligations were discharged and a full Root Cause Analysis was undertaken for each case. Lessons learned were distilled from the investigations and communicated through the Trust's clinical audit processes to ensure that the chance of the incidents reoccurring is minimised.

4.6 The principal risks to compliance with the NHS foundation trust condition FT4 (FT governance)

There has been a continued improvement in the arrangements and governance framework in the organisation that provides confidence in the Trust's ability to comply with the conditions of its licence. The last CQC report highlighted that there is clarity regarding reporting lines and accountabilities between these bodies and within the year there have been examples of topics remitted to other committees, which are then reported back to the originating committee.

The Trust also underwent an external assessment against the NHS Improvement Well Led Framework in 2019 which highlighted that there was a good level of control and governance in the organisation.

In terms of risks, the key risk that may impact on the Trust's ability to declare compliance with NHS Foundation Trust condition FT4 (FT governance) during the year concerned the ability of the Trust to achieve its constitutional standards given the impact on the Trust's operations by the need to support the system response to the pandemic and towards the end of the year, restoration and recovery. There is an evident improvement in performance however, despite the need to heavily support the system response. During the year national guidance was issued in relation to elective recovery to which the Trust is working closely.

The risk reported in 2020/21 concerning the robustness of the risk management arrangements at a divisional and local level, a matter identified in an advisory review undertaken by the Trust's internal audit function in Quarter 4 of 2020/21 has been addressed during the year through the delivery of strengthened risk management arrangements, a matter recognised by the comprehensive review of the risk management framework undertaken by the Trust's internal audit function during the final quarter of 2021/22. Further work is planned to progress the delivery of actions within the Risk Improvement Plan and address the recommendations within the Internal Audit review mentioned.

4.7 How the Trust is able to assure itself of the validity of its Corporate Governance Statement

The role of the Quality & Safety Committee, Finance & Performance Committee, the Audit Committee, and the Staff Experience & OD Committee in providing assurance regarding Corporate Governance has been described earlier in this Statement.

Each year a Board paper is created with input of the whole of the Executive Team summarising evidence for the validity of each element of the Corporate Governance Statement which is available for Board members to interrogate if needed. This is presented to the Trust Board with a recommendation that the Trust declare compliance or otherwise.

4.8 How risk management is embedded in the activity of the Trust

The Trust's risk management processes are embedded within all aspects of service planning, delivery and redesign as a means of prioritising and decision making. These key elements, processes and priorities for the management of risk are required to be applied locally to all wards,

areas, departments and operational management/ service units. As part of the strengthened business planning framework overseen by the Strategy and Finance teams, all areas identify the key risks to the delivery of the annual plans and identify the mitigations in place or to be developed in response to these.

The Corporate Governance Manager/Assistant Company Secretary and Risk & Policy Officer provides dedicated support given to improving the quality of risk registers across the organisation, most notably at division level, but also at trust-wide committee level.

Divisions receive localised risk register reports which are discussed as part of monthly Divisional Governance Board meetings and specific risk registers have been developed for some of the key operational and clinical fora, such as Clinical Quality Group, Drugs and Therapeutics Committee, Safeguarding Board, Infection Prevention and Control Committee, Information Governance Group and Operational Management Board.

The Executive Team considers on a regular basis a Corporate Risk Register report which shows progress with delivery of key mitigating actions to address the organisation's key risks. Those risks on the Corporate Risk Register which by the nature of their severity or potential to impact on the delivery of the Trust's strategic objectives are included on the Board Assurance Framework and are highlighted as such.

The Board Assurance Framework (BAF) provides a framework for reporting key information to the Board. It identifies which of the Trust's objectives are at risk because of inadequacies in the operation of controls and, at the same time, it provides structured assurances about where risks are being managed effectively and objectives are being delivered. The BAF draws together the key corporate risks from the Corporate Risk Register and strategic risks identified by the Board itself and is considered by the Trust Board and Audit Committees during the year to ensure a bottom up and top down approach to capturing key corporate risks. Each reported risk has a lead executive, summary treatment plan and an indication of further actions planned to reduce the severity and/or likelihood of the risk. The recent Internal Audit report on Risk Management and the BAF has suggested some formatting amendments to further enhance the information and detail in the document, a matter which will be considered and acted upon during the summer 2022.

The Risk Improvement Plan developed in September 2020 contains a number of key actions which were used to further improve and embed risk management within the organisation during the year, including development of a Standard Operating Procedure around the discussions and decision-making when risk is considered at the various corporate meetings; risk management training, both bespoke and a standard package; improved system functionality; and heightened awareness of risk management in general. There remains further work to do to improve the system functionality, either by improving the current system or to consider an alternative solution.

As an example of risk management activity below the level of the BAF and potentially feeding into it, reporting of potential risk situations, adverse incidents, 'near-misses', accidents and concerns

is a vital part of managing and controlling risks. The Trust has a unified system for the reporting of both clinical and non-clinical incidents. This is an electronic system called 'Ulysses'. This system enables members of staff to report incidents in a timely fashion and allows managers and other relevant individuals to receive real time notification of incidents. This system also allows managers to complete an electronic management review of incidents. All managers are expected to encourage an incident reporting culture and support their staff in utilising the incident reporting system. Ulysses continues to be updated to develop detailed reports in order to provide Divisions and wards with better information on risk. The Serious Incident policy which is published in the Trust standardises the process and ensures effective and accurate reporting of incidents. Incidents are reviewed on a daily basis by the Clinical Governance Team to ensure timely escalation of any patient safety queries that may arise as well as to quality check the data inputted.

A biweekly meeting of the Executive Triumvirate (the Medical Director, Chief Nurse and Chief Operating Officer) is held to review incidents and complaints and to distil any learning from investigations into these which may be shared across the organisation.

The governance trackers containing the detail of the Serious Incidents and progress with Root Cause Analyses is also considered monthly by the Quality & Safety Executive.

Information on all incidents requiring an investigation and any clinical negligence claims is shared with key staff and through the Divisional Management routes.

The Quality & Safety Committee reviews complaints, incidents and litigation monthly as part of the routine Quality & Patient Safety report. Through the contract performance meetings with the local Clinical Commissioning Group (CCG), the clinical performance and risk information is shared and scrutinised as part of the contract review process.

4.9 How public stakeholders are involved in managing risks which impact on them.

The Trust is committed to involving stakeholders as appropriate in all areas of the Trust's risk management activities. This includes informing and consulting on the management of any significant risks. Key stakeholders include the Birmingham and Solihull Integrated Care System (BSol ISC) and its constituent bodies, the Trust's Council of Governors, NHS Improvement, CQC, NHS England, Commissioners, Subcontractors, Voluntary Groups, the Trust's membership, patients and the local community. A Patient Engagement and Experience Group is also in place which provides a more strategic focus for discussion around matters affecting public and patients, the functionality of which will be revisited during the coming year.

As a consequence of the restrictions imposed by the pandemic, the ability to engage with stakeholders and the public through the structured governance structure has been limited this year. However, the opportunity has been taken to engage on matters such as the use of the virtual clinic environment and Virtual 'Coffee Catch Up' meetings. The Trust Board meeting in February also heard directly from a patient about their experience of care under the Trust, this being the first of a refreshed programme of patient stories as part of the routine Trust Board agenda.

4.10 Ways in which the Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place which assure the Board that staffing processes are safe, sustainable and effective. Compliance with the **'Developing Workforce Safeguards' recommendations**

The Board of Directors and Board subcommittees, namely Staff Engagement & OD, Finance & Performance and Quality & Safety committees receive regular reports detailing staffing arrangements in place and provide assurance in respect of staffing being safe, effective and sustainable as outlined in the 'Developing Workforce Safeguards' recommendations. The reports detail areas of risk and mitigation in relation to workforce. Assurance is also provided in respect to key workforce metrics such as establishment data, sickness absence, turnover and statutory and mandatory training as well as data relating to workforce costs, thereby enabling effective triangulation.

The Trust has also outlined its ambition with regards to workforce within its 'Five Year People Plan' which has key objectives to create a sustainable workforce, embed new roles and continue to develop our workforce infrastructure so that we continue to deliver outstanding care and become an employer of choice within the Birmingham and Solihull Integrated Care System (ICS). This document is to be refreshed in line with the NHS People Plan and will be presented to the Trust Board during the coming year as part of its work programme.

Talent management and succession planning are also a key feature of the Trust's People Plan and this will enable us to focus our attention on more strategic workforce planning in addition to the operational elements. The Trust has progressed its ambition to become a national leader in Health and Wellbeing with a series of enhanced initiatives developed during the year in response to the COVID-19 pandemic, this work being sponsored by the Chief Executive with the support of the Chief People Office and team. It is anticipated that this will positively impact on the future workforce sustainability through improved morale, attendance and retention. The People Plan will be monitored through the Staff Engagement & OD subcommittee of the Board. In addition, the committee receives gap analysis data around nursing vacancies and establishment. The Trust is actively engaged with work to develop the ICS workforce plan and the ROH's Chief People Officer is the joint Senior Responsible Owner for the Equalities & Inclusion workstream. This work will be progressed through the ICS People Board in addition to other joint priorities around workforce across the region.

The Trust's workforce plans are developed in conjunction with the Annual Business Planning cycle and these are revisited through triangulation meetings through divisional meeting structures such as the Clinical Workforce Development Group and Divisional Board meetings. Risks and issues are highlighted through the Trust's governance structures. In addition, the Trust benefits from technological workforce solutions such as Allocate to support e-rostering and e-job planning and this has also been rolled out to Allied Health Professionals in addition to Nursing and Medical staff groups.

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

The outcome of the Trust's unannounced inspection and assessment against the Well Led Framework are described in Section 4.3. The Trust retained its 'Good' rating overall but most notably improved its rating in Critical Care from 'Requires Improvement' to 'Good'. This leaves the only 'Requires Improvement' rating in the CQC ratings matrix as Well Led in Outpatients, an area that the CQC did not inspect.

The inspection report did not list any 'Must Do' measures for the Trust to address.

The action plan to address any weaknesses identified by the inspection is considered by the Quality & Safety Committee and Trust Board as part of its routine workplan.

4.12 Managing Conflicts of interest guidance

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

Building on work already started during 2021/22, further work is planned over the coming year to strengthen the processes to mandate that staff routinely declare any interest they may have and the use of functionality in the Trust's Electronic Staff Record (ESR) will be used to support this.

4.13 NHS Pension Scheme

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

4.14 Equality and Diversity and sustainability

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Staff Experience & OD Committee reviews the position against the Workforce Race Equality Standards (WRES) and Disability Workforce Disability Equality Standards (WDES) and Equality & Diversity Standards (EDS2) as part of its routine workplan. The Trust has in place a Multi Minority Ethnicity Group (MMEG) and an Equality & Diversity Group.

The foundation trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting

requirements are complied with. During the year, the Trust has established a 'Green Board' which provides oversight of progress with the work to achieve the requirements under these pieces of guidance & legislation.

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

The Trust robustly reviews performance throughout the organisation to ensure that resources are used economically, efficiently and effectively. There is a robust budget setting and financial management control system which includes activity related budgets, budget manager meetings, Divisional performance meetings and regular reports to the Trust Board. The budgetary control system is complemented by a clear scheme of delegation and financial approval limits. This process enables regular review of financial performance by highlighting areas of concern via variance analysis.

The Trust is structured into two principal divisions: Patient Services & Access and Patient Support services. These are supported by a number of corporate departments. This arrangement provides a robust structure of accountability for the key elements of the Trust's business. The divisions meet monthly the agendas covering a review of performance and operations and clinical governance and risk, the latter being supported by members of the Trust's clinical and corporate governance teams. Each division is subject to formal reviews with Executive Directors and further work is planned in 2022/23 to systematise these reviews, improve the process and cycle of review and to develop strengthened lines of accountability to the Executive Team. The intention of these reviews is to combine outcomes with efficiency, effectiveness, use of resources, quality and governance to ensure a holistic view of performance is taken.

The Trust has developed, within its Finance Overview, a set of infographics which monitor both national and local targets together with efficiency indicators which are reported on a monthly basis. This is considered and challenged on a monthly basis by the Finance and Performance Committee and also by the Trust Board when it meets in public.

A component of the Trust's financial planning is the implementation and delivery of a Cost Improvement Programme (CIP). Financial delivery against the Trust's CIP is monitored on a divisional basis through the divisional management boards and the formal executive divisional reviews, with Trust-wide performance monitored and challenged monthly as part of the Finance Overview to the Finance & Performance Committee. The quality impact of the schemes is reviewed through Quality & Safety Committee.

The annual National Cost Collection (NCC) is now embedded across the Acute sector of the NHS and is currently rolling out to Community and Mental Health providers. The Trust continues to adhere to the national costing guidance and is providing detailed Patient level information to NHSE/I, The Trust has improved the overall NHSI's costing assurance tool to 100% making the Trust fully compliant.

The continued expected direction of travel from NHSE/I is a transition to quarterly costing collections to provide enhanced understanding of the cost of services within the NHS during and post the COVID pandemic.

The Trust has taken a more prominent role in developing the systemwide financial plan this year in line with the intentions set out in the White Paper for the establishment of Integrated Care Systems (ICS) and collaborative working.

The Board receives regular updates from its Audit Committee on the reviews carried out by both Internal Audit and External Audit. They receive and consider the Internal Auditor's opinion and the Annual Management Letter by the External Auditor which comments on the economy, efficiency and effectiveness of the use of resources. The Audit Committee considers the recommendations from all audits carried out and oversees, by appropriate monitoring of actions taken by responsible officers, any required corrective action needed. The Audit Committee receives regular technical updates from the Trust's external auditor, a number of which have related to a changing external context and the drive for greater efficiency and transformational practice. The Director's report provides further information regarding the Committee structure, attendance records and coverage of each of the Committees' work.

6.0 Information Governance

During the year, the Trust reported 19 incidents relating to information governance and data security. None of these met the threshold for reporting to the Information Commissioner and/or the DHSS. For the remaining incidents, common themes are carelessness such as sending documentation for other patients in with correspondence and leaving documentation in insecure places. Managers deal with incidents at a local level supported by the Trust's Information Governance Manager where needed who then reviews all incidents to identify root causes, lessons learnt and any training needs. This is monitored by the Information Governance Group and messages are cascaded to staff via training and awareness. Patients affected by data breaches are informed where needed and provided with explanations and apologies.

7.0 Data quality and governance

The Trust has a number of operational and clinical systems that collect and store data about patients. This data is critical to the running of the Trust to ensure effective and timely care to patients and enables the Trust to plan and make future business decisions. High quality data is essential to aid business intelligence reporting and ensure operational efficiency. Ways in which the Trust ensures good data quality include:

- There is a Data Quality Group chaired by the Executive Chief Operating Officer and includes key stakeholders: members from the business intelligence, operations, education and training teams. This group monitors performance against data quality Key Performance Indicators (KPIs), audits and addresses any risks and issues as they arise.

- The Business Intelligence team carries out over 75 automated data quality checks on Trust data, creating reports which highlight data quality issues. These are shared on the Health Informatics dashboard accessible by operational staff to action and resolve.
- The Trust has a Data Validation team focusing on waiting list management which identifies and resolves errors caused by data quality.
- To further improve the visibility of data quality issues and help provide data quality assurance this year the trust will be introducing data quality kitemarks linked to all key performance KPIs.
- Clinical coders regularly provide advice to clinical staff to ensure accuracy and depth of coding.

8.0 Review of effectiveness

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

I can place reliance on the Head of Internal Audit Opinion for 2021/22, which comments that **''Significant assurance with minor improvements' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control'**

Of the specific reviews undertaken by Internal Audit during the year, there were none that were graded as 'no assurance'.

The three reviews graded as 'partial assurance with improvements required' relate to:

Data Quality Governance - Our work highlighted the improvements the Trust have made in its approach to data quality post Covid-19, particularly in relation to the formation of a Data Quality Group. However, our review identified six recommendations, which would enable the Trust to improve its processes and governance arrangements. These include formalising a Data Quality Strategy, incorporating an Integrated Performance Report and kitemarks as part of Board reporting and increased clarity over roles and responsibilities in relation to data quality.

General IT Controls – Tiara – This review focused on the higher-level controls in place, logical and physical access to IT resources and programme changes and development. Overall this review has raised five recommendations, one of which is considered high priority relating to the patching of the Tiara system. Further areas for improvement included Tiara system recovery, incident procedures, user access control and centralised Tiara application integration; and

DSP Toolkit – A total of 13 of the 33 mandatory assertions were tested as part of this review. Of these assertions, one was agreed to be complete, nine were overstated and three were insufficient to meet the required standard.

In terms of other steps taken during 2021/22 to maintain and improve the Trust's systems of internal control include:

- the Audit Committee receives regular reports on reviews undertaken by the Internal and External Auditors, and follow up of any recommendations to ensure that the management team are implementing the agreed improvements to internal control processes within the agreed timeframe or that there are reasonable explanations for variances.
- A refreshed annual work plan for the Board has been revised and a Board strategic work & development plan has been produced.
- Virtual quality walkabouts have been introduced to compensate for the limitations on physical events, with a set of face to face walkabouts by Non-Executive Directors having also now resumed.
- Briefing sessions were held for Board members and governors to provide assurance that there was a tight system of control and robust response through the pandemic.
- Some Non-Executive Directors took the opportunity to join operational meetings to gain additional assurance and to offer support.
- Executive 'Chat and Check' visits have continued to provide an opportunity for staff to describe to the Executive Team their experience of working at the hospital and for the team to undertake a review of the physical working environment.
- Delivery of the 'Team Brief' presentation has been widened to include all members of the Executive Team plus specialists across the Trust where the content requires.
- The Board Assurance Framework was presented more frequently that quarterly to provide additional assurance to the Board that key risks were being well managed.
- The Risk Improvement Plan continued to be developed for addressing some of the technical, organisational and educational challenges with the risk management framework in the Trust.
- Clinical Audit sessions continue to share good practice, learn from experience and improve local clinical governance processes, ensuring there is protected time for teams to come together on a regular basis to review the quality of care provided.
- Appointment of a new Directorate Manager for the Medical Directorate.
- The HR processes in the Trust have been further improved, aided by the expanded workforce team under the leadership of the Chief People Officer.
- Recruitment of a new Freedom to Speak Up Guardian and the recruitment of a set of Freedom to Speak Up champions.

During the year and in line with the assurance in the Head of Internal Audit's Opinion, there were no significant internal control issues.

9.0 Conclusion

I am assured by the advice I have received about the effective operation of controls across the Trust during the year as confirmed by internal audit, managers, committees of the board and

external audit opinion, and I am able to take sufficient assurance that overall the Trust has a sound system of internal control and there were no significant internal control issues to highlight during the year.

The Trust is committed over 2022/23 to the continued development of our governance and control system building on the progress and learning undertaken in 2021/22 and prior years.

Chief Executive Date: 14 June 2022

The Royal Orthopaedic Hospital NHS Foundation Trust

Consolidated Accounts for the year ended 31 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

Report on the audit of the financial statements

Qualified Opinion

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements of The Royal Orthopaedic Hospital NHS Foundation (the 'foundation trust') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the statement of changes in taxpayers' equity;
- the consolidated and trust statement of cash flows; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for qualified opinion

At the time of the physical counting of inventories at 31 March 2020, attendance was impracticable due to safety threats imposed by the Covid-19 pandemic. We were unable to satisfy ourselves by using other audit procedures concerning the inventory quantities of £6.7m held at 31 March 2020. Consequently we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the operating expenses for the year ended 31 March 2021. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures. In addition, the effect of this would also impact the discussion of financial performance in the performance report.

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

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the comparability of the current year's results of operations affected by opening inventories and the corresponding figures. We have concluded that where the other information refers to cost of sales, it may be materially misstated for the same reason.

Responsibilities of accounting officer

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the group and its control environment, and reviewed the group's documentation of its 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 group operates in, and identified the key laws and regulations that:

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

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

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

- accruals, provisions and deferred income recorded at 31 March 2022 and the timing of their recognition at year-end is subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2022; we tested a sample of provisions to supporting documentation and evaluated management's assessment as to whether the criteria for recognition as a provision had been met as to 31 March 2022 and the value to be provided; we tested a sample of deferred income items to supporting documentation and evaluated management's assessment as to whether the criteria for revenue recognition had been met as to 31 March 2022 and the value to be deferred.

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

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

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

Report on other legal and regulatory requirements

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

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

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

Matters on which we are required to report by exception

Use of resources

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

Our work in respect of the Foundation Trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the Foundation Trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

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

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

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

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

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in December 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

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

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

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

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report

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

Ian Howse, CPFA, CPA (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Cardiff, United Kingdom
01 July 2022

Independent auditor's certificate of completion of the audit of The Royal Orthopaedic Hospital NHS Foundation Trust

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2022 issued on 01 July 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

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

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2022 on 01 July 2022, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2022 issued on 01 July 2022, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and the work necessary to issue our statement on consolidation schedules. We have now completed our work in these areas.

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 have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of The Royal Orthopaedic Hospital NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Ian Howse (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Cardiff, UK
16 September 2022

FOREWORD TO THE ACCOUNTS

The accounts for the year ended 31 March 2022 have been prepared by The Royal Orthopaedic Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Mrs. Joanne Williams

Accountable Officer

Date: 14 June 2022

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		Group	
		Year Ended 31 March 2022	Year Ended 31 March 2021
	Notes	£000	£000
Income from patient care activities	**3.1**	109,533	93,677
Other operating income	**3.1**	6,052	16,821
Operating expenses	**4**	(113,422)	(110,447)
Net Impairment on land and buildings	**9.2**	(361)	(449)
Operating Surplus/(Deficit)		**1,802**	**(398)**
Finance Expenses			
Finance income	**6**	45	38
Finance expense - financial liabilities	**6**	(219)	(27)
Finance expense - unwinding of discount on provisions	**16**	(94)	(19)
PDC dividends payable		(1,151)	(766)
Net Finance Expenses		**(1,419)**	**(774)**
SURPLUS/(DEFICIT) FOR THE YEAR		**383**	**(1,172)**
Other comprehensive (expense)/income			
Will not be reclassified to income and expenditure:			
Impairment on land and buildings	**9.2**	(1,417)	(471)
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains on investment	**10**	34	157
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(1,000)**	**(1,486)**

All income and expenditure is derived from continuing operations. There is no deficit for the year attributable to minority interests.

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

CONSOLIDATED AND TRUST ONLY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

		Group		Trust only	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Non-current assets	**Notes**	**£000**	**£000**	**£000**	**£000**
Intangible assets	8	1,536	1,255	1,536	1,255
Property, plant and equipment	9	45,448	45,798	45,448	45,798
Investments	10	987	953	0	0
Total non-current assets		**47,971**	**48,006**	**46,984**	**47,053**
Current assets					
Inventories	11	359	1,800	359	1,800
Trade and other receivables	12	10,502	8,492	9,946	8,492
Short-term investments and deposits	13.1	80	43	0	0
Cash and cash equivalents	14	11,891	6,962	11,147	5,703
Total current assets		**22,832**	**17,297**	**21,452**	**15,995**
Current liabilities					
Trade and other payables	15	(13,338)	(11,438)	(13,323)	(11,396)
Borrowings	15.2	(268)	(848)	(268)	(848)
Provisions	16	(253)	(2,758)	(253)	(2,758)
Other liabilities	15.1	(744)	(344)	(744)	(344)
Total current liabilities		**(14,603)**	**(15,388)**	**(14,588)**	**(15,346)**
Total assets less current liabilities		**56,200**	**49,915**	**53,848**	**47,702**
Borrowings	15.2	(789)	(1,038)	(789)	(1,038)
Provisions	16	(7,565)	(1,029)	(7,565)	(1,029)
Total non-current liabilities		**(8,354)**	**(2,067)**	**(8,354)**	**(2,067)**
Total assets employed		**47,846**	**47,848**	**45,494**	**45,635**
Financed by					
Public Dividend Capital		59,534	58,536	59,534	58,536
Revaluation reserve	18	681	2,098	681	2,098
Charitable fund reserve		2,352	2,213	0	0
Income and expenditure reserve		(14,721)	(14,999)	(14,721)	(14,999)
Total taxpayers' equity		**47,846**	**47,848**	**45,494**	**45,635**

The financial statements were approved by the Board of Directors on 14 June 2022 and are signed on its behalf by:

Mrs. Joanne Williams – Chief Executive Officer

The notes on pages 180 to 225 form part of these accounts.

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2022

		Group					Trust only			
	Note	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000	Income and Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' Equity at 1 April 2020		**27,934**	37,136	2,569	1,612	(13,383)	**26,322**	37,136	2,569	(13,383)
(Deficit) / Surplus for the year		**(1,172)**	0	0	444	(1,616)	**(1,616)**	0	0	(1,616)
Impairment on property, plant and equipment	9.1	**(471)**	0	(471)	0	0	**(471)**	0	(471)	0
Public dividend capital received		**21,400**	21,400	0	0	0	**21,400**	21,400	0	0
Fair value gains on investments	10	**157**	0	0	157	0	**0**	0	0	0
Taxpayers' Equity at 31 March 2021		**47,848**	58,536	2,098	2,213	(14,999)	**45,635**	58,536	2,098	(14,999)

			Public Dividend		Charitable Fund	Income and Expenditure		Public Dividend		Income and Expenditure
		Total £000	Capital £000	Revaluation Reserve £000	Reserve £000	Reserve £000	Total £000	Capital £000	Revaluation Reserve £000	Reserve £000
Taxpayers' Equity at 1 April 2021		**47,848**	58,536	2,098	2,213	(14,999)	**45,635**	58,536	2,098	(14,999)
Surplus for the year		**383**	0	0	105	278	**278**	0	0	278
Impairment on property, plant and equipment	9.1	**(1,417)**	0	(1,417)	0	0	**(1,417)**	0	(1,417)	0
Public dividend capital received		**998**	998	0	0	0	**998**	998	0	0
Fair value gains on investments	10	**34**	0	0	34	0	**0**	0	0	0
Taxpayers' Equity at 31 March 2022		**47,846**	59,534	681	2,352	(14,721)	**45,494**	59,534	681	(14,721)

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST

CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		Group		Trust only	
		Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2022	Year Ended 31 March 2021
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Operating Surplus / Deficit		1,802	(398)	1,736	(804)
Non-cash income and expense					
Depreciation and amortisation	**4**	2,798	2,840	2,798	2,840
Impairments	**9**	462	462	462	462
Reversal of impairments	**9**	(101)	(13)	(101)	(13)
(Increase) / Decrease in Trade and other receivables	**12**	(1,646)	1,788	(1,646)	1,788
Decrease in Inventories	**11**	1,441	4,890	1,441	4,890
Increase / (Decrease) in Trade and other payables	**15**	3,497	(4,345)	3,497	(4,345)
Increase in Other Liabilities	**15.1**	400	94	400	94
Increase in Provisions	**16**	3,937	2,836	3,937	2,836
Movement in Charitable fund working capital		(583)	42	0	0
Other movements in operating cash flows		2	3	0	0
NET CASH FROM / (USED IN) OPERATING ACTIVITIES		**12,009**	**8,199**	**12,524**	**7,748**
Cash flows used in investing activities					
Interest received		6	0	6	0
Purchase of intangible assets		(393)	(371)	(393)	(371)
Purchase of Property, Plant and Equipment		(5,684)	(3,362)	(5,684)	(3,362)
NET CASH USED IN INVESTING ACTIVITIES		**(6,071)**	**(3,733)**	**(6,071)**	**(3,733)**
Cash flows from financing activities					
Interest element of finance lease		(201)	(2)	(201)	(2)
Capital element of finance lease rental payments		(260)	(118)	(260)	(118)
Interest element of loans		(18)	(78)	(18)	(78)
Other Capital receipts		0	1,177	0	1,177
Movements on loans from the Department of Health and Social Care		0	(19,718)	0	(19,718)
Movements on other loans	**15.2**	(569)	(648)	(569)	(648)
PDC received		998	21,400	998	21,400
PDC Dividend paid		(959)	(988)	(959)	(988)
NET CASH FROM FINANCING ACTIVITIES		**(1,009)**	**1,025**	**(1,009)**	**1,025**
Increase in cash and cash equivalents		**4,929**	**5,491**	**5,444**	**5,040**
Cash and Cash equivalents at 1 April		**6,962**	**1,471**	**5,703**	**663**
Cash and Cash equivalents at 31 March		**11,891**	**6,962**	**11,147**	**5,703**

1 Accounting policies and other information

Basis of preparation

NHS England and NHS Improvement, in exercising the statutory functions conferred on Monitor has directed that the financial statements of NHS foundation trusts 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 DHSC Group Accounting Manual 2021/22, 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 DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation 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.

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.

Accounting convention

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

1.1 Basis of consolidation

These consolidated financial statements have been prepared incorporating the accounts of the Trust's subsidiary undertaking, The Royal Orthopaedic Hospital NHS Foundation Trust Charitable Fund (The Charity).

1.2 NHS Charitable Fund

The Royal Orthopaedic Hospital NHS Foundation Trust is the corporate trustee to The Royal Orthopaedic Hospital NHS Foundation Trust Charitable Fund. The Royal Orthopaedic Hospital NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to eliminate intra-group transactions, balances, gains and losses. The Charity's accounts under UK FRS 102 were considered to identify whether any adjustments were required to bring them in line with The Royal Orthopaedic Hospital NHS Foundation Trust's accounting policies under IFRS. Adjustments were identified and amended.

The charity is registered with the UK Charities Commission, registration number 1078046.

The Charitable Fund's main accounting policies are as follows:

Incoming resources

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised - refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Fund accounting

Restricted funds are funds subject to specific restrictions imposed by the funding authorities and donors. These funds are not available for the Trustees to apply at their discretion. The purpose and use of the restricted funds is set out in the notes to the charity's financial statements.

All incoming resources are included in full in the Statement of Financial Activities as soon as the following four factors can be met:

i) entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable;

ii) certainty - when the trustees are virtually certain that the incoming resources will be received;

iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability; and

iv) apportionment - incoming resources that are not specifically attributable to a fund are apportioned quarterly pro rata to the value of each fund.

Investment management costs

Investment management costs are the fees charged by Schroder's for the management of the investment portfolio and are apportioned on the basis of fund values. The Trust is not currently incurring any investment management costs as part of its arrangement with Schroder's.

Grants payable

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the Trust's charitable objectives to relieve those who are in poor health. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant.

Non-current asset investments

Non-current asset investments are shown at market value. All investments are held by the associated Charity what have been consolidated within the Trust accounts. The Charity does not hold any property assets. Quoted stocks and shares are included in the statement of financial position at mid-market price, ex div. Other non-current asset investments are included at Trustees' best estimate of market value.

Current asset investments

All investments are held by the associated Charity what have been consolidated within the Trust accounts. The current asset investment comprise cash balances available for investment which are held in capital or income accounts. The investments generate dividends and interest, less any administration costs.

Realised gains and losses

All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

1.3 Income

Where revenue is derived from contracts with customers it is accounted for under IFRS15. The GAM expands the definition of a contract to include legislation and regulation which enables an entity to receive cash or another financial assess 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 obligation 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 that 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 the future period, the income is deferred and recognised as a contract liability.

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated care System/Sustainability and Transformation Partnership level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also received additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-ups income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration

The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

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.

Other sources of Income

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS trusts for the provision of services. Grants from the Department of Health and Social Care, including those for achieving three star status, are accounted for as Government grants. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

IAS 20 Government Grants and Disclosure of Government Assistance is applied to the accounting treatment of government and other grants with the following interpretations:

- The option to deduct the grant from the carrying value of the asset is not permitted.
- Grant income relating to assets is recognised within income when the Trust becomes entitled to it, unless the grantor imposes a condition that the future economic benefits embodied in the grant are to be consumed as specified by the grantor and if it is not, the grant must be returned to the grantor.
- Where such a condition exists, the grant is recognised as deferred within liabilities and carried forward to future financial years to the extent that the condition has not yet been met.

1.4 Expenditure on Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. 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.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underleying 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 the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially form 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 years2. An outline of those 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 2022, is based on valuation data as at 31 March 2021, updated to 31 March 2022 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 Pension Scheme Accounts. These accounts can be viewed on the NH 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 scheme (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pensions Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https;//www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

1.5 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.

1.6 Value added tax

Most of the activities of the NHS foundation Trust are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of

non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.7 Corporation tax

All surpluses are generated by activity authorised as an activity relating to the provision of core healthcare and therefore the Trust has determined that there is not a Corporation Tax liability.

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; and
- the cost of the item can be measured reliably utilising the following criteria:
- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £200, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building of a refurbishment of a ward or unit, irrespective of their individual or collective cost;
- Professional fees such as legal costs, design costs, planning fees and feasibility studies incurred in the construction/bringing the asset into use.

Measurement

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. Land, buildings and dwellings are measured at valuation.

A Desk-top valuation exercise was carried out during the year by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last independent “full” asset valuations were undertaken on 31 March 2020 by Cushman and Wakefield (MRICS).

Economic lives of property, plant and equipment

The minimum and maximum useful economic lives of each class of asset are given in the table below. Useful economic lives reflect the total life of an asset, not the remaining life.

Type	Min Life Years	Max Life Years
Land	N/A	N/A
Buildings excluding Dwellings (as per valuer's report 31 March 2022)	23	55
Dwellings (as per valuer's report 31 March 2022)	28	28
Transport equipment	7	7
Information Technology	3	10
Furniture & Fittings	2	5
Plant & machinery – Engineering plant & equipment	5	15
Plant & machinery – Medical Equipment	2	15

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets (MEA) and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust has used this assumption with the revaluation.

Properties under construction for administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 *Borrowing Costs* for assets held at fair value. Assets depreciation commences when they are brought into use.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying value amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the Trust and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised. Retentions that do not generate additional future economic benefits or service potential are charged to the Statement of Comprehensive income when final payment is made.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of Property, Plant and Equipment are depreciated by straight line method. Freehold land is considered to have an infinite life and is not depreciated.

Assets under construction are not depreciated until the asset is brought into use.

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 expenses.

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 Department of Health and Social Care Group Accounting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses regardless of existing revaluation reserves. 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised

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

Derecognition

Assets intended for disposal are reclassified as 'Held for Sale' once the criteria in IFRS 5 are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
    - management are committed to a plan to sell the asset;
    - an active programme has begun to find a buyer and complete the sale;

- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as ‘Held for Sale’; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

Property, plant and equipment which is to be scrapped or demolished is derecognised 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 imposes 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. Donated assets are accounted for in line with the principles set for government grants.

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

In 2021/22 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

1.9 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust’s business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Software

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Expenditure on computer software which is deemed not to be integral to the computer hardware is capitalised as an intangible asset.

Intangible fixed assets are capitalised when:

- they are capable of being used in a trust's activities for more than one year;

- they can be reliably valued; and
- they have a cost of at least £5,000.

Purchased computer software licenses are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the license and their useful economic lives.

Measurement

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

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

Amortisation

Intangible assets are amortised by the straight line method, over their expected useful economic lives (3 to 10 years) in a manner consistent with the consumption of economic or service delivery benefits. The Trust deems the expected useful lives of intangible assets to be individually assessed based on type of asset.

	Min Life	Max Life
Intangible assets - purchased	Years	Years
Development – IT infrastructure	3	10
IT Assets - Software	3	10
Software Licences	3	7

Research and development

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

- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and it resulting in a product or services that will eventually be brought into use; and
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

Capitalised development costs are limited to the value of future benefits expected and are amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. Assets are re-valued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, NHS foundation trusts disclose the total amount of research

and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Non-current assets acquired for use in research and development are depreciated/amortised over the life of the associated project.

1.10 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as non-current assets and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease on inception.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment, with depreciation calculated over the shorter of the lease period or the useful economic life of the asset. Useful economic lives are calculated in line with those included in Note 1.8.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.11 Inventories

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

Only items with a unit value of £250 or above are recognised as inventories, with the remaining items considered to be consumables. This was a change in accounting policy for the year ended 31st March 2021, and reflects the high turnover of consumable items.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and demand deposits, together with short-term highly liquid investments with maturities of 90 days or less and bank overdrafts. Account balances are only off set where a legal agreement has been made with the bank to do so. In all other cases bank overdrafts are shown within borrowings in 'current liabilities' on the Statement of Financial Position.

In the statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on Demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.13 Provisions

The NHS Foundation 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 the rates published and mandated by HM Treasury.

Early retirement provisions are discounted using HM Treasury's pension discount rate of negative 1.30% (2020-21: negative 0.95%) in real terms. All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	1.99%

1.14 Clinical negligence costs

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

1.15 Non-clinical risk pooling

The NHS Foundation 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.

The Trust has also taken out additional insurance to cover claims in excess of £1 million.

1.16 Contingent liabilities and contingent assets

Contingent liabilities are not recognised, but are disclosed in note 19 unless the probability of a transfer of economic benefits are 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.

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 where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

1.17 Financial assets

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

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

Financial assets are classified into the following categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit and loss.

The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition. The Trust only holds assets within the first category.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Impairment

For all financial assets measured at amortised cost, lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

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

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

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

1.18 Financial liabilities

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

1.18.1 Financial liabilities at fair value through profit and loss

Derivatives that are liabilities are subsequently measured at fair value through profit or loss, embedded derivatives that are not part of a hybrid contract containing a host that is an asset within the scope of IFRS 9 are separately accounted for as derivatives only if their economic characteristics and risks are not closely related to those of their host contracts, a separate instrument with the same terms would meet the definition of a derivative, and the hybrid contract is not itself measured at fair value through profit or loss.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and
- the premium received (or imputed) for entering into the guarantee less cumulative amortisation.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.19 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32 Financial Instruments: Presentation.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at

https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care, 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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.20 Foreign currencies

The Trust functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2022.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. Third party assets relating to payments in advance of treatment for private patients is disclosed (see note 20).

1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks with insurance premiums then being included as normal revenue expenditure.

However 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. (See note 22)

1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

1.25 Accounting Standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2021/22. These Standards are still subject to HM Treasury FReM adoption.

IFRS16 Leases – The Standard is effective 1 April 2022 as adapted and interpreted by the FReM.

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	16,809
Additional lease obligations recognised for existing operating leases	(16,789)
Net impact on net assets on 1 April 2022	20
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(2,612)
Additional finance costs on lease liabilities	(156)
Lease rentals no longer charged to operating expenditure	2,556
Estimated impact on surplus / deficit in 2022/23	(212)
Estimated increase in capital additions for new leases commencing in 2022/23	2,812

IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted. This standard is not expected to have a significant impact on the Trust accounts.

1.26 Exemption from presentation of Trust only Statement of Comprehensive Income

In line with section 5.13 of the GAM, the Group has taken advantage of the exemption to present a Trust only Statement of Comprehensive Income. The Trust had a surplus of £278,000 (2020/21 (£1,616,000) deficit), and a total comprehensive loss (after impairments and revaluations) of £1,105,000 (2021/21 £1,930,000 loss). The Group returned a surplus of £383,000 (2020/21 (£1,172,000) deficit).

1.27 Critical accounting judgements and key sources of estimation uncertainty

In the application of The Royal Orthopaedic Hospital NHS Foundation Trust's accounting policies, management is required to make various judgments, estimates and assumptions. These are regularly reviewed.

Critical accounting judgements

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying The Royal Orthopaedic Hospital NHS Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Categorisation of leases as operating or finance leases

Lease arrangements are categorised as either operating leases or finance leases in line with the accounting policy above IFRS 16 (see note 1.25).

During 2020/21 the Trust signed a contract for the supply of additional modular theatres and wards as an extension to an agreement signed last financial year. Due to the material value and term of the contract the treatment of this contract has been assessed carefully to ensure that it is reported accurately within the Trust's financial statements. The lease arrangement has been treated as an operating lease due to the risk and reward of ownership not deeming to be transferred to the Trust which is a material component required to classify the lease as a finance lease. It is expected that this lease will be treated as a Right of Use Asset under the provisions of IFRS 16.

Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Valuation of the Trust's estate

A valuation of the Trust's land and buildings was undertaken with an effective date of 31 March 2022 (see note 9) by the Trust's valuer, Cushman and Wakefield. The valuations have been undertaken applying the principles of IAS 16 *Property, Plant and Equipment* and RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions:

- the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or

- the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health and Social Care has indicated that for NHS assets it requires the former assumption to be applied for operational assets; this is the approach that was taken by the valuer. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

The Trust estimates the pattern of consumption of property, plant and equipment by writing assets down on a straight line basis over useful economic lives. The useful economic lives determined for each asset or group of assets are informed by historical experience or specific information provided by the valuer where appropriate.

Provisions

Estimates and judgements are also made in respect of provisions for liabilities and charges (see Note 16) where there is some uncertainty at the Statement of Financial Position date as to either the timing or amount of the Group's financial liability.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury. Early retirement

provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 0.95% (2020/21 0.95%) in real terms.

Provision for Credit loss of contract receivables

Management use their judgement to decide when to write-off receivables or to provide against the probability of not being able to collect the outstanding debt. Credit losses cover contract receivables as well as private patients debt.

Annual Leave provision

In accordance with the requirement of IAS 19 *Employee Benefits*, the Trust provides for unpaid annual leave carried forward by staff at the year end. The total number of annual leave days that each of the Trust's employees has not taken at the year-end is accounted for within the financial statements. The number of unused days is multiplied by the employees' average salary per day, to give the total cost on individual cost centres.

2 Segmental Reporting

The Trust Board as 'Chief Operating Decision Maker' considers that all of its activities fall within one material segment, which is the provision of healthcare services. The segmental reporting format applied to these accounts reflects the Trust's management and internal reporting structure.

The Trust has identified five operating segments based on expenditure, being identified by the corporate performance report presented monthly to the board. All five operating segments have similar characteristics, the nature of services is similar, and also the type or class of customer and nature of the regulatory environment are the same. The five operating segments are all active in the same business being the provision of healthcare, thus reporting a single segment of Healthcare is consistent with IFRS 8.

The provision of healthcare is within one main geographical segment being the United Kingdom, and materially from Departments of HM Government in England. Income from within the whole of HM Government is disclosed below:

	Group			
		Year Ended 31 March 2022		**Year Ended 31 March 2021**
	£000	**%**	**£000**	**%**
Income from whole HM Government	106,430	92.08%	91,911	90.85%
Income from non-HM Government	9,155	7.92%	18,587	9.15%
	115,585	100.00%	**110,498**	100.00%

All business activities of the Trust are continually reviewed for material segments.

3 Income from activities arising from Commissioner Requested Services and all other activities.

3.1 Income by nature

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Block Contract system envelope	98,902	64,067
Additional pension contribution central funding	2,396	2,208
Other NHS clinical income	1,865	26,769
Private patient income	1,942	633
Elective Recovery Fund	3,267	0
Patient Care income from non NHS bodies	1,161	0
Total income from patient care activities	**109,533**	**93,677**
Other operating income from contracts with customers:		
Research and development (contract)	384	367
Education and training (excluding notional apprenticeship levy income)	2,473	2,156
Top Up Funding	0	10,079
Income in respect of employee benefits accounted on a gross basis	1,349	1,210
Other contract income	773	306
Capital grants and Donations (contributions to expenditure Covid)	423	2,068
Other non-contract operating income:		
Charitable and other contributions to expenditure	650	635
Total other operating income	**6,052**	**16,821**
TOTAL OPERATING INCOME	**115,585**	**110,498**
Commissioner requested services	107,591	93,044
Non-commissioner requested services	7,994	17,454

The Trust has deemed all income from patient care activities as being in relation to commissioner related services except for any private patient income.

The Covid top-up funding that was provided centrally for 2020/21 has been incorporated in to the re-instatement of block contract income for 2021/22

Included within Contract system envelope is £2,396m (2020/21 : £2.208m) relating to additional pension contribution. The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charges) 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 recognized in these accounts.

3.1.1 Income by Source

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
NHS Foundation Trusts	1,865	1,524
CCGs and NHS England	104,583	90,237
Non NHS: Private patients	1,942	633
NHS injury scheme (was RTA)	(18)	150
Non NHS: Other	1,161	1,133
TOTAL INCOME FROM ACTIVITIES	**109,533**	**93,677**

The income for the Charity is not included here as this has been classified as other operating income only.

3.1.2 Other contract Income

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Onsite catering services	224	163
Staff accommodation	37	48
Property Rentals	38	0
Car park income	165	7
Other	309	88
	773	**306**

The “other operating income from contracts with customers” £6.1m (2020/21 £16.8m) can be found analysed at note 3.1

3.2 Additional information on contract revenue (IFRS 15) recognised in the period

	2021/22 £000	2020/21 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	744	250

There was no overseas patient income received within the year.

4 Operating Expenditure

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Purchase of healthcare from NHS and DHSC bodies	3,055	3,126
Purchase of healthcare from non-NHS and non-DHSC bodies	18,374	20,179
Staff and executive directors costs	65,214	58,867
Non-executive directors	150	130
Supplies and services – clinical (excluding drugs costs)	3,147	3,139
Supplies and Services Clinical - Utilisation of consumables donated for COVID response	423	1,868
Supplies and services - general	826	873
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	1,365	1,134
Inventories written down (net including drugs)	0	200
Consultancy	341	149
Establishment	1,271	1,205
Premises - business rates collected by local authorities	216	296
Premises - other	5,571	5,082
Transport (business travel only)	55	39
Transport - other (including patient travel)	43	46
Depreciation	2,491	2,398
Amortisation	307	442
Movement in credit loss allowance: contract receivables/assets	(94)	111
Audit services - statutory audit	78	76
Other services - audit related assurance services	0	0
Charitable fund independent examination	6	5
Internal audit	121	70
Clinical negligence	3,347	3,913
Legal fees	46	18
Insurance	133	120
Research and development	32	17
Education and training	490	467
Operating lease expenditure	2,790	2,305
Car parking and security	126	131
Hospitality	0	18
Other losses and special payments - non-staff	12	19
Other services (e.g. external payroll)	328	96
Other NHS charitable fund resources expended	3	160
Other	3,155	3748
OPERATING EXPENDITURE (excluding impairment)	**113,422**	**110,447**
Valuation impairment	361	449
TOTAL OPERATING EXPENDITURE	**113,783**	**110,896**

The Other expenditure balance of £3,155,000 relates largely to movements in provisions in the financial year.

5 Operating leases

5.1 Payments recognised as an expense

	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Lease payments	2,790	2,305
TOTAL PAYMENTS	**2,790**	**2,305**

This note relates to the main Trust only as the Charity does not hold any operating leases.

The Trust's operating leases for 2021/22 consists of £25,000 (2020/21: £19,000) for the use of an offsite car parks, £2.2m in relation to modular theatres (2020/21: £1.8m), IT Data Centre £305,000 (2020/21 £133,000) and the remainder of £260,000 (2020/21: £100,000) relates to plant and equipment.

5.2 Total future minimum lease payments

	Analysis by category of Asset As at 31 March 2022			Total 31 March 2022	Total 31 March 2021
	Land £000	Buildings £000	Other £000	£000	£000
- not later than one year;	20	2,256	165	2,441	2,664
- later than one year and not later than five years; an	60	9,025	178	9,263	8,995
- greater than five years.	33	6,793	0	6,826	8,627
TOTAL FUTURE PAYMENTS DUE	**113**	**18,074**	**343**	**18,530**	**20,286**

6 Finance income and expense

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Interest from deposit accounts	6	0
Investment dividend income	39	38
TOTAL FINANCE INCOME	**45**	**38**

	Group	
	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Finance lease interest	201	2
Loan interest - Other	18	25
TOTAL FINANCE EXPENSE	**219**	**27**

7 Employee expenses and numbers

	Year Ended 31 March 2022 £000	Employed £000	Agency £000	Year Ended 31 March 2021 £000	Employed £000	Agency £000
Salaries and wages	47,762	47,762	0	44,441	44,441	0
Social security Costs	4,839	4,839	0	4,199	4,199	0
Apprenticeship levy	218	218	0	194	194	0
Employer's contributions to NHS Pensions	5,472	5,472	0	5,063	5,063	0
Employer contributions paid by NHSE on provider's behalf (6.3%)	2,396	2,396	0	2,208	2,208	0
Agency staff	4,443	0	4,443	2,713	0	2,713
TOTAL EMPLOYEE EXPENSES	**65,131**	**60,688**	**4,443**	**58,818**	**56,105**	**2,713**

7.1 Average number of persons employed (WTE Basis)

	Year Ended 31 March 2022	Employed Number	Agency Number	Year Ended 31 March 2021	Employed Number	Agency Number
Medical and dental	141	129	12	139	126	13
Administration and estates	459	411	48	425	382	43
Healthcare assistants and other support staff	194	167	27	173	146	27
Nursing, midwifery and health visiting staff	305	250	55	290	253	37
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	143	132	11	126	122	4
Other	0	0	0	0	0	0
TOTAL PERSONS EMPLOYED	**1,243**	1,090	153	**1,153**	1,029	124

Note: the information above relates to Trust employees only as the associated charity which has been consolidated into these accounts does not employ any staff

7.2 Exit packages

During the year to 31 March 2022 there were no payments made to staff in relation to exit packages, (31 March 2021, £nil). The NHS pensions related notes can be found at note 1.4 within these accounts.

7.3 Retirements due to ill health

During the year to 31 March 2022 there were no early retirements from the Trust agreed on the grounds of ill-health, (31 March 2021, £nil).

8 Intangible assets

	Group	
	Software licences (purchased) £000	**Total £000**
Gross cost at 1 April 2021	3,241	3,241
Additions - purchased	588	588
Gross cost at 31 March 2022	**3,829**	**3,829**
Amortisation at 1 April 2021	1,986	1,986
Provided during the year	307	307
Amortisation at 31 March 2022	**2,293**	**2,293**
Net book value		
NBV - Purchased at 31 March 2022	1,536	1,536
NBV - Donated at 31 March 2022	0	0
NBV total at 31 March 2022	**1,536**	**1,536**

	Software licences (purchased) £000	**Total £000**
Gross cost at 1 April 2020	2,870	2,870
Additions - purchased	371	371
Reclassifications	0	0
Gross cost at 31 March 2021	**3,241**	**3,241**
Amortisation at 1 April 2020	1,544	1,544
Provided during the year	442	442
Amortisation at 31 March 2021	**1,986**	**1,986**
Net book value		
NBV - Purchased at 31 March 2021	1,255	1,255
NBV total at 31 March 2021	**1,255**	**1,255**

The minimum and maximum useful economic lives of intangibles are 3 years and 10 years respectively. Useful economic lives reflect the total life of an asset, not the remaining life.

9 Property, plant and equipment for the year ended 31 March 2022

	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and POA £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000
Cost or valuation at 1 April 2021	**59,429**	5,021	30,708	546	2,168	14,113	83	6,699	91
Additions - purchased	**3,631**	0	1,251	0	1,084	731	1	504	60
Additions - assets purchased from cash donations/grants	**288**	0	0	0	0	288	0	0	0
Impairments charged to operating expenses	**(462)**	0	(462)	0	0	0	0	0	0
Reversal of impairments credited to operating expenditure	**101**	0	88	13	0	0	0	0	0
Impairments charged to the revaluation reserve	**(1,702)**	0	(1,702)	0	0	0	0	0	0
Reclassifications	**0**	0	2,109	0	(3,088)	979	0	0	0
Revaluation	**(600)**	0	(581)	(19)	0	0	0	0	0
Cost or Valuation at 31 March 2022	**60,685**	**5,021**	**31,411**	**540**	**164**	**16,111**	**84**	**7,203**	**151**
Accumulated depreciation at 1 April 2021	**13,631**	0	0	0	0	9,306	20	4,215	90
Provided during the year	**2,491**	0	866	19	0	947	9	649	1
Revaluation	**(885)**	0	(866)	(19)	0	0	0	0	0
Disposals	**0**	0	0	0	0	0	0	0	0
Accumulated depreciation at 31 March 2022	**15,237**	**0**	**0**	**0**	**0**	**10,253**	**29**	**4,864**	**91**
Net book value									
NBV - Purchased at 31 March 2022	**41,173**	5,021	28,160	540	164	4,834	55	2,339	60
NBV - Finance lease at 31 March 2022	**936**	0	0	0	0	936	0	0	0
NBV - Donated at 31 March 2022	**3,339**	0	3,251	0	0	88	0	0	0
NBV total at 31 March 2022	**45,448**	**5,021**	**31,411**	**540**	**164**	**5,858**	**55**	**2,339**	**60**

There is no restriction by the Donor on the use of donated assets.

The Charity do not hold any tangible fixed assets.

9.1 Property, plant and equipment for year ended 31 March 2021

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and POA	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	**56,071**	5,021	31,244	555	158	12,645	20	6,337	91
Additions - purchased	**5,136**	0	1,233	0	2,010	1,468	63	362	0
Impairments charged to operating expenses	**(462)**	0	(453)	(9)	0	0	0	0	0
Reversal of impairments credited to operating income	**13**	0	13	0	0	0	0	0	0
Impairments charged to the revaluation reserve	**(471)**	0	(471)	0	0	0	0	0	0
Revaluation	**(858)**	0	(858)	0	0	0	0	0	0
Disposals	**0**	0	0	0	0	0	0	0	0
Cost or Valuation at 31 March 2021	**59,429**	**5,021**	**30,708**	**546**	**2,168**	**14,113**	**83**	**6,699**	**91**
Accumulated depreciation at 1 April 2020	**12,091**	0	0	0	0	8,620	20	3,363	88
Provided during the year	**2,398**	0	839	19	0	686	0	852	2
Impairments charged to revaluation reserve	**0**	0	19	(19)	0	0	0	0	0
Revaluation	**(858)**	0	(858)	0	0	0	0	0	0
Disposals	**0**	0	0	0	0	0	0	0	0
Accumulated depreciation at 31 March 2021	**13,631**	**0**	**0**	**0**	**0**	**9,306**	**20**	**4,215**	**90**
Net book value									
NBV - Purchased at 31 March 2021	**41,550**	5,021	27,735	546	2,168	3,532	63	2,484	1
NBV - Finance lease at 31 March 2021	**1,177**	0	0	0	0	1,177	0	0	0
NBV - Donated at 31 March 2021	**3,071**	0	2,973	0	0	98	0	0	0
NBV total at 31 March 2021	**45,798**	**5,021**	**30,708**	**546**	**2,168**	**4,807**	**63**	**2,484**	**1**

This note relates to the Trust only as the Charity does not hold any property, plant and equipment.

There is no restriction by the Donor on the use of donated assets.

Useful Economic Lives of assets disclosed are :

Type	Min Life Years	Max Life Years
Land	N/A	N/A
Buildings excluding Dwellings (as per valuer's report 31 March 2022)	23	55
Dwellings (as per valuer's report 31 March 2022)	28	28
Transport equipment	7	7
Information Technology	3	10
Furniture & Fittings	2	5
Plant & machinery – Engineering plant & equipment	5	15
Plant & machinery – Medical Equipment	2	15

9.2 Revaluation /(Impairments)

	Total £000	Operating expenses £000	Revaluation reserve £000
Changes in market place	(1,702)	0	(1,702)
Reversal of impairments	101	101	0
Revaluation	(177)	(462)	285
Total Impairment / Revaluation as at 31 March 2022	**(1,778)**	**(361)**	**(1,417)**

	Total £000	Operating expenses £000	Revaluation reserve £000
Changes in market place	(920)	(449)	(471)
Reversal of impairments	0	0	0
Total Impairment / Revaluation as at 31 March 2021	**(920)**	**(449)**	**(471)**

This note relates to the Trust only as the charity does not hold any assets.

10 Investments

Fixed Asset Investments:	31 March 2022 £000	31 March 2021 £000
Market value at 1 April	953	796
Additions	0	0
Net loss on revaluation	0	0
Fair Value movements	34	157
Market value at 31 March	**987**	**953**
Historic cost at 31 March	**931**	**931**

Market value at 31 March

	31 March 2022 £000	31 March 2021 £000
Securities - managed funds	987	953
	987	**953**

Analysis of gross income from investments
Total gross income

	31 March 2022 £000	31 March 2021 £000
Investments in a Common Deposit Fund or Common Investment Fund	**39**	**38**

Note: all investments are held by the Trust's associated charity which has been consolidated into these financial statements.

11 Inventories

	Group	
	31 March 2022	31 March 2021
	£000	£000
Consumables	359	1,800
TOTAL INVENTORIES	**359**	**1,800**

	31 March 2022	31 March 2021
	£000	£000
Inventories recognised in expenses	1,864	8,558
Write-down of inventories recognised as an expense	0	200
TOTAL	**1,864**	8,758

This note relates to the Trust only as the Charity does not hold any inventories.

12 Trade receivables and other receivables

	Group		Trust only	
	2022	2021	2022	2021
	£000	£000	£000	£000
Current				
Contract receivables	2,394	2,104	2,394	2,104
Accrued income	515	1,386	515	1,386
Allowance for impaired contract receivables/assets	(814)	(908)	(814)	(908)
Prepayments	6,200	4,517	6,200	4,517
PDC dividend receivable	49	241	49	241
VAT receivable	1,088	621	1,088	621
Other receivables	514	531	514	531
NHS charitable funds: trade and other receivables	556	0	0	0
Total current receivables	**10,502**	**8,492**	**9,946**	**8,492**
Of which receivable from NHS and DHSC group bodies:				
Current	2,111	3,085	2,111	3,085

12.1 Allowance for credit losses

	Trust	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 April 2021	908	0
Reversals of allowances	(94)	0
Allowances as at 31 March 2022	**814**	**0**

	Trust	
	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 April 2020	797	0
Changes in existing allowances	111	0
Allowances as at 31 March 2021	**908**	**0**

13 Other current assets

13.1 Short-term investments and deposits

The Consolidated group held short-term cash deposits within a multi-asset fund of £80,000 (2020/21: £43,000) managed by Cazenove Capital. The Trust does not hold any short-term cash deposits (2019/20: £nil).

14 Cash and cash equivalents

CASH AND CASH EQUIVALENTS

	Group		Trust only	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Cash and cash equivalents at 1 April	6,962	1,471	5,703	663
Net change in year	4,929	5,491	5,444	5,040
Cash and cash equivalents at 31 March	11,891	6,962	11,147	5,703
Broken down into:				
Cash at commercial banks and in hand	745	1,259	1	0
Cash with the Government Banking Service	11,146	5,703	11,146	5,703
Cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows	**11,891**	**6,962**	**11,147**	**5,703**

15 Trade and other payables

	Group		Trust only	
	Financial liabilities		Financial liabilities	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Trade Payables	4,151	599	4,151	599
Capital payables	723	2,293	723	2,293
Social security costs	1,605	1,223	1,605	1,223
Receipts in advance	119	0	119	0
Other trade payables	1,608	5,213	1,608	5,213
Accruals	5,132	2,110	5,117	2,068
TOTAL TRADE AND OTHER PAYABLES	**13,338**	11,438	**13,323**	11,396

15.1 Other liabilities

	Group			
	Current		Non-Current	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Deferred income; contract Liabilities	744	344	0	0
TOTAL OTHER LIABILITIES	**744**	344	**0**	0

15.2 Borrowings

	Group			
	Current		Non-Current	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Third Party Loans	106	675	0	0
Obligations under finance leases	162	173	789	1,038
TOTAL BORROWINGS	**268**	848	**789**	1,038

The interest rates applicable in relation to the third-party loans are 3.64% (HP outstanding) amount of £106,076 (£675,000 20/21). The remainder relates to a sale and lease back of assets through a managed service provider.

15.3 Finance lease obligations

	Group			
	Net lease liabilities		Gross lease liabilities	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Within one year	162	173	328	173
Between one and five years	789	692	1,037	692
After five years	0	346	0	346
Net finance charges allocated to future periods			(414)	
	951	1,211	**951**	1,211
Included in:				
Current borrowings	162	173	162	173
Non-Current borrowings	789	1,038	789	1,038
	951	1,211	**951**	1,211

The finance lease commitment of £951,224 relates to Theatre Equipment (£1,177,000 in 2020/21), with the lease being due for renewal in March 2027.

15.4 Reconciliation of liabilities arising from financing activities

	Group		
	loans £000	Finance leases £000	Total liabilities from financing £000
Carrying value at 1 April 2021 - brought forward	675	1,211	**1,886**
Cash movements:			
Financing cash flows - principal	(569)	(260)	**(829)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(18)	(201)	**(219)**
Non-cash movements:			
Interest charge arising in year (application of effective interest rate)	18	201	**219**
Carrying value at 31 March 2022	**106**	**951**	**1,057**

	DHSC loans £000	Other loans £000	Finance leases £000	from financing activities £000
Carrying value at 1 April 2020 - brought forward	19,771	1,323	152	**21,246**
Cash movements:				
Financing cash flows - principal	(19,718)	(648)	(118)	**(20,484)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(53)	(25)	(2)	**(80)**
Non-cash movements:				
Additions	0	0	1,177	**1,177**
Interest charge arising in year (application of effective	0	25	2	**27**
Carrying value at 31 March 2021	**0**	**675**	**1,211**	**1,886**

16 Provisions

	Legal claims £000	Personal Injury £000	Other £000	Total £000
At 1 April 2021	50	201	3,536	3,787
Arising during the year	0	0	3,968	3,968
Utilised during the year	0	(21)	0	(21)
Reversed unused during the year	(10)	0	0	(10)
Unwinding of discount	0	11	83	94
At 31 March 2022	**40**	**191**	**7,587**	**7,818**
Expected timing of cash flows:				
not later than one year	40	13	200	253
later than one year and not later than five years	0	37	6,576	6,613
later than five years	0	141	811	952
Total expected timing of cash flows	**40**	**191**	**7,587**	**7,818**

	Legal claims £000	Personal Injury £000	Other £000	Total £000
At 1 April 2020	60	210	662	932
Arising during the year	10	0	2,907	2,917
Utilised during the year	(20)	(21)	(40)	(81)
Reversed unused during the year	0	0	0	0
Unwinding of discount	0	12	7	19
At 31 March 2021	**50**	**201**	**3,536**	**3,787**
Expected timing of cash flows:				
not later than one year	50	13	2,695	2,758
later than one year and not later than five years	0	37	254	291
later than five years	0	151	587	738
Total expected timing of cash flows	**50**	**201**	**3,536**	**3,787**

The provisions included under legal claims are for employee and public liability, and are subject to changes in value and timing by either third party insurers or NHS Resolution depending on the incident date.

Early retirement provisions are discounted using HM Treasury's pension discount rate of minus 0.95% (2019/20: minus 0.50%) in real terms. All Other claims are discounted using the real discount rate set by HM Treasury. The rates below have been applied for 2021/22:

Short-term (less than one year) 0.47%

Medium-term (one – five years) 0.70%

Long-term (later than 5 years) 0.95%

NHS Resolution as at 31 March 2021 has £11,394,494 (2020/21: £6,157,000) in respect of clinical negligence liabilities of the Trust included in its accounts. The cost of these liabilities would be paid for by NHS Resolution.

17 Contractual Capital Commitments

	Group	
	31 March 2022	**31 March 2021**
	£000	**£000**
Property, plant and equipment	2,185	3,289
TOTAL CONTRACTUAL CAPITAL COMMITMENTS	**2,185**	3,289

Capital commitments include £592,000 for electronic prescribing assets, £553,000 relates to 35 smaller building projects, £335,000 for outpatient systems, £305,000 for various Plant and Equipment and £124,000 for an MRI scanner.

18 Revaluation Reserve

	Revaluation Reserve - Property, plant and equipment
	£000
	£000
Revaluation reserve at 1 April 2021	2,098
Revaluation Impairment	(1,702)
Revaluations	285
Revaluation reserve at 31 March 2022	**681**
Revaluation reserve at 1 April 2020	2,569
Revaluation Impairment	(471)
Revaluation reserve at 31 March 2021	**2,098**
Charity Reserves	
Restricted	1,508
Unrestricted	844
Total Reserves	**2,352**

The revaluation element of the above relates to the trust only as the charity holds no assets which would be subject to revaluation. The Charity reserves represent the holdings of the charity split between those which are restricted to specific purposes and those which are general unrestricted, the charity holds no endowment assets.

19 Related party Transactions

The Royal Orthopaedic Hospital NHS Foundation Trust is a public benefit corporation which was established under the granting of authority by the independent regulator for Foundation Trusts, Monitor (now NHS Improvement) on February 1 2007.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with The Royal Orthopaedic Hospital NHS Foundation Trust.

The consolidated group's ultimate controlling party is the Department of Health and Social Care.

During the year The Royal Orthopaedic Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. These entries are listed below.

Under IAS 24 entities which are related parties because they are under the same governmental control are permitted to give reduced disclosures on those transactions. This note has therefore been prepared under this basis.

The Trust has had material dealings with the following bodies during 2021/22:

Birmingham and Women's Children's NHS Foundation Trust
Birmingham Community Healthcare
Health Education England
HM Revenue & Customs
Midlands Regional Office
NHS Birmingham and Sandwell CCG
NHS Black Country and West Birmingham CCG
NHS Blood and Transplant
NHS Coventry and Warwickshire CCG
NHS England - Central Specialised Commissioning Hub
NHS Herefordshire and Worcestershire CCG
NHS Pension Scheme
NHS Resolution
NHS South East Staffs and Seisdon Penninsula CCG
Sandwell and West Birmingham Hospitals NHS Trust
The Robert Jones and Agnus Hunt Orthopaedic Hospital NHS Foundati
The Royal Wolverhampton NHS Trust
University Hospitals Birmingham NHS Foundation Trust
Welsh Health bodies

The Trust had material dealings with the following bodies during 2020/2021

Birmingham Women's and Children's NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
NHS Birmingham and Solihull CCG
NHS Dudley CCG
NHS Herefordshire and Worcestershire CCG
NHS Sandwell and West Birmingham CCG
NHS South East Staffs and Seisdon Peninsula CCG
NHS Walsall CCG
Health Education England
NHS Resolution
Department for Work and Pensions
HM Revenue & Customs

The Trust has also received revenue payments from the associated charitable funds where the Trustees are also members of the NHS Trust Board. The Trust charged the charity for finance administration services totalling £15,200 during the year (2020/21: £15,200).

20 Third Party Assets

The Trust held £138,000 in relation to advance payments from private patients in relation to treatment which is yet to take place (2019/20 £23,000). These payments have been included within the Trust's financial statements for 2021/22.

21 Financial Instruments

The Royal Orthopaedic Hospital NHS Foundation Trust seeks to minimise its financial risks and through its treasury management policy does not buy or sell financial instruments. Trust treasury activity is subject to review by the Trust's internal auditor on a rotational basis.

Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

The Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. The Foundation Trust is not, therefore, exposed to significant interest-rate risk.

Credit risk

The majority of the Trust's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. Due to COVID-19 normal payments by results contracts have moved to block contracts which has reduced the credit risk further in relation to public sector bodies.

The maximum exposures as at 31 March 2022 are in receivables from customers, as disclosed in the Trade Receivables and Other Receivables note.

Liquidity Risk

The Trust's operating costs are incurred under contracts with NHS Clinical Commissioning Groups who are financed annually from resources voted from Parliament. Such contract income is received in accordance with the NHS funding mechanism Payments by Results with regular twelfth payments made monthly and a quarterly adjustment made to bring payments in line with actual activity. The Trust aims to fund capital schemes by internally generated funds. In addition the Trust can borrow from the Department of Health's financing facility or commercially. The Trust is therefore not exposed to significant liquidity risk.

Due to COVID-19 normal payments by results contracts have moved to block contracts which has reduced the credit risk further as payments are made in advance.

Set out below is an analysis, by category, of the Trust's financial assets and liabilities as at 31 March 2022. Fair value approximates to the book value because of the short maturity of these instruments.

21.1 Financial Assets

		Group		Trust only	
	Notes	Carrying value 31 March 2022 £000	Carrying value 31 March 2021 £000	Carrying value 31 March 2022 £000	Carrying value 31 March 2021 £000
Current financial assets					
Receivables - with NHS and DHSC bodies	**12**	2,040	2,844	2,040	2,844
Receivables - with other bodies	**12**	569	269	569	269
Cash and cash equivalents	**14**	13,514	6,962	11,147	5,703
Total Financial Assets		**16,123**	**11,071**	**13,756**	**8,816**

All financial assets are held at amortised cost, with the exception of investments, which are held at fair value.

21.2 Financial Liabilities

		Group		Trust only	
		Carrying value 31 March 2022	Carrying value 31 March 2021	Carrying value 31 March 2022	Carrying value 31 March 2021
Current financial liabilities		**£000**	**£000**	**£000**	**£000**
Borrowings excluding finance leases	**15.2**	106	675	106	675
Obligations under finance leases	**15.2**	173	173	173	173
Trade and other payables	**15**	11,600	13,759	11,585	13,717
		11,879	14,607	11,864	14,565
Non-current financial liabilities					
Obligations under finance leases	**15.2**	778	1,038	778	1,038
TOTAL FINANCIAL LIABILITIES		**12,657**	15,645	**12,642**	15,603

All financial liabilities are held at amortised cost.

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust only	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	**£000**	**£000**	**£000**
In one year or less	11,879	14,607	11,864	14,565
In more than one year but not more than five years	778	1,038	778	1,038
Total	**12,657**	**15,645**	**12,642**	**15,603**

22 Losses and Special Payments

NHS Foundation Trusts are required to record cash payments and other adjustments that arise as a result of losses and special payments. The table below records the losses and special payments incurred by the Trust by the type of loss/special payment category:

	2021/22 Total number of cases Number	2021/22 Total value of cases £000	2020/21 Total number of cases Number	2020/21 Total value of cases £000
LOSSES:				
1. Losses of cash due to:				
c. other causes	1	0	0	0
3. Bad debts and claims abandoned in relation to:				
a. private patients	0	0	18	1
b. overseas visitors				
c. other	0	0	47	2
TOTAL LOSSES	**1**	**0**	**65**	**3**
SPECIAL PAYMENTS:				
5. Compensation under legal obligation	0	0	2	2
7. Ex gratia payments in respect of:				
a. loss of personal effects	2	0	3	1
b. clinical negligence with advice	0	0	0	0
c. personal injury with advice	3	11	1	6
e. Other employment payments (should not include special severance payments which are disclosed below)	0	0	1	2
f. Overtime corrective payments (nationally funded)	1	57	0	0
i. other	10	1	5	5
TOTAL SPECIAL PAYMENTS	**16**	**69**	**12**	**16**
TOTAL LOSSES AND SPECIAL PAYMENTS	**17**	**69**	**77**	**19**

For the period ending 31 March 2022 the Trust had 17 (31 March 2021: 77) separate losses and special payments, totaling £69,000 (31 March 2021: £19,000).

There were no clinical negligence, compensation under legal obligation or fruitless payment cases where the net payment for the individual case exceeded £300,000.

These amounts are reported on an accruals basis but excluding provisions for future losses.

23 Auditor's Liability

The auditor has a limitation of their liability in accordance with their engagement letter signed on 16 June 2022 for the amount of £1 million.

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