ANNUAL REPORT

2022-2023

NHS
The Royal Orthopaedic Hospital
NHS Foundation Trust

The Royal Orthopaedic Hospital NHS Foundation Trust

[INTENTIONALLY LEFT BLANK]

The Royal Orthopaedic Hospital NHS Foundation Trust

Annual Report & Accounts 2022/23

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

Chair and Chief Executive's Foreword

The past year has continued to offer a period of challenging circumstances, not only for the Royal Orthopaedic Hospital ("the ROH") but for the NHS as a whole. Although the global pandemic subsided, the magnitude of its impact began to be felt as the country started to return to the 'new normal'. During the year, the NHS also experienced the significant impact of industrial action, as staff registered their concerns around the proposed pay settlement.

Echoing the reflections in the last two years' annual reports, although we have seen the NHS experience some further challenging times, we have also seen how effective the NHS can be as its different organisations and their staff pull together in unified support, particularly as the Integrated Care Boards (ICBs) became a legal entity and started to embed. The ROH has continued to make changes to working practices 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 again incredibly proud of the dedication we have seen from our staff and of some of the incredible achievements that have been delivered over the past year to ensure that the patients we serve receive excellent, high quality care.

The Trust has continued to heavily focus this year on progressing its vision and ambition, working in partnership to provide Orthopaedic and musculoskeletal (MSK) care, both for the region and nationally. To support this, on 17 January 2023 we led the MSK transformation workshop where the team shared progress to date and the workplan for the future. It was well attended by all partners and it was great to see the developing work.

In addition to the MSK Transformation Programme, further work was progressed to develop the National Orthopaedic Alliance (NOA) and on 19 October 2022, 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 2023/24 and embed our newly refreshed Trust strategy.

A really positive development this year was the invitation to join two major networks: firstly the Birmingham Health Partners, a strategic alliance comprising a number of local NHS providers and academic partners, with members collaborating to bring healthcare innovations through to clinical application. Secondly, we were invited to join the Federation of Specialist Hospitals, a body established to represent the views of the national specialist organisations within the UK. Our addition to both networks establishes the ROH as a key organisation contributing to the advancement of clinical excellence and as an important partner in the development of healthcare innovation.

Additional partnership working this year to celebrate includes the innovative osseointegration programme, which we undertook in conjunction with the Ministry of Defence, improving the quality of life for some individuals involved in international conflict who had been required to undergo amputation procedures. In parallel to this, we have also progressed work on the Armed Forces Covenant aimed at improving the experience and access to treatment for some of the country's war veterans. This work will continue into 2023/24 when we aim to become accredited as a 'Veteran Aware' organisation.

Finally, in relation to partnership working, following a very robust selection process, Jo was appointed as a Trustee of Arthritis UK. This appointment creates a strong link between this Charity and the ROH, the work of both being clearly aligned.

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 respond to the impact of the 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. We also supported the national and local elective recovery plan by accepting a cohort of patients from across the system who required routine orthopaedic surgery. Great progress has been and continues to be made with this arrangement with over 1500 patients having been treated far sooner than they would have been should they have remained on waiting lists elsewhere. In addition to this cohort of patients, we have supported Robert Jones and Agnes Hunt NHSFT by accepting some of their spinal cases. We were successful in responding to the national imperative to treat any patients who had waited for treatment beyond 78 weeks by 31 March 2023, which was true testament to the dedication and perseverance of our teams at the hospital. As we move into the new financial year, the Trust continues to develop its approach to work collaboratively and in an integrated way as required by the new Health and Social Care legislation.

The ROH has continued to see the development of its estate over the past year, with the opening of the Griffins Brook community hub and the College Green centre which offers outpatient physiotherapy and MSK services. Work is ongoing to refurbish Café Royale and staff and patients are excited about the new menu and facilities planned. There was also significant refurbishment of some of the Trust's wards over the year to refresh and update them with state of the art facilities.

The Trust did not receive a full inspection by the CQC during the year, however we have continued to develop our relationship with our new CQC relationship team, including arranging a visit to the site to see the estates improvements made over the past few years and meet a range of teams, including the staff network chairs, the theatres improvement team and to receive an update on the JointCare plans. The Trust remains at a 'Good' rating across all domains of the CQC framework and much preparatory work will be undertaken during the next financial year to ensure that when the Trust is inspected, we are able to showcase the excellent quality of care, innovations and staff wellbeing delivered each and every day.

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 staff being safe and healthy and overall morale in the organisation. A response rate of 52% was also achieved, which although is a slight dip on the position last year still compares favourably both locally and with the national average. Further work will be undertaken in 2023/24 to ensure that the key messages from the staff survey are disseminated within the organisation and the key points of learning are harnessed.

In terms of the Board and Executive Team composition, there have been some key changes during the year, largely in line with the Board's succession plan. Kathryn Sallah and David Gourevitch left the organisation in September 2022 and January 2023 respectively after a significant period as our clinical Non Executive Directors. The Board was joined however by Ian Reckless and Chris Fearns in the autumn, both of whom hold a clinical background. Two of our Executive Directors also left the Board, with Garry Marsh, Chief Nurse leaving over the summer of 2022 to take up post as the Director of Nursing at University Hospitals Derby & Burton NHSFT and Phil Begg retired after a period of eight years at the ROH ending in March 2023. Nikki Brockie was successfully appointed as the substantive Chief Nurse from 1 January 2023 after an extensive recruitment campaign. We wish all new Board members every success in their new roles and offer a fond farewell and grateful thanks for their contributions to those who have left us during the year.

Gratefully, the year saw the country return to a degree of normality, and so the ROH hosted some key celebrations in its true style. A particularly significant celebration this year centred around the Diamond Jubilee. On 30 May 2022, all staff were invited to join 'The Big Lunch' to celebrate the royal event. A great number of the ROH staff participated in the event and enjoyed the music, stalls, food and activities. Fortunately, the weather was kind and the sun shone for us on the day! On 2 June, it was a real privilege to light one of the beacons to mark the Jubilee. A number of staff and external visitors witnessed the momentous occasion and enjoyed the fireworks that followed the formal process. We were also honoured to represent the ROH at a ceremony at the Tower of London to welcome the arrival of the Commonwealth Nations Globe that was used to light the principal Jubilee beacon.

Staff were pleased to see the return of the annual Christmas Ball, which this year was held at Edgbaston Cricket Ground and was attended by over 250 staff. The 'Blue Hearts' staff awards ceremony was also held at the Birmingham Botanical Gardens on 8 July 2022, with over 500 nominations received and 250 staff attending the important celebrations.

As we do each year, we acknowledged Nurses' Day and Operating Department Practitioner (ODP) Day in May 2022. 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. The work of our staff networks has been instrumental this year in achieving progress in making the ROH an inclusive and welcoming organisation for all and we were pleased to see appointment of the chairs of both our 'BeMyself' network and to the

'ManKind' network, our newest staff group. Congratulations and thanks to Victoria Scott and Gavin Newman respectively for their work.

As we moved into autumn 2022, we celebrated Black History Month, World Menopause Day and Freedom to Speak Up month. The Freedom to Speak Up network has been strengthened this year through the appointment of nine new champions. We wish them well in their endeavours to ensure our staff feel comfortable to raise matters that ensure we keep our patients and ourselves safe and happy in the hospital.

There has remained a significant focus on health and wellbeing during the year, which again included an extensive COVID-19 and 'flu vaccination programme. The Trust has during the year, implemented a wellbeing dome on the site to ensure that staff have a place to relax and recharge during some quiet moments at work. We were also successful in being awarded a grant for emergency funding for food from Birmingham City Council. This was used to support our food bank purchases during the year, which has been instrumental in helping to support colleagues and patients through the Cost of Living crisis this year.

We are delighted with some more accolades that the Trust has received during the year, the key highlight being that we were shortlisted for the Health Service Journal (HSJ) Staff Wellbeing award. The awards ceremony was held on 17 November and a team of colleagues from across the Trust joined the celebrations in London. While the Trust did not win the trophy, the team was very proud to represent the ROH. The Trust improved its position as one of the UK's 50 Inclusive Companies, with a move forward from the 15th last year to the 7th place – this is an incredible achievement, with the ROH now being recognised as the most inclusive organisation in the NHS; thanks to the team of ten colleagues who represented the Trust at the ceremony held in Manchester on 1 December 2022. The Trust was also shortlisted in the category of 'Best Support Group' in the Menopause Friendly awards. More locally, the catering team was also recognised this year, with the Hospital being awarded five stars for food hygiene.

We are sad to report the sad death of four of our key colleagues during the year: Andy Hogben, volunteer gardener; Garry Dixon, porter; Alyson Shaw, nurse; and Maureen Milligan, Chief Pharmacist. Our condolences are offered to the families of these valuable colleagues but we thank them for the mark they have left on the Trust. We also mark the departure of some of our other key colleagues to retirement, with one of our long serving spinal consultants David Marks, leaving us. Also retiring were Andrew Pearson, Arthroplasty Consultant & former Medical Director and Janet Campbell, Operational Support Manager. We thank these and all other staff that left us during the year for their years of service and contribution to the ROH.

Although we have seen some departures, we have been fortunate to have been joined in the year by a significant number of new staff into key positions. We have been fortunate to attract some very talented new medical staff into the Trust, which have joined the arthroplasty, spinal and oncology teams. We wish all those who have joined us or have 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 Liz Clements representing Birmingham City Council and Andrew McQueen, Staff Governor. We did however welcome back Rob Talboys and Tony Thomas, previous public governors and Robert Rowberry, a new public governor. Brian Toner was also pleased to be re-elected as a public governor and his continuance as lead governor was unanimously supported. The Annual General Meeting was held on 21 November 2022 which was largely a virtual event, although a number of staff, governors and members chose to join the meeting in person this year given the relaxation of social distancing guidelines.

There was continued success of the Trust Charity this year with several events held raising significant funds for the Charity, including the NHS Big Tea which raised over £1500 and a climb up Mount Snowdon by three brave members of staff. The annual charitable football match was also held which raised in excess of £1700. The Charity was also grateful to receive £3250 of sponsorship for the Blue Heart staff awards event in July and we offer grateful thanks for the support from our sponsors, GenMed, GE Healthcare, Pure Technology Group and former patients Stella Noon and Yvonne Scott. Work also progressed during the year supported by the NHS Charities Together grants, which included the implementation of a Patient Entertainment System and the development of some technology to support the Trust's MSK Transformation Programme. Further exciting work is planned during 2023/24 to develop plans to use the funding received from the later phases of the funding.

Coming to the end of this summary, we would like to reflect on the changes both nationally and locally that have affected the NHS and ROH. As the pandemic has receded, it brought many challenges, but equally a number of opportunities to celebrate success and develop the organisation. The successes during this time have been driven by the willingness, commitment and flexibility of our extraordinary staff but also on effective system and partnership working.

Over the coming year, we look forward to continuing to develop our relationship with system partners and peer organisations. 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 however, 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 through the MSK Transformation Programme, 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 £127 million. It has fourteen operating theatres, six wards and 117 beds, including eight beds for private treatment and six being on a High Dependency Unit.

The Trust employs in excess of 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.

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. During the financial year covered by this report however, the Trust supported a number of additional pathways, including ambulatory hand and trauma and an acute rehabilitation pathway to enable the local system to respond effectively to the impact of the COVID-19 pandemic. It also continues to take cohorts of patients from University Hospitals Birmingham NHSFT (UHB) in a mutual aid arrangement to support the national elective recovery imperative and reduce waiting times for those requiring treatment following the pandemic.

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 year covered by this report encompassed the final year of the Trust Strategy that started in 2019/20, with the vision set as being 'the first choice for orthopaedic care'. It set the Trust's ambition as being 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.

1.3 Planning for the future

The Trust Strategy 2023-2028 has been developed during 2022/23, collaboratively with stakeholders and aligned with local plans including the Birmingham and Solihull Integrated Care System ten-year strategy and with national plans such as the NHS Long Term Plan, the Five Year Forward View and the Operational Planning and Contracting Guidance.

The Trust's vision in the new strategy is 'Less pain. More independence. Life-changing care.' which is reflected in the ambition of this strategy, placing patients firmly at the centre of our planning. It is an ambitious and measurable strategy, framed around six strategic objectives:

Strategic objective	Objective summary	Critical success measure
Our care	Deliver outstanding care that is safe, seamless and patient-centred	By 2028, we will be rated as 'outstanding overall' by our regulators, the Care Quality Commission. This will indicate that we are achieving the highest levels of care and quality.
Our expertise	Innovate, improve, research and teach	By 2028, we will be kitemarked as a Major Revision Centre and Surgical Elective Hub and will publish 30% more research publications. This will indicate our expertise.
Our people	Rated as among the best NHS hospitals to work for by our team	By 2028, we will rated in the top 5% of Trusts to work for by our people in the NHS Staff Survey. This will indicate that we are supporting our most valuable asset; people.
Our community	Work with our community to reduce health inequality and support prevention	By 2028, we will be reducing health inequality by improving access for people in the most deprived 20% of our communities. This will indicate that we are reducing health inequality.
Our services	Efficient, effective and sustainable	By 2028, we will have increased the number of people we treat by 20% within our current resources (this figure will be adjusted as resources increase) . This will indicate excellent productivity and support more people to access treatment

Our collaboration	Collaborate to support improvement, locally, regionally and nationally	In the next five years, we will help to deliver a standardised pathway for elective orthopaedics in Birmingham and Solihull. This will indicate that our system is transforming for the benefit of patients.

This strategy lays out a path for the Royal Orthopaedic Hospital to build on the excellent foundations already established and reach its potential as a world-leading specialist hospital. This includes maximising efficiency and productivity, capitalising on expertise, supporting the workforce, growing and collaborating to reduce health inequality and support prevention.

The Trust Strategy is underpinned by a range of enabling plans which are vital to support the delivery of our strategy. Of primary importance are:

- The People Plan
- The Clinical Strategy
- The Digital, Data and Technology Plan
- The Estates Plan

The Trust Strategy contain a range of metrics associated with strategic delivery. These will be monitored monthly by the Trust Board, ensuring that we meet our strategic ambition.

We continue to work collaboratively with partners in Birmingham and Solihull Integrated Care System (BSol ICS). Notably, we are leading the transformation of local Musculoskeletal (MSK) Services which aims to standardise MSK pathways, support self-management, reduce variation and improve access. We are ambitious about the potential this programme offers to support the reduction of health inequality. We are also working with System partners to transform how elective orthopaedics are delivered locally and are in the formative stages of establishing a single waiting list for BSol ICS.

The Trust shows due regard for the guidance published by NHS England around the duty to collaborate which was published during the year. Although the ROH is not a member of the BSol ICB, it is represented by UHB as the lead provider the System. Most of the ROH Board members are included within the membership of various System meetings, some of which are comprised of equivalent colleagues from across the System, such as joint Chief People Officer and joint Chief Finance Officer fora. The System Chief Executives also meet weekly in a forum chaired by the Chief Executive of the Integrated Care Board and the Trust Chair represents the ROH at the BSol Integrated Care Partnership (ICP) meetings. It is through these fora that agreement on how the System strategy and plans are executed is reached. These joint meetings are also used to discuss and agree financial allocations where relevant such as capital funding, the plans then requiring local approval by the constituent boards of individual organisations.

We are planning for, and are enthusiastic about the future. We are excited to continue delivering outstanding care to our communities, underpinned by the values which drive us.

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) 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 2019/20 strategy and the key risks identified during the year and discussed by the Board during the year can be summarised as:

Patients

Risk of clinical harm due to longer waiting times for treatment following the COVID-19 pandemic

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 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.

- There is a risk of quality of care being compromised due to ongoing challenges with workforce gaps. Nationally and regionally there are significant gaps in nurse workforce, impacting on our ability to recruit and retain.

Partnership

- No risks identified during the year.

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 there will be insufficient capacity to handle the activity from the new services being handled by the Trust as part of the mutual aid arrangement and national elective recovery programme
- 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% of patients within 18 weeks of referral and the number of patients waiting 52 weeks or more 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 with an added impact for 2023/24 as a result of the move to Aligned Incentive Payments relating to a predetermined activity target.

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 intends to lead a fundamental service reconfiguration for orthopaedic and MSK services and working with partners across the System provide leadership for the entire pathway, making best use of current capacity and resources.

1.6 Performance Analysis

1.6.1 Introduction summary

During 2022/23, 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 monthly 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 2022, we moved beyond the previous year's 'Refresh and Recover' programme which had been established to continue the safe recovery of elective services following wave one and two of the COVID-19 pandemic into our 'Recover and Deliver' phase.

The intention as we entered the new financial year in April 2022, was to continue to recover elective waiting lists. We reintroduced patient pathways that had been changed in response to COVID-19 infection control measures to support a reduction in waiting times for our patients and support the wider system with backlogs in line with national operational imperative.

The programme of improvement was supported by enhanced triumvirate working and collaboration. We also expanded the wider clinical support and corporate services to meet service needs. A high level of success was achieved, with zero 52-week waits for our patients reported in October 2022, well ahead of the national imperative.

The Trust continued to support partner Trusts, such as the Robert Jones and Agnes Hunt NHS Foundation Trust (RJAH) with Spinal Patient Pathways, and in Quarter 3 accepted circa 2,000 long waiting Elective Orthopaedic Patients from University Hospitals Birmingham NHS Foundation Trust (UHB), as part of the Birmingham and Solihull Integrated Care Board strategy to successfully achieve zero 78-week waits by the end of March 2023. This target was also delivered in March 2023 for all patients transferred to ROH.

The delivery of activity has been challenging throughout the financial year due to complexity of caseload, unforeseen pressures, such as industrial action for nursing and medical staff and workforce challenges. Despite this, the Trust has maintained a high level of pace in delivery, whilst transforming services to continue to improve quality of care and productivity, maximising the digital opportunities that are now available.

1.6.2 Key objectives

Following the COVID-19 pandemic and the establishment of the new BSol ICB, trusts within the ICB system have worked in partnership through a series of interventions to improve operational performance across BSol for Cancer and Elective Recovery. The ROH has continued to support UHB operating lists in three of our 14 theatres, as well as accepting patient transfers to improve access and reduce healthcare inequalities. This effective collaboration in patient pathways has been noted as excellent practice, demonstrating the benefits of system working for the patients of BSol.

As an unprecedented request, the two Trusts worked effectively together to meet a demanding year-end deadline, developing a mechanism for receiving and triaging the longest waiting patients, as well as a methodology for formal reporting.

Key Objectives aligned to Operational Planning guidance were:

- Establish a capacity management model that supports BSol in the medium and long term to deliver excellence in patient care and staff experience in orthopaedics and Musculo skeletal services (MSK).
- To collaborate with BSol providers to reduce healthcare inequalities for BSol Elective Orthopaedic patients and Musculo skeletal care.
- Quantifying the scale of the caseload backlog, not only for the ROH but for BSol as a system.
- Deliver an increase in elective activity in 2022/23. with an agreed overall target of 14,394. This is an increase of 6% compared with the previous year's target of 13,571.
- Deliver operational performance imperatives in diagnostics and cancer care.
- Fully re-establish and repatriating patient pathways that had been adjusted due to COVID-19 infection control restrictions.
- Continue to support system working and providing mutual aid to UHB, Birmingham Women's & Children's Hospital (BWCH) and RJAH.
- Ensure workforce requirements were optimised to facilitate activity restoration, whilst ensuring the delivery of safe and effective care for patients and staff.

1.6.3 Operational Achievements 2022-23

Following business planning in 2021-22, an operational implementation plan was developed to guide the key workstreams.

The Service Improvement Board meets monthly to provide support and assurance on key workstreams. This reports upwardly to the Finance and Performance Committee.

Outpatient Transformation

Following the external scoping exercise in 2021/22, key workstreams and opportunities were identified in the Outpatients Department which supported and informed the Outpatient Transformation Programme and work streams for 2022/23. A focussed effort has been in place to improve the service against key performance indicators, as well as implement new workstreams and systems to maximise the digital opportunities to improve patient flow and experience.

The Therapies Outpatient team has successfully moved off site to deliver care from local sites such in the community such as Lordswood, Griffins Brook ROH well-being hub, with the College Green campus opening on the 3rd of April 2023.

Pre-Operative Assessment

Strong multidisciplinary working groups are in place to support improvement to service delivery and functionality for Theatres and Pre-operative Assessment, with benefits being tracked monthly and against Getting it Right First Time (GIRFT) metrics.

High Volume Low Complexity Developments

The JointCare Programme has continued to embed over 2022/23 and progresses to the delivery of the day case programme with initial success within knee arthroplasty. A visit was undertaken to an established day case arthroplasty service in Quarter 4 by the project team and work is underway to roll out as business as usual for all clinically appropriate patients in 2023/24.

Regional Networks

The initial implementation and development of the Major Revision Network, including establishing the core team and multidisciplinary team structure has been undertaken in 2022/23, with continued efforts to further develop the network in 2023/24, as a System leader.

Digital Transformation

Further efforts have been made to continue to enhance the Trust's digital footprint with the implementation and development of the following systems:

- TraumaCad to support planning for joint reconstruction.
- Prescribing Information and Communication System (PICS) which is used for clinical noting and requests
- Synopsis to support pre-operative assessment
- Referral Management System (RMS) that is used to triage and accept referrals into the Trust

The intention is to continue progress in this area during 2023/24.

1.6.4 Operational Performance

The Trust continued to work with the BSol system throughout the 2022/23 financial year, adapting and evolving as patient needs were identified as a system to deliver quantifiable improvement in elective waiting lists.

From July 2022, the Trust has actively participated in BSol System Oversight Groups, meeting weekly to manage elective recovery and daily to manage daily operational pressures, tactically and strategically.

The ROH has continued to support UHB through allocating 13 operating sessions a week to UHB surgeons, and through the provision of mutual aid for patients with extended waiting times who could be treated sooner at the ROH. The two trusts continue to foster a close working relationship to maintain a high standard of care and within a strong governance framework.

Activity Undertaken 2021-22 to 2022-23

Despite the significant challenges with increased acuity and complexity of patients, staff shortages, industrial action and planned and urgent estates work, the final position for elective activity in 2022/23 was 13,882, against a plan of 14,394 (-3.6%) however this represents a 3.5% increase compared to 2021/22.

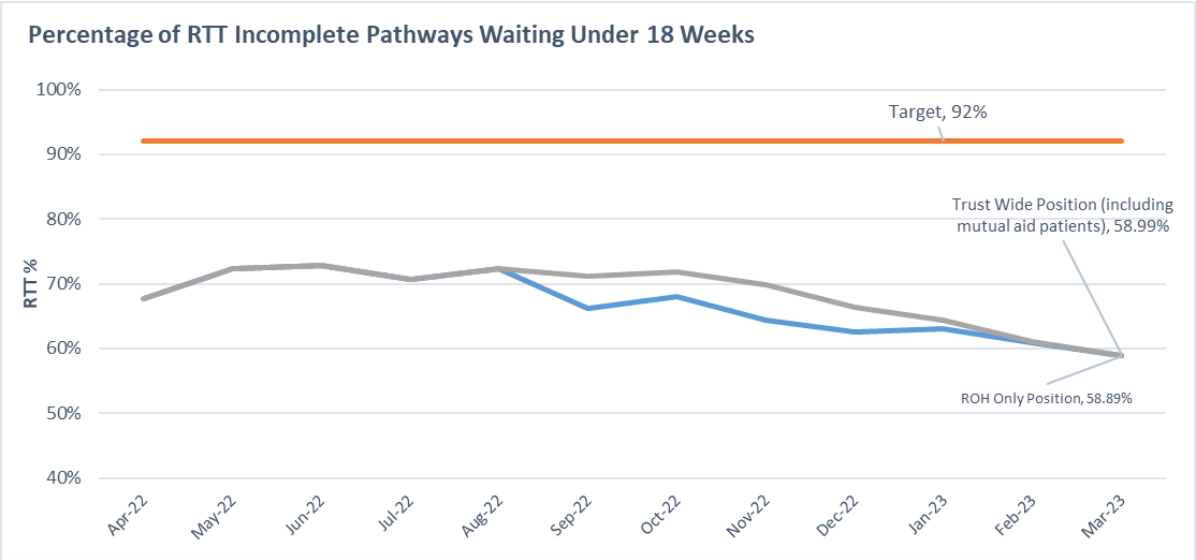
	Actual Treated 2022/23	Actual Treated 2021/22	Actual Treated 2020/21
Inpatients	6353	7,161	4,212
Day cases	7210	6,250	3,152
Total Admitted Patient Care	**13882**	**13,411**	**7,364**
First Appointment	18129	19,219	7,701
Follow Up Appointment	40602	40,309	14,115
Outpatient Procedures	3347	2,317	1,345
Total Outpatients	**62,078**	**61,845**	**23,161**

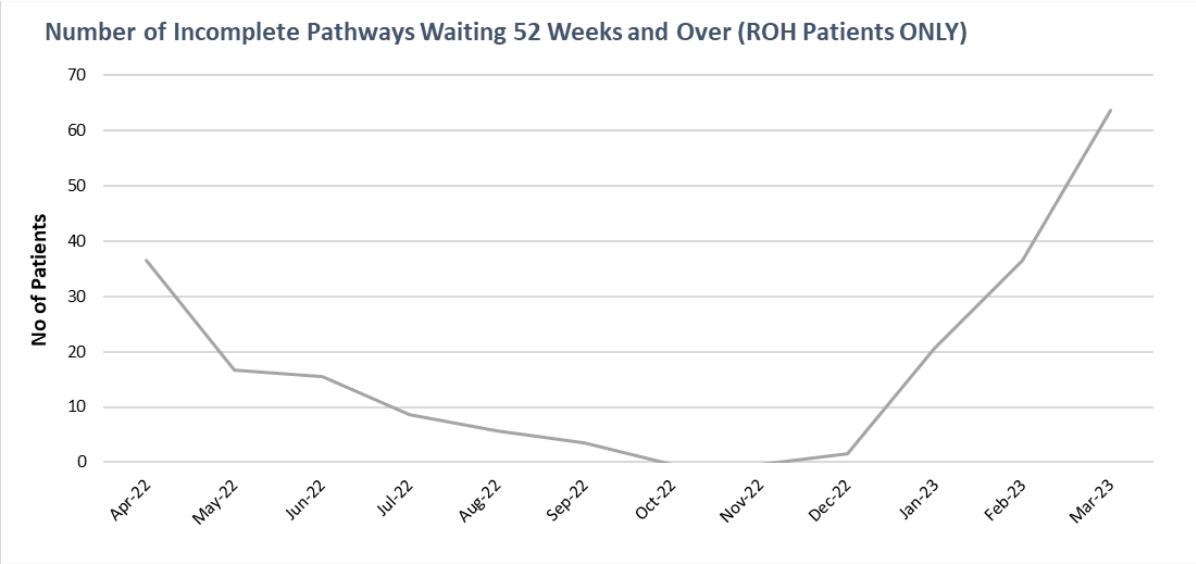
The Trust has an ambitious plan to recover activity through 2023/24 to pre pandemic levels.

Referral to Treatment

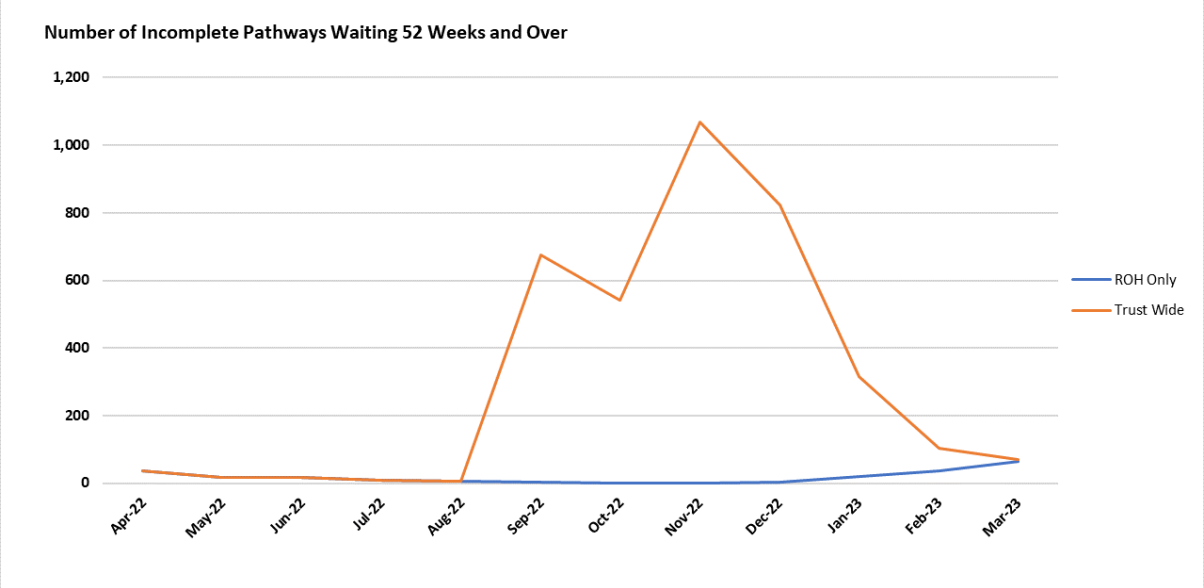
The Referral to Treatment (RTT) position for March 2023 is 58.99% against the national compliance target of treating 92% of patients within 18 weeks of referral. This is reflective of the impact of the previous two years' COVID-19 restrictions, and the provision of mutual aid support to UHB and the RJAH, as this cohort of patients added to our long waiting cohort of patients.

The graphs below show the changes in incomplete pathways during 2022/23:





In October 2022 the ROH achieved the target of having zero patients waiting over 52 weeks for treatment in the cohort of patients that were originally referred to the ROH.



The graph above clearly demonstrates the impact of accepting over 2,000 of the longest waiting patents from the UHB PTL in two cohorts in September and November to support System mutual aid and equalise access to care.

Cancer Standards

Key Performance Indicators: Cancer Services 2022/23	Target	Q1	Q2	Q3	Q4
% urgent cancer referrals seen within 2 weeks wait	93%	89.40%	94.8%	97%	97.40%
% patients treated within 31 days of decision to treat	96%	83.90%	100%	100%	97.20%
% patients receiving subsequent treatment within 31 days (surgery)	94%	100.00%	100%	96.40%	100%
% cancer patients treated within 62 days of urgent GP referral	85%	51.70%	51.40%	65.50%	56.50%
Faster Diagnostic standard	75%	80.30%	77.90%	80.50%	85.10%

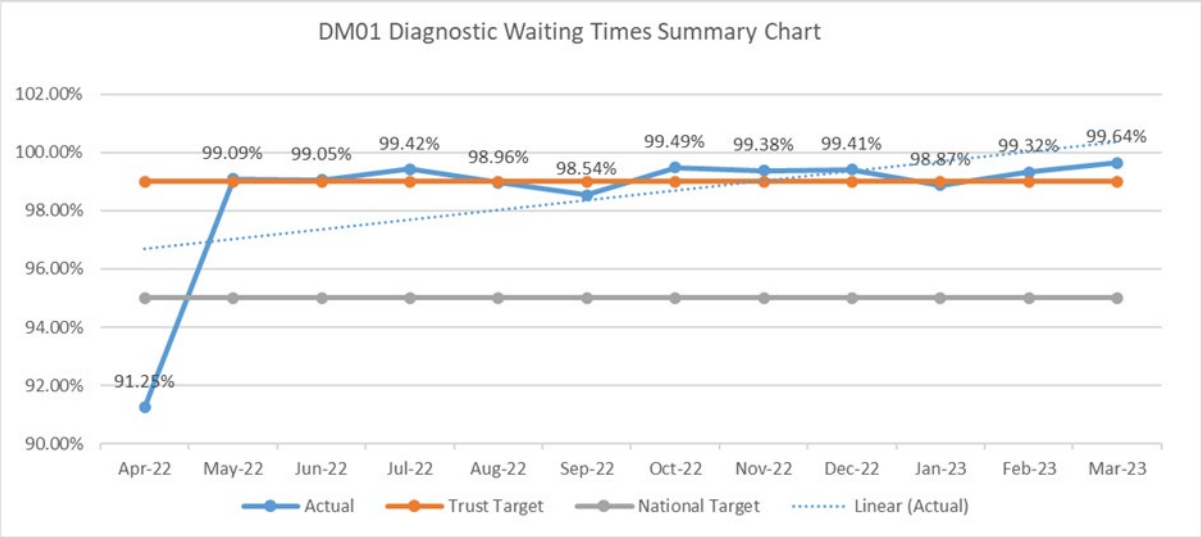
Overall performance against Cancer Standards has been positive, however the Trust experienced a challenging period in Q1 because of patient choice, the continued impact of COVID-19 and patient complexity.

Cancer standards between Q2-4 have been continually met, apart from the 62-day standard. The 62-day target remains challenging due to the small number of patients being treated each month (an average of 3 accountable treatments per month). In addition, a high number of tertiary referrals have been received into the service later in the patient pathway without a diagnosis. Complex diagnosis and treatment planning, and patient choice therefore makes the target challenging. As a national leader, the ROH continues to have a positive impact in Sarcoma and Metastatic Bone Disease and Sarcoma research.

Paediatric patients continue to receive joint cancer care between the ROH and BCWH, demonstrating true joint working to deliver an exemplary service to patients locally and nationally.

Diagnostic Performance

2022/23 has seen a marked improvement against diagnostic standards from 96% in Quarter 4 of 2021/22 to 99% delivery in Quarter 4 of 2022/23.



1.6.5 2023/24 Developments

We continue to carry out workstreams identified in 2022/23. The Operational Service Improvement Board will continue to ensure clear governance and assurance is provided whilst driving our continuous improvement culture. The Board will continue to oversee the project work to maximise efficiencies in both Pre-operative Assessment Centre (POAC) and Theatres.

An enhanced JointCare pathway has been developed and will continue to work on improved patient experience and reduced length of stay as we launch a day case service as business as usual in 2023/24. The intention is to gain support within the system for the development of a 'state of the art' 23-hour admissions and day care unit, to continue to improve or patients and staff experience and maximise productivity.

Following the award of Major Revision Centre status in November 2021, the Trust has established a team and MDT infrastructure during 2022/23, as well as data analysis and submission. The strategic intention in 2023/24 is to foster working relationships with other providers in the region and develop a strong network in line with other national frameworks such as Major Trauma Networks.

Development of the Orthopathways clinical decision and support tool and the roll out of the 'get u better' patient application as part of the Musculo Skeletal transformation programme led by the ROH team have been key developments. This is in collaboration with System partners

and continues to improve patient experience with a view to streaming referrals into orthopaedic services going to the right place right time. The outline business case to support this programme will be completed in July 2023 to underpin the ongoing progress of this essential system service transformation.

The Trust will continue to work at a local and national level to support access for patients waiting for cancer and elective care, providing partnership working and mutual aid as deemed beneficial to service users. The development of a joint BSoL patient tracking list (PTL) for orthopaedics will be key to improving access outcome and experience for the patients of BSol in 2023/24.

1.6.6 Quality Performance

The Trust worked to deliver a set of quality priorities during 2022/23, as described in last year's Quality Accounts. Three of these have being completed during the year and two will continue to be delivered as part of the work next year:

- Embedding the Patient Safety Strategy across the ROH – Completed
- Establishing a bereavement service and multi-faith provision – Partially achieved
- Implement the learning disability improvement standards for the ROH – Partially achieved
- Ensure that there is timely assessment and management of pain – Completed
- Implement shared decision-making and achieve 65% in monitoring – Completed

The following are our 2023/24 quality priorities which have been set:

- Improve the quality and accessibility of communication with patients including patient information leaflets, letters and use of the interpretation service
- Roll out and implementation of the Patient Safety Incident Response Framework
- Improve the accessibility of services for patients
- Improve the framework for antimicrobial stewardship
- Focus on optimising patients' health prior to surgery – governors' sponsored priority
- Ensure gaps are identified and addressed to ensure that our workforce is culturally responsive to the needs of patients we service

Allied to this work is that undertaken during the year to improve the quality governance and data quality 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).

1.6.7 Financial Performance

The 2022/23 financial year has been a challenging year for both operational and financial performance. Funding allocations were managed at an Integrated Care System (ICS) level across Birmingham and Solihull, rather than being given to individual providers direct, and the Trust

received significant additional funding to support elective recovery. This has resulted in a surplus for the year of £1.441m.

Narrative to the Accounts

This section sets out the key features of the trust's financial performance in 2022/23. 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 £1.441m surplus for 2022/23 (2021/22: £0.383m) 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 2022/23, this remains the method that is used to assess the Trust's financial performance, giving the Trust a revised surplus of £0.368m.

Financial Performance 2020/21-2022/23

£000s	2022/23	2021/22	2020/21
Operating Income (including PSF*)	127,649	115,584	110,513
Operating Expenses	(125,288)	(113,783)	(110,911)
Operating Surplus / (Deficit)	**2,361**	**1,801**	**(398)**
Net Finance Costs / Other gains and losses	(920)	(1,418)	(774)
Retained deficit for the year (per SOCI)	**1,441**	**383**	**(1,172)**
Control Total Adjustments:			
Reversal of impairments	(1,215)	361	449
Consolidation of charities	60	(104)	(444)
Donated assets	82	(218)	65
'Control Total' Surplus / (Deficit)	**368**	**421**	**(1,102)**

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 £0.368m surplus in year. The following control total adjustments are made:

- Impairments (£1.215m). 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 gain and is recognised in the accounts. This is detailed in Note 8 and shows a value of (£1.215m) being charged to the SOCI, whilst £0.152m is charged to the revaluation reserve;
- Consolidation of Charities (£0.060m). The accounts are provided in Group form. This adjusts to show Trust transactions only; and
- Donated assets income and depreciation (£0.082m)

The bottom of the SOCI also reflects other comprehensive income (and expenditure) that is not classified as Income and Expenditure. This includes the £0.152m charge to the revaluation reserve as discussed above, the revaluation increase of £2.827m, and a small reduction in the value of non-current assets of £0.080m detailed in Note 18. This results in a net increase of £2.595m to £4.036m.

Statement of Financial Position as at 31 March 2023 (SOFP)

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

- Non-Current Assets (£23.398m increase) –. The introduction of IFRS 16 (Leases) has resulted in many of the Trust's operating leases being reclassified as Right of Use Assets (similar to finance leases) from 1st April 2022. Existing operating leases will be brought on balance sheet as an asset and liability calculated as the present cost of minimum future lease payments (see note 1.14). A right of use asset has therefore been created of £18.201m in non-current assets (with a lease liability of £2.872m and £15.467m being taken to current and non-current liabilities respectively).
- Current Liabilities (£8.784m increase) - This relates to the lease liability that is due within 12 months as above, and an increase in accruals (Trade and Other payables) relating to the 22/23 element of the pay award offered to all Agenda for Change Staff.
- Non-Current Liabilities (£8.442m increase) – This relates to the lease liabilities due beyond 12 months as above, offset by a reduction in Provisions held by the Trust that are no longer required relating to a VAT provision release.
- Total Assets employed - The overall assets employed by the Group has therefore increased slightly to £52.953m (£47.846 m in 21/22)

Statement of Cash Flows for the year ended 31 March 2023

The Group ended 2022/23 with a cash balance of £8.790m, a reduction £3.101m on the previous year-end cash balance.

Analytical Review of 2022/23 Annual Accounts

Review of Operating Income

The Group earned income of £127.649m in 2022/23, a rise of £12.064m compared to the previous year (2021/22, £115.585m). This is inclusive of all non-recurrent COVID reimbursement and provider elective recovery funding received. Of this, £121.831m relates to patient care activities, with the remaining £5.818m 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 £125.288m in 2022/23, a rise of £11.505m compared to the previous year (2021/22, £113.783m). Pay costs continue to account for most of the expenditure, with £75.204m or 60% (2020/21, £65.364m and 57%).

The increase in expenditure is attributable to the following factors:

- Pay costs increased by £9.840m;
- Premises Costs (inc energy) increased by £1.452m;
- Depreciation and amortisation increased by £2.458m (this includes impact of IFRS 16 and offset by reduction in Operating Lease charge) ; and
- Clinical Negligence costs reduced by £0.666m.

In addition to Operating Expenditure, there is a net impairment gain of £1.215m.

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.

1.7 Information on Environmental Matters

The Trust Board approved its 'ROH Green Plan' in 2021. The plan 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 established ten workstreams to examine and question its approach to environmental factors, carbon reduction and achieving a more ecological sustainable future.

In 2022/23, the Trust invested over £150,000 in developing a 'Solar Farm' on its hospital roofs, the investment will pay for itself in less than ten years and further enhance our solar capacity on site. Sustainable development is always considered in our refurbishment programmes; we have recently installed energy efficient lighting to our wards, together with other energy efficient devices. Energy efficient boilers continue to be installed in various locations which helps reduce our energy consumption.

The Trust has invested in electric charging points for our staff, visitors and patients. We also have invested in charging points and electric vehicles for the transportation of blood samples and medical notes between our off-site clinical facilities and other local healthcare providers. We continue to work with local transport providers to provide discounted travel for our staff.

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. We are currently working with sustainable energy specialists to develop our plans for a 'Net Zero' hospital.

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 Procurement 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. Our Waste Manager is developing further waste initiatives to promote a culture of change in the way we collect and manage our waste.

The ROH 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; in 2022 it

planted 40 fruit trees creating its 'Platinum Jubilee Orchard'. The Trust continues to nurture and improve its 'Greenspace', creating herb gardens and flower beds which has benefits for Health & Wellbeing and leads to improved air quality, noise reduction and supports Biodiversity. The Trust continues to be proud of its 'Green Apple' award status.

1.8 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, 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.

1.9 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 2022/23 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.

1.10 The Knowledge Hub

1.10.1 Education and Training Summary

When it comes to Education and Training, the ROH 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 2022/23 the Education and Training department continued to return its services to a new post COVID-19 hybrid approach integrating original approaches with the learning and new technologies introduced during the pandemic. The team has maintained and exceeded standards and delivery requirements, 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.

The Education and Training team was delighted to be shortlisted for the Non-Clinical Team of the Year Awards at the ROH Blue Heart Awards 2022.

1.10.2 Education and Training – Key Highlights

Medical Education

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.

The University of Birmingham's routine clinical monitoring visit process to quality assure teaching on the MBChB Programme took place on Tuesday 28th March 2023.

The following executive summary was provided from the University following the visit:
"Evidence was provided ahead of the visit, which included a well written Self – Evaluation Document (SED), student feedback and a set of papers. The ROH UG team also provided the Panel with additional paperwork, which included teaching timetables, their concern and commendation form as well a video link showcasing the changes to the Knowledge Hub department, including the new student mezzanine.

The tone of the visit was positive, the Panel felt that the UG medical education team at the Trust were well organised with no real concerns raised throughout the visit. It was clear to the Panel that the students thoroughly enjoyed attending ROH for their placement and appreciated the generosity and support that the staff at the Trust showed during their two-week placement.

The Panel felt that the Trust demonstrated a strong commitment to UG medical education and was impressed with the enthusiasm from staff during the visit and some areas of good practice

were demonstrated. The Panel would like to thank all involved in the visit for their contribution both before and during the visit."

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 have now increased to 120 per academic year. They follow the same orthopaedic placement programme as UoB students, and they gave positive feedback within their evaluations.

The Trust has expanded it Peri-operative medicine placements to support the increased number of Aston Medical students. This placement is led by the Anaesthetics Senior Academy Tutor. The programme is supported by a range of tutors from within the Anaesthetics department, including a specialist anaesthetics clinical teaching fellow.

Aston University Medical School conducted it inaugural clinical education monitoring visit on Thursday 15th December 2022, with the ROH being the first NHS trust visited by the Medical School since its inception.

The initial feedback from the Medical School included the following comments, and at the time of writing we are still awaiting the final formal report.

***Areas of good practice identified**:*

- *The Trust have a very positive ethos and culture around education, and this is evidenced in the Trust's approach to education and its funding, the support systems for students and staff and the supportive attitudes demonstrated by staff.*
- *Pleased to note that the Students Handbook in Orthopaedics is cross-referenced to the AMS Learning Outcomes and Core Content. The consolidation session at the end of the block against the expectations in the handbook is commended.*
- *Students benefit from teaching from a range of healthcare professionals that reflects the multi-disciplinary approach to clinical care in the Trust.*
- *Noted that the Trust is considering ways of encouraging access to orthopaedics including a Women in Surgery event.*

***Recommendations for ROH**:*

- *The Trust are encouraged to work with AMS to ensure ROH clinical teachers are aware of the AMS guidance on observing students undertaking Practical Procedures.*
- *AMS encourage the Trust to continue to develop methods of explaining to students the expectations of both the Trust and School, to enhance students' motivation and self-regulation. The Trust identified a Perioperative Handbook cross-referenced to the AMS*

Learning Outcomes and Core Content as an area of need. AMS also heard that students are currently reluctant to attend the wards and spend time speaking to patients. AMS keen to work with the Trust to find ways of incentivising students appropriately.

The Trust also gathers regular feedback and evaluations on placements. In February 2023, an Aston Medical Student contacted the Trust's CEO to share her experiences whilst on placement in the Trust. Excerpts of their communication are below:

"I just wanted to say thank you once again for providing us with such a fantastic experience during our two weeks at ROH. I really enjoyed the whole experience, and it is impossible to put into words how much I learnt during this time. I am extremely grateful for everyone's' support and encouragement during the programme. We were made to feel welcome from the moment that we arrived, and it was clear how much effort had gone into ensuring that we had a fantastic experience.

The Physiotherapy Educators are incredible teachers. They made everything understandable and their passion and enthusiasm for MSK was infectious. All their sessions were fantastic and useful. They were so friendly and approachable. We were so fortunate to have them teaching us. The simulated patent sessions that we did were amazing; to have the opportunity to practice examinations and scenarios was invaluable. There was one [SIMS ACE], who was exceptionally helpful. He gave us so much advice and guidance which allowed us to get the most out of the experience. He went out of his way to make sure we understood and knew what was expected of us in an OSCE.

I was very fortunate to be able to sit in on a clinic with [Consultant name redacted]. To be able to learn from someone like this was an amazing opportunity. I learnt so much; not just about the conditions we were seeing but also about patient communication and handling difficult conversations. It was an absolute privilege. [Name redacted], the specialist cancer nurse who was with him was amazing, as well as being lovely, she was so willing to go above and beyond to help her patients. Her dedication and determination to ensure patient safety was inspirational.

I also sat in with [Consultant Name Redacted] who again was a fantastic person to learn from and it was a brilliant experience to observe his clinic.

In theatre, there was a wonder anaesthetist, [Name Redacted], who took the time to explain what he was doing but also what was going on the operation whilst the surgeons were busy which really helped my understanding and enhanced my experience in theatre so much.

Prior to coming here, orthopaedics was an area that I felt unsure, unconfident and concerned about. My experiences at Royal Orthopaedic have changed this completely. I now feel so much

more knowledgeable and confident in this area. This is down to the amazing team at ROH who taught us so well and provided such an outstanding experience.

Finally, a huge thank you to [the admin team]. I can only imagine how much work must go into planning this programme, especially with how well everything went. You were always on hand if we needed anything and offered us amazing support throughout. Thank you for all the effort that you went to for us. It is really appreciated, and you do an incredible job.

Thank you once again for everything. My learning at ROH will stay with me throughout my career and I will always be thankful for my time with you.

Best wishes
Aston Medical School Student; Year 3

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.

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.

Fellowship of the Royal Colleges of Surgeons Revision Course:

The Medical Education team have hosted two 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.

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.

Birmingham Orthopaedic Training Programme Mentorship scheme:

Mentorship for doctors is a recent and welcomed addition to the progression and improvement of a surgeon's career. It is a way in which an experienced, empathic surgeon can 'payback' to their junior counterparts, through listening, to help guide them and encourage personal and professional development. In the Birmingham School of the West Midlands Trauma & Orthopaedic (T&O) Deanery, a panel made up of the Training Programme Director, Assistant Training Programme Director, ROH Head of Education and Training, ROH Medical Education Manager, educational leads, as well as a senior and junior trainee; have set up a successful mentorship scheme for ST3-ST8 trainees. The idea was initially discussed September 2021 and has since been successfully rolled out pairing 35 mentors with mentees. This format is now currently being piloted in the East Midlands Deanery. Whilst not assuming to be either an expert or singular voice on this topic, we have now presented our tried and tested approach in how to set up a mentorship scheme for T&O trainees via a screencast, using a ten-point plan for the Journal of Trauma and Orthopaedics.

Non-medical Education and Training

The Trust continues 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, and Newman University also.

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.

Library Services

Over the last year, the Royal Orthopaedic Hospital Library Service has experienced significant change. The introduction of new resources, new assessment processes and new staff, alongside the challenges of COVID-19 and the evolving priorities of the ROH has resulted in an adaptable, flexible service that works hard to fulfil demands placed on it.

August 2022 saw the retirement of our longstanding librarian. As someone who built excellent relationships across the trust, pushed the library into new initiatives and ideas and maintained the service throughout the pandemic.

Their departure was followed by the introduction of the new librarian, who has prepared a five-year strategy to guide the ROH Library Service into a new chapter of increased, adaptable service provision. Highlighting four key areas for growth, the strategy details how the library service will pursue the goals of digital transformation, expanding outreach, developing services, and enhancing the physical library space. This will ensure that the service delivers on all the

NHS England expectations of a modern library service, as defined by the Quality and Improvement Outcomes Framework (QIOF).

Work has already commenced on several aspects of the strategy, with the introduction of KnowledgeShare representing a significant investment of staff time and budget on digital innovation. KnowledgeShare now provides a comprehensive current awareness service to staff across the Trust and is also facilitating a more streamlined and formalised approach to literature searches and training requests. Uptake of the service has been very promising thus far and will be promoted further in the coming year.

Outreach activities continue apace, with regular presentations to new student intakes and sessions scheduled with individual departments to provide tailored guidance and information on applicable resources and services. This has resulted in a significant increase in literature search requests, which have risen by 225% in 2022-23, compared to the previous financial year. Our outreach activities also now include regular emails to new starters to introduce them to the library service and ad-hoc information skills training sessions to support staff who are undertaking qualifications.

With an audit of our physical stock recently completed, we look forward to working with staff to invest in new books to support their learning and professional development. This will represent a significant financial investment in our physical resources and will ensure that ROH staff have access to the most established and innovative information to inform their practice. We are hopeful that this may be followed by a renovation of the library space, to provide an environment that better accommodates the needs of staff and students who work in an increasingly flexible manner.

In the coming months, we will be focussing on the future. The results of our 2021 QIOF submission identified areas of excellence that we will continue to reinforce and areas of attention that give us an opportunity to grow and improve. This, coupled with the new library strategy, will see the ROH Library Service continue to support the evidence-based care that is central to our Trust, and to be a central part of the innovation that drives our reputation.

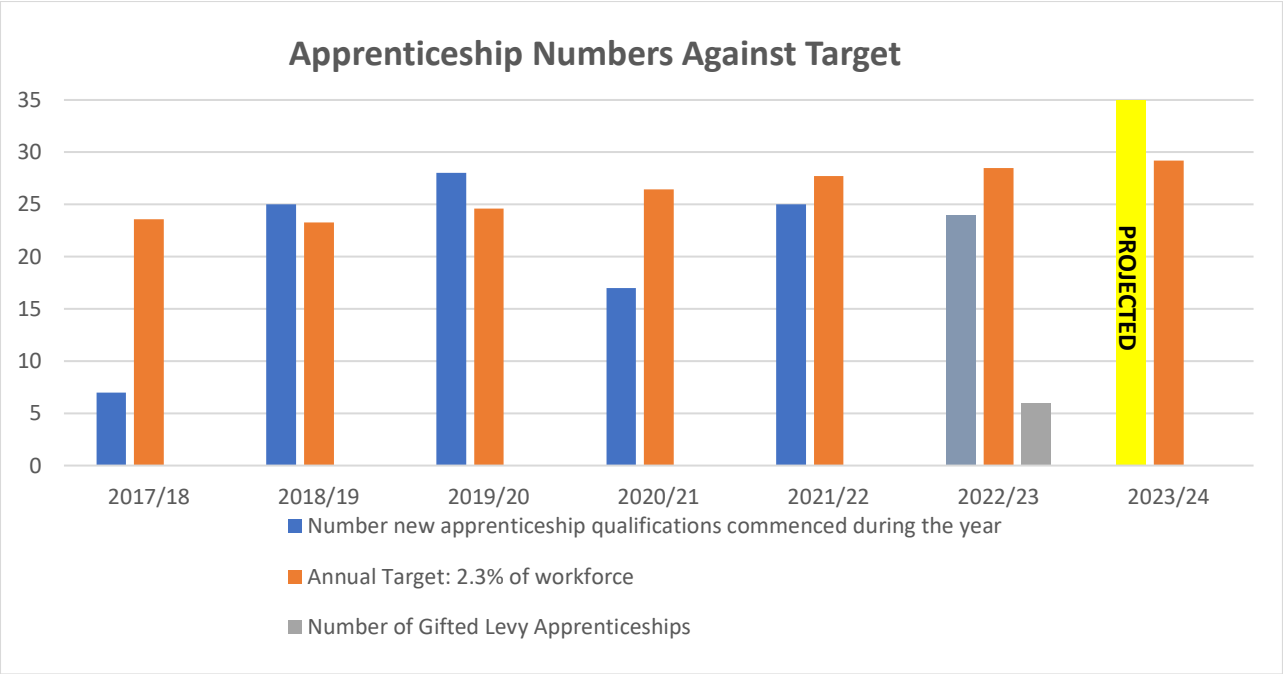
To receive a full copy of the Library Strategy or for more information or support regarding Library services please email roh.library@nhs.net

1.10.3 Personal and Professional Development of our workforce

Apprenticeships:

The 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 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 in the table below.



In total, 24 new apprenticeship qualifications commenced during the financial year April 2022 to March 2023, achieving 84.22% of Trust's annual target to date. This included a new cohort of the Management Skills Programme (MSP) of 10 delegates who commenced in February 2023.

For 2023/24, there are already plans and agreements in place for an additional three L5 Trainee Nursing Associate, three L6 ODP Degree Apprenticeships, and five L5 Operations Manager Programme. In addition, we are currently recruiting two L3 Chef Apprenticeships, and are in discussion with two L7 Senior leader programmes, three L5 Assistant practitioner programmes, and two L3 estates apprenticeships in Electrics and Carpentry. This already totals 21 potential new apprenticeship starts during our next financial year, against our target of 28.

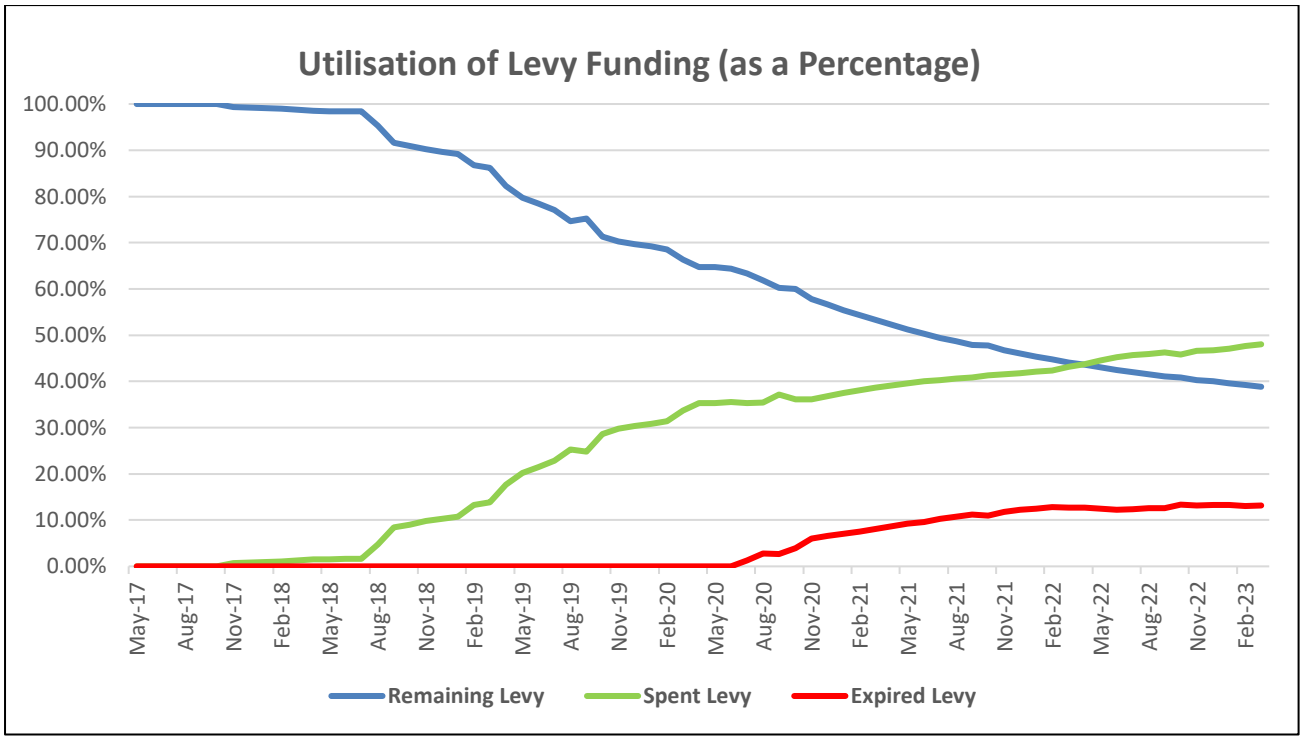
There are also several additional opportunities in discussion in the following areas: Health and Social Care L3 / L4, Radiography Apprenticeships, Physiotherapy Degree Apprenticeship, Clinical Coder / Informatics, Education and Training Apprentice and a Senior Leaders MBA apprenticeship.

Apprenticeship Levy Utilisation:

Of the total apprenticeship levy that the ROH has invested in, 48.03% has been accessed by training providers to fund apprenticeship qualifications in the Trust (increase from 43.21% in

March '22), 38.84% remains available (decrease from 44.08% in March 22) and 13.13% has expired (slight increase from 12.71% in March 22). Projections currently show that our planned spend will utilise 96.82% of the current funding. The Trust has gifted £55,000.00 this year to reduce the amount of funding expiring.

This graph below shows the percentage utilisation of the ROH Apprenticeship Levy funds on 31st March 2023.



To improve the utilisation of the levy, the Trust needs to continue reviewing its workforce models to create more apprenticeship opportunities, to increase the monthly levy spend, and reducing the funds within the pot and in turn will reduce the amount of funds expiring.

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.

The Trust continues its work with the BSol Apprenticeship Federation, and 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 is available from the following link:

Index - Career PathFinder (rohcareerpathfinder.com)

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.

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.

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.

Work Experience

In February 2023 we were able to resume the Work Experience programme for school students in a seminar format with input from the multi professional teams. The students were very appreciative of the programme. We are also accommodating other work experience placements where support is available in the Trust, not at the levels previously. We are also supporting careers events across BSOL and looking at what can be achieved as a system.

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 six 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 to support Staff Training & Development
3. The team works 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-19. And the team's 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'.*

6. Our completion rate for Apprenticeships is rated "Good" by the Department for Education.

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

1.11 Auditor's Opinion

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

1.11.1 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 2024, although the wording of the standard is the foreseeable future and is often assessed as 18 months after the year end i.e. September 2024.

In the current year, as in the prior year, NHSE has 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-19 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 26 June 2023

Jo Williams
Chief Executive
26 June 2023

ACCOUNTABILITY REPORT

Section 1: Directors' Report

1.0 Directors holding office during 2022/23

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.

Tim was the Chair of the Greater Birmingham and Solihull LEP until the end of 2021 and is a Non-Executive Director of Marshalls Plc. He is also a member of the Council of Aston University.

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, Senior Independent Director and Chair of the Finance & Performance Committee.

Joanne (Jo) 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.

Jo was appointed as substantive Chief Executive of the ROH in 2019. Jo is the lead Chief Executive for the National Orthopaedic Alliance and is a Trustee of Arthritis UK.

Simone Jordan – Non-Executive Director & Vice Chair. (Term of Appointment as an Associate Non-Executive: 1 July 2017 – 30 June 2021). Appointed as a substantive Non-Executive Director from October 2020, Vice Chair from April 2021 and Senior Independent Director from September 2022.

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 an MBE for services to Health Care in the Queen's Birthday Honours list.

Kathryn was Senior Independent Director and Chair of the Quality & Safety Committee until she stepped down in September 2022.

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 was Chair of the Charitable Funds Committee until his term of office expired in January 2023.

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 and a subsequent extension to 31 January 2024)

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). Appointed as a substantive Non-Executive Director from 1 April 2021 – March 2024.

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 and Chair of Charitable Funds Committee.

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 also the Non Executive lead for Freedom to Speak Up.

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 ACCIA West Midlands and a Governor for Oldbury Academy and Ferndale Primary School. She also serves as a Non-Executive Director for the Black Country Integrated Care Board.

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 offers 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.

Ian Reckless Non-Executive Director (Term of Appointment: First term of Appointment until 31 October 2025)

Ian was appointed as Non Executive Director at The Royal Orthopaedic Hospital on 1 November 2022.

Alongside his Non-Executive Director role, Ian is also the Medical Director at Milton Keynes University Hospital. He qualified from St George's Hospital Medical School, London and undertook postgraduate training in the Oxford region. He worked as Special Adviser to the Healthcare Commission in 2004 and was Special Assistant to the Chief Medical Officer in 2005-06.

Ian was appointed Consultant Physician and Senior NIHR Research Fellow at Oxford University Hospitals in 2007. He also held the roles of Associate Medical Director (Quality) and Clinical Director, Neurosciences. Ian has a good understanding of system working having been a member of the Governing Body of a Clinical Commissioning Group (CCG) for several years, and is currently leading work with partner organisations on behalf of MKUH.

Ian continues to undertake clinical work in Acute Medicine. He remains an Honorary Consultant Stroke Physician / Senior Clinical Lecturer at the John Radcliffe Hospital.

Ian has a particular interest in postgraduate education, having previously served as Training Programme Director, and has authored books on general medicine, and the interface between medicine and the law.

Ian was appointed as a Deputy Chief Executive of Milton Keynes University Hospital in 2020, with a particular focus on working with partners across Milton Keynes and the wider system.

Christine Fearns Non-Executive Director (Term of Appointment: First term of Appointment until 31 August 2025)

Chris was appointed as Non Executive Director at The Royal Orthopaedic Hospital on 1 September 2022.

Chris joined the Board in 2022 as an experienced NHS Non-Executive Director. She is a Registered Nurse with a career spanning circa 40 years in NHS. She has held a number of senior provider roles gaining extensive experience in Quality Governance, Strategic Development and Partnerships.

She is a former Director of Primary Care and Director of Commissioning for South Birmingham where she also held joint posts with the Local Authority.

In addition, she has gained significant experience and expertise having led delivery of a number of major transformation programmes including complex reconfiguration of acute and community services across trusts and across health economies, to achieve clinical sustainability including clinical standards.

Chris has a particular interest in improving patients experience and voice and in reducing health inequalities.

Chris is Chair of the Quality & Safety Committee.

Mr Matthew Revell – Executive Medical Director

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

Matthew 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 Chief Nurse and Director of Infection Prevention & Control (until 31 August 2022)

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 included Nursing, Clinical Governance, Controlled Drug Accountable Officer, Safeguarding & Director of Infection Prevention & Control.

Garry left the Trust in August 2022 to take up a role as Executive Chief Nurse at University Hospitals Derby & Burton NHSFT.

Marie Peplow – Executive Chief Operating Officer

Marie Peplow was appointed as Chief Operating Officer in September 2019. She has a keen focus on transforming 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). As the Executive Chief Operating Officer, Marie pledges to deliver a number of key objectives as part of her role, as well as maintaining her passion for keeping patients & staff at the heart of everything she does is the most prominent. Marie works closely with our partners to deliver safe and efficient care, most notably through the elective recovery work following the COVID-19 pandemic.

Prof Phil Begg – Executive Director of Strategy & Delivery (until 31 March 2023)

Phil started at the Trust in 2014 and provided executive leadership at Board level on strategy, estates, communications, research, education, innovation and development. His role was to lead on the implementation of the five-year strategy and all strategic developments. Phil was also the Trust's Accountable Emergency Officer (AEO), where he was accountable for leading on major emergency incidents and the implementation of the Trust's Major Incident response. Phil was also the Trust Designated Individual (DI) for Human Tissue and worked closely with the Human Tissue Authority to ensure the Trust's compliance with the Human Tissue Act. Phil led the 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 was 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.

Phil retired from the Trust in March 2023.

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 Governance

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 clinical governance, risk management, health & safety, claims & litigation, Freedom to Speak Up, Freedom of Information and governor & membership engagement and development.

Sharon Malhi – Chief People Officer (from 4 April 2022)

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.

Nikki Brockie – Executive Chief Nurse (from 1 January 2023)

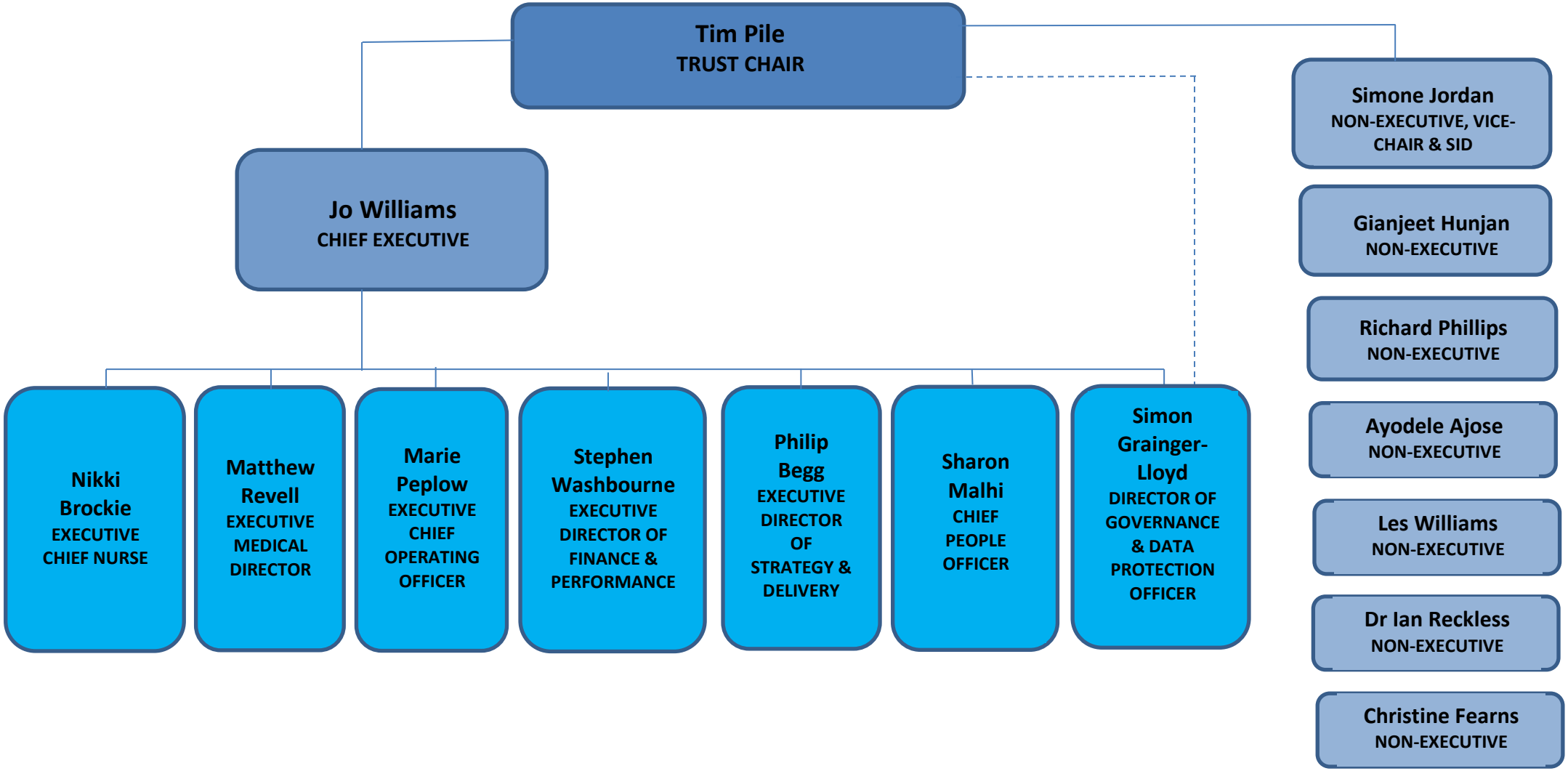
Nikki joined the Trust in May 2021 as the Deputy Chief Nurse, moving from University Hospitals Plymouth NHS Trust.

Nikki has over 23 years' worth of experience in nursing, clinical and operational leadership and management. She has held senior positions across the UK as a Matron in both Critical Care and Medicine, as a Service Lead in Radiology at Heartlands Hospital, as a General Manager in Cardiac & Respiratory Services in Gloucester and latterly as a Health Education England (HEE) funded project manager in the biggest NHS trust in the South West.

Nikki is committed to delivering high quality care and improving the patient experience.

Following a period as Acting Chief Nurse, Nikki was appointed as the Executive Chief Nurse on a substantive basis from January 2023, following a competitive selection and recruitment process.

Trust Board structure as at 31 March 2023



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 Governance & DPO
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 2023, 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.

1.5 Significant Commitments of the Trust Chair

Tim Pile is a Non-Executive Director at Marshalls PLC and member of Council of Aston University.

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

During 2022/23 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 were two new Non-Executive appointments during the year, with Chris Fearns and Ian Reckless joining the Trust Board as part of the Board's succession plan, with Kathryn Sallah and David Gourevitch leaving the organisation. The appointment process was supported by an external recruitment agent and the formal interview process included members of the Council of Governors, who subsequently offered a recommendation on the appointments to the wider Council which was approved.

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

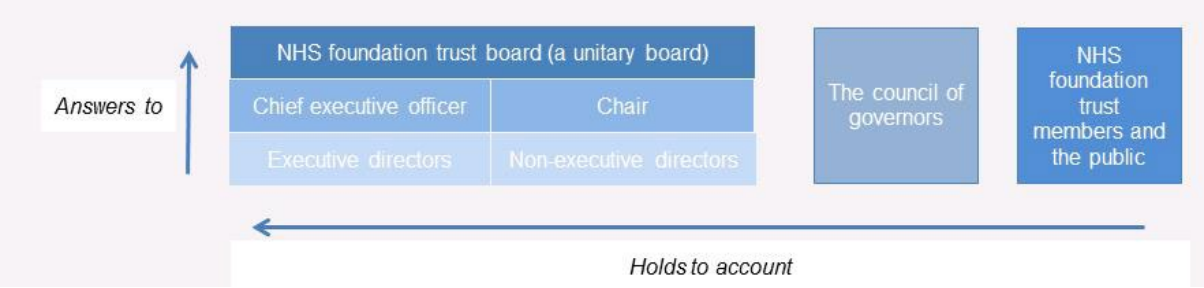
The Board of Directors comprises Executive Directors and Non-Executive Directors. The Executive Directors are employees, led by the Chief Executive and they are responsible for the day-to-day management of the Trust.

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 who is also the Senior Independent Director (SID). These duties were agreed by the Council of Governors during the previous and recent 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 England, 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 & Social Care (DHSC), NHS England, 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 & Committees

Each Board and Committee agenda includes an item for some reflection on the effectiveness of the meeting. During 2022/23 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 formal self-assessment of the Board Committees began, with that for Quality & Safety Committee being completed. The action plan for the Committee has been developed and is considered as a routine item for discussion by the Committee with progress being reported upwardly to the Trust Board.

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 Governance, with input from the Lead Governor. The results are shared with the Council of Governors.

There is a plan during 2023/24 to undertake a self-assessment against the CQC's well led framework which will capture an evaluation of the effectiveness of the Board and the governance structures below.

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. Following a period where some of the Board Committees' usual operations were paused according to the national directive aligned to the impact of the COVID-19 pandemic, there has been a return to usual agendas, operating to the established Terms of Reference.

A number of Committee meetings this year have been held virtually, a practice that commenced during the pandemic, however this is kept under review to ensure that effectiveness of the committees is adequately maintained. The Trust Board and Quality & Safety Committee meetings have returned to meeting physically.

Committee membership is also kept under review and there have been some changes this year, with Simone Jordan moving to the Finance & Performance Committee and Gianjeet Hunjan joining the Quality & Safety Committee membership.

The Board and Committee has benefited during the year from the appointment of a Corporate Services Manager who takes responsibility for the administration of the main meetings.

1.11.1 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
		6/4/2022	4/5/2022	1/6/2022	6/7/2022	7/9/2022	5/10/2022	2/11/2022	7/12/2022	1/2/2023	1/3/2023	
Tim Pile (Ch)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Kathryn Sallah		✓	✓	✓	✓	✓						5/5
Christine Fearns						✓	✓	✓	✓	✓	✓	6/6
Ian Reckless							✓	✓	✓	✓	✓	5/5
Richard Phillips		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
David Gourevitch		**A**	✓	✓	**A**	✓	**A**	✓	✓			5/8
Simone Jordan		✓	✓	✓	✓	✓	✓	**A**	✓	✓	✓	9/10
Gianjeet Hunjan		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Ayodele Ajose		✓	✓	**A**	✓	✓	✓	✓	✓	✓	✓	9/10
Les Williams		✓	✓	✓	✓	**A**	✓	✓	✓	✓	✓	9/10
Jo Williams		✓	✓	✓	✓	✓	✓	✓	**A**	✓	**A**	8/10
Matthew Revell		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Garry Marsh		✓	✓	✓								3/3
Nikki Brockie				✓	**A**	✓	✓	**A**	✓	✓	✓	6/8
Phil Begg		**A**	✓	✓	✓	**A**	✓	✓	✓	✓	✓	8/10
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 2022/23 the Board was supported by the following committees as detailed below.

1.11.2 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 2022/23 the Committee met five times. The Executive Director of Finance and Performance is the lead executive for the Committee, supported by the Director of Governance. 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
		29/04/22	14/06/22	22/07/22	14/10/22	20/01/23	
Gianjeet Hunjan (Ch)		✓	✓	✓	✓	✓	**5/5**
Les Williams		✓	✓	✓	✓	✓	**5/5**
Kathryn Sallah		✓	✓	✓			**3/3**
Chris Fearns					A	✓	**1/2**
	Executive Directors in attendance						
Steve Washbourne		✓	✓	✓	✓	✓	**5/5**
Matthew Revell		✓	A	A	✓	✓	**3/5**
Simon Grainger-Lloyd		✓	✓	✓	✓	✓	**5/5**

KEY:

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

During 2022/23, in line with its approved internal audit plan, the Trust commissioned a number of internal audit reviews. The internal auditors undertook no reviews, three of which gave Significant Assurance with minor improvements and four provided Partial Assurance with improvements required. Two advisory reviews were also undertaken. A summary of the opinions from the internal audit reports is below:

Review	Assurance provided
Waiting List Management: Governance and Oversight	Significant Assurance with minor improvements
Board Assurance Framework & Risk Management	Significant Assurance with minor improvements
Theatre Utilisation	Significant Assurance with minor improvements
Workforce Planning	Partial Assurance with improvements required
Data Security and Protection Toolkit	Partial Assurance with improvements required
Health Inequalities: Trust Approach	Partial Assurance with improvements required
General IT Controls: Theatreman	Partial Assurance with improvements required
Improving NHS Financial Sustainability	Advisory
Action Follow-up	Advisory

During 2022/23, 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.

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 2022/23 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.
- 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
- 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 provided by RSM UK, a representative of which attends the majority of the Audit Committee meetings;
- To strengthen the role of the Audit Committee in holding the Executive to account, a slot will be included on the agenda of each meeting in 2023/24 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.

In 2023/24, 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 2023,

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.

1.11.3 Quality & Safety Committee

The Quality & Safety Committee has designated responsibility for oversight of clinical risk management and is chaired by Chris Fearns, a Non-Executive Director of the Trust with a clinical background. The Chief Nurse and Medical Director are the lead Executives. The Trust Chair attends periodically, although has a standing invite to join as required.

The Quality & Safety Committee meets on alternate months and regularly reviews clinical risks through consideration of an extract of the Corporate Risk Register.

The Quality & Safety Committee provides upward assurance to the Board on the activities undertaken by its subgroups covering particular aspects of quality, for example cancer board, 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 completed a stocktake of its effectiveness, which considered whether the Committee was performing against a range of criteria covering governance, meeting processes and assurance. The action plan arising from this will continue to be delivered over 2023/24.

MEMBER	MEETING DATE									TOTAL
	27/04/22	25/05/22	29/06/22	31/08/22	28/09/22	26/10/22	30/11/22	25/01/23	22/02/23	
Christine Fearns (Ch)					✓	✓	✓	✓	✓	**5/5**
Kathryn Sallah (Ch)	✓	A	✓	✓						**3/4**
David Gourevitch	✓	✓	✓	✓	✓	✓	✓			**7/7**
Simone Jordan	✓	✓	✓	A	✓	✓	✓			**6/7**
Ian Reckless							✓	✓	✓	**3/3**
Jo Williams	✓	✓	✓	✓	✓	✓	A	✓	A	**7/9**
Garry Marsh	✓									**1/1**
Matthew Revell	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
Marie Peplow	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Nicola Brockie	✓	✓	✓	✓	✓	A	✓	✓	✓	**8/9**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**

KEY: ✓	Attended	A	Apologies tendered
	Not in post/not required		

1.11.4 Finance and Performance Committee

The Committee is chaired by Richard Phillips and the Executive 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.

A key area of focus for the Committee during the year was on the impact of Trust's contribution to the regional elective recovery plan on the operational and financial performance of the Trust, particularly given the new pathways that needed to be supported, the mutual aid arrangements with University Hospitals Birmingham NHSFT (UHB) and Robert Jones & Agnes Hunt NHSFT (RJAH) and the changing financial regime. The Committee also continued to receive upward reports from the Information Governance Group.

MEMBER	MEETING DATE										
	26/04/22	24/05/22	28/06/22	27/07/22	27/09/22	25/10/22	29/11/22	24/01/22	28/02/23	28/03/23	
Richard Phillips (Ch)	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	**9/10**
Ayodele Ajose	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Gianjeet Hunjan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Les Williams	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	**9/10**
Simone Jordan								✓	✓	A	**2/3**
Jo Williams	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	**9/10**
Stephen Washbourne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Marie Peplow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**
Sharon Malhi	✓	✓	A	✓	✓	✓	✓	✓	✓	A	**8/10**
Phil Begg	A	✓	✓	A	✓	✓	✓	A	✓	A	**6/10**
Nicola Brockie	✓	✓	✓	A							**3/4**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**10/10**

KEY:

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

1.11.5 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 Committee meets on alternate months.

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. 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
	27/04/22	25/05/22	29/06/22	27/07/22	28/09/22	26/10/22	30/11/22	25/01/23	22/02/23	
Simone Jordan (Ch)	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
David Gourevitch	✓	✓	✓	✓	✓	✓	✓	A		**7/8**
Richard Phillips	A	✓	✓	✓	✓	A	✓	✓	✓	**7/9**
Ayodele Ajose	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
Jo Williams	✓	✓	✓	✓	✓	✓	A	✓	A	**7/9**
Matthew Revell	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**
Garry Marsh	✓									**1/1**
Marie Peplow	✓	✓	✓	✓	✓	✓	A	✓	✓	**8/9**
Simon Grainger-Lloyd	✓	✓	✓	✓	✓	✓	✓	✓	✓	**9/9**

KEY:

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

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

1.11.6 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 was chaired by David Gourevitch, one of the Non Executive Directors during the year and the lead Executives were the Director of Finance and the Director of Strategy & Delivery.

The Committee usually meets four times per year, however during 2022/23 it met twice where business this financial year continued to be conducted virtually. A return to a more frequent meeting cycle is intended for 2023/24.

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 June 2022 meeting.

TRUSTEE	DATE		TOTAL
	08/06/22	21/09/22	
David Gourevitch (Ch)	✓	✓	**2/2**
Simone Jordan	A	✓	**1/2**
Kathryn Sallah	✓		**1/1**
Richard Phillips	A	✓	**1/2**
Tim Pile	✓	A	**1/2**
Ayodele Ajose	A	✓	**1/2**
Gianjeet Hunjan	✓	✓	**2/2**
Les Williams	✓	✓	**2/2**
Chris Fearns			**0/0**
Ian Reckless			**0/0**
Stephen Washbourne	✓	✓	**2/2**
Phil Begg	A	✓	**1/2**
Jo Williams	✓	✓	**2/2**
Matt Revell	✓	A	**1/2**
Marie Peplow	A	✓	**1/2**
Nicola Brockie	✓	A	**1/2**

KEY:

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

1.11.7 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 advises 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
	6/6/2022	5/10/2022	5/12/2022	1/3/2023	
Simone Jordan (Chair)	✓	✓	✓	✓	**4/4**
Tim Pile	✓	A	✓	✓	**3/4**
Gianjeet Hunjan	✓	✓	✓	✓	**4/4**
Les Williams	✓	✓	✓	✓	**4/4**
Ayodele Ajose	A	✓	A	✓	**2/4**
Ian Reckless			✓	✓	**2/2**
Christine Fearns		A	A	✓	**1/3**
Richard Phillips	✓	✓	A	✓	**3/4**
Jo Williams	✓	✓	✓	A	**3/4**

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 91.0% of invoices (89.1% by value) within 30 days against the target of 95%, as detailed below.

	Actual	Actual
	31/03/2023	31/03/2023
		YTD
	Number	£'000
Non NHS		
Total bills paid in the year	20,094	58,718
Total bills paid within 30 days	18,310	53,123
Percentage of bills paid within 30 days	**91.1%**	**90.5%**
NHS		
Total bills paid in the year	159	3,555
Total bills paid within 30 days	121	2,381
Percentage of bills paid within 30 days	**76.1%**	**67.0%**
Total		
Total bills paid in the year	**20,253**	**62,273**
Total bills paid within 30 days	**18,431**	**55,504**
Percentage of bills paid within 30 days	**91.0%**	**89.1%**

The Trust did not incur any late payment penalties during 2022/23 under the Late Payment of Commercial Debts (Interest) Act 1998 (2021/22: £nil).

1.15 NHS England'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 England 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. Further work will be undertaken during 2023/24 to revisit the action plan to ensure that any changes made as a result have been sustained.

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 quality of information provided to the Quality and Safety Committee, which has been particularly enhanced by the establishment of the Quality & Safety Executive and the effectiveness stocktake that was undertaken.

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. 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 cleanse and refine existing risk registers. The Board Assurance Framework (BAF) has also been restructured to capture more detailed information on the risk mitigations and to demonstrate how the risk scores have changed over time. Further work is planned during 2023/24 to ensure that the risks to the delivery of the refreshed strategy are captured within the BAF.

There has continued to be a focus 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 2023 recognised the progress and the strengthened risk management framework in the organisation. There is further work to do in 2023/24 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 2023/24, after a period where it has been paused, the formal programme of Quality Assurance walkabouts will be reintroduced led by the Patient Experience function. There are plans to improve 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 the 'Chat & Check' Executive walkabouts initiative continued. 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 2023/24 there are plans to deliver a CQC readiness programme, where at a divisional and corporate level, an assessment will be undertaken against the new CQC framework to identify where there may be shortfalls or a lapse in sustainability of actions or processes previously implemented.

The Trust has continued to monitor and progress where possible, the action plan developed in response to the inspections by the CQC in 2019. There remain a small number of open actions with a robust plan to address these, although it should be noted that some of the actions are tied into the wider system plans or are longer term ambitions.

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.

A significant piece of work which commenced in 2022/23 is the preparation for the implementation of the national Patient Safety Incident Response Framework (PSIRF). A robust governance structure that will ensure that this is delivered to time and in an effective way has been developed which is overseen at an operational level jointly by the Head of Governance & Patient Safety Lead and at an Executive level by the Chief Nurse and Director of Governance. Progress with the preparations is offered to the Quality & Safety Committee and Trust Board on a quarterly basis.

1.17 Our Patient's Care

The provision of high-quality care, which is Safe, Effective and provides good Patient Experience, is of paramount importance to the Trust. As such, the Trust monitors a range of quality metrics which are reported from the Division's and subsequently on through the Corporate Quality structures ensuring the Trust board and key stakeholders have full oversight. Through this oversight, we are able to share good practice and celebrate success, whilst making improvement to those areas where we feel we are not reaching the high standards we aspire to.

This oversight, combined with stakeholder consultation, allowed us to set our 'Quality Priorities' for 2022/2023. As in previous years the Trust sought the involvement and feedback of key stakeholders, to ensure that our yearly quality plan reflected the needs of our patients and communities. We did this by consulting with staff, key stakeholders, patients, and members of the pubic by reviewing our complaints and PALS contacts.

Five specific areas to focus on attention in 2022/23 were identified.

Safe	Improving the quality and accessibility of communication with patient's, including patient information leaflets, letters and use of the interpretation service.
Caring	Improving the accessibility of services for patients.
Effectiveness	Antimicrobial Stewardship
Responsive	Optimisation of patient's health prior to surgery.
Well-led	Ensuring gaps are identified and addressed to ensure our work force are culturally responsive to the needs of the people we serve.

The Trust has demonstrated clear progress in delivering these Quality Priorities for 2022/23. 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 2023/24, progress against which will be monitored using a range of audits tool 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. Further detail in relation to progress against our quality priorities will be detailed in the Quality Account.

As part of the recovery response from COVID-19 the NHS reintroduced Commissioning for Quality and Innovation (CQUIN) for 2022/23. However, there was no financial penalties attached to this 2022/23 CQUIN's allowing the focus to be on restoration and improvement. In March / April 2022 five CQUIN were agreed with the then Clinical Commissioning Groups (CCGs), which was then transitioned to the Integrated Care System (ICS) oversight in July 2022 when the Health and Care Bill was approved in parliament.

- CCG1: Flu Vaccinations for Frontline Workers.
- CCG2: Appropriate antibiotic prescribing for UTI in adults aged 16+.
- CCG 3: Recording of NEWS2 score, escalation time and response time for unplanned critical care admissions.
- CCG6: Anaemia screening and treatment for all patients undergoing major elective surgery.
- CCG8: Supporting patients to drink, eat and mobilise after surgery.

Our Patient Experience

We aspire to be an outstanding trust where we create the conditions for patients and families to have positive experiences of care, where we identify and strive for continuous improvements, and involve patients, families, and our community. We recognise there is no better or more important way of improving our services than by listening to what individuals think, feel and experience throughout their care journey and beyond. We aim to involve patients, carers and the public in how we improve our services for the future.

We provide opportunities for patients, carers and families to share their experiences and tell their stories; feedback is anonymous, valuable and acted upon. We have a Patient Engagement & Experience Group which reports to the Board of Director's Quality and Safety Committee and is predominantly concerned with the identification of themes and issues arising from patient feedback. We also have a Patient Participation Group which is co-chaired by our Head of Patient Experience and a patient representative. We provide a number of opportunities to hear from our patients, including:

- Friends and Family Test
- Smiley Faces
- CQC National In-patient surveys
- Engagement events, Coffee catch up
- Complaints
- Compliments and concerns given to our Patient Advice and Liaison Service (PALS)
- Social media and online feedback

Members of Healthwatch sit on our Patient Engagement & Experience Group and report on the community's feedback about our services. The Trust continues to meet regularly with Healthwatch, recognising the importance of independence this provides to our patients, carers and their families.

Complaints

From April 2022 to March 2023, 45 patients or relatives made a formal complaint to the Trust, this represents a 4% decrease from the previous year (47).

A key measure of quality concerning how we manage our complaints is the number that we reopen due to the complainant in receipt of the response saying their concerns have not been answered. Between April 2022 and March 2023, the Trust received requests from patients and their families' to reopen five complaints. This represents 8% of the total closed complaints during that same period.

Parliamentary and Health Service Ombudsman (PHSO)

We advise all complainants of their right to refer any complaint they feel we have not resolved adequately to the Parliamentary and Health Service Ombudsman (PHSO). From April 2022 to March 2023, the PHSO initiated two investigations. Both investigations were found no case to answer by the PHSO.

PALS (Patient Advisory Liaison Service)

During 2022/2023 the Trust has received 663 PALS contacts from patients and relatives. This is an 4% decrease in the formal complaints and 7 % increase in the PALS contacts compared with 2021/2022. The Trust continues to strive to improve the service offered to patients to resolve their concerns at the most appropriate level. The Patient Experience Team has delivered Patient Experience training and have held several campaigns to increase awareness.

Friends and Family Test (FFT) and sentiment analysis

We recognise there is no better or more important way of improving our services than by listening to what individuals think, feel and experience throughout their journey. We value all feedback from patients and their families and are committed to identifying where patients provide us with examples of where staff went the extra mile, staff have told us how they feel appreciated when this is shared.

Any feedback identifying areas of good practice or highlighting concerns informs the Trust in learning what has gone well and developing quality improvement programmes to address trends and themes of concerns.

During the last twelve-month period, we have received more than 5400 responses from patients and carers via our Friends and Family Test on their care and experience. In order to provide wider opportunities for patients and carers to share their experience with us, 'Smiley Faces' consoles have been introduced around the Trust to capture real time feedback. We will be building on this across our outpatient services over the next twelve-month period.

Volunteering

Following the successful recruitment campaign of volunteer in 2022/2023, we have since been able to focus on growing and developing the volunteer service which is overseen by the Volunteer Manager. This work included the development of new roles to ensure the volunteering programme is responsive to the needs of patients, staff, and the Trust during this time. The development of this volunteering strategy which is underway is fundamental in ensuring we integrate existing improvements in line with the Trust strategy.

1.18 Stakeholder Relations

During the year, the Trust has continued to develop its place and contribution within the Birmingham and Solihull Integrated Care System (ICS), particularly given that during the year the establishment of Integrated Care Board as statutory bodies occurred. Alongside this, there has been a requirement to collaborate with specific system partners to support the response to address the impact of the COVID-19 pandemic by accepting cohorts of patients that are out with the Trust's traditional caseload. An enduring arrangement was made to support University Hospitals Birmingham NHSFT with the systemwide plan to address the backlog of elective treatment that had developed and the Trust continues to accept emergency spinal cases and supports ambulatory hand and trauma cohorts.

The Trust continues to lead the MSK Transformation Programme, which is a key piece of work involving partners from across the Birmingham and Solihull system and more widely. To support this, during the year the ROH led the MSK transformation workshop where the team shared progress to date and the workplan for the future. It was well attended by all partners and provided an opportunity to see the developing work.

In addition to the MSK Transformation Programme, further work was progressed to develop the National Orthopaedic Alliance (NOA) and in October 2022, the Trust attended and officially opened the NOA annual conference which was held in Birmingham.

The Trust has also continued to use the robotic technology to assist with joint replacement surgery. The JointCare reunion events, albeit largely 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 service has also expanded during the year to cover a range of other specialities, with the 'Coffee Catch Up' reunion sessions being a key part of the pathway for these too.

The Trust continued Patient Experience & Engagement fora during the year, with good attendance and the continued attendance patient representatives, with initiatives over the year such as:

- ✓ The Patient Experience Department celebrated Patient Experience Week in April 2022. Patient Experience Week in an innovative way to bring staff and patients together to support and celebrate the most important aspect of a patient's care, this being patient experience.
- ✓ The Department is actively sending PALS and Complaints Satisfaction Surveys out monthly to patients/families/carers who have raised a PALS or formal complaint with us. Currently we have received 105 results.
- ✓ Fifteen Steps Walkabout has commenced and the first department it was rolled out in was Ward 4 in May 2022. It was proven to be successful and these events are now held every month across the Trust.
- ✓ 'Smiley Faces' Roll out. In May 2022 the Smiley Face machines were fitted throughout the Trust in all outpatient Areas. Between May 2022-March 2023 the Trust received over 8000 responses trustwide. These results are reported and sent out monthly to all departmental managers.
- ✓ The Patient Experience Department received fewer formal complaints in 2022/2023 compared to last year 2021/2022.
- ✓ Over 100 Actions have been created as a result of PALS and formal complaints this year. Progress against these are reported weekly in the divisional governance meetings. Actions are created to learn from the complaints received and to improve our services where necessary.
- ✓ In-depth Surveys were rolled out in 2022/2023. Our Volunteers kindly spoke to our inpatients and outpatients to fill in the survey. They were created for the Pre Operative Assessment Centre (POAC), Outpatients, Therapies, Theatres and Imaging. Overall, we received 700 completed surveys.
- ✓ A Youth Forum and Learning Disability & Autism Forum has been rolled out

A Patient Participant Forum has also continued to support the work on patient engagement and experience.

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.

Jo Williams
Chief Executive
26 June 2023

Section 2: Remuneration Report

2.0 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 Chief People Officer 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.

2.1 Senior managers' remuneration policy

2.1.1 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	Not Applicable
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.	Not Applicable
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.

2.1.2 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 England, 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 in line with those for other staff

	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 joint Vice Chair and Senior Independent Director is 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

2.2 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.

2.3 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.

2.4 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.

2.5 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*
4	1,100

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%	2
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	£30,731
Provide the total pay bill	£67,222,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05%

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%

2.6 Senior managers paid in excess of £150,000

Two directors whose remuneration exceeded £150,000 were in post during the year ended 31st March 2023. The remuneration for each post holder was assessed and benchmarked against comparable Trusts, utilising published independent market salary information and was considered appropriate.

£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.

2.7 Payments to past senior managers

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

2.8 Annual Report on Remuneration

2.8.1 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
Mrs Nicola Brockie **Executive Chief Nurse**	1 January 2023	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 Governance**	4 August 2015	Not applicable	6 months
Mrs Sharon Malhi **Chief People Officer**	4 April 2022	Not applicable	6 months
Mrs Christine Fearns **Non-Executive Director**	1 September 2022	31 August 2025	Note 1
Mr Richard Phillips **Non-Executive Director**	1 February 2017	31 January 2024	Note 1
Dr Ian Reckless **Non-Executive Director**	1 November 2022	31 October 2025	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

2.9 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).

2.10 Disclosures required by Health and Social Care Act

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

2.11 Remuneration subject to audit - 2022-23

	2022-23 (12 months to 31st March 2023)						
	Salary and fees	**Taxable Benefits**	**Annual Performance - related bonuses**	**Long-term performance -related bonuses**	**Pension -related benefits**	**Other Remuneration**	**Total**
Name and Title	**(bands of £5,000)**	**Rounded to the nearest £100**	**(bands of £5,000)**	**(bands of £5,000) £000**	**(bands of £2,500) £000**	**(bands of £5,000) £000**	**(bands of £5,000) £000**
	£000		**£000**				
Joanne Williams, Chief Executive Officer	170-175	0	0	0	45-47.5	0	215-220
Garry Marsh, Executive Director of Nursing & Clinical Governance (to 30 Nov 2023)	10-15	0	0	0	37.5-40	0	45-50
Nicola Brockie – Executive Chief Nurse (1 Jan 2023 onwards)	30-35	0	0	0	30-32.5	0	60-65
Matthew Revell, Executive Medical Director	155-160	0	0	0	(27.5-30)	0	125-130
Professor Philip Begg, Executive Director of Strategy and Delivery	115-120	0	0	0	(95-97.5)	0	20-25
Stephen Washbourne, Interim Executive Director of Finance	130-135	0	0	0	37.5-40	0	165-170
Marie Peplow, Executive Chief Operating Officer	120-125	0	0	0	32.5-35	0	155-160
Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO)	120-125	0	0	0	37.5-40	0	160-165
Sharon Malhi – Chief People Officer (from 4 April 2022)	115-120	0	0	0	37.5-40	0	155-160
Tim Pile, Chair	40-45	0	0	0	0	0	40-45
Kathryn Sallah, Non-Executive Director (to 30 September 2022)	5-10	0	0	0	0	0	5-10
Professor David Gourevitch, Non-Executive Director (to 31 January 2023)	10-15	0	0	0	0	0	10-15
Richard Phillips, Non-Executive Director	10-15	0	0	0	0	0	10-15
Ayodele Ajose, Non-Executive Director	10-15	0	0	0	0	0	10-15
Simone Jordan, Non-Executive Director	15-20	0	0	0	0	0	15-20
Gianjeet Hunjan, Non-Executive Director	10-15	0	0	0	0	0	10-15
Les Williams, Non-Executive Director	10-15	0	0	0	0	0	10-15
Christine Fearns, Non-Executive Director (from 1 Sept 2022)	5-10	0	0	0	0	0	5-10
Dr. Ian Reckless, Non-Executive Director (from 1 Nov 2022)	5-10	0	0	0	0	0	5-10

2.12 Remuneration subject to audit - 2021-22

Name and Title	2021-22 (12 months to 31st March 2022)						
	Salary and fees	Taxable Benefits	Annual Performance - related bonuses	Long-term performance -related bonuses	Pension - related benefits	Other Remuneration	Total
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000
	£000		£000				
Joanne Williams, Chief Executive Officer	160-165	0	0	0	82.5-85	0	245-250
Garry Marsh, Executive Director of Nursing & Clinical Governance	120-125	0	0	0	62.5-65	0	185-190
Matthew Revell, Executive Medical Director	160-165 (Note 1)	0	0	0	62.5-65	0	225-230
Professor Philip Begg, Executive Director of Strategy and Delivery	110-115	0	0	0	160-162.5	0	275-280
Stephen Washbourne, Interim Executive Director of Finance	125-130	0	0	0	47.5-50	0	175-180
Marie Peplow, Executive Chief Operating Officer	115-120	0	0	0	130-132.5	0	250-255
Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	110-115	0	0	0	65-67.5	0	180-185
Tim Pile, Chair	40-45	0	0	0	0	0	40-45
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
Richard Phillips, Non-Executive Director	10-15	0	0	0	0	0	10-15
Ayodele Ajose, Non-Executive Director	10-15	0	0	0	0	0	10-15
Simone Jordan, Non-Executive Director	15-20	100	0	0	0	0	15-20
Gianjeet Hunjan, Non-Executive Director	10-15	0	0	0	0	0	10-15
Les Williams, Non-Executive Director	10-15	0	0	0	0	0	10-15

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.

2.13 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 2022/23 was £170-175k (2021/22: £170-175k). This is a change between years of 0%.

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 2022/23 was from £13k to £261k (2021-22: £10k to £176k).

Two employees received remuneration in excess of the highest-paid director in 2022/23 (2021/22: one).

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.

2022/2023	25th percentile	Median	75th percentile
Salary component of pay	£22,994	£34,943	£49,275
Total pay and benefits excluding pension benefits	£22,994	£34,943	£49,275
Pay and benefits excluding pension: pay ratio for highest paid director	7.81:1	5.14:1	3.65:1

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

Individuals at the lower end of the salary range, include apprentices employed 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 15.26%.

2.14 Salary and Pension Entitlements of Senior Managers

a) Pension Benefits 2022-23 – subject to audit

	Real increase/ (decrease) in pension and related lump sum at age 60	Total accrued pension and related lump sum at age 60 at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Real Increase/ (decrease) in Cash Equivalent Transfer Value	Employer's Contribution to Stakehlder Pension
Name and title	**(bands of £2500)**	**(bands of £5000)**				**To nearest £100**
	£000	**£000**	**£000**	**£000**	**£000**	
Joanne Williams, Chief Executive Officer	2.5-5	125-130	809	726	61	0
Garry Marsh, Executive Director of Nursing & Clinical Governance (to 30 Nov 2023)	2.5-5	135-140	813	728	41	0
Nicola Brockie – Executive Chief Nurse (1 Jan 2023 onwards)	2.5-5	55-60	346	225	28	0
Matthew Revell, Executive Medical Director	(7.5)-(10)	180-185	1,176	1,139	2	0
Professor Philip Begg, Executive Director of Strategy and Delivery	(2.5)-(5)	80-85	266	324	(68)	0
Stephen Washbourne, Interim Executive Director of Finance	2.5-5	140-145	864	758	82	0
Marie Peplow, Executive Chief Operating Officer	2.5-5	210-215	1,367	1,258	70	0
Simon Grainger-Lloyd – Director of Governance and Data Protection Officer (DPO)	2.5-5	55-60	373	320	43	0
Sharon Malhi – Chief People Officer (from 4 April 2022)	2.5-5	15-20	94	62	30	0

b) Pension Benefits 2021-22 – subject to audit

	Real increase/ (decrease) in pension and related lump sum at age 60	Total accrued pension and related lump sum at age 60 at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real Increase/ (decrease) in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension
Name and title	**(bands of £2500)**	**(bands of £5000)**				**To nearest £100**
	£000	**£000**	**£000**	**£000**	**£000**	
Joanne Williams, Chief Executive Officer	10-12.5	120-125	726	632	90	0
Garry Marsh, Executive Director of Nursing & Clinical Governance (to 30 Nov 2023)	7.5-10	125-130	728	652	73	0
Stephen Washbourne, Interim Executive Director of Finance	5-7.5	130-135	758	695	60	0
Marie Peplow, Executive Chief Operating Officer	20-22.5	200-205	1,258	1,084	169	0
Matthew Revell, Executive Medical Director	5-7.5	185-190	1,139	1,045	89	0
Professor Philip Begg, Executive Director of Strategy and Delivery	22.5-25	80-85	324	272	51	0
Simon Grainger-Lloyd – Director of Corporate Affairs & Company Secretary	7.5-10	50-55	320	255	64	0

2.15 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.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes in benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

2.16 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:

	2022-23	2021-22
Number of Directors in office*	13*	13*
Number of Directors with expense claims	7	2
Financial value of expense claims made by Directors (£00)	13	1
Number of Governors in office	18	18
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
26 June 2023

Section 3: Staff Report

3.1 Analysis of Average Staff Numbers

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

	2021/22	2022/23		
	Total	Permanently Employed:	Agency:	Total:
Medical and Dental	141	130	14	144
Administration and Estates	459	407	55	462
Healthcare assistants and other support staff	194	181	28	209
Nursing, Midwifery and Health Visiting Staff	305	254	62	316
Nursing, Midwifery and Health Visiting Learners	0	0	0	0
Scientific, therapeutic and technical staff	142	128	19	147
Healthcare science staff	1	1	0	1
Other	0	0	0	0
	1,242	**1,101**	**178**	**1,279**

3.2 Employee expenses and numbers – Trust only

		2022/23			2021/22		
	Total £'000	Permanently Employed £'000	Temporary Staff incl. Agency £'000		Total £'000	Permanently Employed £'000	Temporary Staff incl. Agency £'000
Salaries and wages	54,123	54,123	0		47,762	47,762	0
Social security costs	5,507	5,507	0		4,839	4,839	0
Apprenticeship levy	254	254	0		218	218	0
Employer's contributions to NHS Pensions	8,493	8,493	0		7,856	7,856	0
Pension cost - other	17	17	0		13	13	0
Temporary staff (including agency)	6,595	0	6,595		4,443	0	4,443
TOTAL EMPLOYEE EXPENSES	74,989	68,394	6,595		65,131	60,688	4,443

Note: the information above relates to Trust employees only.

3.3 Employee expenses

The total Employer Pension contribution payable for the period to 31 March 2023 is £5,891k (31 March 2022 £5,460k).

3.4 Staff breakdown by gender

Table 2: Gender and Role (by headcount) as at 31st March 2023 (Not including bank staff)

Title	Female	Male	Total
Non-Executive Directors	4	4	8
Executive Directors	4	4	8
Other Employees	849	325	1174
Total	857	333	1190

3.5 Staff breakdown by disability

Table 3: Disability and Role (by headcount) as at 31st March 2023 (Not including bank staff)

Title	Yes	No	Not Stated	Total
Non-Executive Directors	0	7	1	8
Executive Directors	0	6	2	8
Other Employees	54	976	144	1174
Total	54	989	147	1190

3.6 Staff breakdown by ethnicity

Table 4: Ethnicity and Role (by headcount) as at 31st March 2023 (Not including bank staff)

Title	BME	White	Not Stated	Total
Non-Executive Director	2	6	0	8
Executive Director	1	7	0	8
Other Employees	315	848	11	1174
Total	318	861	11	1190

3.7 Staff breakdown by sexual orientation

Table 5: Sexual Orientation and Role (by headcount) as at 31st March 2023 (Not including bank staff)

Title	Heterosexual or Straight	Bisexual	Gay or Lesbian	Other Sexual Orientation Not Listed	Undecided	Not Stated	Total
Non-Executive Director	4	0	0	0	0	4	8
Executive Director	7	0	1	0	0	0	8
Other Employees	987	9	17	1	4	156	1174
Total	998	9	18	1	4	160	1190

3.8 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

3.9 Staff Policies and Actions applied during the financial year

3.9.1 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 the Trust actively encourages applications from disabled individuals in accordance with the Equality Act 2010. The Leader status also means that the Trust is asked to advise and support other organisations completing their accreditation. 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 which is supported by the ABLE 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. Reasonable adjustments will also be made to support candidates in the interview process.`

3.9.2 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 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's Health and Safety Adviser 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.

3.9.3 Informing and consulting with our staff

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 now working towards the Silver Award.

The Trust is committed to the supporting physical and psychological wellbeing of all its staff and a number of staff members have been trained in psychological first aid training

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. There are TV screens and noticeboards around the Trust that are used to share key information with staff. There is also a new intranet site to improve access to information for staff members. 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. There is also a wellbeing room at the Trust which is a confidential space where staff can also access wellbeing information.

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 is also available on the intranet and an open invitation to all staff every month.

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 non-medical 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 and development initiatives.

3.9.4 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.

3.9.5 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's Inclusion Strategy has key objectives to create a truly inclusive environment at the ROH which in turn will 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 first network, the Equality and Diversity network, continues to raise awareness on key topics around Inclusion. The ABLE network is well established and has run a campaign on supporting people with hidden disabilities to share their experiences. The LGBTQ+ (BeMyself) network has successfully taken steps to achieving 'Diversity Champion' accreditation with Stonewall and is actively involved in the regional NHS participation in Birmingham Pride. 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 Mankind and Women's network are newly formed and have already run some awareness event to support topics such as Women in Leadership and Men's Health.

The Trust has been ranked in the Top 50 Inclusive Companies index, reaching number 7 in top 50 list which is an improvement from December 2021 where it was ranked at 15. 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 30 colleagues who upon successful completion of the programme will become 'Inclusion Ambassadors' for the Trust. The Inclusion Ambassadors also support the rollout out of half day EPIC masterclasses which are open for all employees to attend

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 Experience 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 has performed well against the People Promise indicators particularly around Wellbeing initiatives.

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.

3.10 Occupational Health and Health and Safety Performance

Progress has been made ensuring the Trust, so far as is reasonably practicable, complies with the 'Workplace Health and Safety Standards' developed by the NHS Staff Council's 'Health, Safety and Wellbeing Group'. The Health and Safety Executive (HSE) is a key member of the group.

The standards pull together legal requirements and guidance to help healthcare organisations comply with goal-setting legislation. They provide practical pointers and signposting for meeting appropriate standards in key areas of workforce health and safety. The standards were updated in 2022.

Standards are aimed at directors and managers with health and safety responsibilities, health and safety professionals and trade union safety representatives. The standards ensure individual healthcare providers have adequate arrangements in place - i.e. polices/procedures/training/systems for monitoring effectiveness etc. The standards include:

- Provision of an occupational health service (OHS)
- Slips and trips
- Musculoskeletal disorders/manual handling
- Electric profiling beds
- Violence and aggression/challenging behaviour
- Lone working

- Work-related stress
- Bullying and harassment
- Hazardous substances
- Management of sharps
- Work equipment
- Provision and use of work and lifting equipment
- Display screen equipment
- Legionella
- Asbestos Containing Materials (ACMs)
- Temperature
- Workplace transport
- Electricity
- Noise
- Contractors and subcontractors
- Radiation
- First aid
- Working Time Directive
- New and expectant mothers
- Pandemic and Worker Health and Safety

Number of accidents broken down by category. 1 Apr 2022 - 31 Mar 23.

(Employees/Visitors/Contractors)

Accident Category	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
Manual Handling Injuries	1	0	0	2	0	1	2	2	3	0	0	2
Burns / Scalds	0	0	0	0	0	0	0	0	0	0	0	0
Contact with hazardous substances (COSHH)	0	1	0	0	0	0	0	1	0	0	0	2

Road traffic accident/ incident	0	0	0	0	0	1	1	0	0	0	0	0
Sharps injuries	0	1	0	2	0	3	2	1	1	0	0	1
Slips, trips, and falls (staff, visitors & contractors)	0	0	2	0	1	2	0	2	1	1	0	1
Impact Injury (with static or moving object)	2	0	0	2	2	1	0	0	1	0	0	3
Electric shock	0	0	1	0	0	0	0	0	0	0	0	0
Total figure for each month	= 3	= 2	= 3	= 6	= 3	= 8	= 5	= 6	= 6	= 1	= 0	= 9

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 four RIDDOR reportable incidents were submitted:

Date of Incident	Summary of incident	Date RIDDOR Report submitted to HSE
Mar 22	**RIDDOR No: 91152D69A8** Fall from chair in office. **Manager action:** Will procure another step stool for the gym. Appointment cards re-located to a lower shelf. **H&S Adviser**: This incident was contrary to H&S training delivered to staff. The manager will remind all gym staff, to follow inanimate load handling training they receive each year. Under no circumstances must a chair be used as a step.	Apr 22

Mar 22	**RIDDOR No: 8D14814F17** Lower back pain after inappropriate lifting of a load. **Manager action:** Advised to sit down and rest. Took self-prescribed pain killers. Went home to rest. **H&S Adviser:** G.P. advised not fit for work. RIDDOR required - 'over 7-day incapacitation of a worker'. Advised individual to assess loads before lifting in future. Reduce risk of injury i.e. team lift/ break the load down in to lighter more manageable loads, use load handling work equipment i.e. trolley.	July 22
09 Dec 22	**RIDDOR No: 8514D8611A** Individual suffered right ankle buckling under uneven unrepaired floor and twisted left knee. **Manager action:** Confirmed absent from work for over 7 days. **H&S Adviser:** RIDDOR required - 'over 7-day incapacitation of a worker'. Flooring has since been repaired and made good.	Mar 23
26 Jan 23	**RIDDOR No: BBE115DE81** Carpenter used own utility knife to cut tail end of plastic zip tie. Used excessive force resulting in deep cut to right hand. **Manager action:** Reinforced that use personal knife for such tasks is prohibited. Ordered side cutters – a more appropriate tool for cutting zip ties. **H&S Adviser**: Hospital treatment required. RIDDOR reportable.	Feb 23

Health and Safety staff training

For the reporting period 1 Apr-31 Mar 23, the following training sessions were delivered:

- x11 Mandatory training sessions: 4 May, 1 June, 6 July, 10 Aug, 7 Sep, 5 Oct, 2 Nov, 7 Dec, 4 Jan 23, 8 Feb 23, 1 Mar 23.

- x4 HCA training sessions: 6 April, 18 May, 12 July, 11 Oct
- x1 Stress Management Training sessions: 17 May 22 to delegates on Band 6 Development Programme.
- x3 COSHH training sessions: 27 Oct, 4 Nov, 6 Mar 23.

Central Alerting System (CAS) Alerts

During the period 1 April 2022-31 March 2023 a total of 19 CAS alerts were received, reviewed 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 adhering 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.

3.11 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.

3.12 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.

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

No. of existing engagements as of 31 March 2023	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

3.14 Highly-paid off-payroll worker engagements as at 31st March 2022 earning £245 a day or greater

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

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

No. of off-payroll workers engaged during the year ended 31 March 2023	0
Of which:	
Not subject to off-payroll legislation*	0
Subject to off-payroll legislation and determined as in-scope of IR35*	0
Subject to off-payroll legislation and determined as out-of-scope of IR35*	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

3.16 All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2022 earning £245 per day or greater

No. of off-payroll workers engaged during the year ended 31 March 2022	0
Of which:	
Not subject to off-payroll legislation*	0
Subject to off-payroll legislation and determined as in-scope of IR35*	0
Subject to off-payroll legislation and determined as out-of-scope of IR35*	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

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

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.	19

3.18 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.	19

3.19 Exit packages

Exit package cost band (including any special payment element	**2022/23** Number of compulsory redundancies Number	**2022/23** Number of other departures agreed Number	**2022/23** Total number of exit packages by cost band Number	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
<£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 element of the annual report has been audited

3.20 Retirements due to ill health

During the year to 31 March 2023 there were no early retirements from the Trust agreed on the grounds of ill-health (31 March 2022, nil).

3.21 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

3.22 Staff Survey

The Trust continues to make 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 use different methods to engage with staff including virtual meetings, face to face team meeting, information boards, emails and intranet, listening sessions and Team huddles to ensure that there has been opportunity for two-way feedback.

Non-Executive Directors regular visits departments to speak to staff members in addition to Executive 'Chat and Checks' – periodic 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 an opportunity for staff to ask questions of the Executive Team on anything they choose to. The content of Team brief is available to all staff via the intranet after the meeting.

The NHS Staff (NSS) survey is conducted annually. The NHS quarterly Pulse surveys have been reintroduced in 2022 and is run three times a year to provide ongoing feedback to complement the NSS survey.

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 last year, the results are now measured against the seven 'People Promise' indicators aligned to the NHS People Strategy. Therefore, this is the first year when it is possible to compare results for this year with the previous 2021 data. The first table shows the previous results, and the second table outlines the most recent update to the data.

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 has been enhanced with the recruitment of

voluntary Freedom to Speak Up champions who 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 2023

The completion rate was 52% which was a slight decline from 57% in the previous year. Bank staff were included in the survey this year across the NHS (it was the second time Bank Staff were invited to take part at the Trust)

	ROH 2021	**ROH 2022**	**Best Benchmarking 2022**	**Average Benchmarking 2022**
We are compassionate and inclusive	7.6	7.5	7.9	7.5
We are recognised and rewarded	6.2	6.0	6.3	6.0
We each have a voice that counts	7.1	6.9	7.4	7.0
We are safe and healthy	6.4	6.4	6.6	6.3
We are always learning	5.6	5.4	6.1	5.7
We work flexibly	6.5	6.4	6.6	6.4
We are a team	6.9	6.8	7.2	6.9
Staff Engagement	7.3	7.1	7.6	7.2
Morale	6.2	6.1	6.4	6.1

Themes/observations show:

- A positive response from staff to take part in completing the survey during a difficult time across the NHS as whole
- The scores for Staff Engagement and Morale (and all 7 People Promises) are in line with the sector benchmark and stable year on year
- A positive response from colleagues on action taken on health and wellbeing and work life balance
- Responses linked to conflicting demands, staffing levels and unrealistic time pressure score are ahead of the sector
- The Trust scores ahead of the sector on some aspects of burnout and experiences of work-related stress.
- Scores from Bank staff members are broadly in line with substantive staff scores which is very positive compared to the sector and wider across the NHS

The Trust engages with staff through Staff Survey Launch Event and 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 are shared with colleagues at the Focus Groups to show staff 'You said, We did'.

Results are shared by each Executive portfolio and 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, the Trust's Staff Experience & Organisational Development Committee in addition to local monitoring through Divisional meetings.

3.23 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 direction 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.

ABLE 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.

Mankind Network

The ManKind Network was set up in 2022 and supports health and wellbeing initiatives, encourages awareness raising and supports community building at the Royal Orthopaedic Hospital.

Women's Network

The network was started at the end of 2022 and initial work has included highlighting the career paths of senior leaders as well as raising awareness of important health matters.

3.24 Expenditure on consultancy

Consultancy spend for the year was £295,000 (2021/22, £341k) which included spend on business case development and IT.

Section 4: The work of the Council of Governors 2022/23

4.1 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 nineteen members, ten 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).

4.2 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-19 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.

4.3 Governor Representation on Trust Committees/Groups/walkabouts

The Council of Governors is able to nominate 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:

- Patient Experience & Engagement Forum

In usual times, the governors are also invited to join the quality assurance walkabouts and will be again invited to join these as the schedule becomes embedded through 2023/24.

The governors are also formally invited to join the public Board meetings twice yearly and the Lead Governor has a standing invite to each session of the Board. 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.

There are also plans to reintroduce the roving governor 'drop in' sessions where pairs of the governors walk around non-clinical areas of the Trust explaining their role to patients, public and staff and seeking any views or issues that may be worth escalating to the wider Council of Governors. The first of these sessions is scheduled for June 2023, which will be a staff governor walkabout.

Given the establishment of the Integrated Care Boards (ICBs) this year, there has been much work to create linkage between the ROH governors and the Birmingham and Solihull ICB. A lead governors forum has been established at which lead governors from organisations represented in the Integrated Care System attend and discuss topics of mutual interest. All governors are also invited to specific workshops at which key members of the ICB provide updates on the work across the system and the strategic plans that have been developed. The outputs of these sessions are reported back to the Council of Governors each time it meets.

4.3 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 Governance and Data Protection Officer (DPO) provides support to the Committee.

The Nominations and Remuneration Committee of the Council of Governors has not been required to meet this year as the decision to appoint the new Non Executives was referred to the whole Council of Governors wo considered a recommendation from the interview panel.

4.4 Contacting the Governors

The Governors can be contacted through the Director of Governance and Data Protection Officer (DPO), the Royal Orthopaedic Hospital NHS Foundation Trust, Bristol Road South, Northfield, Birmingham, B31 2AP.

4.5 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.

During the year, the Constitution was changed to allow equal representation from the two public governor classes, so that both the Birmingham & Solihull and the Rest of England and Wales constituencies are now able to elect five public governors. This change was designed to reflect the ambitions of the ROH to offer a wider service nationally in line with its strategy.

4.6 Public Members

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

During 2022/23 the Trust had two public constituencies within its public membership:

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

4.7 Staff Members

The Trust has two constituencies within its staff membership:

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

4.8 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
- Northfield Community Partnership
- Birmingham City University
- University of Birmingham

4.9 Governor Elections 2022/2023

During the year, the Trust conducted Governor Elections to fill seats that had become vacant in the areas details below. The Trust used an external company, Civica Election Services (CES), to oversee the election process with all three 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.

4.9.1 Result: Rest of England and Wales

An election took place in the Summer of 2022 to fill **three** seats for the Rest of England and Wales:

The election was run by an external provider, CES, and the successful candidates were Brian Toner, Robert Rowberry and Robert Talboys. Robert Rowberry was elected for a first term of office of three years. Robert Talboys was also elected for a first term of office, however, he has been a Governor previously at the Royal Orthopaedic Hospital. Their terms of office will finish on 31 July 2025. Brian Toner commenced his third and final term of office.

Election 1

Electorate	1,206
Total number of votes cast (by post: 121 and online: 11)	132
Turnout	10.9%
Invalid votes cast	2
Total valid votes	130

4.9.2 Result: Birmingham & Solihull

Election 2

The above election took place in the Summer of 2022 to fill **one** seat for the Birmingham & Solihull constituency. Rheya Dole was elected unopposed. Rheya's first term of office will come to an end on 31 July 2025.

4.9.3 Clinical Staff Governor

Election 3

The above election took place to fill one seat for a Clinical Staff Governor. No valid nominations were received and this vacancy remains.

4.9.4 Elections during 2023/2024

A planned election will be undertaken during the Autumn of 2023 when the term of office for Governors in the following constituencies will be complete:

Birmingham and Solihull 2 seats

In addition, elections will be organised to fill already vacant governor roles, including one clinical staff Governor.

4.9.5 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 (Director of Governance);
- 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.

4.10 Governor Profiles

Profiles for each governor, together with their term of office, who served on the Council of Governors during the period 1 April 2022 to 31 March 2023 are provided below:

4.10.1 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 was re-elected as a public governor in the summer of 2022 and the Council of Governors unanimously agreed to reappoint him as the lead governor for this further term of office. Brian's third term of office finishes on 31 July 2025.

4.10.2 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 ended on 28 May 2022.

- **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.

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

- **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 was due to come to an end on 5 October 2023, however, he resigned as Public Governor during this financial year.

- **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.

- **Robert Rowberry**
  Rob has been a patient at the Royal Orthopaedic Hospital and commented that he has seen the Trust grow in stature from when the hospital was known as 'The Woodlands'. The growth of the hospital encouraged him to apply to become a Governor. He was honoured to be elected as Public Governor within the Rest of England & Wales Constituency. Robs' first term of office will come to an end on 31 July 2025.

- **Robert Talboys**
  Due to the continuing care and attention Rob received as a patient of The Royal Orthopaedic Hospital, Rob applied to become a Governor as a way of repaying the Hospital and staff for the care he received. Rob has been a Governor previously at the Trust.

  Rob studied for a BSc degree with the Open University, specialising in Electronics and Design and was an electrical engineer, working mainly in industry. Rob is conversant with budgeting/costing and has a good knowledge of accounting.

  Rob wanted to be able to offer his interpersonal skills with fellow Council members to further the future interests of Trust and was elected as Public Governor within the Rest of England & Wales Constituency. Robs' first term of office will come to an end on 31 July 2025.

4.10.4 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 was due to come to an end on 31 July 2024.

  However, prior to this date, we have a new representative from Birmingham City Council, Councillor Kirsten Kurt-Elli. Kirsten will be serving a three-year term which will come to an end on 27 June 2025.

- **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.

4.10.5 Clinical Staff Representatives (two seats)

- **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.

- The Trust currently has one vacant post for a Clinical Staff Governor.

4.10.6 Non-Clinical Staff Representative (two seats)

- **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.

4.11 Attendance by Governors at Council of Governor Meetings 2022/23

During the period 1 April 2022 to 31 March 2023 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
	12/05/22	21/11/22	19/01/23	
Tim Pile (Ch)	✓	✓	✓	**3/3**
Brian Toner	✓	A	✓	**2/3**
Pat Clarke	✓	✓	A	**2/3**
Lindsey Hughes	✓			**1/1**
Julia Liddle	✓	A	A	**1/3**
Wilson Thomas	A	✓	A	**1/3**
Tony Thomas	✓	A	✓	**2/3**
Petro Nicolaides	✓	✓	A	**2/3**
Arthur Hughes	✓	✓	✓	**3/3**
David Robinson	✓	A	✓	**2/3**
Hannah Abbott	A	✓	A	**1/3**

Dagmar Scheel-Toellner	✓	✓	✓	**3/3**
David Roy	A			**0/1**
Rheya Dole		✓	✓	**2/2**
Anne Waller	A	A	✓	**1/3**
Robert Rowberry		✓	✓	**2/2**
Robert Talboys		✓	A	**1/2**
Liz Clements	A	A		**0/2**
Kirsten Kurt-Elli			A	**0/1**
Maxine Shanahan	A	A	A	**0/3**
Matthew Maycock	✓	✓	A	**2/3**
Gavin Newman	✓	✓	✓	**3/3**

KEY:

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

A record of attendance by Board members at the Council of Governor meeting during 2022/23 is provided in the table below:

BOARD MEMBERS	MEETING DATE		
	12/05/22	21/11/22	19/01/23
Kathryn Sallah	✓		
David Gourevitch	A	✓	✓
Simone Jordan	✓	✓	✓
Gianjeet Hunjan	✓	✓	✓
Richard Phillips	A	A	✓
Les Williams	A	A	✓
Ayodele Ajose	✓	A	✓
Chris Fearns		A	✓
Ian Reckless		✓	A
Jo Williams	✓	✓	✓
Steve Washbourne	✓		

KEY:

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

The Annual General Meeting was held on 21 November 2022, with attendees given the option to join virtually or in person.

4.12 Council of Governor Meetings

Topics covered at the formal meeting included:

- Chair and Chief Executive's updates
- Wellbeing and cost of living update
- Summary of the refreshed Trust strategy
- Overview on the revised statutory duties of governors given the changes to the Health and Social Care Act
- Governor re-engagement and upskilling
- Update on the preparations for the COVID-19 public inquiry
- Non Executive recruitment plans
- Progress with governor-sponsored quality priority
- 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 Acting Chief Nurse joined the meeting to present an update on the delivery of the Quality Priorities and to present the recommendation for the governor sponsored priority for the coming year
- The Director of Finance joined to provide an overview of the annual accounts
- The Director of Corporate Affairs & Company Secretary (now Director of Governance) attended all meetings to provide secretarial support and also present a number of reports on matters such as the changes to the statutory role of the governor and the preparation for the COVID-19 public inquiry

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.

4.13 Governor Training and Induction

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

At the November 2022 and January 2023 meetings of the Council of Governors, the Director of Corporate Affairs & Company Secretary (now Director of Governance) presented an overview of

the changes to the statutory role of the governor given the changes to the Health and Social Care Act.

The governors were given the opportunity to participate in a walkabout the hospital led by the Chief Executive in January 2023, providing them with a view of the working hospital and a chance to see the new parts of the estate that had been developed over the previous months.

Acknowledging that there is more that can be done to train our governors, an overview of the plans to educate and train the governors was presented by the Director of Corporate Affairs & Company Secretary at the January 2023 meeting of the Council of Governors. This focussed on a set of workshops across many disciplines of the organisation to help familiarise the governors with the work of the organisation, in addition to some nationally offered training sessions for governors.

Governors also receive training and education through their participation in the fora organised by the Integrated Care Board.

There were three 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 Governance and an induction booklet setting out the statutory duties of a member of the Council of Governors. The Director of Governance acts as the primary first point of contact for the governors and their training needs. A site tour is also provided for new governors.

4.14 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.

4.15 The Council of Governors' Register of Interests

The Register is available for inspection on application to the Trust's Director of Governance, 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.

4.16 Engaging Our Membership

Events held in 2022/23 included the Annual General Meeting which members were invited back face-to-face following the COVID-19 pandemic. Our last face-to-face AGM meeting that members were invited to attend the Trust was in 2020. Trust members were given the opportunity to ask questions at the AGM and one of our members, who is also a longstanding volunteer, asked for clarification on a range of housekeeping and estates matters. These were answered in summary at the AGM, however a more comprehensive response was provided to the Trust Board at a subsequent meeting to provide assurance that the matters raised had been addressed. This response was shared with the volunteer who had raised the matters at the AGM.

We actively connected with 24.54% of members (1016) who provided us with email addresses and opted-in to regular communication. Throughout 2022/23 members with an email address have been contacted with new publishes of ROH Life and engagement opportunities.

On average we have a 36% open and click rate on links within the mailouts sent.

A significant number of members do not currently receive regular postal communications 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. In 2023/24 we hope to investigate 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.

Member Recruitment

- A recruitment space for members is dedicated in each ROH Life newspaper.
- Information about signing up to be a Foundation Trust member is included on the digital screens in the Outpatient waiting area.
- Information is provided at the Junior Doctors induction and Simulated Patients Day.
- All staff leavers and charity donors are sent information regarding Trust membership and are provided with the link to sign up

Along with the above, the following will be continued in 2023/24:

- Membership session at the yearly Work Experience sessions, encouraging individuals to sign up.
- Information to be shared at sessions/courses where external stakeholders or members of the public are invited
- Social media promotions to attract an online audience

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.

4.17 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 (now Director of Governance) are held to ensure all actions are met appropriately.

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

4.18 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

	2022/2023	Forecast 2023/2024
Public constituency		
At year start (April 1)	4,672	4,509
New members	33	150
Members leaving	196	90
At year end (March 31)	4,509	4,569
Staff constituency		
At year start (April 1)	1,220	1,283
New members	256	221
Members leaving	193	150
At year end (March 31)	1,283	1,354

* Leavers on flat turnover rate of 12.10%

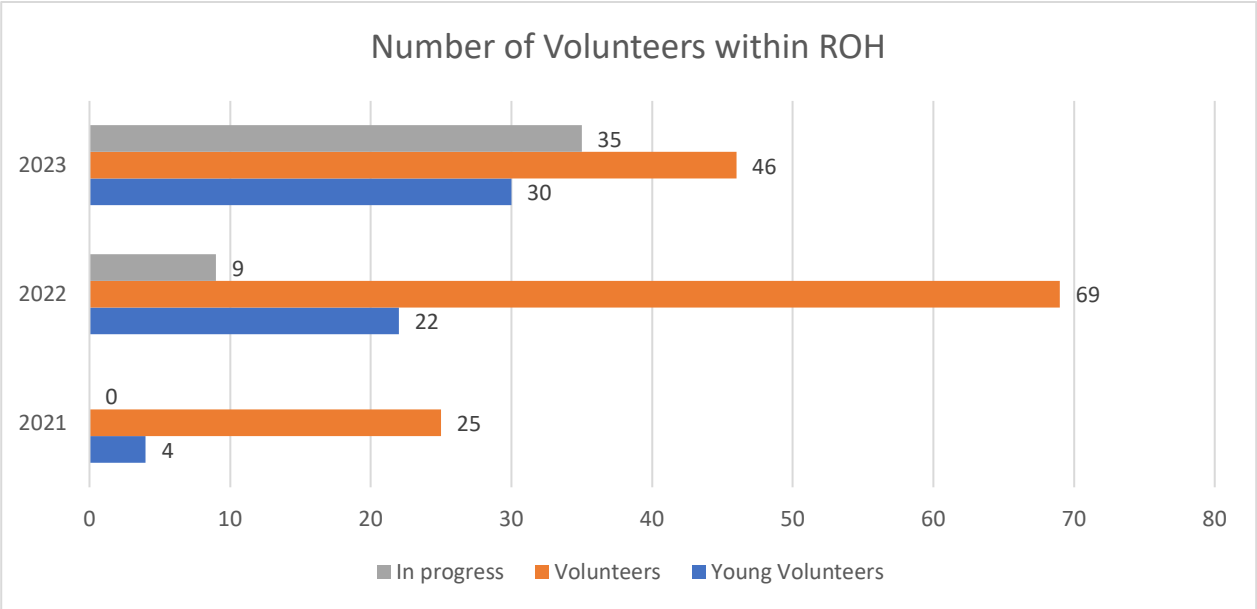
** New starters increase of 12.38%

4.19 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:



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.

Promotion of volunteer services at the Trust is something we find important. Over the past 12 months our Volunteer Services Manager and Head of Patient Experience has organised events and produced advertisements to promote our volunteer services at the Trust. In March 2023 the Trust held a display at the University of Birmingham campus. The aim was to promote volunteer services at the Trust and outline what our volunteer services can offer. Following this, 35 UHB students applied online to become a volunteer and are currently in the process of joining the ROH.

With support from our Communications Team, the volunteer services team now has a leaflet to show people how to apply to be a volunteer at the Trust. This gives a small insight into volunteer services. The aim was to also distribute the leaflets in the local community for everyone to access.

Miles Jao – Ward Support

Volunteering since 2021

"I wanted to be a volunteer so I could give back and support the NHS and to experience life in the hospital. It has been very fulfilling talking to all the wonderful patients and staff. I have helped me to improve my communication skills. I am very fortunate to be part of this opportunity".

Section 5:

5.0 Code of Governance and Foundation Trust Reporting Manual Disclosure requirements

5.1 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.

5.2 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.

5.3 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)

Code of Governance reference	Summary of requirement	Reference in Annual Report/ Response
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	Accountability Report (Section 1 (1.5)): Directors Report)

Code of Governance reference	Summary of requirement	Reference in Annual Report/ Response
	should be reported to the Council of Governors as they arise, and included in the next annual 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 2022/2023
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)

Code of Governance reference	Summary of requirement	Reference in Annual Report/ Response
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)

Code of Governance reference	Summary of requirement	Reference in Annual Report/ Response
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)

5.4 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

26 June 2023

Section 6: Regulatory Ratings Report

6.1 NHS Oversight Framework

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

- Quality of care, access and outcomes
- Preventing ill health and reducing inequalities
- Finance and use of resources
- People
- Leadership and capability

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.

6.2 Segmentation

The Trust undertook a self-assessment against the National Oversight Framework during the year, which was presented to the Birmingham and Solihull Integrated Care Board (ICB). The ICB subsequently presented a recommendation to NHS England around the proposed segmentation for itself and its constituent providers. The ICB confirmed in March 2023 that following discussion with NHS England, the ROH would remain within Segment 2 under the National Oversight Framework.

The Birmingham Solihull Integrated Care System as a whole remained within Segment 3 through the financial year 2022/23.

Jo Williams
Chief Executive

26 June 2023

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
26 June 2023

Section 8: Annual Governance Statement

8.1 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*.

8.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the 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 2023 and up to the date of approval of the annual report and accounts.

8.3 Capacity to handle risk

8.3.1 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 Governance 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.

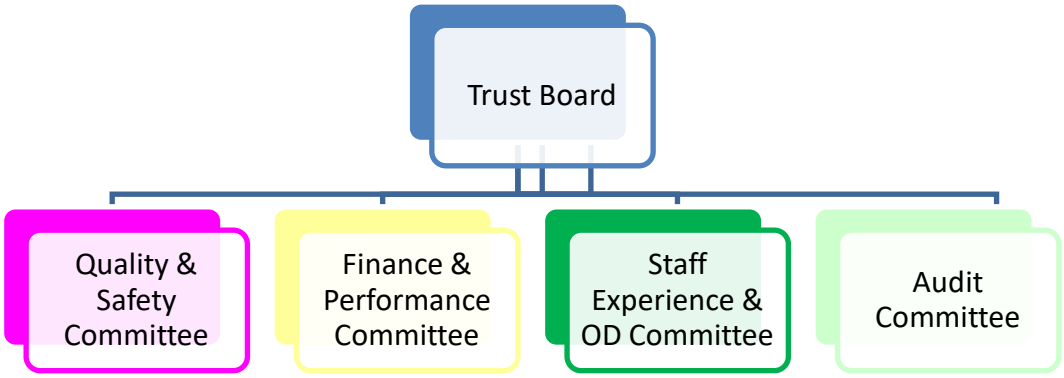


Figure 1: Trust Board & Committee structure

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 and Executive Medical Director are the joint lead executives for this committee. The Committee has met monthly during the year (apart from July, December and March. An effectiveness review was held in January in addition to the regular meeting. The Committee 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 & Performance and the Chief Operating Officer are the joint lead executives 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 People Officer. 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 each month. 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.

The Chief Executive chairs a weekly business meeting of the **Executive Team** comprising all the Executive Directors. The agenda for the Executive Team covers operational delivery, clinical governance, risk management and policy approval as routine 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 Trust Board in its sessions in public on the relevant matters discussed by the Executive Team in the Chief Executive's update. 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 2022/23, further work is planned through

2023/224 to develop the functionality of this system or to replace it with an updated technical solution. Initial discussions with various suppliers have started in this respect during Quarters 3 & 4 2022/23 with a view to agreeing the most appropriate and Value for Money solution being implemented by mid 2023/24.

8.3.2 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. The Risk & Policy Officer at present provides personalized training to staff on request or as identified and also attends key operational management meetings to present the risk register and offer support to those wishing to raise a risk or strengthen their knowledge of risk management. A Standard Operating Procedure is in place setting out the key elements of discussion needed around risk at these corporate forums. A training package has also been developed and delivered to a set of risk champions who act as the primary local sources of expertise on risk management within the Trust.

8.3.3 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 trustwide 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. The implementation of the new Patient Safety Incident Response Framework will also drive processes to ensure that the Trust benefits from learning lessons over the coming year. The monthly quality report which is considered by the Quality & safety Committee and the Trust Board also includes a number of sections to highlight where lessons have been learned from areas and incidents that require investigation and remedial action taking.

8.4 The risk and control framework

8.4.1 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.

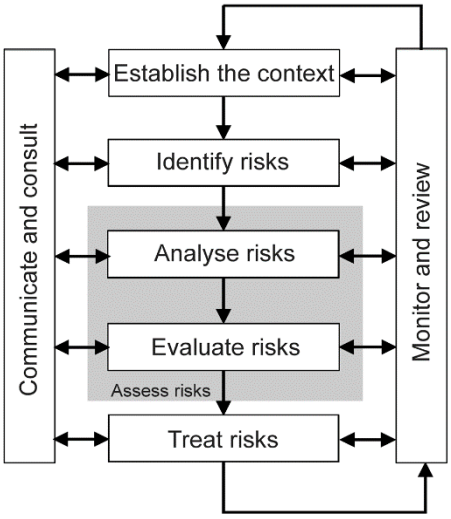


Figure 2: Risk management process

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 misses 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, claims and Freedom to Speak Up concerns
- 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.

8.4.2 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

Recognising that further work needs to be undertaken to embed the Board's understanding of risk appetite, a session around this is scheduled in the strategic Board workplan for 2023/24, to be led by the Governance Team to achieve this and to develop a fit for purpose risk appetite statement for the Trust. This is an outstanding recommendation from the Internal Audit review into Risk Management and the BAF.

8.4.3 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 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 a formal walkabouts schedule has not been fully embedded this year, some Board members have carried out ad hoc 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 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 will be relaunched and reinvigorated next year. The sessions are led by the 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. In addition to this during part of the year, 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 2022/23 there has been continued oversight of any of the outstanding requirements from our CQC action plan.

Assurance is obtained on compliance with CQC registration requirements on an ongoing basis through updates from 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. A session for nursing staff was hosted during the year to discuss the approach to the self-assessment and to receive some initial assurances that there were no significant gaps in compliance with the CQC framework. This work will be progressed further during the new financial year as the Trust implements a new risk management and compliance system.

Meetings between the CQC Relationship Manager with members of the Executive Team were held during the year and an on site engagement visit has been scheduled for early in the new financial year. 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.

8.4.4 How risks to data security are being managed and controlled

The Head of Digital Technology 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 core infrastructure has in built data security control features and security threats are monitored. Controls also include software/ hardware patching and anti-virus. Encrypted datasticks 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 corporate network. Remote access to data is protected by multi 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. The move to Cloud is expected to be completed in April 2023. The trust has implemented a SOC / Siem solution which monitors the trust 24/7 for all potential changes in activity and stops anything which is suspicious.

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.

8.4.5 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 2022/23.

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 operate with an underlying deficit, thereby attracting regulatory attention and potential intervention under the oversight framework	IY/F	• Additional work targeted at opportunity to release further productivity gains, and further development of integrated performance dashboard • The ROH is leading system work on the MSK pathway

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
with an added impact for 2023/24 as a result of the move to Aligned Incentive Payments relating to a predetermined activity target			with a view to creating efficiency within the system for the Orthopaedic cohort of patients • Further detailed planning work is being undertaken by each provider and is co-ordinated through the ICS. • A System Investment Committee is in place Outcome assessment: • Reported financial position monitored by the Finance & Performance Committee and ICS financial fora on a monthly basis
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 compromising 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

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Increasing and enhanced communications to Trust staff around the threat of cyber security and routine dummy 'phishing' exercises undertaken to improve awareness • Move of infrastructure to Cloud to improve security and resilience of compliance. • Data Security and Protection Toolkit action plan has been accepted by NHS Digital 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% 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	• Patients wait excessively long time before treatment • Potential deterioration or harm to patients • Regulatory oversight regime invoked	IY/F	• Patients waiting in excess of 52 weeks are subject to the Trust harm review process. • All patients in this category are regularly reviewed by their clinical teams on a monthly basis. • Refreshed trajectory developed to take into account the mutual aid support to University Hospitals Birmingham (UHB) and Robert Jones & Agnes Hunt (RJAH) • Continued transformation of Outpatients services maximising the digital opportunities.

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Ongoing system working for elective orthopaedics for P2, P3. Daily System calls in place to monitor and track performance. 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 that there will be insufficient capacity to handle the activity from the new services being handled by the Trust as part of the mutual aid arrangement and national elective recovery programme	Increased operational pressures in the Trust and inability to deliver restoration and recovery plans leading to longer waits for patients	IY/F	• Additional mobile MRI now operational and additional 'van days' were secured to maintain MRI activity and an increase in interventional/ CT capacity by providing extra lists • Theatre look back meeting to monitor any incident raised on a weekly basis. • Theatre allocation reviewed monthly to monitor the delivery of the level 2/3 patients. 642 meetings monitor theatre utilisation weekly. • Strategic Oversight Group in place to review position from a System perspective Outcome assessment • Performance against elective recovery trajectory • Hospital-instigated cancellations

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Theatre utilisation
Theatres' engineering plant is beyond its normal life expectancy and has a high risk of failure, with significant impact on clinical services.	• Patient treatment cancelled • Deterioration in performance against Constitutional standards	IY/F	Mitigation/Controls: • 1st phase of Theatre maintenance was successfully completed in April 2022 (Theatres 5, 6 and 7 and Ward 2). • Second phase was successfully completed in August 2022 (Theatres 9 and 10 and Ward 1). • Further work scheduled for April 2023 (Theatres 11 and 12), August 2023 (Theatres 3 and 8 and Ward 4) and November 2023 (Theatres 1, 2 and 4 and Ward 10/12). • Full maintenance programme in place, agreed Board Maintenance Plan currently in development • Plans to implement a four-theatre day case unit Outcome Assessment: • Increased theatre utilisation • Reduction in hospital-instigated cancellations • Performance against constitutional targets • Performance against Model Hospital metrics
PATIENT SAFETY			
Risk of clinical harm due to longer waiting times for treatment	Sub-optimal clinical outcomes, reputational and financial loss	IY/F	Mitigation/Controls: • Harm Prevention Framework designed Summer 2021

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
following the Covid pandemic			• Harm Prevention Tracker in use from January 2022 mitigates risk by identifying clinical priority of patients listed for surgery Outcome assessment: • Patient harm identified • Claims and litigation cases • Adverse media coverage around Trust's ability to treat patients efficiently
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 – 100% achieved for all ROH staff from a BAME background during the year • 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: • Published daily figures for staff sickness by group and ethnicity • Sickness absence reports to Staff Experience & OD Committee

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
			• Agency spend to cover sickness absence created by the impact of COVID
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 including the provision of a wellbeing day • 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 • Annual staff survey results around health and wellbeing • Agency staff spend to cover gaps created by sickness absence
There is a risk of quality of care being compromised due to ongoing challenges with	Poor patient outcomes High agency staffing expenditure Poor staff morale	IY/F	• Enhanced work to ensure that reasons for staff leaving are documented accurately • Retention 'listening events' held to understand the

RISK	CONSEQUENCE	IN YEAR/ FUTURE	HOW THEY ARE/WILL BE MANAGED AND MITIGATED AND HOW OUTCOMES ARE/WILL BE ASSESSED
workforce gaps. Nationally and regionally there are significant gaps in nurse workforce, impacting on our ability to recruit and retain			reasons why staff may wish to leave • Pay scale adjustment for some staff groups to ensure parity with colleagues undertaking equivalent roles elsewhere • Staff wellbeing and cost of living offerings

Some work was undertaken during the year to refresh the format of the Board Assurance Framework to provide greater visibility over the gaps in control and assurance and better clarity of the mitigations in place.

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. Both Never Events were also reported externally via STEIS, as required by the Serious Incident Framework (2015). Lessons learned were distilled from the investigations and communicated through the Trust's; divisional governance meetings, Executive Governance Meeting, Clinical Quality Group, Quality and Safety Committee and clinical audit processes as well as relevant teams and individuals (where necessary) to ensure that the identified learning is embedded in future clinical and professional practice and the chance of the incidents reoccurring is minimised.

8.4.6 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. A key development during the year has been the unification of the corporate and clinical governance portfolios, these now sitting under the single remit of the Director of Governance. This provides an opportunity for better triangulation of incidents, claims and Freedom to Speak Up concerns. The Complaints and PALS function remains under the remit of the Chief Nurse although there is close working between the Governance Team and the Patient Experience Team to ensure that there is a good read across these systems and processes.

The Trust has also appointed during the year, a Corporate Services Manager, a new role which will strengthen the processes for the Trust Board and its Committees and additionally focus on governor development and education.

The Trust 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. There is confidence that the sound framework of governance identified has been sustained and improved during the year.

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 elective recovery. There is an evident improvement in performance however, despite the need to heavily support the system response, including good progress to eliminate all cases of patients waiting in excess of 78 weeks for treatment, this also being a national imperative.

The risk reported in previous years concerning the robustness of the risk management arrangements at a divisional and local level has been a matter of focus during the year through the delivery of strengthened risk management arrangements now supported by some dedicated resource for this work. Further work is planned to further strengthen the risk management framework during 2023/24 most notably through the introduction of a new or enhanced risk management system that provides a more fit for purpose solution for the organisation. There will also be additional and more comprehensive training provided to staff as the system becomes embedded.

8.4.7 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.

8.4.8 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 Governance Manager 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 trustwide committee level.

Divisions receive localised risk register reports which are discussed as part of biweekly 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 Internal Audit report on Risk Management and the BAF undertaken in 2022 suggested some formatting amendments to further enhance the information and detail in the document and an initial view of the revised BAF was considered by the Board in February 2023. There will be further work undertaken in 2023/24 to ensure that that risks to the delivery of the refreshed Trust strategy are captured and the mitigations clearly articulated.

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 and further work is planned during the coming year to reach agreement on a new or enhanced solution for the Trust to strengthen this reporting functionality. 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 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 a subset of the Executive Team (the Director of Governance, the Medical Director, Chief Nurse and Chief Operating Officer) is held to review new incidents of note and monitor closure of Root Cause Analyses, complaints, Learning from Death cases and claims 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, litigation and Freedom to Speak Up concerns monthly as part of the routine Quality & Patient Safety report. Through the quality and contract performance meetings with the local Integrated Care Board the clinical performance and risk information is shared and scrutinised at System level.

8.4.9 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 Board (BSol ISB) and its constituent bodies, the Trust's Council of Governors, NHS England, CQC, Specialised Commissioners, Subcontractors, Voluntary Groups, the Trust's membership, patients and the local community. A Patient Engagement and Experience Group and a Patient Forum are also in place which provide 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 was limited during the first part of the year but has returned largely to normal now albeit using virtual technology in some cases. The opportunity has been taken to engage on matters such as the use of the virtual clinic environment and virtual 'Coffee Catch Up' meetings have been held. The Trust Board also hears about specific patient stories at each of its sessions in public, where lessons learned are highlighted, particularly where there is evidence that there has been a shortfall in care or patient experience.

***8.4.10 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 (but not limited to) 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 ROH 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. 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 Equality, Diversity and Inclusion workstream. This work will be progressed through the ICS People Board in addition to other joint priorities around workforce across the region.

Workforce (Nursing) operational safeguards are continuous monitored in real time to ensure patient and staff safety. The clinical site team, matron and Heads of Nursing monitor staffing level, using Safercare (allocate) and the Safe Nursing Care Tool embedded in the system to aid with triangulation of safer staffing levels against professional judgement. Matron/ site team oversee daily staffing huddles , which are designed to ensure skill mix against acuity and to allow the teams to plan ahead for changing staffing and acuity. In addition, the nursing teams carry our twice yearly establishments reviews, taking into account new roles and how they can ensure career development while ensuring skill mix. Safer staffing levels are reported externally monthly to unify (fill rates, Care Hour per patient day (CHPPD)) and staffing levels are displayed at the entrance of all ward as per the national quality board requirement. Internally this information is presented bi-monthly to Quality and Safety Committee for assurance.

Talent management and succession planning are also a key feature of the Trust's People Plan, enabling 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. Led by the Chief Executive and supported by the Chief People Officer the Trust regularly reports to Board and Sub Committees in relation to the interventions and support available to staff to maintain their wellbeing with a particular focus been given to supporting staff with the Cost of Living crisis. In addition, the Trusts Inclusion strategy sets out a clear framework for how we will enable every colleague at the ROH to be their authentic self and this is regularly monitored through assurance reporting to Board and Sub Board. It is anticipated that these specific strategies will positively impact on the future workforce sustainability through improved

morale, attendance and retention. Alongside side this the Board have commenced the monitoring of staff retention through monthly reporting.

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.

8.4.11 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. There are two actions requiring closure, both of which have been given focus during the year: firstly, breaking bad news training, where training is now set up on the Electronic Staff Record (ESR) and secondly the continuing need to develop solutions to overcome the fragmentation of the Trust's information systems. The latter action will take some months to address, given the need to ensure that major systems align with the Birmingham and Solihull Integrated Care System digital strategy. Work is underway to implement an Electronic Patient Record over the coming financial year which will be a major piece of work to address the CQC recommendation.

Further work is planned during 2023/24 to self-assess the Trust's position against the new CQC framework, taking into account the requirements of the Single Assessment Framework published in 2022/23.

8.4.12 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 2022/23, 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. In the meantime, some dedicated work has been undertaken to ensure that all those covered by the Conflict of Interest policy have provided a refreshed declaration covering the current year.

8.4.13 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.

8.4.14 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's 'Green Board' has continued to meet which provides oversight of progress with the work to achieve the requirements under these pieces of guidance & legislation.

8.5 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 2023/24 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 has mandated the patient level data collection for Community and Mental Health providers. The Trust continues to adhere to the national costing guidance and is providing detailed Patient level information to NHSE. The Trust has maintained the overall NHSE's costing assurance tool of 100% ensuring the Trust is fully compliant.

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 External Auditor's Annual Report 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.

8.6 Information Governance

During the year, the Trust reported 18 incidents relating to information governance and data security. None of these met the threshold for reporting to the Information Commissioner and/or the Department of Health and Social Services.

For the remaining incidents common themes are inappropriate access to information or wrong information sent or given usually caused by one-off staff errors or carelessness through not checking thoroughly.

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 and any training needs. This is monitored by the Information Governance Group and messages are cascaded to staff via training and awareness. Any patients affected by data breaches, either with them reporting issues or being impacted, are informed if needed and provided with explanations and apologies.

8.7 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.

8.8 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 2022/23, which states that the work of the Internal Audit programme concludes that there is 'Significant assurance with minor improvements required.'

The opinion notes that out of the nine assurance reports issued, three provided positive (either significant or significant with minor improvement opportunities) assurance opinions, four negative (partial assurance with improvements required and no assurance) assurance opinions and two advisory reports. The opinion in the overall report states that in the view of the Head of Internal Audit, there were no specific issues identified during the year that needed to be raised as significant control issues within this Annual Governance Statement.

Other steps taken during 2022/23 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 was devised and a Board strategic work & development plan has been produced which was considered at the April 2022 meeting, with a further update planned for the May 2023 meeting.
- Face to face walkabouts by Non Executive Directors resumed during the year.
- Some Non Executive Directors took the opportunity to join operational meetings to gain additional assurance and to offer support.
- Executive 'Chat and Check' visits 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, including a session for the organisation to describe the implementation of the forthcoming Patient Safety Incident Response Framework.
- The Board Assurance Framework was presented more frequently than quarterly to provide additional assurance to the Board that key risks were being well managed and the format was refreshed to provide additional detail and clarity on the actions being taken to mitigate the risks.
- The clinical and corporate governance teams were amalgamated under a Director of Governance during the year to provide strengthened ability to triangulate risks, incidents and Freedom to Speak Up concerns.

- 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 theatre management team to improve efficiency and safety in the theatres environment.
- Recruitment of a set of nine Freedom to Speak Up champions.
- Development of the Trust's staff networks to allow staff to speak up and share experiences that impact on their ability to work well in the organisation.
- Enhanced oversight of the Trust's operations through the appointment of a Deputy Chief Operating Officer, supported by Associate Directors of Operations.
- Appointment of new clinical Non Executives which provide new and refreshed challenge and support for the Board and the Quality & Safety Committee.
- Committee effectiveness reviews have been started, with the review focussed on the Quality & Safety Committee completed and those for the other Committees underway.
- Work underway to source a more fit for purpose risk and incident management system.

During the year and in line with the assurance in the Head of Internal Audit's Opinion, there were no significant internal control issues.

8.9 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 2023/24 to the continued development of our governance and control system building on the progress and learning undertaken in 2022/23 and prior years.

Chief Executive Date: 26 June 2023

The Royal Orthopaedic Hospital NHS Foundation Trust

Consolidated Accounts for the year ended 31 March 2023

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

Opinion

In our opinion the financial statements of The Royal Orthopaedic Hospital NHS Foundation Trust (the 'foundation trust') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and foundation trust's affairs as at 31 March 2023 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting 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 and trust only 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 35.

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 opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 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.

We have nothing to report in this regard.

Responsibilities of accounting officer

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We discussed among the audit engagement team team including relevant internal specialists such as IT and Real Estate 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 or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- Completeness and accuracy of accruals and provisions recorded at 31 March 2023: we obtained an understanding of the key controls in place to ensure the completeness and accuracy of accruals and provisions; we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2023; 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 at 31 March 2023 and the value to be provided.

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

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

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

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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

In our opinion:

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

Matters on which we are required to report by exception

Use of resources

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

We have nothing to report in respect of this matter.

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

Annual Governance Statement and compilation of financial statements

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

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

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

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

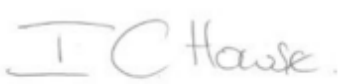
We have nothing to report in respect of these matters.

Certificate of completion of the audit

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

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of 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
30 June 2023

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2023 issued on 30 June 2023 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 2023 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 England; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

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

In our audit report for the year ended 31 March 2023 issued on 30 June 2023, we were required to report to you if we had not been able to satisfy ourselves that the foundation trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We had nothing to report in respect of this matter.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2023 issued on 30 June 2023, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our statement on consolidation schedules. We have now completed our work in this area.

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

We certify that we have completed the audit of 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 issued by the Comptroller & Auditor General.

Ian Howse, CPFA, CPA (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Cardiff, United Kingdom
31 July 2023

FOREWORD TO THE ACCOUNTS

The Royal Orthopaedic Hospital NHS Foundation Trust

The accounts for the year ended 31 March 2023 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

Dated 26 June 2023

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

		Group	
		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	3	121,831	109,533
Other operating income	4	5,818	6,052
Operating expenses	6	(125,288)	(113,783)
Operating surplus from continuing operations		**2,361**	**1,802**
Finance income	12	289	45
Finance expenses	13	(55)	(313)
PDC dividends payable		(1,154)	(1,151)
Net finance costs		**(920)**	**(1,419)**
Surplus for the year from continuing operations		**1,441**	**383**
Surplus for the year		**1,441**	**383**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(152)	(1,702)
Revaluations	9	2,827	285
May be reclassified to income and expenditure when certain conditions are met:			
Fair value (losses)/gains on financial assets mandated at fair value through OCI	18	(80)	34
Total comprehensive income / (expense) for the period		**4,036**	**(1,000)**
Surplus for the period attributable to:			
The Royal Orthopaedic Hospital NHS Foundation Trust		1,441	383
TOTAL		**1,441**	**383**
Total comprehensive income/ (expense) for the period attributable to:			
The Royal Orthopaedic Hospital NHS Foundation Trust		4,036	(1,000)
TOTAL		**4,036**	**(1,000)**

All income and expenditure is derived from continuing operations. The is no surplus attributable to minority interests.

In line with the requirements of the Department of Health Group Accounting Manual, the Group has taken advantage of the exemption to present a Trust only Statement of Comprehensive Income. The Trust had a surplus of £1,501,000 (2021/22: £278,000 surplus), and a total comprehensive surplus (after impairments and revaluations) of £4,176,000 (2021/22 £1,139,000 loss). The Group returned a surplus of £1,441,000 (2021/22 £383,000 surplus).

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
CONSOLIDATED AND TRUST ONLY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		Group		Trust	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	14	1,339	1,536	1,339	1,536
Property, plant and equipment	15	50,922	45,448	50,922	45,448
Right of use assets	16	18,201	-	18,201	
Other investments / financial assets	18	907	987	-	-
Total non-current assets		**71,369**	**47,971**	**70,462**	**46,984**
Current assets					
Inventories	21	19	359	19	359
Receivables	22	12,839	10,502	12,839	9,946
Other investments / financial assets	19	119	80	-	-
Cash and cash equivalents	23	8,790	11,891	7,591	11,147
Total current assets		**21,767**	**22,832**	**20,449**	**21,452**
Current liabilities					
Trade and other payables	24	(20,242)	(13,338)	(20,229)	(13,323)
Borrowings	26	(2,872)	(268)	(2,872)	(268)
Provisions	27	(59)	(253)	(59)	(253)
Other liabilities	25	(273)	(744)	(273)	(744)
Total current liabilities		**(23,446)**	**(14,603)**	**(23,433)**	**(14,588)**
Total assets less current liabilities		**69,690**	**56,200**	**67,478**	**53,848**
Non-current liabilities					
Borrowings	26	(15,467)	(789)	(15,467)	(789)
Provisions	27	(1,270)	(7,565)	(1,270)	(7,565)
Total non-current liabilities		**(16,737)**	**(8,354)**	**(16,737)**	**(8,354)**
Total assets employed		**52,953**	**47,846**	**50,741**	**45,494**
Financed by					
Public dividend capital		60,605	59,534	60,605	59,534
Revaluation reserve		3,356	681	3,356	681
Income and expenditure reserve		(13,220)	(14,721)	(13,220)	(14,721)
Charitable fund reserves	20	2,212	2,352	-	-
Total taxpayers' equity		**52,953**	**47,846**	**50,741**	**45,494**

The notes on pages 184 to 227 form part of these accounts.

The financial statements were approved by the Board of Directors on 26 June 2023 and are signed on its behalf by:

Mrs. Joanne Williams – Chief Executive Officer

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	GROUP					TRUST				
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**59,534**	**681**	**(14,721)**	**2,352**	**47,846**	**59,534**	**681**	**(14,721)**	**45,494**
Surplus/(deficit) for the year	-	-	1,501	(60)	**1,441**	-	-	1,501	**1,501**
Impairments	-	(152)	-	-	**(152)**	-	(152)	-	**(152)**
Revaluations	-	2,827	-	-	**2,827**	-	2,827	-	**2,827**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	(80)	**(80)**	-	-	-	**-**
Public dividend capital received	1,071	-	-	-	**1,071**	1,071	-	-	**1,071**
Taxpayers' and others' equity at 31 March 2023	**60,605**	**3,356**	**(13,220)**	**2,212**	**52,953**	**60,605**	**3,356**	**(13,220)**	**50,741**

	GROUP					TRUST			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**58,536**	**2,098**	**(14,999)**	**2,213**	**47,848**	**58,536**	**2,098**	**(14,999)**	**45,635**
Surplus/(deficit) for the year	-	-	(215)	598	**383**	-	-	(215)	**(215)**
Impairments	-	(1,702)	-	-	**(1,702)**	-	(1,702)	-	**(1,702)**
Revaluations	-	285	-	-	**285**	-	285	-	**285**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	34	**34**	-	-	-	**-**
Public dividend capital received	998	-	-	-	**998**	998	-	-	**998**
Other reserve movements	-	-	493	(493)	**-**	-	-	493	**493**
Taxpayers' and others' equity at 31 March 2022	**59,534**	**681**	**(14,721)**	**2,352**	**47,846**	**59,534**	**681**	**(14,721)**	**45,494**

Information on reserves

Public dividend reserve

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

Revaluation Reserve

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

Income and expenditure reserve

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

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted, a breakdown is provided in the note 20.

THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		Group		Trust	
		2022/23	2021/22	2022/23	2021/22
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		2,361	1,802	2,463	1,736
Non-cash income and expense:					
Depreciation and amortisation	6	5,256	2,798	5,256	2,798
Net impairments	8	(1,215)	361	(1,215)	361
(Increase) in receivables and other assets		(2,873)	(1,646)	(2,873)	(1,646)
(Increase) / decrease in inventories		340	1,441	340	1,441
Increase in payables and other liabilities		7,048	3,897	7,048	3,897
(Decrease) / increase in provisions		(6,367)	3,937	(6,367)	3,937
Movements in charitable fund working capital		558	(583)	-	-
Other movements in operating cash flows		(1)	2	(1)	-
Net cash flows from operating activities		**5,107**	**12,009**	**4,651**	**12,524**
Cash flows from investing activities					
Interest received		247	6	247	6
Purchase of intangible assets		(364)	(393)	(364)	(393)
Purchase of PPE and investment property		(5,213)	(5,684)	(5,213)	(5,684)
Net cash flows used in investing activities		**(5,330)**	**(6,071)**	**(5,330)**	**(6,071)**
Cash flows from financing activities					
Public dividend capital received		1,071	998	1,071	998
Movement on other loans		(106)	(569)	(106)	(569)
Capital element of lease liability repayments		(2,492)	(260)	(2,492)	(260)
Interest on loans		-	(18)	-	(18)
Interest paid on lease liability repayments		(177)	(201)	(177)	(201)
PDC dividend (paid) / refunded		(1,174)	(959)	(1,174)	(959)
Net cash flows used in financing activities		**(2,878)**	**(1,009)**	**(2,878)**	**(1,009)**
(Decrease) / increase in cash and cash equivalents		**(3,101)**	**4,929**	**(3,557)**	**5,444**
Cash and cash equivalents at 1 April - brought forward		**11,891**	**6,962**	**11,147**	**5,703**
Cash and cash equivalents at 31 March	23	**8,790**	**11,891**	**7,590**	**11,147**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies and other information

1.1 Basis of preparation

NHS England 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 GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, 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.

1.3 Consolidation

NHS Charitable Fund

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

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

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

The Charity's accounts prepared 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 comprises of 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).

1.4 Revenue from contracts with customers

Where income 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 asset that is not classified as a tax by the Office of National Statistics (ONS)

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

Revenue from NHS Contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increases or reduces the income earned by the Trust at a rate of 75% of the tariff price.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery

targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

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

Revenue from research contracts

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

NHS injury cost recovery scheme

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

1.5 Other sources of Income

Grants and donations

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

Apprenticeship service income

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

1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension Costs

NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS 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, general practices and other bodies, allowed under the direction of Secretary of State of Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises as actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

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

1.7 Expenditure on other goods and services

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

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.

1.8 Discontinued Operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

1.9 Property, plant and equipment

Recognition

Property, Plant and Equipment is capitalised where:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or services potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

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

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

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where VAT is recoverable by the entity.

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

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

Depreciation

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

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

Revaluation gains and losses

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

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

Gains and Losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income of 'other comprehensive income'.

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).

Impairments

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

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

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

De-recognition

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

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

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

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment. This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Leased Assets

Leased assets are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with HM Treasury FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement components of the asset,

Useful Lives of property, plant and equipment

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

Type	Min Life Years	Max Life Years
Land	N/A	N/A
Buildings excluding Dwellings (as per valuer's report 31 March 2023)	23	55
Dwellings (as per valuer's report 31 March 2023)	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

1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

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.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are values at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are 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 a manner intended by management. They are amortised over the expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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

	Min Life	Max Life
Intangible assets - purchased	Years	Years
Software Licences	3	7

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.

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

1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with significant risk of change in value.

In the statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.13 Financial assets and financial liabilities

Recognition

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial commitment. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's nominal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs. ie. when receipt or delivery of the goods or services is made.

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised costs, fair value through other comprehensive income.

Financial Liabilities classified subsequently measured at amortised cost, fair value through other comprehensive income.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income expense.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment, for contract and other receivables, contract assets and lease receivables, measuring expected losses at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

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.

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.

Expected losses are charges to operating expenditure within the Statement of Comprehensive Income and reduce the new carrying value of the financial assets in the Statement of Financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred subsequently all the risk and rewards of ownership.

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

1.14 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that so not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as Lessee

Initial recognition and measurement

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

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

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

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

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5000, excluding irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

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

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

The Trust as lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

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

The Trust as a lessee

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

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

The Trust as lessor

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

2021/22 comparatives

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

1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023.

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

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

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

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the

Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 27 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

The Trust has also taken out additional insurance to cover claims in excess of £1 million, (2021/22 1 Million).

1.16 Public Dividend Capital (PDC)

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Organisation HM Treasury has determined that PDC is not a financial instrument with the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care, (as the issuer of PDC) the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.17 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of fixed assets. Where output tax is charged or input VAT is recoverable, the amount are stated net of VAT.

1.18 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable for energy consumption.

1.19 Foreign currencies

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency are translated into the functional currency at the spot exchange rate on the date of the transaction.

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

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historic costs are translated using spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities at fair value are translated using the spot rate at the date the fair value was determined

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

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

1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*. (see note 33).

1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses. (See note 31).

1.22 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.

1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

1.24 Critical accounting judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements;

<u>Categorisation of leases as operating or finance leases</u>

Lease arrangements are categorised as either operating leases or finance leases in line with the accounting policy above IFRS 16 (see note 1.14).

There are considered to be no critical accounting judgements that require disclosure within 2022/23.

1.25 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 2023 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 27) where there is some uncertainty at the Statement of Financial Position date to either the timing or the amount of the Group's financial liability.

Where the effect of the time value of money is significant, the estimate risk-adjusted cash flows are discounted using the discount rates published and maintained by HM Treasury. Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 3.51% (2021/22 0.95%).

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 patient 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 Trusts 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 Operating Segments

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.

	GROUP			
		2022/23		2021/22
	£000		£000	
Income from Whole HM Government	114,428	91.21%	106,430	92.08%
Income from non-HM Government	11,032	8.79%	9,155	7.92%
	125,460	100.00%	115,585	100.00%

All business activities of the Trust are continually reviewed for material segments.

3 Operating income from patient care activities (Group)

3.1 Income from patient care activities (by nature)

	2022/23	2021/22
	£000	£000
Acute services		
Income from commissioners under API contracts*	111,826	98,902
Other NHS clinical income	-	1,865
All services		
Private patient income	3,360	1,942
Elective recovery fund	-	3,267
Additional pension contribution central funding**	2,602	2,396
Additional Agenda for change central funding	2,189	-
Other clinical income	1,854	1,161
Total income from activities	**121,831**	**109,533**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

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

3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2022/23 £000	2021/22 £000
NHS England	32,683	27,671
Clinical commissioning groups	19,428	76,912
Integrated care boards	64,497	-
Other NHS providers	-	1,865
Non-NHS: private patients	3,360	1,942
Injury cost recovery scheme	9	(18)
Non NHS: other	1,854	1,161
Total income from activities	**121,831**	**109,533**
Of which:		
Related to continuing operations	121,831	109,533
Related to discontinued operations	-	-

In July 2022 the Clinical commissioning groups were replaced by Integrated Care Boards, the effect of this on the source of the trust's income can be seen in the table above.

The Trust has deemed all income from patient care activities as being in relation to commissioner related services except for any private patient income.

Included within Contract system envelope is £2,602m (2021/22: £2.396m) relating to additional pension contribution.

4 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	461	-	**461**	384	-	**384**
Education and training	2,661	-	**2,661**	2,473	-	**2,473**
Income in respect of employee benefits accounted on a gross basis	1,500	-	**1,500**	1,349	-	**1,349**
Charitable and other contributions to expenditure	-	-	**-**	-	423	**423**
Charitable fund incoming resources	-	118	**118**	-	650	**650**
Other income	1,078	-	**1,078**	773	-	**773**
Total other operating income	**5,700**	**118**	**5,818**	**4,979**	**1,073**	**6,052**
Of which:						
Related to continuing operations			5,818			6,052
Related to discontinued operations			-			-

5 Additional information on contract revenue (IFRS 15) recognised in the period

	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	273	744

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

5.1 Income from activities arising from commissioner requested services

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

	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	124,289	113,643
Income from services not designated as commissioner requested services	3,360	1,942
Total	**127,649**	**115,585**

There was no overseas patient income received within the year.

6 Operating Expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,366	3,055
Purchase of healthcare from non-NHS and non-DHSC bodies	16,177	18,374
Staff and executive directors costs	75,058	65,214
Remuneration of non-executive directors	146	150
Supplies and services - clinical (excluding drugs costs)	3,761	3,570
Supplies and services - general	1,021	826
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,423	1,365
Consultancy costs	295	341
Establishment	1,522	1,271
Premises	7,239	5,787
Transport (including patient travel)	129	98
Depreciation on property, plant and equipment	4,890	2,491
Amortisation on intangible assets	366	307
Net impairments	(1,215)	361
Movement in credit loss allowance: contract receivables / contract assets	2,671	(94)
Fees payable to the external auditor		
audit services- statutory audit	100	83
Internal audit costs	135	121
Clinical negligence	2,681	3,347
Legal fees	130	46
Insurance	142	133
Research and development	49	32
Education and training	703	490
Expenditure on low value leases (current year only)	897	-
Operating leases expenditure (comparative only)	-	2,790
Car parking & security	147	126
Losses, ex gratia & special payments	12	12
Other services, eg external payroll	346	328
Other NHS charitable fund resources expended	151	3
Other	2,946	3,156
Total	**125,288**	**113,783**
Of which:		
Related to continuing operations	125,288	113,783
Related to discontinued operations	-	-

7 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work in £1 million (2021/22 - £1 million).

8 Impairment of assets (Group)

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus resulting from:		
Changes in market price	(1,215)	361
Total net impairments charged to operating surplus / deficit	**(1,215)**	**361**
Impairments charged to the revaluation reserve	152	1,702
Total net impairments	**(1,063)**	**2,063**

9 Revaluation of Assets (Group)

	2022/23	2021/22
	£000	£000
Opening Revaluation reserve at 1 April	681	2,098
Net impairments	(152)	(1,702)
Revaluations	2,827	285
Closing Revaluation reserve at 31 March	**3,356**	**681**

10 Employee benefits (Group)

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	54,123	47,762
Social security costs	5,507	4,839
Apprenticeship levy	254	218
Employer's contributions to NHS pensions	8,493	7,856
Pension cost - other	17	13
Temporary staff (including agency)	6,595	4,443
NHS charitable funds staff	69	83
Total gross staff costs	**75,058**	**65,214**
Recoveries in respect of seconded staff	-	-
Total staff costs	**75,058**	**65,214**
Of which		
Costs capitalised as part of assets	-	-

10.1 Retirements due to ill-health (Group)

During 2022/23 there were no early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is 0k (0k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

11 Pension Costs

Past and present employees are covered by the provisions of the two 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, general practices and other bodies, allowed under the direction of Secretary of State of Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial

valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises as actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

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

12 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	247	6
NHS charitable fund investment income	42	39
Total finance income	**289**	**45**

13 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on other loans	-	18
Interest on lease obligations	177	201
Total interest expense	**177**	**219**
Unwinding of discount on provisions	(122)	94
Total finance costs	**55**	**313**

14 Intangible assets (Group)

14.1 Intangible assets - 2022/23

	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**3,829**	**3,829**
Additions	169	**169**
Valuation / gross cost at 31 March 2023	**3,998**	**3,998**
Amortisation at 1 April 2022 - brought forward	**2,293**	**2,293**
Provided in the year	366	**366**
Amortisation at 31 March 2023	**2,659**	**2,659**
Net book value at 31 March 2023	**1,339**	**1,339**
Net book value at 1 April 2022	**1,536**	**1,536**

14.2 Intangible assets - 2021/22

Group	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2021 -	**3,241**	**3,241**
Additions	588	**588**
Valuation / 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 at 31 March 2022	**1,536**	**1,536**
Net book value at 1 April 2021	**1,255**	**1,255**

15 Property, plant and equipment for the year ended 31 March 2023

15.1 Property, plant and equipment - 2022/23

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**5,021**	**31,411**	**540**	**164**	**16,111**	**84**	**7,203**	**151**	**60,685**
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(951)	-	-	-	**(951)**
Additions	-	1,892	-	481	850	-	1,542	30	**4,795**
Impairments	-	(240)	-	-	-	-	-	-	**(240)**
Reversals of impairments	412	891	-	-	-	-	-	-	**1,303**
Revaluations	592	1,326	19	-	-	-	-	-	**1,937**
Reclassifications	-	157	-	(157)	-	-	-	-	**-**
Valuation/gross cost at 31 March 2023	**6,025**	**35,437**	**559**	**488**	**16,010**	**84**	**8,745**	**181**	**67,529**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**10,253**	**29**	**4,864**	**91**	**15,237**
Provided during the year	-	881	19	-	801	9	542	8	**2,260**
Revaluations	-	(871)	(19)	-	-	-	-	-	**(890)**
Accumulated depreciation at 31 March 2023	**-**	**10**	**-**	**-**	**11,054**	**38**	**5,406**	**99**	**16,607**
Net book value at 31 March 2023	**6,025**	**35,427**	**559**	**488**	**4,956**	**46**	**3,339**	**82**	**50,922**
Net book value at 1 April 2022	**5,021**	**31,411**	**540**	**164**	**5,858**	**55**	**2,339**	**60**	**45,448**

15.2 Property, plant and equipment - 2021/22

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**5,021**	**30,708**	**546**	**2,168**	**14,113**	**83**	**6,699**	**91**	**59,429**
Additions	-	1,251	-	1,084	1,019	1	504	60	**3,919**
Impairments	-	(2,164)	-	-	-	-	-	-	**(2,164)**
Reversals of impairments	-	88	13	-	-	-	-	-	**101**
Revaluations	-	(581)	(19)	-	-	-	-	-	**(600)**
Reclassifications	-	2,109	-	(3,088)	979	-	-	-	**-**
Valuation/gross cost at 31 March 2022	**5,021**	**31,411**	**540**	**164**	**16,111**	**84**	**7,203**	**151**	**60,685**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**-**	**-**	**-**	**9,306**	**20**	**4,215**	**90**	**13,631**
Provided during the year	-	866	19	-	947	9	649	1	**2,491**
Revaluations	-	(866)	(19)	-	-	-	-	-	**(885)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**10,253**	**29**	**4,864**	**91**	**15,237**
Net book value at 31 March 2022	**5,021**	**31,411**	**540**	**164**	**5,858**	**55**	**2,339**	**60**	**45,448**
Net book value at 1 April 2021	**5,021**	**30,708**	**546**	**2,168**	**4,807**	**63**	**2,484**	**1**	**45,798**

15.3 Property, plant and equipment financing – 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	6,025	32,313	559	488	4,916	46	3,339	82	-	**47,768**
Owned - donated/granted	-	3,114	-	-	40	-	-	-	-	**3,154**
NBV total at 31 March 2023	**6,025**	**35,427**	**559**	**488**	**4,956**	**46**	**3,339**	**82**	**-**	**50,922**

15.4 Property, plant and equipment financing – 31 March 2022

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	5,021	28,160	540	164	4,834	55	2,339	60	-	**41,173**
Finance leased	-	-	-	-	936	-	-	-	-	**936**
Owned - donated/granted	-	3,251	-	-	88	-	-	-	-	**3,339**
NBV total at 31 March 2022	**5,021**	**31,411**	**540**	**164**	**5,858**	**55**	**2,339**	**60**	**-**	**45,448**

15.5 Property, plant and equipment assets subject to an operating lease (Trust as a Lessor) – 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	-	-	-	-	-	-	-	-	**-**
Not subject to an operating lease	6,025	35,427	559	488	4,956	46	3,339	82	-	**50,922**
NBV total at 31 March 2023	**6,025**	**35,427**	**559**	**488**	**4,956**	**46**	**3,339**	**82**	**-**	**50,922**

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 2023)	23	55
Dwellings (as per valuer's report 31 March 2023)	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

16 Leases - The Royal Orthopaedic Hospital NHS Foundation Trust as a lessee

The Trust has entered into leases for under the classifications of land - in relation to Car Parking facilities, Buildings - in relation to Modular Theatres and Equipment in relation to medical assets.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 16.1 Right of use assets - 2022/23

Group	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	951	**951**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	14,614	670	**15,284**	-
Additions	2,252	668	**2,920**	-
Remeasurements of the lease liability	1,676	-	**1,676**	-
Valuation/gross cost at 31 March 2023	**18,542**	**2,289**	**20,831**	**-**
Provided during the year	2,207	423	**2,630**	-
Accumulated depreciation at 31 March 2023	**2,207**	**423**	**2,630**	**-**
Net book value at 31 March 2023	**16,335**	**1,866**	**18,201**	**-**

Net book value of right of use assets leased from other NHS providers	-
Net book value of right of use assets leased from other DHSC group bodies	-

16.2 Revaluation of right of use assets

Right of use assets, due to their recognition at the present value of future lease payments are not revalued with the exception of Land. Land, though leased is at a nominal peppercorn rental where the recognition of future lease payments would not reflect the true replacement cost, for this reason land is carried at revalued costs.

17 Recognition of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 17.1 .

	Group	Trust
	2022/23	2022/23
	£000	£000
Carrying value at 31 March 2022	**951**	**951**
IFRS 16 implementation - adjustments for existing operating leases	15,284	**15,284**
Transfers by absorption	-	**-**
Lease additions	2,920	**2,920**
Lease liability remeasurements	1,676	**1,676**
Interest charge arising in year	177	**177**
Early terminations	-	**-**
Lease payments (cash outflows)	(2,669)	**(2,669)**
Other changes	-	**-**
Carrying value at 31 March 2023	**18,339**	**18,339**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognized in operating expenditure.

These payments are disclosed in note 6, cash outflows in respect of leases recognized on SoFP are disclosed in the reconciliation above

17.1 Maturity analysis of future lease payments as at 31 March 2023

	Group		Trust	
	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March 2023	31 March 2023	31 March 2023	31 March 2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	2,872	-	2,872	-
- later than one year and not later than five years;	10,574	-	10,574	-
- later than five years.	6,672	-	6,672	-
Total gross future lease payments	**20,118**	**-**	**20,118**	**-**
Finance charges allocated to future periods	(1,779)	-	(1,779)	-
Net lease liabilities at 31 March 2023	**18,339**	**-**	**18,339**	**-**
Of which:				
- Current	2,872	-	2,872	-
- Non-Current	15,467	-	15,467	-

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

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

	Group	Trust
	31 March 2022	31 March 2022
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	328	328
- later than one year and not later than five years;	1,037	1,037
- later than five years.	-	-
Total gross future lease payments	**1,365**	**1,365**
Finance charges allocated to future periods	(414)	(414)
Net finance lease liabilities at 31 March 2022	**951**	**951**
of which payable:		
- not later than one year;	162	162
- later than one year and not later than five years;	789	789

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

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

	Group	Trust
	2021/22	2021/22
	£000	£000
Operating lease expense		
Minimum lease payments	2,790	2,790
Total	**2,790**	**2,790**

	Group	Trust
	31 March 2022	31 March 2022
	£000	£000
Future minimum lease payments due:		
- not later than one year;	2,441	2,441
- later than one year and not later than five years;	9,263	9,263
- later than five years.	6,826	6,826
Total	**18,530**	**18,530**
Future minimum sublease payments to be received	-	-

17.4 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.
The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.14.

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

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

	Group 1 April 2022	Trust 1 April 2022
	£000	£000
Operating lease commitments under IAS 17 at 31 March 2022	**18,530**	**18,530**
Impact of discounting at the incremental borrowing rate	**(2,924)**	**(2,924)**
IAS 17 operating lease commitment discounted at incremental borrowing rate	**15,606**	**15,606**
Less:		
Commitments for leases of low value assets	(322)	(322)
Finance lease liabilities under IAS 17 as at 31 March 2022	951	951
Other adjustments	-	
Total lease liabilities under IFRS 16 as at 1 April 2022	**16,235**	**16,235**

18 Other investments / financial assets (non-current)

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**987**	**953**	**-**	**-**
Movement in fair value through OCI	(80)	34	-	-
Carrying value at 31 March	**907**	**987**	**-**	**-**

Note 18.1 Other investments / financial assets (current)

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Other current financial assets	119	80	-	-
Total current investments / financial assets	**119**	**80**	**-**	**-**

Note: all investments are held by the Trust's associated charity which has been consolidated into these financial statements.

19.1 Short-term investments and deposits

The Consolidated group held short-term cash deposits within a multi-asset fund of £119,000 (2021/22: £80,000) managed by Cazenove Capital. The Trust does not hold any short-term cash deposits (2021/22: £nil).

20 Analysis of charitable fund reserves

The charitable funds shown below have all been consolidated within this set of accounts.

	31 March 2023	31 March 2022
	£000	£000
Unrestricted funds:		
Unrestricted income funds	765	844
Other restricted income funds	1,447	1,508
	2,212	**2,352**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objectives. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for the use rather than expended.

21 Inventories

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Opening Balance	359	1,800	359	1,800
Additions Purchased	1,423	423	1,423	423
Consumed	(1,763)	(1,864)	(1,763)	(1,864)
Total inventories	**19**	**359**	**19**	**359**
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £1,763k (2021/22: £1,864k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £0k of items purchased by DHSC (2021/22: £423k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

22 Receivables

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Contract receivables	4,747	2,909	4,747	2,909
Accrued receivables	3,904	-	3,904	-
Capital receivables	-	-	-	-
Allowance for impaired contract receivables / assets	(3,485)	(814)	(3,485)	(814)
Prepayments (non-PFI)	7,197	6,200	7,197	6,200
PDC dividend receivable	69	49	69	49
VAT receivable	405	1,088	405	1,088
Other receivables	2	514	2	514
NHS charitable funds receivables	-	556	-	556
Total current receivables	**12,839**	**10,502**	**12,839**	**10,502**
Non-current				
Other receivables	-	-	-	-
Total non-current receivables	**-**	**-**	**-**	**-**
Of which receivable from NHS and DHSC group bodies:				
Current	2,793	2,111	2,793	2,111
Non-current	-	-		

22.1 Allowance for credit losses 2022/23

	Group Contract receivables and contract assets	Trust Contract receivables and contract assets
	£000	£000
Allowances as at 1 Apr 2022 - brought forward	**814**	**814**
Changes in existing allowances	2,671	2,671
Allowances as at 31 Mar 2023	**3,485**	**3,485**

The increase in the allowance for credit losses relates mainly to funding for elective recovery.

22.2 Allowance for credit losses 2021/22

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 Apr 2021	**908**	**908**
Utilisation of allowances (write offs)	(94)	(94)
Allowances as at 31 Mar 2022	**814**	**814**

23 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
At 1 April	**11,891**	**6,962**	**11,147**	**5,703**
Net change in year	(3,101)	4,929	(3,556)	5,444
At 31 March	**8,790**	**11,891**	**7,591**	**11,147**
Broken down into:				
Cash at commercial banks and in hand	1,201	745	2	1
Cash with the Government Banking Service	7,589	11,146	7,589	11,146
Total cash and cash equivalents as in SoFP	**8,790**	**11,891**	**7,591**	**11,147**
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Drawdown in committed facility	-	-	-	-
Total cash and cash equivalents as in SoCF	**8,790**	**11,891**	**7,591**	**11,147**

24 Trade and other payables

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Trade payables	6,195	4,151	6,195	4,151
Capital payables	110	723	110	723
Accruals	11,683	5,117	11,683	5,117
Receipts in advance and payments on account	-	119	-	119
Social security costs	724	1,605	724	1,605
VAT payables	19	-	19	-
Other taxes payable	661	-	661	-
Pension contributions payable	837	782	837	782
Other payables	-	826	-	826
NHS charitable funds: trade and other payables	13	15		
Total current trade and other payables	**20,242**	**13,338**	**20,229**	**13,323**
Non-current				
Total non-current trade and other payables	**-**	**-**	**-**	**-**
Of which payables from NHS and DHSC group bodies:				
Current	5,840	1,709		
Non-current	-	-		

“Amounts due to other related parties” above relates to the outstanding pension contributions at the balance sheet date.

25 Other liabilities

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	273	744	273	744
Total other current liabilities	**273**	**744**	**273**	**744**
Non-current				
Total other non-current liabilities	**-**	**-**	**-**	**-**

26 Borrowings

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Other loans	-	106	-	106
Lease liabilities*	2,872	162	2,872	162
Total current borrowings	**2,872**	**268**	**2,872**	**268**
Non-current				
Lease liabilities*	15,467	789	15,467	789
Total non-current borrowings	**15,467**	**789**	**15,467**	**789**

*The borrowings increase reflect the fact that the trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 17.1.

26.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2022/23	Loans from DHSC	Other loans	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**-**	**106**	**951**	**-**	**1,057**
Cash movements:					
Financing cash flows - payments and receipts of principal	-	(106)	(2,492)	-	**(2,598)**
Financing cash flows - payments of interest	-	-	(177)	-	**(177)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	15,284	-	**15,284**
Additions	-	-	2,920	-	**2,920**
Lease liability remeasurements	-	-	1,676	-	**1,676**
Application of effective interest rate	-	-	177	-	**177**
Carrying value at 31 March 2023	**-**	**-**	**18,339**	**-**	**18,339**

Group - 2021/22	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**-**	**675**	**1,211**	**-**	**1,886**
Cash movements:					
Financing cash flows - payments and receipts of principal	-	(569)	(260)	-	**(829)**
Financing cash flows - payments of interest	-	(18)	(201)	-	**(219)**
Non-cash movements:					
Application of effective interest rate	-	18	201	-	**219**
Carrying value at 31 March 2022	**-**	**106**	**951**	**-**	**1,057**

The balance on other loans relates to the sale and lease back of assets through a managed service provider. The prior year balance of £106k third party loan was settled in year, amount of £nil (£106,000 20/21).

27 Provisions for liabilities and charges analysis (Group)

Group	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2022	**191**	**40**	**7,587**	**7,818**
Arising during the year	-	-	204	**204**
Utilised during the year	(22)	-	(19)	**(41)**
Reversed unused	-	(28)	(6,502)	**(6,530)**
Unwinding of discount	(15)	-	(107)	**(122)**
At 31 March 2023	**154**	**12**	**1,163**	**1,329**
Expected timing of cash flows:				
- not later than one year;	47	12	-	**59**
- later than one year and not later than five years;	107	-	1,163	**1,270**
- later than five years.	-	-	-	**-**
Total	**154**	**12**	**1,163**	**1,329**

The reduction in other provisions relates to the release of a provision for a potential VAT payment. The Trust received formal notification from HMRC in the year which has confirmed that the trust would not be liable to pay this VAT.

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 1.7% (2021/22: minus 1.3%) in real terms. All Other claims are discounted using the real discount rate set by HM Treasury. The rates below have been applied for 2022/23:

Short-term (less than one year)	3.27%
Medium-term (one – five years)	3.20%
Long-term (later than 5 years)	3.51%

NHS Resolution as at 31 March 2023 has £11,201,384 (2021/22: £11,394,000) 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.

As at 31 March 2023, £11,201k was included in the provisions of NHS Resolution in respect of clinical negligence liabilities of the Royal Orthopaedic Hospital NHS Foundation Trust (31 March 2022; £11,394k).

28 Contractual Capital Commitments

	Group	
	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	2,073	1,770
Intangible assets	140	415
Total	**2,213**	**2,185**

Capital commitments include £297,236 for EPR IT project, £293,828 café refurbishment, £188,237 MRI Scanner, £112,438 Green energy, £103,090 Fluoroscopy machine, there is also £286,363 for 9 departmental refurbishment projects, in additions to 39 smaller Property, plant and equipment projects of £792,070. £140,163 intangible relates to the Pharmacy JAC project.

29 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	5,168	-	-	**5,168**
Cash and cash equivalents	7,591	-	-	**7,591**
Consolidated NHS Charitable fund financial assets	2,225	-	-	**2,225**
Total at 31 March 2023	**14,984**	**-**	**-**	**14,984**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	2,609	-	-	**2,609**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	11,147	-	-	**11,147**
Consolidated NHS Charitable fund financial assets	2,367	-	-	**2,367**
Total at 31 March 2022	**16,123**	**-**	**-**	**16,123**

29.1 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	**-**
Obligations under leases	18,339	-	**18,339**
Trade and other payables excluding non-financial liabilities	18,825	-	**18,825**
Provisions under contract	1,037	-	**1,037**
Total at 31 March 2023	**38,201**	**-**	**38,201**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Obligations under finance leases	951	-	**951**
Other borrowings	106	-	**106**
Trade and other payables excluding non-financial liabilities	11,599	-	**11,599**
Total at 31 March 2022	**12,656**	**-**	**12,656**

30 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
In one year or less	21,697	12,034	21,697	12,034
In more than one year but not more than five years	10,633	1,037	10,633	1,037
In more than five years	7,941	-	7,941	-
Total	**40,271**	**13,071**	**40,271**	**13,071**

31 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:

	2022/23		2021/22	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Bad debts and claims abandoned	12	2	1	-
Total losses	**12**	**2**	**1**	**-**
Special payments				
Ex-gratia payments	9	10	16	69
Total special payments	**9**	**10**	**16**	**69**
Total losses and special payments	**21**	**12**	**17**	**69**

32 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 2022/23:

Birmingham Women's and Children's NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
The Royal Wolverhampton NHS Trust
NHS Birmingham and Solihull ICB
NHS Black Country ICB
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB
NHS Cambridge and Peterborough ICB
NHS Coventry and Warwickshire ICB

NHS Derby and Derbyshire ICB
NHS Gloucestershire ICB
NHS Herefordshire and Worcestershire ICB
NHS Humber and North Yorkshire ICB
NHS Leicester, Leicestershire and Rutland ICB
NHS Lincolnshire ICB
NHS Nottingham and Nottinghamshire ICB
NHS Shropshire and Telford and Wrekin ICB
NHS Staffordshire and Stoke-on-Trent ICB
NHS West Yorkshire ICB
NHS Birmingham and Solihull CCG
NHS Black Country and West Birmingham CCG
NHS Coventry and Warwickshire CCG
NHS Herefordshire and Worcestershire CCG
NHS South East Staffordshire and Seisdon Peninsula CCG
Health Education England
NHS Resolution
NHS England
Department for Work and Pensions
NH Revenue and Customs
Ministry of defence
NHS Pension scheme
Welsh Health Bodies
Royal Orthopaedic Hospital NHS Foundation Trust Charity

The Trust has had material dealings with the following bodies during 2021/2022

Birmingham Women's and Children's Hospital NHS Foundation Trust
Birmingham Community Healthcare
Health Education England
HM Revenue and Customs
Midlands Regional Office
NHS Birmingham and Sandwell CCG
NHS Clack 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 Staff and Seisdon Peninsula
Sandwell and West Birmingham Hospitals NHS Trust
The Robert Jones and Agnus Hunt Orthopaedic Hospital NHS Foundation Trust
The Royal Wolverhampton NHS Trust
University Hospitals Birmingham NHS Foundation Trust
Welsh Health Bodies
The Royal Orthopaedic Hospitals NHS Foundation Trust Charity

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 £75,719 during the year (2021/22: £15,200).

33 Third Party Assets

The Trust held £455,140 in relation to advance payments from private patients in relation to treatment which is yet to take place (2021/22 £138,000). These payments have not been included within the Trust's financial statements for 2022/23.

34 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 2023 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.

35 Staff Costs

	Group			
			2022/23	2021/22
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	52,882	1,241	**54,123**	47,762
Social security costs	5,507	-	**5,507**	4,839
Apprenticeship levy	254	-	**254**	218
Employer's contributions to NHS pension scheme	8,493	-	**8,493**	7,856
Pension cost - other	17	-	**17**	13
Temporary staff	-	6,595	**6,595**	4,443
NHS charitable funds staff	69	-	**69**	83
Total gross staff costs	**67,222**	**7,836**	**75,058**	**65,214**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**67,222**	**7,836**	**75,058**	**65,214**
Of which				
Costs capitalised as part of assets	-	-	**-**	-

Average number of employees (WTE basis)

	Group			
			2022/23	2021/22
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	130	14	**144**	141
Ambulance staff	-	-	**-**	-
Administration and estates	407	55	**462**	459
Healthcare assistants and other support staff	181	28	**209**	194
Nursing, midwifery and health visiting staff	254	62	**316**	305
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	128	19	**147**	142
Healthcare science staff	1	0	**1**	1
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**1,101**	**178**	**1,279**	**1,242**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	-

[INTENTIONALLY LEFT BLANK]

NHS

The Royal Orthopaedic Hospital

NHS Foundation Trust

@ROHNHSFT