2022/23

ANNUAL REPORT AND ACCOUNTS

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

Contents

Introduction from the Chief Executive 6
Introduction from the Chair 10
Overview 13
- About Wye Valley NHS Trust 13
- Established in 2011 13
- Foundation Group 14
- Vision, values and objectives 14
- Structure of the Trust 14
- Trust objectives 2022/23 16
  - Quality improvement 16
  - Workforce and leadership 16
  - Sustainability 16
  - Integration 16
- Wye Valley NHS Trust at a glance 16
- Performance against key indicators 18
  - Care Quality Commission report (CQC) 18
  - Emergency department 19
  - Referral to Treatment (RTT)/52 weeks 19
  - RTT incomplete performance 20
  - Cancer care 20
- Finance and use of resources 20
- Patient Safety Learning 20
- Improvements to the Trust's estate and facilities 21
- Capital developments 22
- Quality Priorities 2022/23 22
- Transformation Developments 23
  - ED Sensory Development 23
  - Healthcare Support Workers – New to Care Project 23
- Review of the Trust's clinical services 23
  - Medical Division 23
  - Surgical Division 24
  - Integrated Care Division 25

Clinical Support Division 26
Key developments and achievements from 2022/23 26
Integrated care and partnership working 27
One Herefordshire Partnership 28
Key developments and achievements from 2022/23 28
Trust charity 29
Workforce and Organisational Development Strategy 30
Education 30
Key developments and achievements from 2022/23 31
Students and training at WVT 31
Recruitment and retention 32
Nursing recruitment interventions 32
The Health Care Support Worker Programme 33
People practices 33
Staff survey 34
Awards and recognition 35
Hereford Times Health and Social Care Awards 2022 35
HSJ Awards 36
University of Worcester Mentor Awards – recognising exceptional student support in practice 36
Freedom to Speak Up Guardian and Champions (FTSU) 36
Equality, Diversity and Inclusion (ED&I) 37
Armed Forces awareness 37
Modern slavery 37
Freedom of Information Requests 38
Performance analysis 39
National standards performance 2022/23 39
Patient experience 40
Learning from patient and carer experiences 40
Patient Advice and Liaison Service (PALS) 41
Friends and Family Test (FFT) 41
Complaints 42
Sustainability report 42
Emergency Preparedness, Resilience and Response 43
Information Governance (IG) 43

Corporate governance report 46
Directors' report 46
Trust Board 46
Changes on the Trust Board 46
Board members 47
Corporate governance framework 47
Sub-committees of the Trust Board 47
Sub-committee membership 48
Register of interests 49
Summary of Trust Board activities 2022/23 50
Committee programmes during 2022/23 51
Quality committee 51
Audit committee 52
Remuneration committee 53
Trust management board (TMB) 53
Charitable funds committee 53
PFI contract expiry committee 53
Executive risk management committee 53
Board performance and development 54
Annual governance statement 55
Scope of responsibility 55
The purpose of the system of internal control 55
Capacity to handle risk 55
Risk management process 56
Leadership of risk management and escalation 57
Executive Risk Committee 57
Data Security 58
Training 58
Risk appetite and tolerance 59
BAF risks 60
Future Strategic Risks 2023/24 65
Trust Board 66
Sub-committees of the Trust Board 67
The role of the Board's sub-committees 67

Quality Committee 67
Audit Committee 67
Remuneration Committee 67
Trust management board 67
Charitable Funds Committee 67
Board and sub-committee attendance 68
Clinical governance and risk 68
Operational performance and key targets 69
Integrated performance report 69
Risk register 69
Workforce planning 69
Register of interests 70
CQC registration requirements 70
Pensions 70
Equality, diversity and human rights legislation 71
Climate change 71
Review of economy, efficiency and effectiveness of the use of resources 71
Incidents and reporting 71
Data quality and governance 71
Compliance with NHS Provider Licence Trust Condition 4 72
Well led 75
Review of effectiveness 75
Conclusion 77
Remuneration and staff report 79
Methods used to assess the performance of Executive directors 79
Remuneration of the chair and non-executive directors 79
Directors salaries and allowances table – *this information is subject to audit* 80
Pensions Benefits 2022/23 – *this information is subject to audit* 81
Awards to past senior managers 81
Pay Ratio Commentary - *this information is subject to audit* 82
Disclosures of Trade Union facility time 83
Sickness Absence Figures for Wye Valley NHS Trust 2022/23 83
Staff costs – *this information is subject to audit* 84
Workforce profile (average headcount) 85

Gender Split for General Staff 85
Gender Split for Trust Board 85
Workforce by Disability 86
Workforce by Ethnicity 86
Workforce by Sexual Orientation 87
Exit packages - this information is subject to audit 87
Compensation for loss of office – this information is subject to audit 87
Off Payroll Engagements 87
Expenditure on consultancy 88
Compensations for loss of office 88
Financial performance 89
Statutory basis 89
Financial Performance 89
Financial Break-even 89
Trust Break-even Duty 89
Cost productivity improvement programme (CPIP) 91
Resources – Income and Expenditure 91
Resources - How the Trust spends its capital 92
Pension Liabilities 92
Better payment practice code 92
Counter fraud and corruption 93
Going Concern 93
Statement of disclosure for auditors 94
Statement of the chief executive's responsibilities as the accountable officer of the Trust 95
Statement of directors' responsibilities in respect of the accounts 96
Independent Auditor's Report to the Board of Directors of Wye Valley NHS Trust 97
Foreword to the accounts 97

Introduction from the Chief Executive

While contemplating how to sum up the last 12 months, it would be fair to say it's been a roller-coaster of a year.

We began the last financial year in April 2022 at National incident level 4 due to the pandemic and we remained at this level until June.

Throughout the year we had to constantly adjust to changes to testing regimes, visiting arrangements, Infection Prevention Control measures and social distancing rules and regulations.

The legacy of the pandemic then hit us in the winter when we faced the most challenging winter the NHS has ever faced, partly because of an increase in respiratory patients following two winters of supressed transmission due to lockdown.

And if that wasn't enough, we then had to contend with the fall-out from a wave of industrial action and the new set of challenges this brought.

This may read like a tale of woe, but despite the unprecedented pressures we have experienced, I'm delighted to be able to welcome you to a very positive annual report for 2022/23. I am exceptionally proud of the achievements we've made over the past year in delivering healthcare services to our patients, despite these mountainous challenges.

Before I get into the detail, first and foremost I would like to take the opportunity to formally thank every one of our staff members. Their dedicated and tireless efforts have been instrumental in ensuring we continued to provide high-quality safe care to our patients during these difficult times. Despite the many obstacles we faced, our staff rose to the occasion, putting the needs of our patients first, doing whatever it took to keep our services running. Their unwavering commitment to the people we serve has been reflected in the various accomplishments our Trust has achieved over the past year, and I would like to take a moment to highlight some of these.

Key areas of activity that we focused on included improving patient flow, developing our approach to integrated care and improving productivity.

Crucially, many of our own objectives tied in with those of the Herefordshire and Worcestershire Integrated Care Board which came into being last year and marked a significant shift in the mindset for the delivery of health and care services across the two counties.

Areas of focus under the Integrated Care Board umbrella included the reduction of long waits for elective care, the return of cancer waiting times to pre-pandemic levels, reducing ambulance handover times and developing plans to address workforce challenges.

In September 2022 we were already facing severe pressure with demand for services having reached winter levels – we knew we had to do something different if we were to continue providing safe services for our patients through the winter period.

By October, after many conversations and discussions, we introduced proactive "reverse boarding" – the process of moving patients from beds in ward to non-ward areas.

This created extra capacity on our wards to accept patients from the Emergency Department (ED) who needed admitting, which allowed a quicker through-put of patients in ED, and resulted in shorter ambulance handover times.

This came at a cost though, and throughout the winter months and well into spring, we continued using reverse boarding which, while easing the pressure in ED, spread the pressure across wards and increased the demand which ward staff had to absorb and manage.

Thanks to their tenacity, reverse boarding has been key to making our track record of ambulance handover times one of the best in the region – during one period, our handovers were 25 minutes shorter than handovers at neighbouring Trusts.

This particularly came into its own during the periods of strike action and meant we were, in some instances, able to offer mutual aid to other struggling neighbouring Trusts and receive some patients via ambulance who would have otherwise faced long delays in other hospitals.

Once again, it was a great example of team WVT stepping up when required.

In December, the Care Quality Commission announced its findings following an unannounced inspection carried out two months earlier, in October 2022.

It was good news for our patients as the inspectors upgraded the “inadequate” ratings to “requires improvement” in the safety, well led and overall domains for surgery.

Of course, while the results were pleasing, there is still a lot of work to do, it was a clear indication of our determination to become an NHS Trust which is rated “Good” overall in the coming years.

Our Foundation Group continues to go from strength to strength.

In October we refreshed the group’s strategy with a focus on prevention – “helping you to help yourself” – and last year we began quarterly board meeting, when the boards of all three Trusts in the group meet to benchmark and share best practice.

And jumping back to May last year, the Foundation Group links meant some Wye Valley NHS Trust patients were seen more quickly – as South Warwickshire University NHS Foundation Trust’s orthopaedic surgery waiting lists were among the lowest in England, some Wye Valley NHS Trust patients who were happy to travel to Warwick were treated there.

I’m very pleased to say that in December we were able to report particularly impressive performance in cancer care.

Our 28 day performance improved in all three cancer specialities with particular success in dermatology where new processes meant that in this month, 90 per cent of patients were informed of the outcome of their investigations within 28 days (target 75 per cent) and we reported a significant improvement in our 62 day Upper GI performance.

During the last year, the Trust has continued to prioritise the integration of technology and digital innovations into our services.

We have rapidly adopted digital technologies, such as virtual consultations and online portals, which enable patients to access the care they need, more quickly and safely.

I believe this is just the beginning, and we will continue to work towards enhancing our digital capabilities as we go forward.

With fuel rocketing in price, and the climate emergency we are all facing, I'm pleased to announce that this winter we have been able to switch over to new fossil-fuel free green heating in some of our buildings on the County Hospital site.

This puts the Trust at the forefront of national requirements for Trusts to reduce their carbon footprints and means the Trust is one of the greenest Trusts in the UK.

The new ground source heat pump, which is fed by 47, 200m deep boreholes on the County Hospital site, is able to keep two of the buildings warm without the use of fossil fuels for the first time.

And the good news is that plans to convert the whole of the hospital site into a fossil-free fuel zone are progressing following a successful bid for a further £21 m of government money.

This will allow the Trust to install more ground source heat pumps on the site – a move which is expected to further reduce the amount of carbon produced to heat the hospital by around 97 per cent – equivalent to saving 3,715 tonnes of carbon a year from going into the atmosphere.

With one eye looking over our shoulder at the space vacated after the last of the two hutted wards were demolished, and one eye looking to the future, we now have the shell of our new elective hub rising on the site adjacent to the new corridor which links the main building with our new ward block.

The previous tented corridor to give access to the new ward block – fondly nicknamed as the polytunnel by staff – was finally taken down in March and the new corridor brought into use.

The new £23 m elective hub is expected to open its doors to patients early next year, and is one of 50 which are being built across the country to help tackle the backlogs caused by COVID-19 and will offer patients quicker access to day case procedures.

It will help the Trust speed up elective surgeries and reduce waiting lists. Types of procedures will include day case surgeries such as Ear, Nose and Throat, cataracts and minor operations.
The two-storey centre will house assessment rooms, pre-op waiting rooms, two specialist operating theatres, a dedicated cataract suite for eye operations, recovery bays and associated facilities including a reception and staff offices.

We have also recently been informed that our case for a £16.5 m community diagnostic centre has been approved so work is underway to put together a robust business case to support such a facility which has the potential to bring so many benefits to our patients.

Overall, it's been a year that has had its highs and its lows, but what really sticks out in my mind is the tenacity and determination of Team WVT to deliver despite the odds.

I'd also like to pay tribute to our many patients who have heeded the pleas which have gone out, particularly during the winter months, to choose wisely and use alternatives to ED where possible. This has been key and allowed us to concentrate on the many really sick people we've had to care for and treat in our Emergency Department.

Looking ahead, there is no doubt that we will continue to face challenges in the coming year. But I am confident that we have the right team, the right values, and the right vision to navigate these challenges successfully.

In conclusion, I would like to thank all our staff, volunteers, partners and stakeholders for their invaluable contributions to the achievements of the Trust this year. It is because of your hard work and efforts that we have been able to maintain our commitment to excellence in healthcare throughout the pandemic.

I hope you find our annual report informative and useful, and that it demonstrates our continued dedication and commitment to delivering outstanding healthcare services to the people of Herefordshire and beyond.

Glen Burley, Chief Executive

Introduction from the Chair

It is my great pleasure to welcome you to Wye Valley NHS Trust's Annual Report and Accounts for the year financial year 2022/23.

As the Chair of this Trust, I am proud to lead a team of dedicated professionals who work tirelessly to deliver high-quality healthcare services to our local and regional communities.

Over the past year, our Trust has faced numerous challenges, including the ongoing COVID-19 pandemic, the busiest winter period the NHS has experienced and more recently, the industrial action which is affecting the health and care world.

Despite these obstacles, our staff have remained steadfast in their commitment to providing excellent patient care.

A key achievement over the past year has been the development of our workforce, with particular focus on staff wellbeing and engagement. We have implemented new training and development programmes, as well as support mechanisms to help our staff manage the challenges of working in a high-pressure environment.

In the face of the toughest winter yet, our staff members have proved their resilience once again and last year's NHS staff survey confirmed that, despite the onerous challenges faced, colleagues remain upbeat and positive about working for the Trust.

The results confirmed that we remain above the national average in all nine key themes based on the People Promise elements, with particularly strong and improving feedback about managers.

Staff reported feeling valued and supported, with a high level of confidence in the quality of care they are able to provide.

However, there is much work to as the Trust's results mirrored national figures with a slight downward trend overall.

A key focus remains supporting our staff and we will bolster our health and wellbeing offer to ensure we support and do all we can to care for our best asset – those who work tirelessly day after day to provide the quality of care they would want for their friends or relatives.

The national shortage of nursing staff is well documented in the media so it's with great pride that I can reference another staff success story – this time regarding our growing cohort of overseas nurses.

In 2022/23 we recruited a total of 90 overseas nurses, and thanks to the welcoming environment and huge support from our HR team, I can report a zero per cent turnover. The previous year we recruited 58 overseas nurses and had a turnover of nearly ten per cent.

Our overseas nurses are a crucial cohort of our nursing staff and I'm also pleased to announce that we have secured funding to bring across a further 80 overseas nurses in the coming 12 months.

One of our key priorities over the past year has been to improve access to healthcare services for patients across our community. We have invested in new technology and equipment to improve our diagnostic capabilities, and we have implemented new ways of working to ensure that patients can receive care closer to home.

We have also established new partnerships with community health providers, enabling us to deliver more integrated and personalised care to our patients.

I'd like to pay tribute to colleagues on the newly formed Herefordshire and Worcestershire Integrated Care Board for their spirit of co-operation and enthusiasm which is allowing us to deliver care more effectively and efficiently while ensuring that our patients continued to receive safe care and the best possible outcomes, while maintaining a strong focus on sustainability.

The Foundation Group to which this Trust belongs is maturing and much work has taken place to help shape and define the Trust's future through five "Big Moves".

As we focus on these Big Moves, they will enable the Trust to create healthier lives for the public we serve, create an organisation people want to work for, and help us look after our environment:

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

Each of these Big Moves stand up as challenge in their own right. Bringing them together is a powerful tool for change, particularly as they have been adopted across the three Trusts in our Foundation Group.

These last 12 months have seen a number of firsts for the Trust and the county.

Last year we used a special cocoon which bathes babies with jaundice in special light for the first time. The cocoon can be used at home and allows parents with premature babies to care for their new-borns in the comfort of their own home.

Supported by our neonatal nursing team, it means babies who develop jaundice during the first couple of weeks can receive a period of phototherapy at home – a much better and preferred arrangement by parents.

And work behind the scenes which patients won't see, saw the Trust being the first in the West Midlands to go live with advanced digital pathology technology.

This is helping to transform services and improve the speed of cancer diagnosis for patients.

This is the biggest change in pathology technology for a century and was launched as part of a multi-million pound NHS initiative to modernise digital pathology in the UK.

The project has seen pathologists at Hereford County Hospital transition from solely using microscopes and glass slides to having instant access to high resolution digital images of patients'

tissue, for more than 20,000 specimens reported a year, speeding up the process for diagnostic results.

It's also pleasing to note that three of our young cancer patients were featured on the BBC's "Operation Ouch" programme, which is hosted by Dr Chris and Dr Xand.

It's a programme created to help children understand medical conditions and what types of treatment they can expect if they are ever faced with a similar diagnosis.

The three young patients, who were being supported by the Trusts Children's Nursing Team, had the opportunity to ask the doctors about their medical condition.

So, as we look to the future, we remain committed to delivering excellent patient care, improving patient outcomes, and ensuring that our services are sustainable and resilient in these challenging times.

We will continue to work with our partners to identify new and more efficient ways of working, and to deliver innovative and integrated healthcare solutions for our patients.

I would like to take this opportunity to thank our patients, communities, and partners for their ongoing support and encouragement.

Without their support, it would not be possible for us to continue providing the vital healthcare services that we do and we look forward to continuing to work closely with them as we move into the next 12 months.

In closing, I would like to express my gratitude to our staff, whose courage, dedication, and hard work have made this year's achievements possible. I am immensely proud of the work that they have done, and I am confident that they will continue to deliver outstanding care to our patients in the years to come.

And finally, I'd like to thank our volunteers who make a difference to the experience of our patients every day. Anyone visiting the hospital will not fail to be impressed by this helpful and knowledgeable team.

Thank you.

Russell Hardy, Chair, Wye Valley NHS Trust

Overview

This section provides background information about Wye Valley NHS Trust, sets out progress made by the Trust during 2022/23 and highlights challenges faced.

About Wye Valley NHS Trust

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

The Trust has a workforce of around 3,900 providing a range of specialist and generalists functions. The Trust has strong clinical network connections with trusts in Birmingham, Worcester, Gloucester and Cardiff.

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

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

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

All dates referred to in this report are for the year April 1, 2022 – March 31, 2023, unless otherwise specified.

Established in 2011

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

Foundation Group

In 2017 a 'Foundation Group' was created in partnership with South Warwickshire University NHS Foundation Trust and Wye Valley NHS Trust. In 2018 George Eliot Hospitals NHS Trust joined the Group.

All three organisations face similar challenges and have a common strategic vision for how these can be solved. The Foundation Group model retains the identity of each individual Trust whilst strengthening the opportunities available to secure a sustainable future for local health services.

There are numerous benefits for local communities across Warwickshire and Herefordshire including the provision of a wider platform to share best practice and improving whole system patient pathways.

Vision, values and objectives

Vision

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

Mission

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

Values

The Trust's values are so important to the way they work every day:

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

Structure of the Trust

During 2022/23, the Trust's Board consisted of eleven voting Directors comprising the Chair and five non- executive directors (appointed by NHSE), together with five executive directors. In addition to this there were also three non-voting Executive directors, one non-voting Associate Non-Executive Director and the Company secretary in attendance.

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

Medical Division	Surgical Division
• Emergency Department (ED) • Rheumatology (Osteoporosis) • Dermatology and Plastics • Stroke; Wye ward • Frailty; Dinmore, Ashgrove and Garway wards • Discharge lounge/Medical DCU • Diabetes and Endocrine • Nephrology • Respiratory; Arrow ward • Cardiology, Path lab, and CCU • Heart and Lung • Gilwern ward • Gastroenterology; Lugg ward • Neurology and Neurophysiology • Acute Medical Unit • Same Day Emergency Care (SDEC)	• Paediatrics - In Patients and Out Patients • Children's ward • Obstetrics and gynaecology • Midwifery (Acute and Community) • Delivery suite and Maternity ward • Special Care Baby Unit • Health Visiting, School Nursing • Orthopaedics • Redbrook ward • Teme ward • General Surgery and Colorectal • Frome ward • Breast • Urology • Ear, Nose and Throat (ENT) • Maxillofacial, Orthodontics and Oral surgery • Vascular • Ophthalmology • Theatres • Endoscopy • Day case • Pre-Op • Anaesthetics • Intensive Therapy Unit (ITU) • Critical Care • Dentistry • Podiatric Surgery
Clinical Support Division	**Integrated Care Division**
• Referral Management Centre • Outpatients • RTT Performance • Radiology • Pathology • Histopathology • Microbiology • Phlebotomy • Audiology • Oncology - MacMillan Renton Unit • Breast Lymphoedema team and Gynaecology oncology • Clinical Haematology • Palliative Care • Pharmacy	• Community nursing teams • Community Hospitals • Community Integrated response hub • Integrated discharge team • Hospital@home • Home first • Bladder and bowel health • Occupational Therapy • Dietetics • Speech and Language Therapy • HABIT/Podiatry • Health psychology • Lymphoedema • Neurology • Musculoskeletal physiotherapy • Community Stroke service • Physiotherapy and Falls Prevention • Tissue Viability • Lower Limb service

Summary information on progress within each of these divisions 2022/23 is provided later in this report.

Trust objectives 2022/23

The Trust's objectives for 2022/23 were:

Quality improvement

- Reduce the time that patients wait for planned care, diagnostics and cancer care
- Develop a new integrated model for urgent care in Herefordshire reducing the time to treatment and time spent in hospital
- Improve our patients' experience of care by improving clinical communication
- Improve patient safety through implementing change as we learn from incidents and complaints across our system

Workforce and leadership

- Improve recruitment, retention and local employment opportunities by taking an integrated approach to support worker development across health and care
- Continue to improve our support for staff health and wellbeing and act on staff feedback
- Further develop partnership working through the One Herefordshire Partnership and Integrated Care Executive to deliver better value to our population
- Develop our managers' skills and system leadership capability

Sustainability

- Increase elective productivity by making every referral count, empowering patients and reducing waste
- Create sufficient COVID-19 safe operating capacity by delivering plans for a surgical hub
- Stop adding paper to medical records in all care settings
- Reduce carbon emissions by delivering our Green Plan to reduce energy consumption and reduce the impact of the supply chain

Integration

- Make care at home the default by utilising our Community Integrated Response Hub to access a range of community responses that routinely meet needs on the day
- Reduce health inequalities and improve the health and wellbeing of Herefordshire residents by utilising population health data at primary care network level
- Improve quality and value for money of services by increasing the range of contracts that are managed by the One Herefordshire Partnership
- Join up care for our population through shared electronic records and develop a patient portal to transform patient experience

Wye Valley NHS Trust at a glance

Acute hospital

The number of patients attending the Emergency Department (ED) increased by 1.5 per cent in 2022/23 when compared to 2021/22. This increase is recognised nationally as an indirect effect of the pandemic.

The volumes of 'elective' patients treated both as 'day case patients' and as 'inpatients' increased during the year from 2021/22 by 2.3 per cent and 5.1 per cent respectively.
This was a direct result of "ring fencing" our elective beds from emergency non-elective patients and a reduction in the Infection Prevention Control issues guidance, as the NHS eased COVID-19

restrictions. As a majority of the long waiting patients required overnight elective admissions, due to complexity and comorbidities, we eradicated the waits for those patients waiting over two years during the year and therefore our elective increase was higher than our day case patients.

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	Increase/ decrease 2022/23 on 2021/22	Difference 2022/23 to 2021/22
Elective spells	4,169	3,834	1,740	2,889	3,035	146	5.1%
Day case spells	28,650	29,170	18,812	27,776	28,407	631	2.3%
Total emergency spells	24,078	27,719	21,945	25,104	26,612	1,508	6.0%
General and Acute emergency spells	18,680	20,965	18,055	20,356	20,635	279	1.4%
New outpatient attendances	73,326	72,560	46,109	68,263	72,544	4,281	6.3%
Follow-up outpatient attendances	163,784	174,948	142,235	165,597	177,210	11,613	7.0%
ED attendances	60,560	63,991	54,690	68,553	69,552	999	1.5%

Community activities

Activity	2018/19	2019/20	2020/21	2021/22	2022/23	Increase/ decrease 2022/23 on 2021/22	Difference 2022/23 to 2021/22
Day case spells	1,039	2,803	669	1658	2168	510	30.8%
Community bed days	27,308	26,414	17,526	25,049	26,312	1,263	5.0%
New outpatient attendances	15,296	15,528	5,087	6,397	7,006	609	9.5%
Follow-up outpatient attendances	61,515	61,519	25,659	29,720	29,566	-154	-0.5%

Community activities were in a similar position to the main acute site in that day case and the use of community beds increased during 2022/23 versus 2021/22, but were still short of the pre pandemic levels.

Patient figures for 2022/23

118k
Patients using our services

32k
Patients seen in the community

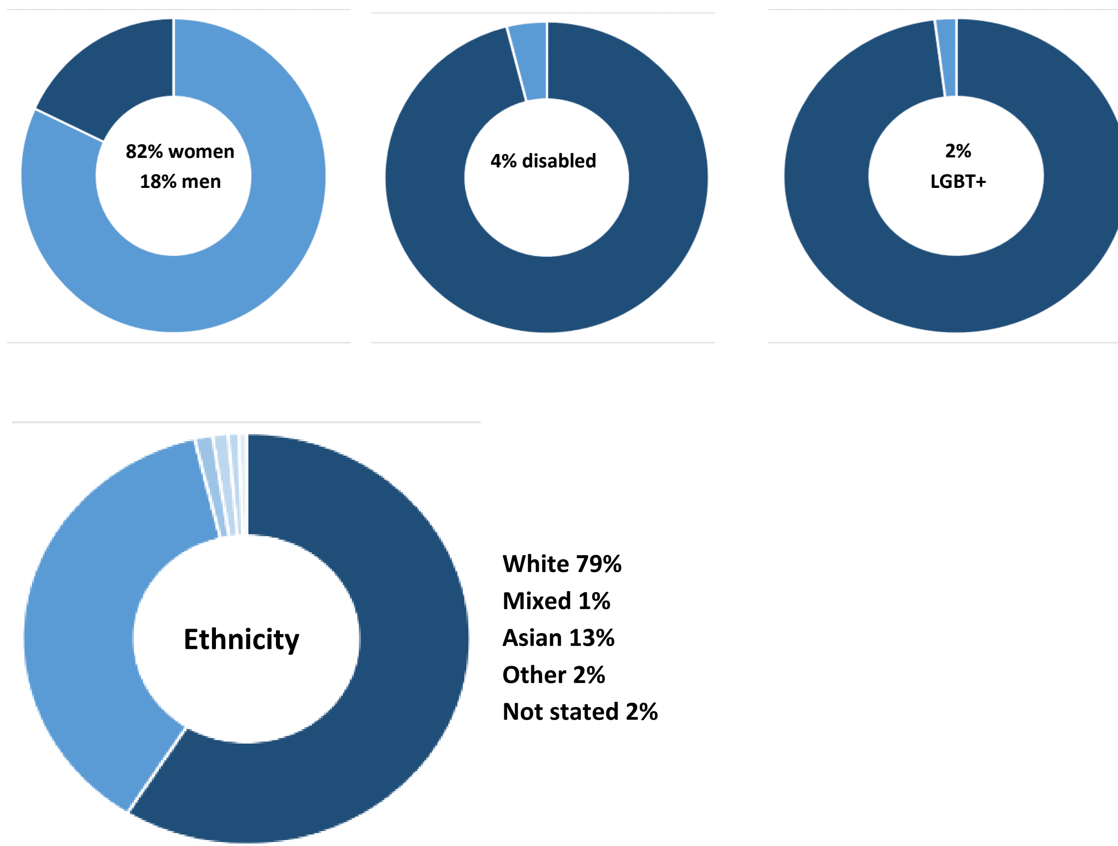
100k
Patients seen in Herefordshire

11k
Patients seen in Powys

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

Staff figures for 2022/23

A further breakdown is provided later in this report.



Performance against key indicators

Further details on performance are set out in the Performance Analysis section of this report. Key issues and risks that could affect the Trust in delivering its objectives are noted in the Board Assurance Framework (page 60), and detailed information on how the Trust reviews and manages key issues and risks can be found in the Annual Governance Statement.

Care Quality Commission report (CQC)

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

In October 2022 there was a focused inspection of medical and surgical services. This inspection was focussed on revisiting issues found at a previous inspection in 2020, which meant the CQC had issued a Section 29a notice. This happens when there are issues of concern that require immediate action. A re-inspection would normally happen earlier however this was prohibited by the pandemic.

The focussed inspection rated Surgical services as ‘requires improvement’, an improvement from 2020 when the service was rated ‘inadequate’. In both the ‘Safe’ and ‘Well led’ domains, the CQC rated surgical services as ‘requires improvement’. However due to the current CQC processes, and as this was not a comprehensive inspection of all services, the overall rating cannot formally be changed.

Our overall CQC ratings are shown in the chart below:

The Trust has a positive relationship with the CQC inspectors and meets regularly with them to provide assurance on key quality and safety concerns.

Emergency department

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

The Trust did not achieve the national standard of 95 per cent of patients being seen, admitted or discharged within four hours from time of arrival in the ED. The challenges relating to system wide patient flow was the main driver for reduced ED performance during 2022/23, combined with significant winter pressures across our Urgent and Emergency Care [UEC] Pathways. In addition the impact of the "twindemic" (COVID-19 and seasonal influenza) along with Strep A, caused a delay in discharges.

Referral to Treatment (RTT)/52 weeks

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

The table below shows our out turn for 2022/23. Despite the reduction in the percentage of English patients definitively treated starting in 18 weeks for 2022/23, the Trust did significantly reduce the number of long waiting patients. The Trust ensured that all patients waiting longer than 104 weeks for treatment had been managed by the end of June 2021 and significantly reduced the number of patients waiting over 78 weeks to less than ten by the end of March 2023. The position for the Welsh patients waiting under 26 weeks for start of treatment did improve to 67.3 per cent.

This has been achieved through our operational and clinical teams working hard to deliver as much clinical capacity to recover this position during the year. This included "ring-fencing" our elective capacity and increasing value weighted activity; this measures productivity across over-night elective, day case and outpatient procedure activity for acute specific Treatment Function Codes (TFCs). We are consistently over 100 per cent activity when compared against the corresponding months in 2019/20.

RTT incomplete performance

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

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

Cancer care

The Trust's cancer performance standards were challenged over 2022/23 with significant increases, over 15 per cent, in cancer referrals compared with pre-pandemic levels. This combined with the pressure on diagnostics support to deliver this increase in capacity saw a deterioration across our cancer performance indicators. There is significant focus over the next twelve months in achieving the Faster Diagnostic Standard by April 2024. The standard ensures patients will be diagnosed or have cancer ruled out within 28 days of being referred urgently by their GP for suspected cancer.

Key performance indicators	Key target	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23
Cancer two week waits	93%	94.6%	97.2%	92.9%	91.1%
Two week waits (breast symptomatic)	93%	94.5%	98.5%	74.2%	79.5%
Cancer 31 days	96%	93.0%	90.6%	84.8%	88.0%
Cancer 31 days Subsequent treatments	98%	91.7%	90.4%	77.8%	69.0%
Cancer 62 days	85%	78.0%	76.3%	71.5%	65.2%
Cancer 62 days screening	90%	92.3%	66.7%	76.0%	66.7%
Cancer 62 days upgrades (no national target set)	85%	88.4%	82.2%	74.1%	65.2%
28 Day Faster Diagnosis			70.1%	64.4%	58.8%

Finance and use of resources

The Trust ended the financial year with an operating surplus of £5.39m and an adjusted financial performance deficit of £6.51m reported to NHS England. This was in line with the planned performance. Performance under the theme of finance and use of resources is assessed within the NHS Oversight Framework which considers performance across a range of domains and provides a segmentation from '1' to '4', where '1' reflects the strongest performance. For the most recent performance (quarter 3 2022/23) the Trust was rated in segment 3 of the NHS Oversight Framework.

Patient Safety Learning

In 2022/23, the Trust in conjunction with primary care colleagues, launched the Safety in Sync forum, a place based quality forum to come together with organisations across the healthcare system to discuss quality and safety issues and improvement projects. The aim of the forum is to breakdown organisational barriers and discuss issues that impact patient care to improve the healthcare system across Herefordshire. The forum discusses a wide range of topics and the aim of discussions in the

forum is to connect colleagues from different organisations to work together and accelerate the opportunity to improve our collective services. Topics have included:

- System management of gestational diabetes
- Improvement of referral pathways for a number of conditions
- Antibiotic prescribing for various conditions
- The role of the medical examiner in Herefordshire
- The role of the Community Incident Response hub

During 2022/23 the Trust has been preparing for the implementation of the National Patient Safety strategy in line with the national implementation date of September 2023. This has included;

- Detailed analysis of our patient safety intelligence to understand our system based safety issues
- Implementing a new incident and risk management system
- Engaging with system partners to share learning and develop new pathways for responding to incidents, providing consistency with our Integrated Care System
- Piloting new incident analysis tools to focus on improvement

The focus in 2023/24 will be on continuing to improve our safety culture through implementation of the National Patient Safety Strategy through development of our Patient Safety Incident Response plan and underpinning processes to improve the management of patient safety incidents in line with the new principles. We will continue to develop our new incident and risk management programme to meet the new national reporting requiring for patient safety incidents.

Improvements to the Trust's estate and facilities

During 2022/23, the Trust:

- Completed £450k of backlog maintenance to address the condition and fabric of various buildings across Herefordshire.
- Completed the demolition of the hutted wards and enabling works for the next project planned to utilise the space created continued shortly afterwards.
- Completed the new corridor link to the frailty wards.
- Continued to roll out access control and backup power facilities, improving security and resilience.
- Completed Phase 1 of the Integrated Energy Centre seeing large sections of the non-PFI estate at the County Hospital now virtually free from fossil fuels.

The Trust was successful in getting outline business case approval for the Elective Surgical Hub and received significant enabling funds to take the scheme forward whilst awaiting final approvals. The Trust also succeeded in getting approval for over £20m for the second phase of the Integrated Energy Centre.

The focus in 2023/24 will be on delivering schemes which were supported over the last year which will start in earnest. Developments which are likely to feature highly in planning for preferred options

and funding to be considered includes; community diagnostic centre, Endoscopy, breast screening, Macmillan Renton Unit and Ophthalmology. A new education centre has a preferred option now agreed and fundraising for this scheme is expected to intensify.

Capital developments

The Trust spent £14.4m on capital investments during 2022/23. The most significant elements within the capital programme were:

- £3.5m on the fees and commencement of construction of the Elective Surgical Hub.
- £3.5m spent on the digital programme including; Electronic Patient Record, Electronic Prescribing and Medicines Administration, GP Order Communications and E-Rostering.
- £2.2m on clinical equipment. This includes; replacement of Endoscopy equipment, Ophthalmology equipment and various smaller lifecycle replacements.
- £1.3m on surgical robot and associated equipment- to support cancer treatment.
- £1.2m on the construction relating to the new wards, primarily on a new link corridor.
- £2.6m on other estates schemes including backlog maintenance, radiology MES building works, community diagnostic centre development and associated costs.

Quality Priorities 2022/23

In the past year, we've continued to grow our culture of quality improvement, guided by the Trust's quality priorities:

SAFE
PRIORITY AIM
To reduce Clostridioide Difficile infection rates and deliver our cleanliness strategy
Improve Venous thromboembolism risk assessment
Reduce the incidence of avoidable hospital and caseload acquired pressure damage
Improve management of the deteriorating patient
EXPERIENCE
PRIORITY AIM
Using local and national intelligence to improve patient experience
EFFECTIVE
PRIORITY AIM
Ensure the Trust meets best practice requirements for nutrition
Embed the Mental Capacity Act and Deprivation of Liberty Safeguarding policies and process in practice
Ensuring patients receive timely critical medications

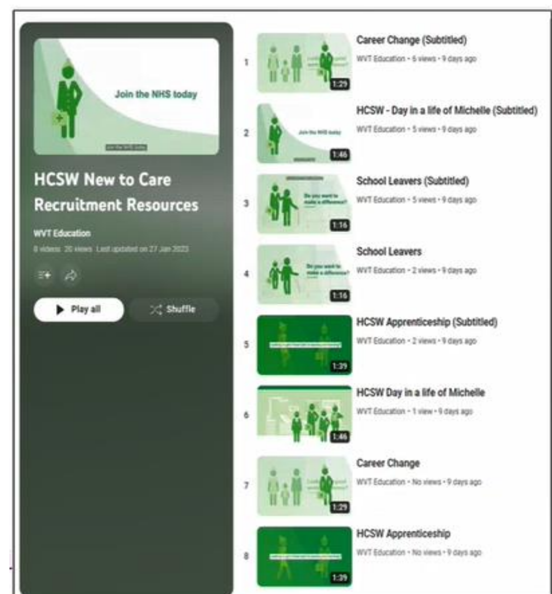
Transformation Developments

ED Sensory Development

Following a neurodiversity audit of the ED department at the County Hospital, the Trust worked alongside the Herefordshire Autism Partnership to introduce the following to enhance the experience for our patients:

- Sensory Boxes
- Reduced Signage
- Matt laminated posters
- New lighting
- Calming images

Healthcare Support Workers – New to Care Project



The Trust successful submitted a bid through NHSE to create some animated videos to encourage people to come and work within Health and Care. The videos covered the day in the life of and the career and training opportunities within the sectors and were used on the external together healthcare website (https://togetherhealthcare.co.uk/) and our social media streams.

Review of the Trust's clinical services

Medical Division

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

Key developments and achievements from 2022/23

- The opening of our new purpose built Frailty block in 2021/22 has enabled us to improve care to all of our frail elderly patients.
- Our Dermatology services have settled into their new skin centre and this has enabled them to improve their patients' pathways including consistently hitting cancer diagnosis targets.
- Our Stroke services are working with the ICS to develop pathways. They are at the top of the regional league table for thrombolysis.
- Diabetes multidisciplinary teams have expanded and are currently being offered to a number of localities across the five primary care networks (further expansion is ongoing).
- This year we have been successful in securing a nephrology consultant which has improved services for both inpatients and outpatients.
- Our respiratory team have successfully rolled out the replacement of non invasive ventilation machines.
- The cardiology team have worked to reduce the number of patients waiting for ECHO appointments from more than 2000 in April 2022 to just over 100 in March 2023.
- Gastroenterology have implemented a new my IBD (inflammatory bowel disease) app which gives patients more autonomy in managing their own condition.

Our focus in early 2023/24 will be to: undertake some transformation work in our Emergency Department to improve the speed and flow through the department; and, launch our new virtual ward which will allow some patients to be managed in their own home under the care of senior nursing and consultant staff.

Surgical Division

Our surgical division provides a wide range of direct patient care services including: General Surgery, Urology, Colorectal Surgery, Breast Surgery, Trauma and Orthopaedics, Ophthalmology, Ear Nose and Throat services, Oral and Maxillofacial services, Theatres, Intensive Care Unit, Endoscopy, Podiatric Surgery, Dentistry, Paediatrics, Special Care Baby Unit, Maternity, Obstetrics and Gynaecology, Community Paediatric services and Public Health Nursing services.

Key developments and achievements from 2022/23

- We have made steady progress in reducing waiting times throughout the year and have been working closely with our partner organisation, South Warwickshire University NHS Foundation Trust (SWFT), on reducing our long waiting times in orthopaedics. Our patients have been very positive about their experience at SWFT.
- The division has introduced a new Clinical Nurse Specialist (CNS) post in vascular services and also a new Advanced Clinical Practitioner post in orthopaedics. There have been difficulties recruiting Operating Department Practitioners (ODPs) in theatres, however, four ODP trainees commenced training in January 2023.
- The Urology team have continued to improve their service in the Urology centre sharing good practice with Worcester, SWFT and George Elliot NHS Trust through site visits. They have developed a Holmium laser enucleation of the prostate (HOLEP) service; an alternative

treatment to Trans-urethral Radical Prostatectomy which reduces length of stay and improves patient outcomes.

- Two CNSs are being trained in Local Anaesthetic Trans-perineal Prostate Biopsy (LATPB) which is being funded by the Cancer Alliance. Diathermy lists are also taking place in the Urology Diagnostic Centre, reducing reliance on theatres for these treatments.
- One of the division's CNS presented our GiRFT (Getting it Right First Time) improvements at the BAUN (British Association of Urology Nurses) Conference in Edinburgh. They were also invited to the European Association of Urological Nurses in Prague and is now part of European Special Interest Group (Prostate) sharing best practice.
- The new lower urinary tract symptoms clinic is a new radical retro pubic prostatectomy clinic now in place at the Trust. Wye Valley NHS Trust is the first trust in the region to provide this service (Holistic pre-prostatectomy needs clinic, supported by the Bladder & Bowel team, pelvic health physio, cancer specialist physio and Urology Cancer Nurse Specialist).
- The division has developed a web-based reporting system to monitor theatre performance and produce a trend analysis. We commenced a productivity improvement project in our theatres in 2022 engaging clinical teams to identify ways in which to become more efficient and productive, this work will be continuing in 2023/24.
- Our Podiatric surgery team have been working closely with the Diabetic foot service over the last year and a peer review of this service extolled the benefits of both services working closely together.
- Supported by the appointment of a colposcopy failsafe officer, Colposcopy performance has continued to deliver against all key performance indicators with excellent results from a patient survey.
- Additional hysteroscopy and colposcopy clinics have been running at the weekends.
- Positive progress has been made with smoking cessation in pregnant women. Following a regional insight visit we were pleased to celebrate our compliance with Saving Babies Lives, a care bundle which is designed to tackle stillbirth and early neonatal death.

Integrated Care Division

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

Key developments and achievements from 2022/23

- Implementation of a new divisional structure which includes management responsibilities links with Primary Care Networks, in an effort to progress with enhancing our "Team of Teams" within community services
- Significant quality improvements at our community hospital sites
- Increased recruitment to our Urgent Community Response (UCR) team to meet the needs of people who require expert input, but who can receive this at home rather than be conveyed and admitted to hospital
- Consistently achieved the two hour UCR national target
- Extended our UCR to 12 hour per day, seven days per week

- Employed trainee Advanced Clinical Practitioners to align with our "grow your own" workforce across UCR and Community Hospitals
- Supported our Local Authority Reablement team to provide rapid discharge from hospital
- Led on and delivered Criteria to Reside improvement programme, with compliance and data quality seeing huge improvements trust wide
- Reduced long waits within our Acute and Countywide services in line with the recovery programme
- Achieved a commitment to invest in our children's therapy services to recruit additional therapists to provide earlier input for children requiring support
- Supported the international nurse recruitment programme and have welcomed six new recruits to work at our community hospitals
- Led on the development of wound management across Herefordshire with particular focus on lower leg services.

Clinical Support Division

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

The division also delivers direct patient care in Cancer Services including Clinical Haematology, Oncology and Palliative Care, Audiology and general outpatients departments. We also support a number of trust wide corporate functions including the Referral Management Centre, Referral to Treatment Validation and Patient Access Policy oversight, General Office, Mortuary and Bereavement Services, patient communications (letter, digital and text messaging), oversight of Cancer standards and performance, multidisciplinary teams and patient tracking.

Key developments and achievements from 2022/23

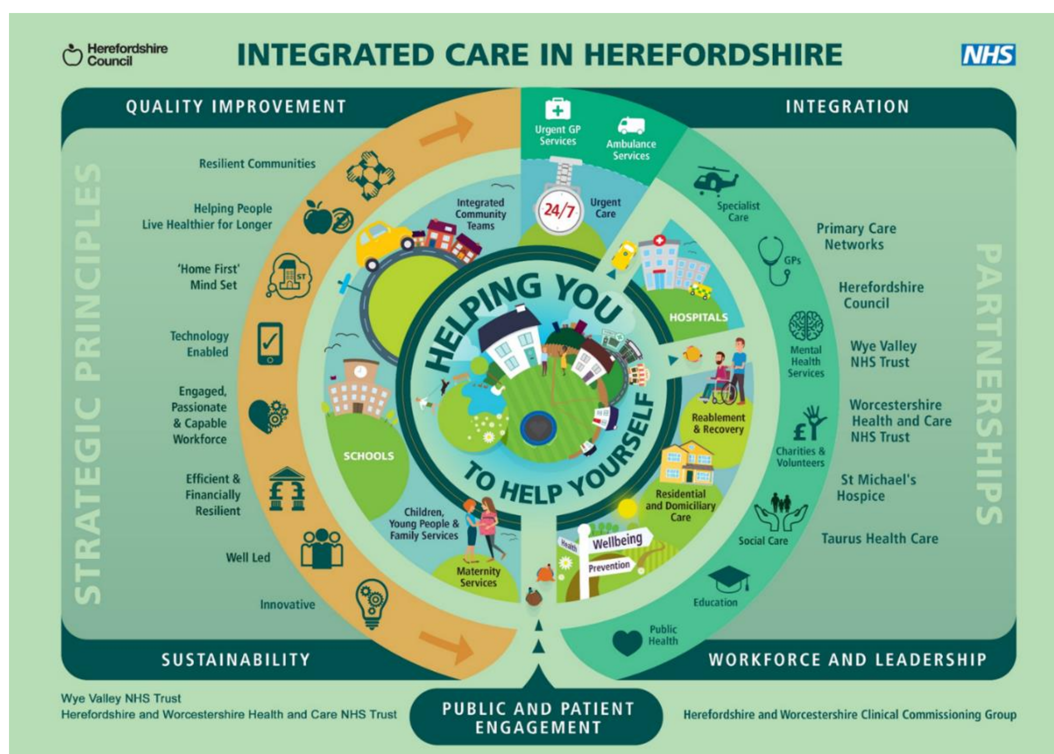
- Wye Valley NHS Trust became the first trust in the West Midlands to go live with digital reporting of histopathology slides which is a key enabler in becoming part of a wider pathology network bringing the benefits of faster diagnosis and access to expert opinion.
- The Radiology team reduced the six week+ backlog over the year. Of particular note is the reduction in over six week waits for CT scans which has reduced from 400 in April 2022 to six in February 2023. The non-obstetric ultrasound backlog has also reduced significantly over the year from 700 to 46. Overall 91 per cent of patients are being scanned within six weeks against a target of 85 per cent for March 2024, the Trust is therefore ahead of this target.
- An interventional radiology suite has been opened enabling work to be taken out of theatres.
- Radiology consultant recruitment has seen great success with only one vacancy at present.
- In Cancer Services we have seen the opening of a new dedicated MDT facility which enables specialists in Radiology and Histopathology to dial in virtually. There have been improvements in cancer pathway tracking with the introduction of specialty based cancer navigators who are having a positive impact on the faster diagnosis target for patients. A Cancer of Unknown

Primary service has been established to ensure that there is a robust pathway in place for these patients.

- At the start of the year the Trust had to close the Haematology service to new referrals due to unexpected consultant staffing difficulties. The Trust worked with Worcester, Shrewsbury and Telford Trusts and Powys Health Board to provide a service for our patients. We have recently been able to repatriate these patients and provide a full service due to resolving the previous staffing issues.
- In Outpatients there is now a six day service and also two evening sessions per week. A minor outpatient procedures service is fully recruited to for Trauma and Orthopaedics and Trans Nasal Endoscopy, enabling work to be taken out of main theatres to release capacity for more major surgery.

Integrated care and partnership working

Our Integrated Care Strategy starts with building on the strengths of individuals and their communities to improve their health – 'helping you to help yourself'.



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

Integrated Care Systems (ICSs) are new partnerships between the organisations that meet health and care needs across an area, to coordinate services and to plan in a way that improves population health and reduces inequalities between different groups.

One Herefordshire Partnership

System leaders are now focused on coordinating actions at the local level, using the One Herefordshire Partnership (OHP) to establish place-based approaches that incorporate the crucial role of the developing primary care networks (PCNs). The OHP is the primary interface with the Herefordshire and Worcestershire ICS, with a primary purpose of strategic planning, approval and engagement, and is chaired by one of the four core members drawn from general practice, Wye Valley NHS Trust, Herefordshire Council or Herefordshire and Worcestershire Health and Care Trust.

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

One Herefordshire Priorities

Core Priorities	Cross-Cutting	Underpinned by
Integrated Primary & Community Care	Children & Young People	Quality Oversight & Assurance
Urgent Care Redesign	Mental Health and Wellbeing	Financial Strategy
Elective Care Recovery	Health Inequalities & Prevention	Data and Digital Strategy
		Workforce Strategy
		Community Engagement

Developing the One Herefordshire transformation approach

We aim to ensure that the experience of patients, service users, their families and carers is the foundation of how we develop and deliver our services. Our approach focuses on recovery, partnership working and embedding coproduction into day-to-day practice.

Key developments and achievements from 2022/23

- Virtual GP and Community Integrated Response Hub partnership delivering two hour response – supporting circa 500 patients a month and preventing 160 ambulance conveyances over the three months of Winter
- Community teams delivering improvements at network level, alongside partners, to reduce health inequalities, improve discharge arrangements and improve patient care
- Co-designing with partners an integrated urgent care pathway that is fit for the future
- Enhancing care in care homes across Herefordshire
- Improving heart failure and diabetes pathways, optimising patient care
- Working collectively to manage hospital referrals effectively and manage waiting lists
- Continuing to deliver mental health transformation in Herefordshire
- Developing a shared plan to tackle health inequalities
- Learning collectively from mistakes and celebrating successes
- Taking a joint approach to support worker recruitment

Health Inequalities Strategy

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

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

This plan on a page outlines how Herefordshire's partners will work to reduce health inequalities over the next five years, incorporating the national Core20Plus5 approach. At the Trust, teams are working within primary care networks to deliver a number of smaller, targeted, local schemes that reduce inequalities. The Trust is also analysing waiting lists, reviewing whether there are hidden inequalities within the lists, based on deprivation and ethnicity.

Trust charity

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

The Charity comprises of a number of separate ear-marked funds under the umbrella of Wye Valley NHS Trust charitable funds. The funds totalled £2,103k at the end of December 2022. During 2022/23 to date the Charity received donations and legacies of £1,169k and incurred expenditure of £173k.

Workforce and Organisational Development Strategy

The workforce and organisational development strategy identifies the workforce priorities to support the delivery of the Trust's strategic objectives and endorses our commitment to recruiting, developing and retaining a workforce that is engaged and motivated in providing high-quality healthcare to our patients.

The key themes in our workforce strategy 2022 – 2026 are:

- Workforce transformation – to have a more efficient and productive workforce
- Growing our workforce – grow and maintain a sustainable and flexible workforce
- Recruitment and retention – attract, retain and develop a high quality workforce

These themes are underpinned by enablers which are: Health and wellbeing, equality, diversity and inclusion, leadership and management development, education and training, staff engagement, HR policies and procedures.

There has been a focus on maintaining our Occupational Health service during a time of staff shortages in the year and we have had great success in recruitment to gaps and process/service improvements. We have also been successful in recruiting a staff mental wellbeing nurse and a staff physiotherapist, focusing on the key reasons for staff absence or illness, and will be ready to pilot these additional support roles from June.

We are also more than a year in to our partnership with Halo Leisure, providing weekly clinics for staff covering personal wellbeing coaching, goal setting and boditrax health evaluations.

Education

We are proud that the Education Directorate has been in place for two years we will continue in 2023/24 with the same vision of promoting truly multi-professional education supported by one integrated team, making education accessible to all staff, from our most junior students to our most experienced leaders. We support a wide range of programmes for formal academic training as well as career development opportunities including management and leadership programmes and work collaboratively with key partners and stakeholders regionally to ensure WVT employees have access to a range of providers and a diverse portfolio of courses.

The Directorate's long-term goal is to create a new Education Centre for everyone to share, combining state of the art simulation and clinical skills rooms with a modern library and information hub and large bespoke lecture theatre. Our vision is to make the Trust a destination for students and staff for high-quality education, a lasting positive experience and to support the recruitment and retention of our staff. The proposed development is to expand and enhance the education we deliver by building a dedicated education and training facility on the County Hospital site.

Key developments and achievements from 2022/23

- £419,000 accessed for Continuing Professional Development funding (through Health Education England).
- £38,681 Workforce Development Funding.
- Working with the Foundation Group and Herefordshire and Worcestershire ICS in supporting the development and delivery of a number of leadership programmes such as Mary Seacole, Insights, Coaching and Mentoring, leadership support circles.
- Launch of new virtual student induction programmes in March 2023 following a successful bid to Health Education England for funds to improve student / trainee placements. The online courses aim to standardise induction for all student / trainee groups and includes:
  - The new WVT Education & Training Prospectus was launched in April 2022 which details all offerings and areas of the Education Directorate.
  - Launch of virtual sessions via MS Teams for annual mandatory training subjects (Fire Safety, IG & Infection Prevention & Control) providing an alternative to e-Learning and enables Q&As with subject matter experts within the organisation.
  - Launch of a new Basic Life Support (BLS-Adults) refresher training pathway with the use of self-directed learning. The pathway also includes a knowledge check which is completed via the national Resuscitation Level 2 eLearning course on ESR. This has enabled the team to increase their educational offering which includes training acute illness management course and support for staff in the clinical area during clinical practice weeks.
- Successful implementation of Wye Valley NHS Trust Leadership and Management Development Programme delivering this to circa 90 candidates.
- Clinical Education Fellow programme - We have continued to expanded the fellow programme and develop innovative non-medical education fellow posts, which rotate to different specialties every year. The medical education fellow posts cover a wide range of specialties.
- The Practice Education Team have successfully recruited an Allied Health Professionals (AHP) to focus on the training and support of AHPs students across the Trust.
- Launch of a new collaborative network of NHS libraries (HeLM) across the Midlands with a shared Library Management System enabling access.
- Launch of new online platform to make resource and evidence discovery easier.
- Improved IT and Study facilities within the library.

Students and training at WVT

- **Physician Associate Students.** We host approximately 20 physician associate students at any one time on placement from Worcester University.
- **Medical Students.** We host approximately 45 medical students at any one time on placement from Aston and Birmingham Universities and for the first time facilitated a successful Objective Structures Clinical Examination (OSCE) for 5th Year Medical Students from Birmingham in May 2022.
- **Doctors in Training.** There are approximately 110 doctors on training placements throughout the Trust. We support an expanding foundation training programme. In August 2022:

  - 23/26 FY1 doctors successfully achieved completion of their FY1 Training year.
  - 14/16 FY2 doctors successfully achieved completion of their Foundation Training Programme.

- We also support an increased range of higher specialist training programmes across most clinical areas of the trust with an expanding GP training programme across the county of Herefordshire

- **SAS group development.** The SAS Bursary scheme has been successfully implemented and provided SAS doctors with an opportunity to apply for funding to support self-development. 11 SAS doctors accessed the bursary.
- **Support for Certificate of Eligibility for Specialist Registration (CESR).** CESR was piloted, this supported 9 doctors to work toward consultant status.
- **Preceptorship.** Preceptorship has grown significantly over the last 12 months. We have increased our number of intakes from two per year to four per year. We currently have around 140 staff members undertaking the programme. The Trusts new preceptorship policy has been published which was designed to align to the National Preceptorship Framework for Nurses (NHS England, 2022). Aligning with the framework will also enable us to apply for the National Preceptorship Interim quality mark that is being awarded by NHS England to all Trusts that can demonstrate compliance to the framework.

Recruitment and retention

During 2022/23, we focused on recruitment to increase workforce capacity to ensure we continued with our response to the pandemic and recruit to the new posts identified as part of the NHS Long Term Plan. As a result, we have seen a 2 per cent increase in the number of staff employed by the Trust as measured by staff headcount (an additional 82 staff). This is based on headcounts taken at the commencement and end of the financial year.

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

Nursing recruitment interventions

In the last 12 months the Trust has recruited 110 nurses from various countries across the world with six placed into the community hospitals. In addition four paediatric nurses in children’s services have been recruited. The majority of the international nurses work in acute medical and surgical teams. There is a national shortage of registered nurses in the UK, recruitment and retention of the overseas nurses is essential to maintain a quality service for our patients.

The Trust has a good reputation for the strong pastoral care provided and the on boarding process. Once international staff arrive our pastoral officers support them throughout their transition stage

and we see that they settle into Herefordshire. Once they have passed their OSCE exams they then bring their families over and we support their spouses/partners as well.

It is a great team effort to recruit and retain the nurses, and everyone is committed to the programme to ensure the nurses are well supported. We can also see how they progress to senior nursing posts in the Trust, enhancing their careers.

Maternity services have recruited four midwives from overseas, who will be taking their maternity OSCE exams in June to become full NMC registered midwives.

The Health Care Support Worker Programme

The healthcare support worker (HCSW) programme was launched in September 2019 to support NHS trusts to increase their HCSW recruitment, minimise vacancies, avoid reliance on temporary staff and so provide greater continuity of care for patients, and to support more people to progress into nursing and midwifery roles in the future. At the Trust we have been successful in reducing our HCSW vacancy gap from 80 WTE in 2021 to 34.86 WTE at the end of March 2023. At the end of March 2023, following successful recruitment and job offers issued (if accepted) this figure should reduce to below ten vacancies within the first quarter of 2023/24.

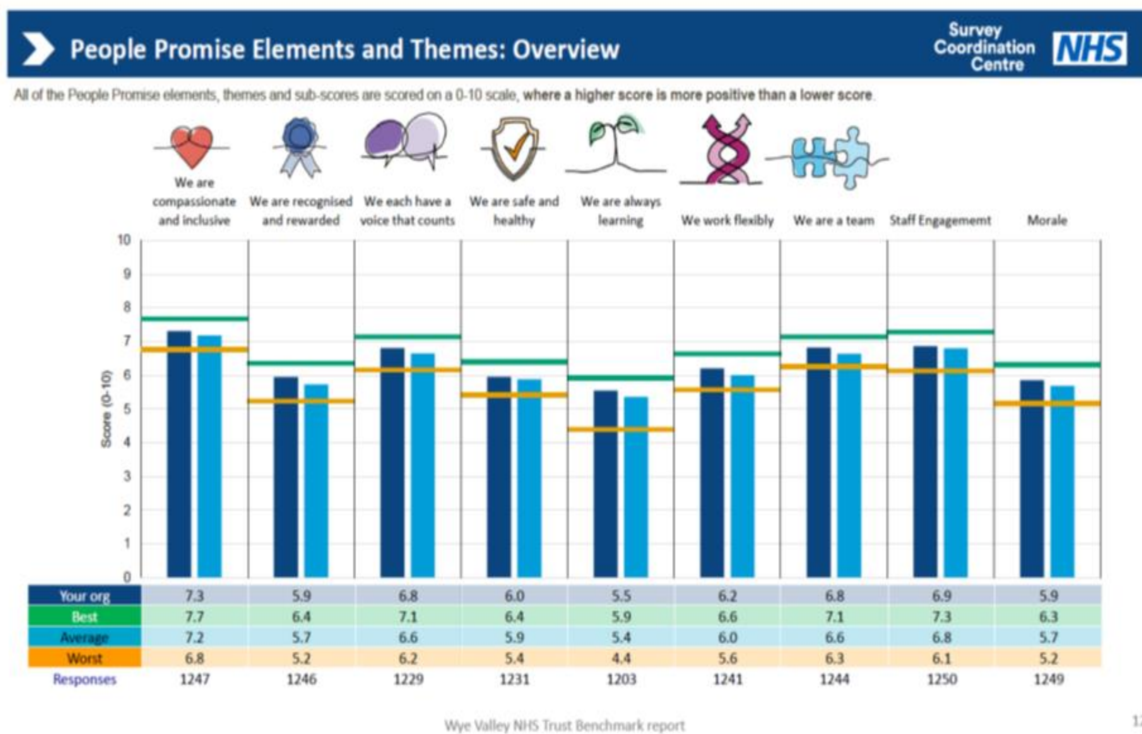
As part of the HCSW programme the Trust also joined forces with Hoople care and together we work in partnership to attract, recruit and retain HCSWs across the county forming **'Together Healthcare'** this has proved to be a great success and we continue to maintain this local partnership working for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

People practices

There has been focus on reviewing the Trust HR policies and procedures and changing the approach to working with stakeholder groups. Practices have been reviewed by responding to user feedback including providing of improved guidance and access via the Trust staff intranet pages.

Staff survey

A summary of the 2022 results for the Trust shows good progress with **above average scores in all nine areas of the survey** (compassionate and inclusive, recognised and rewarded, voice that counts, safe and healthy, always learning, work flexibly, we are a team, staff engagement, morale). This is attributable to a number of leadership, workforce and organisation design initiatives that have been implemented at the Trust over the past few years.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagememt	Morale
Your org	7.3	5.9	6.8	6.0	5.5	6.2	6.8	6.9	5.9
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	1247	1246	1229	1231	1203	1241	1244	1250	1249

The table above provides a high level summary of the nine key areas of the survey.
The scores for the Trust in the table overleaf are close to the average NHS scores and the overall staff survey scores are largely positive with no area rated as being amongst the worst NHS organisations.

In terms of violence and aggression, which was a major area of concern in previous surveys, actions implemented by Trust since September 2021 continue to have a positive impact.

That said, widespread dissatisfaction with levels of pay has led to ongoing industrial action across the NHS in 2022/23 with many staff being dissatisfied with their pay considering the cost of living crisis. Additionally, information from the 2022 staff survey still indicates that Black, Asian and Minority Ethnic staff are still reporting a poorer experience compared to white colleagues in terms of harassment, bullying or abuse and equal opportunities. Data from NHS Employers indicates that unfortunately this is still the case across many organisations in the NHS.

Over the past two years, the Trust has made good progress in establishing the Black, Asian and Minority Ethnic (BAME) network, the LGBT+ network and the Disability network for Trust employees. These staff networks are maturing and over time will be able to drive forward and support strategic equality and diversity issues affecting staff at the Trust.

The staff survey also indicates that staff with a long term condition or illness, are still reporting a less favourable experience in terms of harassment, bullying or abuse at work. This is also the case in many NHS organisations and the Wye Valley NHS Trust Disability network will be instrumental in supporting initiatives for disabled staff over the next year. The Trust managing attendance policy is being reviewed and provisions will be made to introduce a revised disability health passport to offer more support for disabled staff.

PEOPLE PROMISE ELEMENTS /THEMES - 2022	WVT	Average	Best	Worst
1. We are compassionate and inclusive				
Q23a – Care of patients / service users is my organisation's top priority	**70.9%**	**73.5%**	**86.6%**	**58.0%**
Q23b – My organisation acts on concerns raised by patients / service users	**68.3%**	**68.3%**	**80.6%**	**51.5%**
Q23d – If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	**57.1%**	**61.9%**	**86.4%**	**39.2%**
Q21 – I would recommend my organisation as a place to work	**59.5%**	**56.5%**	**75.2%**	**41.0%**
2. We are recognised and rewarded				
Q4a – The recognition I get for good work	**53.4%**	**51.2%**	**61.3%**	**43.2%**
Q4b – The extent to which my organisation values my work	**42.6%**	**41.1%**	**53.5%**	**29.5%**
Q4c – My level of pay	**28.9%**	**25.1%**	**32.8%**	**18.5%**
Q9e – My immediate manager values my work	**73.5%**	**70.2%**	**78.4%**	**62.8%**
3. We have a voice that counts – downward trend NHS wide but above average scores for WVT in all areas				
4. We are safe & healthy				
Q3g – I am able to meet all the conflicting demands on my time at work	**42.7%**	**42.9%**	**53.2%**	**32.2%**
Q5a – I have unrealistic time pressures	**20.3%**	**22.3%**	**29.7%**	**18.0%**
Q11a – My organisation takes positive action on health & wellbeing	**58.4%**	**55.6%**	**71.4%**	**42.8%**
Q11c – During the last 12 months have you felt unwell as a result of work related stress?	**45.2%**	**45.1%**	**36.7%**	**51.5%**
Q13a – In the last 12 months how many times have you personally experienced physical violence at work from patients / service users, their relatives or other members of the public	**11.9%**	**15.0%**	**7.7%**	**22.8%**
5. We are always learning – above average scores for WVT in key questions posed				
6. We work flexibly – above average scores for WVT in all questions posed but NHS wide concerns remain				
7. We are a team – above average scores for WVT in key areas and good feedback for support from immediate managers				
8. Engagement – dip for WVT and NHS wide since 2021				
9. Morale – dip for WVT and NHS wide since 2021				

Awards and recognition

Hereford Times Health and Social Care Awards 2022

The team behind the Trust's Healthcare Support Worker project lifted the prestigious title of Health Care Team of the Year at the Hereford times Health and Social Care awards. In addition Aziz Khan, who heads up the Gilwern Unit at the County Hospital was a finalist in the Excellence in Nursing category and our Meet and Greet volunteer team, was shortlisted as a finalist in the Volunteer of the Year category. Also Gemma Boland, healthcare assistant, was shortlisted in the Care Hero Award category.

HSJ Awards

There was a high commendation for the Herefordshire & Worcestershire COVID-19 vaccination programme. The multi-partner vaccination programme was an example of how partners came together to ensure that people across the two counties could access and receive their COVID-19 vaccination.

University of Worcester Mentor Awards – recognising exceptional student support in practice

The Trust's finalists across categories were: Lucy Knight-Summers (Midwife), MSK Physiotherapy outpatients, Ross Community Hospital, Alison O'Neil and Roberta Rayner (Paediatric OT).
Lucy Knight-Summers won the award for Outstanding Mentor of Midwifery Students.

Freedom to Speak Up Guardian and Champions (FTSU)

Our Freedom To Speak Up (FTSU) Guardian's role is to promote a positive culture of speaking up, in order to improve the experience and wellbeing of colleagues at work. Each speaking up event gives the Trust opportunity to learn and develop including cases that improve patient experience and safety.

In 2022/23 the hours ring fenced for the Guardian role were doubled for the appointment of a new Guardian. Hours were also allocated for the outgoing Guardian to support the new appointee. The Guardian is supported by FTSU champions. At the end of the March 2023 there were 27 champions ensuring representation of all divisions. This is an overall increase of six for the year, with a number also leaving the Trust. This team, alongside the Guardian, promote the FTSU and Civility Saves Lives ethos, providing an alternative route for staff to speak up when they feel they cannot do this via the management route. This team includes six foundation year (FY) doctors. They have been a great asset supporting their FY colleagues. Our champions have helped to informally resolve conflicts or concerns within teams by supporting staff on an individual level and supporting speak up events throughout the year. They signpost staff to the Guardian for concerns to be escalated or simply for the Guardian to provide advice or give the individuals the confidence to return to their managers and raise their concern within their department. The Guardian also continues to have the support of a senior Consultant for cases involving medical staff when requested.

The Trust would expect compliance for the mandatory Speaking Up eLearning to be above 85 per cent compliant. At end March 2023, compliance reached 88.02 per cent. The Guardian also trained over 400 staff in Civility Saves Lives with support from the education team.

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

	2018/19	2019/20	2020/21	2021/22	2022/23
Number of cases	24	73	70	74	72

Equality, Diversity and Inclusion (ED&I)

In February 2023, the Trust Management Board received the ED&I reports with the 2022/23 data for the Workforce Racial Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Equality Delivery System 2022 and agreed the action plans for the year ahead.

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

Armed Forces awareness

The Trust is proud to be a Veteran Aware hospital and have a silver award under the Armed Forces Covenant, this means: We strive to be an exemplar of the best care for veterans and their families

- We encourage all staff and patients to let us know if they have ever served in the UK armed forces so that we can best support their needs
- We are committed to learning from our patients and their families in order to improve quality of care.
- We actively ensure that our staff are aware of our positive polices towards defence people issues.

Modern slavery

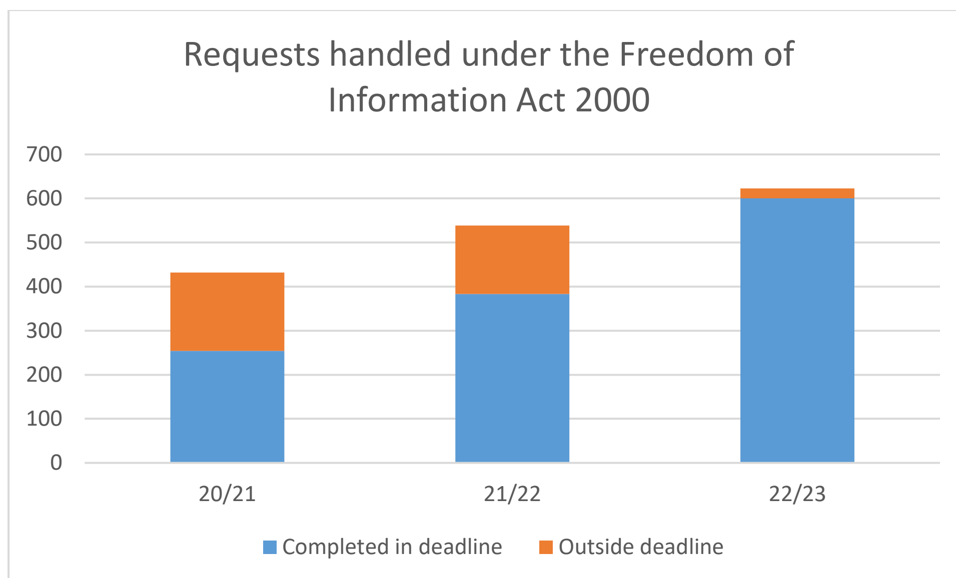
The Trust is committed to upholding the provisions of the Modern Slavery and Human Trafficking Act 2015, and we expect our staff and suppliers to comply with the legislation and report concerns where they have them.

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

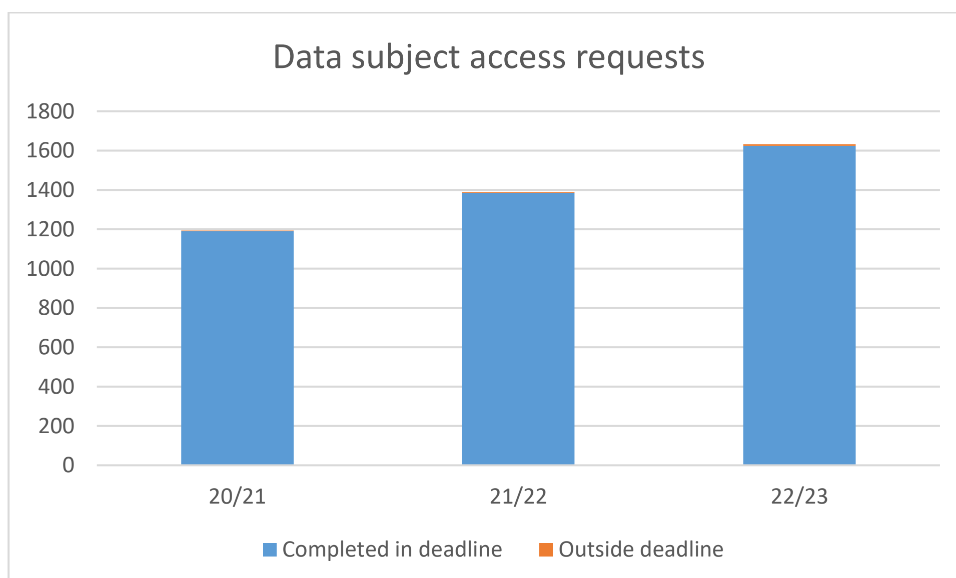
All clinical and non-clinical staff have a responsibility to consider issues regarding modern slavery and incorporate their understanding of these into their day-to-day practices and to report any concerns they may have.

Freedom of Information Requests

Over the year 2022/23, the Trust's information governance team has achieved a high standard of compliance with responding to requests for information within the statutory deadlines for both Freedom of Information (FOI) requests and subject access requests. The volumes of requests have increased over the past three years, however the compliance with timescales have also considerably improved. The chart below shows compliance with deadlines for responding to requests made under the Freedom of Information Act 2000.



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



Performance analysis

The year 2022/23 has been focusing on recovery following the pandemic and we performed well against the majority of our targets and continue to remain in segment three of the system oversight framework (SOF).

Full details of our operational performance review for 2022/23 are published in the monthly board papers available on the Trust website.

National standards performance 2022/23

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

															Latest Month			
Quality of care, access and outcomes	Responsible Director	Standard	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Numerator	Denominator	Year to Date v Standard	Trend - Apr 2019 to date
28 day referral to diagnosis confirmation to patients	Chief Operating Officer	**75%**	62.0%	61.9%	56.9%	47.2%	54.0%	50.1%	55.5%	58.8%	63.2%	56.3%	68.1%		549	806	57.4%	
Cancer: number of urgent suspected cancer patients waiting over 62 days	Chief Operating Officer	**Plan**	133	86	109	159	148	197	135	100	108	123	115	89				
Urgent Response > 1st Assessment completed within 2 hours (admission prevention)	Chief Operating Officer	**70%**	80.0%	87.0%	78.1%	69.4%	72.7%	81.1%	90.0%	91.1%	80.0%	90.2%	91.7%	83.3%	75	90	84.1%	
% emergency admissions discharged to usual place of residence	Chief Operating Officer	**90%**	88.2%	89.1%	89.7%	91.3%	89.9%	89.2%	89.7%	90.5%	88.4%	89.2%	89.2%	89.2%	2253	2527	89.5%	
Ambulance handover within 30 minutes	Chief Operating Officer	**98%**									58.7%	77.0%	81.0%	82.9%	1366	1648		
A&E - Percentage of patients spending more than 12 hours in A&E	Chief Operating Officer		15.9%	14.0%	15.8%	18.1%	18.7%	19.8%	16.6%	13.8%	24.6%	19.3%	18.4%		961	5234	17.5%	
Referral to Treatment Number of Patients over 52 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	**0**	1223	1102	1050	1179	1229	1228	1336	1326	1463	1446	1391	1453				
Referral to Treatment Number of Patients over 78 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	**0**	216	143	99	81	72	68	98	94	104	94	58	6				
Referral to Treatment Number of Patients over 104 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	**0**	72	30	0	0	1	0	1	1	2	0	0	0.0%				
Total Elective Activity (% v 2019/20)	Chief Operating Officer	**2019/20**	91%	97%	91%	85%	89%	88%	90%	96%	85%	92%	99%	104%	3220	3099	92%	
Diagnostic Activity - Computerised Tomography	Chief Operating Officer	**Plan**	115%	126%	126%	139%	135%	138%	146%	139%	138%	141%	138%	108%	2508	2330	132%	
Diagnostic Activity - Endoscopy	Chief Operating Officer	**Plan**	103%	115%	101%	96%	99%	100%	124%	121%	100%	122%	131%	123%	853	695	111%	
Diagnostic Activity - Magnetic Resonance Imaging	Chief Operating Officer	**Plan**	122%	87%	93%	96%	103%	123%	129%	143%	139%	132%	142%	117%	1282	1100	117%	
Outpatient Activity - Follow Up attendances (% v 2019/20)	Chief Operating Officer	**v 2019/20**	107.7%	110.7%	104.3%	104.3%	110%	103%	105%	105%	97%	107%	103%	114%	13870	12213	106%	
Mortality SHMI - Rolling 12 months	Chief Medical Officer	**<100**	109.4	108.8	108.6	106.7	104.8	103.8	102.9	103.5					1115	1075		
MRSA Bacteraemia	Chief Nursing Officer	**0**	0	0	0	0	0	0	0	0	0	0	0	0			0	
Number of external reportable >AD+1 clostridium difficule cases	Chief Nursing Officer	**44**	6	2	4	2	8	0	5	3	4	0	3	5			42	
Overall Sickness	Chief People Officer	**3.5%**	7.4%	5.5%	6.5%	6.7%	5.3%	5.4%	6.2%	5.7%	7.1%	5.9%	5.4%	5.4%	177	3314	6%	
Agency - expenditure as % of total pay	Chief Finance Officer	**N/A**	12.9%	12.9%	12.2%	10.7%	13.3%	10.3%	9.4%	10.1%	11.5%	11.4%	10.5%		£1,744	£16,679	11%	

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

Wye Valley NHS Trust
Trust Key Performance Indicators (KPIs) - 2022/23

Quality of care, access and outcomes	Responsible Director	Standard	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Latest Month		Year to Date v Standard	Trend - Apr 2019 to date
											Numerator	Denominator		
28 day referral to diagnosis confirmation to patients	Chief Operating Officer	75%	54.0%	50.1%	55.5%	58.8%	63.2%	56.3%	68.1%		549	806	57.4%	
Cancer: number of urgent suspected cancer patients waiting over 62 days	Chief Operating Officer	Plan	148	197	135	100	108	123	115	89				
Urgent Response > 1st Assessment completed on same day (facilitated discharge & other)	Chief Operating Officer	80%	100%	99%	100%	100%	98.6%	99.2%	100.0%	98.2%	112	114	99.5%	
Urgent Response > 1st Assessment completed within 2 hours (admission prevention)	Chief Operating Officer	70%	72.7%	81.1%	90.0%	91.1%	80.0%	90.2%	91.7%	83.3%	75	90	84.1%	
Same Day Emergency Care (0 LOS Emergency adult admissions)	Chief Operating Officer	>40%	37.4%	38.4%	39.5%	40.8%	37.1%	36.5%	40.4%	37.2%	785	2109	38.3%	
A&E - Percentage of patients spending more than 12 hours in A&E	Chief Operating Officer		18.7%	19.8%	16.6%	13.8%	24.6%	19.3%	18.4%		961	5234	17.5%	
Time to be seen (average from arrival to time seen - clinician)	Chief Operating Officer	<15 minutes	00:47	00:45	00:42	00:46	01:06	00:42	00:41	00:44				
Referral to Treatment - Open Pathways (92% within 18 weeks) - English Standard	Chief Operating Officer	92%	61.1%	60.3%	61.1%	61.2%	58.4%	58.6%	59.0%	58.3%	12690	21776		
Referral to Treatment - Open Pathways (95% in 26 weeks) - Welsh Standard	Chief Operating Officer	95%	68.7%	68.5%	70.0%	69.4%	68.0%	66.7%	67.5%	67.3%	2814	4181		
Referral to Treatment Volume of Patients on Incomplete Pathways Waiting List	Chief Operating Officer		23368	23813	24525	24698	24997	24974	25301	25957				
Referral to Treatment Number of Patients over 52 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	1229	1228	1336	1326	1463	1446	1391	1453				
Referral to Treatment Number of Patients over 78 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	72	68	98	94	104	94	58	6				
Referral to Treatment Number of Patients over 104 weeks on Incomplete Pathways Waiting List	Chief Operating Officer	0	1	0	1	1	2	0	0	0.0%				
Waiting Times - Diagnostic Waits >6 weeks	Chief Operating Officer	<1%	44.1%	39.5%	29.2%	24.9%	30.0%	29.4%	22.2%	22.0%	1329	6044		
Maternity - % of women who have seen a midwife by 12 weeks and 6 days of pregnancy	Chief Nursing Officer	90%	96.6%	91.3%	94.0%	94.9%	97.3%	89.3%	96.3%	98.6%	139	141	94.2%	
% of people who have a TIA who are scanned and treated within 24 hours	Chief Medical Officer	60%	63.4%	64.8%	58.3%	47.7%	79.1%	71.7%	60.7%	48.8%	20	42	58.0%	

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

Patient experience

Our patient experience team provide a trust wide service that reviews incoming comments and concerns as well as reaching out into the communities we serve to gain a better understanding of the whole patient experience. In addition, the team use intelligence from national patient experience surveys to support services to improve the services they provide for our patients.

Learning from patient and carer experiences

The Trust has expanded the ways in which we gather patient feedback to have more regular and up to date intelligence in relation to the services we provide. We have developed local surveys across all our services; acute and community inpatients, district nursing and outpatients. In addition, the Trust has implemented a text messaging service to gather responses to the Friends and Family Test (FFT). Both the text messaging service and local surveys have greatly increased responses from our patients and provided a more detailed picture of the experience of our patients in our care.

The Trust has re-established its Patient Experience committee, seeking to expand the membership across all staff disciplines to create a more collaborative approach to improving patient experience. In particular, this is important when tackling issues with clinical communication.

Patient Advice and Liaison Service (PALS)

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

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

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

During the year, the team received 4420 contacts summarised in the table below.

Type	2022/23	% change last year
Concerns	912	-4.30%
Compliments	2535	35.85%
Comment & Enquiry	973	110.15%
Total all	**4420**	**34.67%**

Friends and Family Test (FFT)

The Friends and Family Test (FFT) is one of the mechanisms for the Trust to seek feedback from patients, their friends and family and act on it. We encourage take up with staff highlighting on ward rounds, including the link to the on-line survey in discharge letters and with postcards and collection boxes available in most of our reception areas.

In September 2022, the Trust introduced Friends and Family Test with the use of text messaging. Since its introduction, 5,368 responses have been received representing a 22 per cent response rate, this is in line with the national response rate. Using alternative data collection methods prior to this only generated a 6 per cent response rate.

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

We will continue to roll this project out to all services during 2023/24.

Complaints

During the year, the Trust received 253 complaints. This is a decrease of 25 per cent from the previous year.

Quality: patient experience	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
Number of new complaints received in month (trust wide)	13	30	29	21	21	18	22	19	18	19	18	25
Number of complaints not responded to within agreed timeframe (open)	7	14	20	16	19	17	13	6	17	6	12	6
Number of complaints that were open, at the close of each month and had exceeded 30 days	55	60	50	50	51	50	50	44	45	41	47	47

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

Sustainability report

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

The Trust delivered the final elements of the first phase of the Integrated Energy Centre, reducing carbon emissions by over 500 tonnes and saving money. A successful bid for phase two was placed in the year, securing over £20m for a scheme that will completely decarbonise 95 per cent of the County Hospital site by 2025.

Other elements of the SDMP delivered within the year were:

- Trial of recycling initiatives at the County Hospital site and a reduction in single use plastics
- Updated Travel Plan with a series of recommendations to encourage more sustainable and active travel
- Enrolled with NHS Forest and created/improved some green spaces across the Trust
- Recycled mobility aids following a public campaign

Emergency Preparedness, Resilience and Response

Each year the Trust is subject to an Emergency Preparedness, Resilience and Response (EPRR) assurance process carried out by NHS England and NHS Improvement to assess performance in relation to EPRR core standards. The Trust was found to be compliant in 43 out of 64 areas of the core standards, however non-compliant overall due to gaps created by new documentation requirements and the absence of exercising and testing of plans. A plan has been developed in consultation with stakeholders and progress will be monitored by the Emergency Planning Committee, Trust Management Board and Trust Board.

Information Governance (IG)

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

The Information Governance Committee (IGC), of which the Data Protection Officer (DPO) is an attending member, meets on a regular basis to assess risks to security and integrity of information, and management of confidential information. The Committee monitors the completion of the data protection security toolkit submission and information risks, also ensuring the Trust has an effective framework with up to date policies, processes and management arrangements in place.
The Trust submitted a 'standards not met' toolkit on the June 30, 2022, alongside an improvement plan. This put the Trust in the position of "approaching standards". This demonstrated that the Trust has appropriate technical and organisational measures in place to keep personal, confidential data and special category data secure, but did not evidence one element relating to the percentage of IG training compliance. An updated toolkit for 2023/24 will be submitted on June 30, 2023.

The Trust carries out an annual assessment of its position against the Data Security and Protection Standards published by the Department of Health and Social Care, and submitted a "Baseline Assessment" on February 28, 2023. An internal audit will be carried out in March 2023 enabling any action plan to be completed prior to final submission in June 2023.

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

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

IG work programme

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

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

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

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

- **Access**
  The Clinical Systems Group and Hoople maintain a list of all staff and their roles. This is to ensure that staff only access the Trust's clinical systems if they have a legitimate need. Confidential data is only accessible to staff who need it for their current role and access is removed as soon as it is no longer required. Access is logged and regular audits are conducted to ensure that access to personal confidential data on IT systems is justified.

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

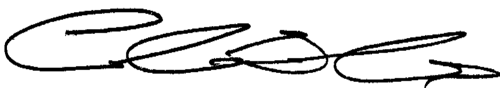
- **Responding to incidents**
  Preventing cyber-attacks on critical infrastructure is a priority for the Hoople IT shared service, working alongside the Trust's IG team. Issues and concerns are raised through monthly information security review meetings.

- **Continuity planning**
  The Trust has recently invested in a multi-year programme to update the security and resilience of its IT hosting arrangements. This included their continuity and recovery plans in the event of a significant failure or cyber-security incident. A regular testing programme is in place with annual assurance provided to the Trust's Audit Committee. The Trust also participates in cyber and business continuity exercises conducted by the West Mercia Local Resilience Forum.

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

- **IT protection**
  The Trust's systems are protected from cyber threats using a layered security model based on a proven cyber security framework. The Trust was re-accredited by Sapphire Technologies Limited in conjunction with IASME, the national certifying body, as Cyber Essential Plus compliant on June 22, 2022. Annual IT penetration tests are conducted, which are scoped with Hoople, Trust senior management and the IG team. These tests include vulnerability scans and checks of password strength.

- **Accountable suppliers**
  The Trust has a robust system in place via its Procurement Shared Service to ensure that all supplier contracts contain appropriate confidentiality and Data Protection clauses. Contracts make it clear who is responsible and accountable for the security of confidential data. Data Protection Impact Assessments are conducted for all new or substantially changed systems. These include checks for recognised cyber-security certification and/or NHS data security and protection toolkit compliance.



Glen Burley
Chief Executive
Date: 19th September 2023

Part B - Accountability report

Corporate governance report

Directors' report

Trust Board

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

The Trust Board meets in public 12 times per year to discuss performance across the Trust, current and future challenges, and corporate and clinical strategy; four of these meetings are joint meetings with foundation group partners. When discussing issues of a confidential nature, the Trust Board resolves to meet in private in accordance with the Public Bodies (Admissions to Meetings) Act 1960 s1 (2).

With effect from August 2022, quarterly Foundation Group Boards meetings were introduced which enabled the Boards of the South Warwickshire University NHS Foundation Trust, George Eliot Hospital NHS Trust and Wye Valley NHS Trust to meet at the same time to share best practice and learnings from across the Foundation Group. The inaugural Foundation Group Boards meeting was held in August 2022 which was a private meeting and then the meeting in November 2022 included a public session. The meetings are held in May, August, November and February and Governors and members of the public are invited to join the virtual public sessions which are also recorded and published on each trust's website.

Details of public Board meetings and public Board papers are available on the Trust website: https://www.wyevalley.nhs.uk/about-us/the-trust-board.aspx

The Trust's standing orders and standing financial instructions were reviewed in October 2022 by the Trust Board.

Changes on the Trust Board

There were the following changes to the Trust Board during 2022/23:

- Rev Christobel Hargraves and Richard Humphries ended their terms of office as Non-executive Directors on September 30, 2022
- Frank Myers ended his term of office as a Non-executive Director and became an Associate Non-executive Director on September 30, 2022
- Grace Quantock, Frances Martin and Ian James, previously Associate Non-executive Directors, started their terms of office as Non-executive Directors on October 1, 2022

Board members

The composition of the Trust Board is balanced with five voting Non Executives and five voting Executive Directors. The full list of members of the Trust Board who served throughout 2022/23, is as follows:

Chair

Russell Hardy

Non-executive directors

Ian James (from October 1, 2022 – formerly Associate Non-executive Director)
Frances Martin (from October 1, 2022 – formerly Associate Non-executive Director)
Andrew Cottom
Nicola Twigg
Grace Quantock (from October 1, 2022 – formerly Associate Non-executive Director)
Richard Humphries (until September 30, 2022)
Rev Christobel Hargraves (until September 30, 2022)

Associate non-executive directors

Frank Myers (from September 30, 2022 – formerly Non-executive Director)

Executive directors

Glen Burley Chief Executive Officer
Jane Ives Managing Director
David Mowbray Chief Medical Officer
Lucy Flanagan Chief Nursing Officer
Geoffrey Etule Chief People Officer
Katie Osmond Chief Finance Officer
Alan Dawson Chief Strategy and Planning Officer
Jon Barnes Chief Transformation and Delivery Officer

Corporate governance framework

Sub-committees of the Trust Board

The Trust Board has the following sub-committees:

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

Sub-committee membership

The table below details Board members' positions at 31 March 2023 on the sub-committees of the Trust Board. Profiles of Trust Board members are available at https://www.wyevalley.nhs.uk/about-us/the-trust-board/board-members.aspx

Non-executive board members	Committee membership (* Chair)
Russell Hardy, Chair	Remuneration Committee* Charity Trustee
Ian James, Non-executive Director (Associate Non-Executive Director until October 1, 2022)	Quality Committee* (from September 30, 2022) Remuneration Committee Charity Trustee Audit Committee**
Frances Martin, Non-executive Director (Associate Non-Executive Director until October 1, 2022)	Remuneration Committee Charity Trustee Quality Committee
Nicola Twigg, Non-executive Director	Audit Committee* Remuneration Committee Charity Trustee Quality Committee PFI Contract Expiry Committee*
Grace Quantock, Non-executive Director (Associate Non-Executive Director until October 1, 2022)	Remuneration Committee Charity Trustee Quality Committee
Andrew Cottom, Non-executive Director	Audit Committee Remuneration Committee Charity Trustee
Frank Myers, Associate Non-executive Director (Non-executive Director until September 30, 2022)	Charity Trustee* Remuneration Committee Audit Committee PFI Contract Expiry Committee
Rev Christobel Hargraves, Non-executive Director (until September 30, 2022)	Remuneration Committee Charity Trustee Quality Committee*
Richard Humphries, Non-executive Director (until September 30, 2022)	Remuneration Committee Charity Trustee Quality Committee

Executive directors	Committee membership (* Chair)
Glen Burley	Remuneration Committee** Charity Trustee Audit Committee ** for sign off of accounts
Jane Ives	Trust Management Board* Remuneration Committee** Charity Trustee Executive Risk Management Committee*
David Mowbray	Trust Management Board Charity Trustee Quality Committee Executive Risk Management Committee
Lucy Flanagan	Trust Management Board Charity Trustee Quality Committee Executive Risk Management Committee
Geoffrey Etule	Trust Management Board Charity Trustee Remuneration Committee** Executive Risk Management Committee
Katie Osmond	Trust Management Board Charity Trustee Audit Committee PFI Contract Expiry Committee Executive Risk Management Committee
Alan Dawson	Trust Management Board Charity Trustee PFI Contract Expiry Committee Executive Risk Management Committee
Jon Barnes	Trust Management Board Charity Trustee Executive Risk Management Committee

*Chair

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

Register of interests

A register of relevant and material Board member interests is maintained and published on the Trust's website. Trust Board and committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in the minutes of the meeting, as well as in a separate register maintained by the Trust Secretary. There have been no occasions during the year where a member has needed to withdraw from the discussion or decisions taken at any Trust Board or committee meeting. You can find the register of interests of executive and non-executive directors at: https://www.wyevalley.nhs.uk/about-us/the-trust-board.aspx

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

Summary of Trust Board activities 2022/23

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

In 2022/23 the Trust Board also received a number of reports and updates including:

- Financial Budget Plan
- Digital Programme
- Kirkup Self-Assessment
- NHSI Inspection
- Staff Survey
- Restoration of Services
- One Herefordshire Plan
- Elective Recovery Update
- Draft Accounts
- Quality Account
- Patient Experience Report
- Ockenden Update
- Workforce and Organisational Development Strategy
- Clinical Systems - Business As Usual
- Staffing Report
- Policy Panel Update
- Standing Orders and Standing Financial Instructions
- Health, Safety and Wellbeing Report
- Winter Plan
- Safeguarding Annual Report
- Virtual Wards Business Case
- Integrated Energy Scheme Grant
- CQC Report
- Clinical Negligence Scheme for Trusts (CNST) Self-Assessment
- Trust Strategy
- Trust Objectives
- International Nurse Business Case
- Elective Surgical Hub Business Case
- Use of Trust Seal

Board workshops/development sessions are held before each Board meeting. Topics considered in 2022/23 included:

- A regular front line team experience or patient story.
- Model Hospital and Productivity (PACE)
- PFI contract management and end of contract planning
- Out of Hospital Urgent Care Redesign
- Healthcare Support Worker Recruitment and Retention
- Sickness Absence
- Board Evaluation
- Better Care Fund
- Mental Health Act Board Training
- Productivity Transformation Programmes
- Local Authority Children's Services
- Herefordshire Big Economic Plan
- Risk Appetite
- MAXIMS – Inpatient and Outpatient Noting Overview

Committee programmes during 2022/23

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

Quality committee

In addition to its core responsibilities, the Quality committee focused on the following areas as part of its programme of work during 2022/23:

- Integrated Performance Report - Quality and Safety
- Research and Development Report
- Medicines Safety Report
- Colposcopy Report
- Mortality Report
- Safeguarding Reports
- Divisional Reports
- Staffing Report
- Infection Prevention Control Report
- Pressure Ulcer Report
- Ockenden Self-Assessment
- Perinatal Quality Surveillance Model
- Venous thromboembolism (VTE)
- Quality Account
- Quality Indicators
- Clinical Effectiveness and Audit Summary Report
- Patient Safety Committee Summary Report

- MCA/DOLS Report
- Nutrition Quality Report
- CQC Inpatient Survey
- Policy Panel Update
- Cleanliness Report
- Clinical Negligence Scheme for Trusts Update
- National Cleaning Standards
- National Cancer Patient Experience Survey
- CQC Inspection 2022
- Deep Dive Perinatal Mortality
- NHS Audit Inpatient Survey 2021
- Serious Incident Deep Dives
- Thrombosis Committee Summary Report
- Insight Visit October 2022
- Quality Priorities
- CQC Maternity Survey 2022
- The Commissioning for Quality and Innovation (CQUIN) framework programme 2023/24

Audit committee

In addition to its core responsibilities, the Audit committee focused on the following areas as part of its programme of work during 2022/23:

- Review of Annual Report and Accounts
- Annual governance statement
- Internal audit plan 2022/23 and progress reports:
    - Effective recruitment
    - Financial sustainability
    - Consultant job plans
    - Cost improvement programme
    - Risk and board assurance framework
    - Strategic workforce planning
    - Cleanliness review
    - Discharge management
    - Audit of audits
    - Data security protection toolkit
- Counter fraud
- Tender waivers
- Losses and compensation
- Value for money
- Standing orders and standing financial instructions

Remuneration committee

The Remuneration Committee met on four occasions in 2022/23 to discuss executive remuneration, Executive Directors' performance, pay award for very senior managers and Executive Director appointments.

Trust management board (TMB)

In addition to its core responsibilities, the TMB focused on the following areas as part of its programme of work during 2022/23:

- Freedom to Speak up Guardian quarterly Update
- Guardian of Safe Working – quarterly Update
- Education Quarterly Update
- Finance and CPIP Monthly Updates
- Digital Programme Monthly Updates
- Improvement Board Monthly Update
- Job Planning and E-Rostering Quarterly Update
- All Business Case for Clinical innovation and Operational Development approved via Trust
- Management Board e.g. Surgical Robot
- Capital Programme projects updated as required

Charitable funds committee

In addition to its core responsibilities, the charitable funds committee considered a number of bids, including for the Education Centre

PFI contract expiry committee

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

Executive risk management committee

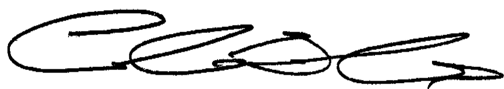
The Executive risk management committee has ensured the effective implementation of the risk management strategy and the core processes to manage risks across the organisation.

Board performance and development

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

- Patient Safety Strategy
- Cybersecurity update
- Workforce update
- Armed Forces Covenant
- Research Updated and Academic Programme Proposals
- Digital Strategy including Paperless and Benefits Realisation

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



Glen Burley
Chief Executive
Date: 19th September 2023

Annual governance statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Wye Valley NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wye Valley NHS Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

An internal audit in 2022/23 acknowledged the challenges faced by the Trust in terms of staff absences within the Governance Team impacting the established BAF and risk administration processes. In addition a number of Executive Risk Management meetings have been cancelled due to other more critical and pressing matters e.g. winter pressures, industrial action.

Whilst in practice the Trust has been managing the strategic and operational risks and challenges faced by the Trust, the governance and audit trail to support has been lacking in 2022/23. The introduction of InPhase to replace Datix (Risk Management System) has both added to the challenge in 2022/23 but should also help address a number of issues identified. Taking account of the issues identified, the board were given 'partial assurance' that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Risk management process

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

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

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

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

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

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

Leadership of risk management and escalation

Trust Board

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

Board members are responsible for:

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

Audit Committee

The Audit Committee, through assurance processes including Internal and External Audit, provides an independent objective opinion to the Board on whether the risk management arrangements in place are effective.

Quality Committee

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

Executive Risk Committee

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

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

Corporate Division Risk Committee

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

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

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

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

Health, Safety and Wellbeing Committee

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

Data Security

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

Training

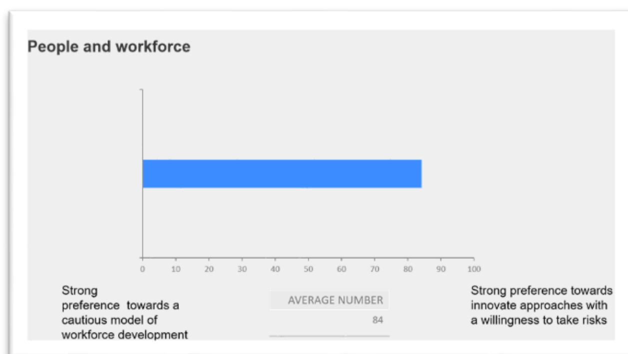
Staff receive appropriate training and support to equip themselves to manage risk in a way appropriate to their authority and duties, primarily through:

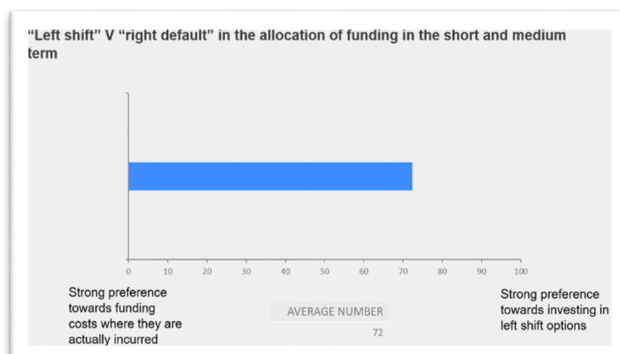
- Awareness of risk assessments which have to be carried out in their place of work and to compliance with control measures introduced by these risk assessments;
- Compliance with all legislation relevant to their role, including information governance requirements set locally by the Trust;
- Following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

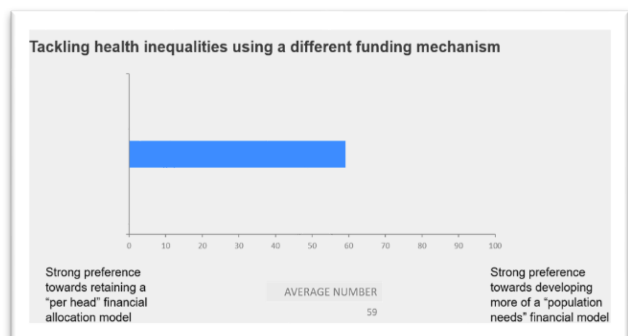
The Board recognises that to deliver their strategic objectives there is a need for robust systems and processes to support continuous improvement, enabling staff to integrate risk management into their daily activities wherever possible and supporting better decision making through a good understanding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

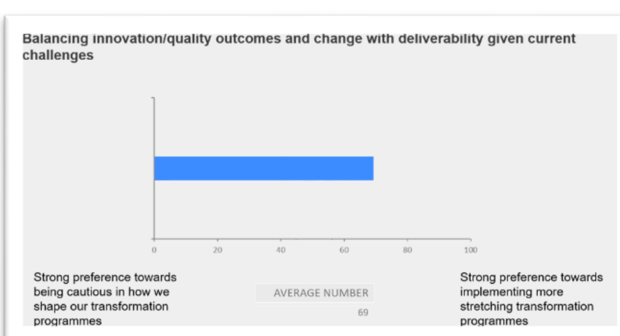
Risk appetite and tolerance

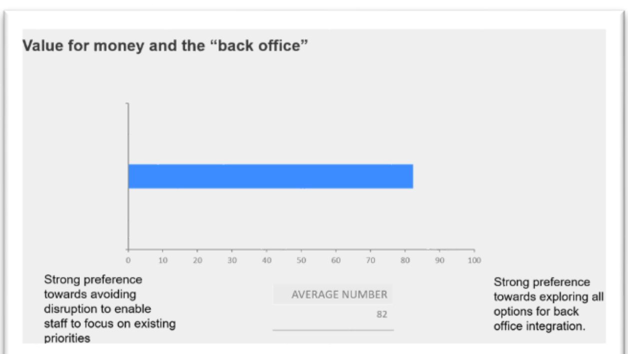
Risk appetite is defined as the 'amount of risk to which the Trust is prepared to accept, tolerate, or be exposed to at any point in time', that is, limiting exposure to an acceptable level for the expected gains by identifying the amount of risk that can be tolerated. The Trust's risk appetite was last considered at a Board Workshop in December 2022. The scale broadly identifies a preference and direction of travel rather than an absolute position.

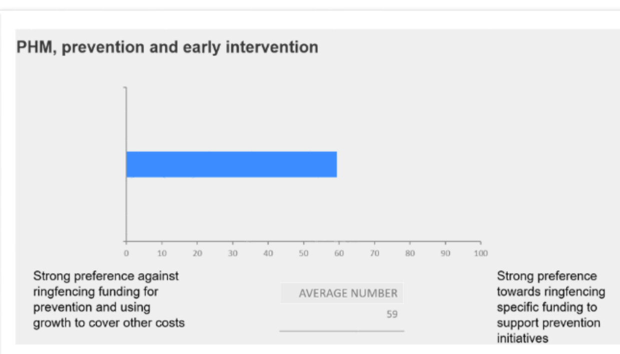


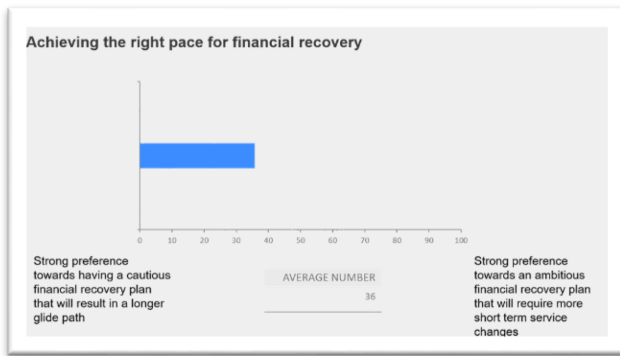


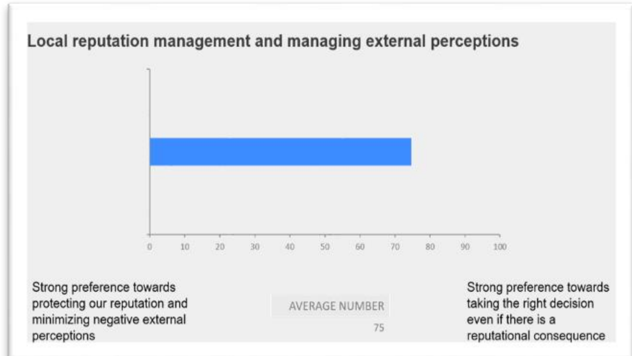


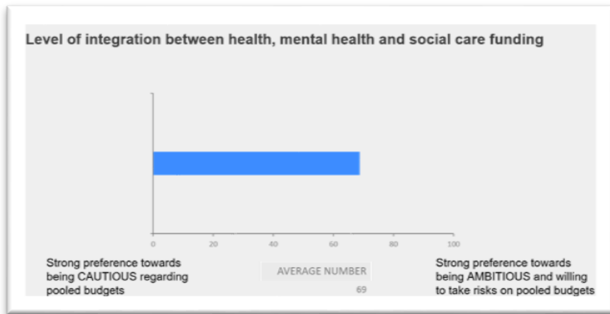












BAF risks

See page 56 for risk level coding.

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
BAF 2022/23 Ability of PLACE Partners to Record Incidents	PLACE partners do not have sufficiently mature or embedded processes to identify system risks, concerns and issues and thereby there will be missed opportunities to both identify and learn.		• DATIX system in place with PCNs linked to Taurus • Meetings established between PLACE quality and safety teams • Taurus have aligned incident category index to reflect that of WVT.	• Embedded PCN processes with using DATIX • Taurus delivery of DATIX process. • Culture change to report and learn from mistakes without apportioning blame. • Differing assessment criteria of harm between partners. • Don't report incidents in line with national guidance - current reports focus on external organisations and not internal practice.			

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
BAF 2022/23 Ability of system to manage flow across the urgent and emergency care pathway	Due to increasing urgent and emergency care demand, there is a risk that the system is unable to enact the measures required to avoid the need for hospital care, the management of discharge pathways and the unblocking of barriers which, in turn, places a risk to quality of care.		• Trust Capacity meetings allowing visibility of the issues and escalation. • Investment in additional ward discharge coordinator capacity. • Enabling flow SOP in place (with proactive boarding on all acute wards)	• Standardization of discharge processes and planning of admission across patient settings. • Ability for out of area partners to respond to the repatriation of patients. • Gaps in Homefirst provision and Discharge to assess settings. • Shortfalls in staffing at ward level creating delays in discharge planning. • Additional financial burden as a result of inability to mitigate additional activity at the 'front door'.			
BAF 2022/23 Accessible Information Standard	There is a risk of both patient harm and/or legal action due to non-compliance with the accessible information standard (AIS) which could result in patients with sensory impairment (not limited to blind, deaf, LD, D/deaf, autism effecting communication etc) being unable to access information relating to their care and allowing them to access services.		• Where a need is identified, the Synertec system is able to provide some alternative formats. • All Trust leaflets are to contain information on how to access alternative formats. • BSL interpreting service available for appointments, when need is identified. • Macmillan have made provision (easy read, BSL) for information relating to cancer services.	• Patients who require alternative formats aren't readily identifiable. • No system is in place to identify, record and flag those with accessible needs. • No process is in place to ensure referrers inform the Trust of accessible needs to enable initial communications to service user. • No safeguards in place to ensure relatives are not providing inappropriate interpretation.			
BAF 2022/23 Availability of Capital Funds to meet Trust's Strategic Objectives	There is a risk that capital funds are not sufficient to meet the collective requirements of the Trust, not limited to the delivering of key estates and investment being made on Trust medical equipment due to a restriction on the capital resources available to the Trust which could lead to an ability to procure essential equipment resulting in adverse impacts on healthcare delivery.		• Capital planning and prioritisation of key schemes and equipment • Holding contingency funds for adhoc emergency requirements • Seeking further capital funding from available outlets • Operational planning process • Capital risks and opportunities analysis	• Ability to determine emergency capital spend requirements Approval of capital fund application • Capital funding provided is not sufficient to meet whole requirement			

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
BAF 2022/23 Clinical and support staff recruitment and retention	There is a risk to achieving the Trust's strategic objectives due to staff shortages and being unable to recruit to clinical and support staff vacancies, resulting in the use of locum staff (and an inability to comply with agency caps), increasing costs, a lack of capacity to deliver national standards, local plans and to address service fragility.		• Recruitment plan for clinical staff. • ICS-wide support worker recruitment campaign. • Dedicated staff for medical recruitment. • ICS clinical reference group devoted to fragile services. • Allocate Project Plan (which oversees implementation of innovative job planning) to allow adaptive use of existing workforce negating the need for recruitment by making best use of resources • Vacancy monitoring. • WVT Leadership Development Programme - developing skills and competencies of managers to enable improved recruitment and retention. • Flexible working policy and processes to aid retention. • Early identification of emerging hot spot areas and immediate remedial action to address. • 'Deep dives' into areas of high turnover. • Analysis of exit interviews • TRAC recruitment system. • Workforce and OD Strategy. • Reviewed Contracts for Master Vendor and Direct Engagement - Sep 22. • Management and data of Master Vendor and Direct Engagement use. • Agency price cap introduced and monitored August 2022. • Regular reporting of turnover data. • Regular review of exit interview and new starter surveys. • Career and pay progression framework for Band 2 HCAs. • Recruitment and retention incentives for	• Clear medical workforce plan that addresses opportunities within ICS. • Full implementation of e-rostering in clinical areas. • Appropriate use of locum/agency medical staff to fill gaps in establishment. • A finalised, more comprehensive Recruitment & Retention Plan - detailing initiatives to address the vacancy gap and deliver sustainable workforce. • Funded capacity doesn't meet demand in specific areas. • New NHSI Retention Project 2021 - due to Covid has been delayed to 2022 - still awaited. • Enhanced workforce planning and development support for managers. • National shortage of clinical staff both Medics and Registered Nurses. • Operational pressures impacting on the ability of managers to complete timely recruitment and retention processes. • Uncertainty of the impact of industrial action. • Cost of living impact on recruitment and retention.			

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
			Band 5 Registered Nursing Staff. • International Recruitment for nursing staff - 100 Registered Nurses expected end Dec 22 with further 15 in March 23. • International Recruitment for medical and other clinical staff in progress.				
BAF 2022/23 Delivery of the Digital Strategy	There is a risk of a delay to the delivery and in turn the future capital funding of the Digital Strategy due to the scale, number and complexity of individual projects and the change/transition requirements of the workforce.		• Trust and Foundation Group Digital Strategies • Programme Team • IT Project Managers • Digital programme board with overview of projects to determine critical path, overlap and staff impact. • Programme Director with programme oversight. • Clinical reference group which provide clinical acceptance and engagement in any proposed solutions • Monthly review of programme progress against plan.	• Change management training of staff • Staff engagement. • Work pressures and availability of staff to be released to attend training. • Lack of resilience in resource plan. • BAU is not established sufficiently to allow effective transition to new ways of working. • Impact of the introduction of digital strategies across all stakeholders. • Uncertainty in national priorities for delivery of digital strategies.			

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
BAF 2022/23 Maturity of Integrated Care Executive	Due to the immaturity of the Integrated Care Executive (ICE) there is a risk that the necessary oversight required of ICE, in order to allow contracts to be devolved to the One Herefordshire Partnership, does not provide sufficient system assurance.		Regular reporting by ICE to the One Herefordshire Partnership Board	None			
BAF 2022/23 Maturity of Primary Care Networks	There is a risk that Primary Care Networks are unable to achieve their objectives in support of the One Herefordshire Partnership in reducing inequalities and improving sufficiently the health and wellbeing of Herefordshire's residents given their immaturity.		National DESs (directed enhanced services)				
BAF 2022/23 Recruitment to Health and Social Care Teams to Support Patients at Home	Recruitment to ICS health and social care teams (including Homefirst and Community Interface) is insufficient to support more people at home		• Increased remuneration package for Homefirst agreed wef 1 May 2022. • Budget in place for Homefirst and CIT expansion. • Workforce Strategy and recruitment campaign in place for Homefirst recruitment. • Place priority.	Homefirst have significant vacancies - awaiting new starters.			
BAF 2022/23 Risks to operational capacity plans and delivery	There is a risk that factors (not limited to COVID 19 outbreaks, staff shortages (and ability to recruit and retain staff including agency), ability to secure and maintain outsourcing and insourcing options, and ability to manage the urgent care pathway to mitigate impact on elective care) will severely impact on the delivery of revised operational capacity plans that deliver safe elective, emergency and critical care. All, individually or collectively, could significantly decrease the level of available capacity.		• Responsive Recovery and Restoration plan • Critical care escalation plan • Ring-fenced elective pathways • Use of the private sector • Pathways for unplanned care • Group and system-wide mutual aid • In-patient and elective care patient testing • Daily reporting • Incident control centre • Regular review of Recovery and Restoration plan. • Activity plans. • Outsourcing options have a formal agreement in place for routine continued use of private facilities.	• Further outbreaks or increase in non-elective activity (including COVID/flu increases) leading to capacity constraints for emergency admissions. • Increase in non-elective demand and increase in may have a significant effect on the recovery and restoration plan. • Clearly documented escalation plan as ongoing need for flexible and dynamic response. • Clearly documented value for money assessment of additional flexible capacity that may be required. • Reduction in discharge pathway capacity. • Uncertainty of the impact of industrial action.			

Risk	Description	Initial Risk level without controls	Controls in place or developed throughout 2022/23	Gaps in Controls	Actual risk level as at April 2022	Actual risk level as at March 2023	Target risk level
BAF 2022/23 The Covid pandemic has resulted in increased waiting times for planned care patients	The covid pandemic has resulted in large numbers of planned care patients waiting much longer for assessment and treatment. There is a risk that the delay in assessment and/or treatment will lead to patients coming to harm during this time that would have been avoided had treatment been more timely		• Inpatient waiting list is 'risk' stratified (P codes) and patients are booked for assessment and/or treatment based on clinical need and where this is equal in chronological order. • Diagnostic waiting list is 'risk' stratified (D codes) and patients are booked for assessment and/or treatment based on clinical need and where this is equal in chronological order. • Specialities have undertaken periodic waiting list reviews and communicated with patients regarding any change in their condition • Waiting list stock take (Harm and Risk Review) undertaken and reported to Quality Committee • Long-wait patients (over 15 weeks) on outpatient waiting list written to on a rolling basis each week. • Weekly review of long waiting patients and plans • Weekly reports including waiting list position (including long waiters), P and D code completeness and activity	• Due to capacity constraints the Trust is unable to rapidly deliver sufficient activity to recover wait times to acceptable levels • Sharp rise in 2ww and urgent referrals has adversely impacted specialty ability to commit sufficient resource to treat long waiting routine patients • Specialty-led waiting list reviews have not provided universal coverage of the whole waiting list • No mechanism by which to ensure patients are not coming to harm as a result of continued delays. • Health inequalities within the existing waiting lists. • ICS response to existing and emerging fragile services.			
BAF RISK 2022/23 Capital investment and approvals to support Sustainability Strategy	There is a risk that as an anchor institution the capital investment and approval required to achieve the NHS Greener Plan is not the available creating an inability to meet and non-compliance with national targets.		• Sustainability grants. • Carbon Trust advising on Business Case.	Not being awarded sustainability grants when available.			

Future Strategic Risks 2023/24

Future strategic risks for 2023/24 will be managed through the BAF by monthly review at Executive Risk Management committee and quarterly review by the Board of Directors. The risks will be mapped to the Trust's 2023/24 objectives. As at 1 April 2023, the 2023/24 strategic risks are:

Risk Title	Risk detail
BAF 2023/24 Ability of system to manage flow across the urgent and emergency care pathway	There is a risk that the system is unable to enact the measures required to avoid the need for hospital care, the management of discharge pathways and the unblocking of barriers which, in turn, places a risk to quality of care.
BAF 2023/24 Availability of Capital Funds to meet Trust's Strategic Objectives	There is a risk that capital funds are not sufficient to meet the collective requirements of the Trust, not limited to the delivering of key estates and investment being made on Trust medical equipment due to a restriction on the capital resources available to the Trust which could lead to an ability to procure essential equipment resulting in adverse impacts on healthcare delivery.
BAF 2023/24 Clinical and support staff recruitment and retention	There is a risk to achieving the Trust's strategic objectives due to staff shortages and being unable to recruit to clinical, nursing and support staff vacancies, resulting in the use of locum staff (and an inability to comply with agency caps), increasing costs, a lack of capacity to deliver national standards, local plans and to address service fragility.
BAF 2023/24 Delivery of the Digital Strategy	There is a risk of a delay to the delivery of benefits and the future capital funding of the Digital Strategy due to the scale, number and complexity of individual projects and the change/transition requirements of the workforce.
BAF 2022/23 Maturity of Integrated Care Executive	Due to the immaturity of the Integrated Care Executive (ICE) there is a risk that the necessary oversight required of ICE, in order to allow contracts to be devolved to the One Herefordshire Partnership, does not provide sufficient system assurance.
BAF 2022/23 Maturity of Primary Care Networks	There is a risk that Primary Care Networks are unable to achieve their objectives in support of the One Herefordshire Partnership in reducing inequalities and improving sufficiently the health and wellbeing of Herefordshire's residents given their immaturity.
BAF 2022/23 Recruitment to Health and Social Care Teams to Support Patients at Home	Recruitment to ICS health and social care teams (including Homefirst and Community Interface) is insufficient to support more people at home
BAF 2023/24 Risks to productivity and operational capacity plans and delivery	There is a risk that the Trust will not be able to achieve its productivity and activity plans as a result of factors due to: vacancies; pace of productivity improvements; access to outsourced capacity; and, sub-optimal urgent care pathway. This may severely impact on the delivery of productivity and operational capacity plans that deliver safe and timely elective, emergency and urgent care. All factors, either individually or collectively, could significantly decrease the level of available capacity and productivity.
BAF23/24 Improving Cleanliness Standards	There is a risk that WVT will fail to deliver improvements to cleanliness standards which could lead to increased infection rates.
BAF23/24 One Herefordshire delivery of responsibilities contained within the MOU	There is a risk that One Herefordshire will be unable to make improvements to 'working in a more integrated way' due to an inability to achieve consensus. This includes being unable to realise the potential benefits of the MOU (containing new responsibilities for the Better Care Fund) between the ICB and One Herefordshire.
BAF23/24 Delivery of Academic Programme	There is a risk that WVT may be unable develop an effective academic programme in a timely manner due to being unable to quantify the scope as a result of the range of services provided, necessary resources (including finance) and delivery models required to achieve improvements to patient care.

Trust Board

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

The Board has met in public 12 times, including as part of the Foundation Group Boards meetings in August and November 2022 and February 2023, to discuss performance across the Trust, current and future challenges, and corporate and clinical strategy. When discussing issues of a confidential nature, the Trust Board resolves to meet in private in accordance with the Public Bodies (Admissions to Meetings) Act 1960 s1 (2).

Sub-committees of the Trust Board

The Trust Board has the following sub- committees:

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

The role of the Board's sub-committees

Quality Committee

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

Audit Committee

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

Remuneration Committee

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

Trust management board

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

Charitable Funds Committee

The Charitable Funds Committee has been established by the Board to make and monitor arrangements for the control and management of the Trust's charitable Funds. Key duties of the Committee are to apply the charitable Funds in accordance with the charity's governing documents;

to make decisions involving the sound investment of charitable Funds in a way that both preserves their capital value and produces a return consistent with prudent investment; and to ensure the charity's compliance with legal and regulatory requirements.

Board and sub-committee attendance

Attendance of Board and sub-committee meetings by executive and non-executive Board members during 2022/23 is shown below:

Name of Board or sub-committee	Number of meetings held	Attendance 2022/23
Board	9	92.6%
Quality committee	12	82.4%
Audit committee	4	80.4%
Remuneration committee	4	92.5%
Charitable funds committee	4	76.5%

To note that following the introduction of quarterly Foundation Group Boards meetings from August 2022, the Board of Wye Valley NHS Trust meets as part of the Foundation Group Boards meetings in May, August, November and February of each year and does not hold separate Trust Board meetings during those months.

Clinical governance and risk

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

- Patient Safety Committee
- Overarching Safeguarding Committee
- Infection Prevention and Control Committee
- Patient Experience Committee
- Clinical Effectiveness and Audit Committee
- Serious Investigation Panel

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

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

Clinical governance meetings also take place at divisional level.

Operational performance and key targets

NHS England's Single Oversight Framework (SOF) is used for overseeing providers and identifying potential support needs. The SOF looks at five themes:

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

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

The Trust remains in segment 3 of the SOF.

Integrated performance report

There are regular discussions about the latest integrated performance report (IPR) at the Trust Board.

The IPR and patient safety dashboard include:

- Operational Performance
- Quality & Safety
- Well Led
- Financial Performance

Risk register

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

Workforce planning

The Trust's workforce planning activity is an essential part of the business planning process.

On an operational level there is strong alignment to business and budget planning. An excellent illustration of the integrated planning is the business case to introduce virtual wards which support patients who would otherwise be in hospital to receive the acute care, monitoring and support they need in the place they call home.

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

Our robust approach to workforce planning ensures the Trust complies with NHS England developing workforce safeguards recommendations. The electronic staff record (ESR) and financial systems are used to give a baseline for workforce planning. This is then adjusted in accordance with evidence-based forecasting of activity levels, service changes, service developments and contract commissioning.

That said, during 2022/23, the Trust had 139 Consultants and associate specialists, specialty doctors, staff grades, clinical assistants, general medical practitioners, general dental practitioners, and hospital practitioners who should have had in place a job plan which forms an agreement with the Trust that sets out the hours to be worked and the activities that will be undertaken within these hours. Whilst significant work has taken place in 2022/23 to ensure this is the case, only 35.29 per cent of eligible staff had a signed off Consultant Job Plan by March 31, 2023. This has resulted in an internal audit opinion of 'partial assurance' that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied or effective.

With regard to giving assurance about safe staffing, the acuity process is performed manually by collecting data from individual services. This ensures safe staffing adheres to set levels and is signed off by the Chief Nursing Officer or Chief Medical Officer.

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

Register of interests

A register of relevant and material Board member interests is maintained and published on the Trust's website. Board and Committee meeting agendas routinely include an opportunity for members to declare any interests in agenda items. Any such interests are recorded in the minutes of the meeting. There have been no occasions during the year where a member has had to withdraw from the discussion or decision taken at any Board or Committee meeting.

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

CQC registration requirements

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

Pensions

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

Equality, diversity and human rights legislation

Control measures are in place to ensure that all of our obligations under equality, diversity and human rights legislation are complied with.

Climate change

The 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.

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

We recognise the importance of accurate data: it's a fundamental requirement for the effective, safe treatment of our service users and the efficient operation of our business. Frequent reporting at relevant meetings and to Committees outlines performance in relation to explicit quality expectations and provides assurance of adherence to internal and external data quality metrics. The use of: benchmark data; nationally sourced and verified data quality metrics within internal assurance processes; and quality reporting systems strengthens local assurance of nationally acceptable levels of data quality.

Incidents and reporting

IG incidents are graded using the NHS Digital Breach Assessment grid, which is in line with the requirements of the GDPR and the Data Protection Act 2018. We ensure that data breaches are reported within 72 hours of being discovered. Incidents are graded according to their impact on the individual or groups of individuals affected, with 1 being the least serious and 25 the most serious. Incidents graded 6 or above are reportable to the ICO via the data security and protection toolkit incident reporting tool.

During the financial year 2022/23, there was one data breach reported via the DPST - there were no others that met the threshold. This incident met the threshold for reporting to the Information Commissioner's Office, but on their consideration no further action was required. However all IG incidents raised on the incident reporting system are subject to an investigation to ensure actions are taken to address any breaches and to put measures in place to ensure that similar issues do not reoccur.

Data quality and governance

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

The quality committee has received an update on the Trust's Annual Quality Account for 2022/23 and received assurance that this presented a balanced view and that there were appropriate controls in place to ensure the accuracy of data.

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

Compliance with NHS Provider Licence Trust Condition 4

The Trusts compliance with NHS Provider Licence Condition 4 is confirmed with supporting evidence contained within this Annual Report and not limited to that detailed below:

The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	The Board has the following governance arrangements in place to manage its corporate governance arrangements: ➢ Board and Committee structure ➢ Management and Directorate structure ➢ Arrangements for assessing the Board's performance and effectiveness (including a Board Development Programme) ➢ Quality governance arrangements ➢ Compliance regimes to support regulatory requirements - e.g. for the Care Quality Commission and NHS Improvement ➢ Quality Improvement Programme ➢ Internal Audit Annual Plan ➢ Counter Fraud Programme ➢ Risk and Control Framework ➢ Information Governance arrangements ➢ Standing Orders, Standing Financial Instructions and Scheme of Delegation The Trust's governance arrangements have been supported by: ➢ The Board having a good balance of skills and experience: Executive Directors have defined portfolios of responsibilities and Non-Executive and Associate Non-Executive Directors have lead areas of focus linked to their areas of expertise and the requirements of the Trust ➢ Annual self-declaration from all Board members that is compliant with the Care Quality Commissions Regulation 5 – Fit and Proper Persons and support the annual declaration from the Board as against its full compliance with this regulation. ➢ Committee Reporting Structure - which enables a focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control. ➢ Reporting and assurance sub-structure of Clinical Directorates with tri-umbrate leadership and clinically led. ➢ Board Assurance Framework and combined Risk Register which details the risk to the delivery of the Trust's strategic aims.

The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time.	• The Trust responds to all relevant guidance issued by NHS Improvement through the actions of the CEO and the Executive Team. • The Chief Executive's Report at every Board meeting also highlights any guidance issued by regulators.
The Board is satisfied that the Licensee has established and implements: ➢ Effective board and committee structures; ➢ Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and ➢ Clear reporting lines and accountabilities throughout its organisation.	• The Trust has Board approved Standing Orders, Standing Financial Instructions and a Scheme of Delegation. There are Terms of Reference for each Committee of the Board and effectiveness is assessed. On an annual basis a review is undertaken of each of the Terms of Reference for Committees reporting to the Trust Board. These are approved by each Committee and then the Trust Board. • The Board has a well-established Committee structure that provides for effective review, scrutiny and decision making on the priority areas of the Board's business and a clear focus on and scrutiny of quality and safety issues, workforce matters and financial planning and control. This and an underpinning infrastructure of supporting management meetings enables the Board to discharge its responsibilities and duties effectively and efficiently. • The composition of the Board is well balanced has a broad range of skills and experience. Executive Directors have defined portfolios of responsibilities and Non-Executive Directors have lead areas of focus linked to their areas of expertise and the requirements of the Trust. • There is a clear reporting and assurance structure within the Clinical Directorates which has a triumvirate leadership team led by a Clinical Director. Job descriptions define duties, responsibilities and accountabilities across the management team and throughout the organisation.
The Board is satisfied that the Licensee has established and effectively implements systems and/or processes: ➢ To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; ➢ For timely and effective scrutiny and oversight by the Board of the Licensee's operations; ➢ To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions; ➢ For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's	• The Board ensures that the Trust meets necessary legislative requirements which include Care Quality Commission compliance. Various operational groups ensure that the Trust Board is assured that the organisation, decisions and business of the trust is monitored effectively. The Trust's transformation programme is testing new ways of delivering care that are more consistent; it is also looking at more efficient and effective ways of working through system opportunities. The overarching aim is to make best use of our resources within the current constraints of growing demand and financial challenges. It is an ambitious programme that is driven to improve the care we provide, to enable our staff to spend more time with the people they are supporting and to increase our efficiency as a NHS organisation. The Board has a number of points of assurance which include integrated performance reporting, financial performance, declarations and Annual Accounts, External Audit and Internal Audit reports and statements. • Financial decision making and management and control systems are set out in the Trust's Standing Financial Instructions and Scheme of Delegation. The Clinical Directorates are held to account for their financial performance and Cost Improvement targets are set for all Directorates within the Trust. • The Board has an agreed governance reporting structure and sequence of meetings though the timing of these is being reviewed to

ability to continue as a going concern); ➢ To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making; ➢ To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence; ➢ To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and ➢ To ensure compliance with all applicable legal requirements.	enable timely consideration of relevant and up to date information to make decisions. • Risks that may affect the Trust in delivering our strategic aims and risk any associated compliance are set out in the Board Assurance Framework which is regularly updated through Executive Director and Committee review. • A range of governance, risk and control processes are in place to ensure that the Trust remains compliant with its legal requirements. • An integrated performance report is presented to the Board of directors each month. This report covers the key areas of Quality, Performance Workforce and Finance and highlights variances from plan and what actions are being taken to improve. • The Quality Committee ensures compliance in relation to quality governance and the Care Quality Commission's standards and other regulatory bodies. • All business plans are reviewed by the Trust Management Board prior to presentation to the Board of directors for approval (subject to financial values). • The Finance and Performance executive reviews performance within the divisions on Finance, quality, performance and workforce. • Internal and external assurance is provided through the Trust internal and external auditors.
The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure: ➢ That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided; ➢ That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations; ➢ The collection of accurate, comprehensive, timely and up to date information on quality of care; ➢ That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care; ➢ That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and ➢ That there is clear accountability for quality of care throughout the Licensee including but not restricted	• The Trust has a Quality Committee that meets every month and provides assurance to the Board on matters of quality and safety; it is chaired by a Non-Executive Director. Agendas are informed by standing items, items taken from a forward plan and any topical matters, such as changes in legislation of policy. Directorate Governance Board meetings take place on a monthly basis and their focus is on the quality and safety of the operational delivery of services; these meetings are led by the relevant Clinical Director. The Chief nursing officer and chief medical officer work together on measures to improve patient safety and experience and clinical effectiveness. A comprehensive structure of management meetings look at a range of specific aspects of quality and safety and are attended by a cross section of multi-professional staff and managers. • A report is provided by the Chair of the Quality Committee to the Board of directors summarising discussions and decisions. In addition, the chief nursing officer provides a report on Quality which includes KPIs and forms part of the monthly Integrated Board Report. • The minutes of the Quality Committee are also presented to the Board of directors • The Trust has a well-established informatics team which assists with performance reporting. Each of the Executive Directors has a defined portfolio of responsibilities which clarifies their accountabilities. There is framework for risk management and a means of escalating concerns about internal control to the Audit Committee. • All members of the Board are actively engaged in quality and safety initiatives. As a matter of course, the Trust takes into account the views of others through the feedback received from complaints, compliments, incident review, ongoing stakeholder meetings and discussions. One of the Association Non-Executive Directors has been

to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.	appointed the 'Freedom To Speak Up Guardian' for the Trust and we also have a dedicated staff member to support this. Duty of Candour is a statutory duty that requires the Trust to be open and candid if someone is harmed when in our care. • In addition to formal channels, such as the Freedom to Speak Up service, all Executive Directors operate an "open door" policy and access to any member of the Board can be arranged through the Trust Headquarters office for staff or members of the public.
The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.	Executive Directors have defined portfolios of responsibilities. Non-Executive Directors have lead areas of focus linked to their areas of expertise and the requirements of the Trust. The Managing Director considers the capacity of the Executive team on an ongoing basis. Regular supervision sessions and weekly Executive meetings enable the Managing Director and her Executives to maintain a focus on delivery priorities. There is an annual self-declaration from all Board members that is compliant with the Care Quality Commissions Regulation 5 – Fit and Proper Persons.

Well led

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

The Trust has not had a full inspection this year and therefore the ratings for the Well Led framework remains as reported previously at 18 March 2020. Overall the CQC concluded that the Trust is rated "Requires Improvement" regarding whether services are well led. However 10 out of 13 individual core services are rated 'good' for 'well led'.

The Trust Board undertook a well led external board evaluation in March 2022 to identify the areas of leadership and governance that would benefit from further targeted development work to secure and sustain future performance. The evaluation was grounded in peer-reviewed research and structured around the 7-Hallmarks of Effective Boards, the key lines of enquiry (KLOEs) and the characteristics of good organisations. The results indicated a well-functioning board with average scores on all but two sections higher or equal to other trusts and commercial boards in FTSE companies.

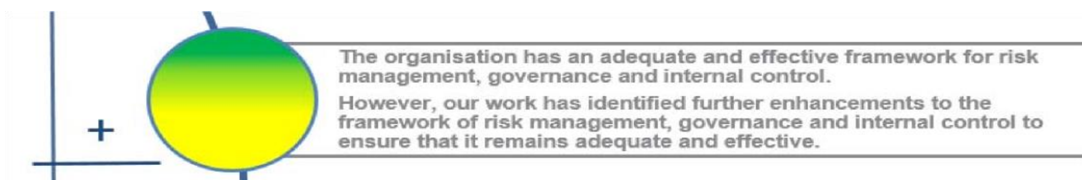
Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information

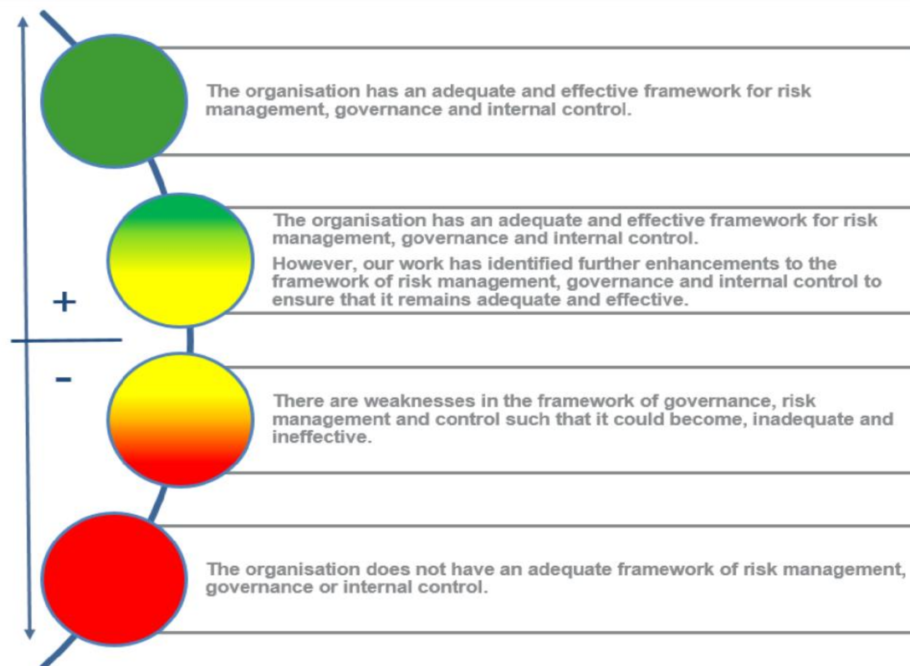
available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have relied on assurance provided by the following sources:

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



The following shows the full range of opinions available within the internal audit methodology, providing context to the Trust's annual internal audit opinion.



The factors that were considered when determining the audit opinion are:

- Inherent risk in the area being audited;
- Limitations in the individual audit assignments;
- The adequacy and effectiveness of the risk management and/or governance control framework;
- The impact of weaknesses identified;
- The level of risk exposure: and,
- The response to management actions raised and timeliness of actions taken.

- No ‘minimal’ assurance opinion reports have been issued in 2022/23. In the audits shown as providing Reasonable Assurance, the auditors have identified some areas where enhancements are required and in each of these cases management actions have been agreed, the implementation of which will improve the control environment.

- The internal auditors reviews have covered the following:
    - Effective Recruitment and Retention – Advisory.
    - Financial Sustainability – Agreed upon procedures.
    - Cost and Productivity Improvement Programme (CPIP) – Partial assurance.
    - Discharge Planning – Reasonable assurance.
    - Consultant Job Plans – Partial assurance (see page 69).
    - Key Financial Controls – Reasonable assurance
    - Cleanliness Standards – Agreed upon procedures.
    - Risk Management and Board Assurance Framework – Partial assurance (see page 55).

- Executive directors in the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

- The BAF itself provides me with evidence that the effectiveness of controls to manage risks to the organisation achieving its principal objectives have been reviewed.

- Registration with the CQC – as at 31 March 2023, the Trust has no regulatory notices.

- The Trust has had regular performance oversight meetings with NHS England and this provides me with independent external assurance regarding the Trust’s performance and the effectiveness of the Trust’s system of internal control.

- I have been advised on the effectiveness of the system of internal control by the following Committees within the Trust:

    - Audit committee
    - Quality committee
    - Finance and performance executive
    - Trust management board

Conclusion

There have been no significant internal control issues identified in the Trust during 2022/23. The Board will continue to review progress and ensure that a process of continuous improvement is in place in the Trust in 2023/24, including:

Quality Improvement

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

Digital

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

Productivity

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

Sustainability

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

Workforce

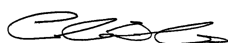
- Improve recruitment, retention and employment opportunities by implementing more flexible employment practises including the creation of joint career pathways with One Herefordshire partners
- Develop a five year 'grow our own' workforce plan

Research

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

Any issues will be reflected within the risk register and their management monitored through the BAF. The Trust will also continue to ensure the timely implementation of any internal and external audit recommendations. The system of internal control has been in place at the Trust for the year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts.

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



Glen Burley
Chief Executive
Date: 19th September 2023

Remuneration and staff report

All executive directors at the Trust were confirmed as being paid in line with the 'established' pay ranges listed for small acute NHS trusts and foundation trusts. The salaries of all executive directors were increased in line with the recommendations of the NHSI in their guidance on the annual cost of living increases, backdated to April, 1 2022.

Methods used to assess the performance of Executive directors

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

Remuneration of the chair and non-executive directors

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

Between 1 April 2022 and 31 March 2023, there were four meetings of the Remuneration Committee.

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

Name	Title	Duration	2022/23						2021/22					
			Salary (bands of £5,000)	All taxable benefits (nearest £100)	Annual performance related bonus (bands of £5,000)	Long term performance related bonus (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)	Salary (bands of £5,000)	All taxable benefits (nearest £100)	Annual performance related bonus (bands of £5,000)	Long term performance related bonus (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)
			£000	*£*	*£000*	*£000*	*£000*	*£000*	*£000*	*£*	*£000*	*£000*	*£000*	*£000*
H Oddy	Director of Finance	To May-21							15-20					15-20
K Osmond	Chief Finance Officer		120-125				117.5-120	240-245	95-100				5-7.5	105-110
L Flanagan	Chief Nursing Officer		105-110				30-32.5	140-145	105-110				25-27.5	130-135
J Barnes	Chief Transformation and Delivery Officer		115-120					115-120	115-120				22-25.0	140-145
A Parker	Chief Operating Officer		100-105				152.5-155	255-260	5-10					5-10
G Burley	Chief Executive (Note 1)		45-50	1,600				45-50	45-50	1,600				45-50
J Ives	Managing Director		130-135	4,800				135-140	135-140	5,200			10-12.5	150-155
D Mowbray	Chief Medical Officer		185-190				42.5-45	225-230	180-185				40-42.5	220-225
G Etule	Chief People Officer		100-105				25-27.5	130-135	100-105	1,400			22.5-25	125-130
A Dawson	Chief Strategy and Planning Officer		100-105				50-52.5	155-160						
R Hardy	Chairman		20-25					20-25	15-20					15-20
A Cottom	Non Executive Director		10-15					10-15	10-15					10-15
F Myers MBE	Non Executive Director	To Feb-22							10-15					10-15
R Humphries	Non Executive Director	To Sep-22	5-10					5-10	10-15					10-15
C Hargraves	Non Executive Director	To Sep-22	5-10					5-10	10-15	1,100				10-15
N Twigg	Non Executive Director	Started Feb-22	10-15					10-15	0-5					0-5
F Martin	Non Executive Director		10-15					10-15						
G Quantock	Non Executive Director		10-15					10-15						
I James	Non Executive Director		10-15					10-15						

Note 1. Glen Burley is seconded from South Warwickshire University NHS Foundation Trust on a shared appointment with SWFT and George Eliot NHS Trust for a proportion of his time and the remuneration identified reflects this. G Burley's secondment covers both 2022/23 and 2021/22 and his full salary was within the range £235k to £240k (2021/22 £235-240k).

D Mowbray's remuneration includes £131k payable for his role as a Consultant Surgeon for the Trust.

Note 2. The information contained in the table above is subject to audit.

Pensions Benefits 2022/23 – *this information is subject to audit*

Name	Title	Real increase in pension at 60 (£2,500 bands) *£000*	Real increase in lump sum at 60 (£2,500 bands) *£000*	Accrued pension at 60 as at 31-03-23. (£5,000 bands) *£000*	Accrued lump sum as at 31-03-23. (£5,000 bands) *£000*	Cash equivalent transfer value as at 01-04-23 *£000*	Real increase in cash equivalent transfer value *£000*	Cash equivalent transfer value as at 31-03-22 *£000*	Employer's contribution to stakeholder pension *£000*	Notes
J Ives	Managing Director	-	-	-	-	-	-	1,556		Opted out NHS Pensions in Jun 2023.
K Osmond	Chief Finance Officer	5-7.5	10-12.5	35-40	60-65	518	83	405		
J Barnes	Chief Transformation and Delivery Officer	0-2.5	(2.5)-(5)	55-60	120-125	1,222	12	1,157		
A Parker	Chief Operating Officer	7.5-10	15-17.5	35-40	75-80	659	130	499		
L Flanagan	Chief Nursing Officer	0-2.5	0-2.5	40-45	75-80	790	34	719		
D Mowbray	Medical Director	2.5-5	0-2.5	50-55	100-105	1,097	52	997		
G Etule	Chief People Officer	0-2.5	0-2.5	20-25	40-45	355	17	314		
A Dawson	Chief Strategy and Planning Officer	2.5-5	2.5-5	40-45	75-80	726	50	642		

Note 1. G Burley did make any contributions in to to the NHS Pension Scheme in 2022/23. J Ives ceased to make payments to the pensions scheme in June 2023.
Note 2. J Ives opt out in-year from the the NHS Pensions scheme means that a position as at 31 March 2023 cannot be provided for comparative purposes.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures.

Awards to past senior managers

No pay awards have been made to past senior managers.

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

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation to the median 25th and 75th percentile remuneration values. These are disclosed in the table below for 2022/23 and the prior year. The table also discloses the remuneration for the highest paid director and remuneration of the median, 75th and 25th percentile employees. The increase in each value compared to the prior year is also disclosed. The values includes the impact of the paid element of the 2022/23 pay award. The table shows a significant increase in all measures except the highest paid Director. This reflects two elements, a pay award that benefitted lower banded staff in relative terms plus the impact of accounting for bank and agency staff within the measure.

	Pay Ratio		
	25th percentile	Median	75th percentile
2022/23	7.3	5.5	4.1
2021/22	9.0	6.7	4.6

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

The ratios declined compared to the previous year which reflects a small increase in the remuneration of the highest paid director compared to larger increases in the median, 25th and 75th percentile salaries.

	Total Remuneration			
	2022/23	% Change	2021/22	% Change
Highest Paid Director	£187,500	2.7%	£182,500	4.80%
Minimum	£9,405	11.9%	£8,408	3.60%
Median	£33,567	22.8%	£27,332	5.00%
75th percentile	£44,874	12.0%	£40,079	3.10%
25th percentile	£25,362	24.7%	£20,330	3.00%

Salaries paid by the Trust on a full time equivalent basis, varied between £9k and £516k per annum. In 2022/23, 20 employees received remuneration in excess of the highest paid director based on payment received in the year (2021/22, 16). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The remuneration calculation also cover staff engaged on a bank and agency basis as well as substantive posts. In addition to regular salaries, some staff receive additional remuneration relating to the delivery of activity outside their contracts such as the delivery of waiting list initiatives.

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

Disclosures of Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period 1.
Full time equivalent employee number 1.

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£39,027
Total pay bill	£209,924k
Percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time/total pay bill) x 100	0.02%

Sickness Absence Figures for Wye Valley NHS Trust 2022/23

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2022	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
3,191	46,087	1,164,582	74,763	14.4

The staff turnover percentage for the 2022/23 financial year was 12.8 per cent. Turnover statistics are reported to NHS England and NHS Improvement. Figures refers to staff on permanent contracts only and includes all voluntary and involuntary reasons for leaving the Trust.

Staff costs – *this information is subject to audit*

Costs	2022/23 Permanent £0	2022/23 Other £0	2022/23 Total £0	2021/22 Total £0
Salaries and wages	131,757	16,064	147,821	135,270
Social security costs	15,184		15,184	13,470
Apprenticeship levy	693		693	649
Employer's contributions to NHS pension scheme	23,030		23,030	21,091
Temporary staff		23,196	23,196	15,860
Total staff costs	**170,664**	**39,260**	**209,924**	**186,340**
Of which				
Costs capitalised as part of assets	1,235	916	2,151	2,135
Total staff costs charged to revenue	**169,429**	**38,344**	**207,773**	**184,205**
Average number of employees (WTE basis)				
Medical and dental	213	203	416	398
Administration and estates	767	56	823	823
Healthcare assistants and other support staff	664	102	766	716
Nursing, midwifery and health visiting staff	899	151	1,050	1,037
Nursing, midwifery and health visiting learners	2	2	4	4
Scientific, therapeutic and technical staff	360	31	391	389
Healthcare science staff	75	5	80	78
Total average numbers	**2,980**	**550**	**3,530**	**3,445**
Of which:				
Number of employees (WTE) engaged on capital projects	8	13	21	28

Note 1. The staff wte numbers have been re-stated for 2021/22 to ensure consistency with 2022/23. The staff wte numbers for 2021/22 have been increased by 137, which includes 125 agency staff, previously excluded .

Workforce profile (average headcount)

	2022/23 Total Number	2021/22 Total Number
Medical and Dental	389	364
Estates and Ancillary	113	109
Administration and Clerical	883	858
Nursing and Midwifery registered	1105	1103
Healthcare Scientists	86	91
Allied Health Professionals	313	300
Additional Clinical Services	850	811
Students	3	4
Add Prof Scientific and Technical	147	167
Total	3889	3807

Of which:

Number of employees (WTE) engaged on capital projects : 21

Gender Split for General Staff

	2022/23 Total Number	Total %
Female	3188	81.97
Male	701	18.03
Total	**3889**	**100**

Gender Split for Trust Board

	2022/23 Total Number	Total %
Female	7	41.18
Male	10	58.82
Total	**17**	**100**

Nb: includes Erica Hermon (Company Secretary).

Workforce by Disability

	2022/23 Total Number	Total %
No	3294	84.70
Not Declared	313	8.05
Prefer Not To Answer	4	0.10
Unspecified	120	3.09
Yes	158	4.06
Total	**3889**	**100**

Workforce by Ethnicity

	2022/23 Total Number	Total %
White - British	2944	76.94
White - Irish	15	0.39
White - Any other White background	135	3.43
Mixed - White & Black Caribbean	9	0.25
Mixed - White & Black African	16	0.39
Mixed - White & Asian	17	0.52
Mixed - Any other mixed background	2	0.05
Asian or Asian British - Indian	343	8.29
Asian or Asian British - Pakistani	35	0.84
Asian or Asian British - Bangladeshi	21	0.49
Asian or Asian British - Any other Asian background	90	2.07
Black or Black British - Caribbean	6	0.17
Black or Black British - African	77	1.70
Black or Black British- Any other Black background	9	0.22
Chinese	11	0.30
Any Other Ethnic Group	94	2.22
Not Stated	65	1.70
Total	**3889**	**100**

Workforce by Sexual Orientation

	2022/23 Total Number	Total %
Bisexual	40	1.03
Gay or Lesbian	40	1.03
Heterosexual or Straight	3259	83.80
Other sexual orientation not listed	16	0.41
Undecided	4	0.10
Not stated	530	13.63
Total	**3889**	**100**

Exit packages - this information is subject to audit

The Trust reported no exit packages in 2022/23 or 2021/22.

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

There has been no payment or compensation paid for early retirement or loss of office or payments made to past directors in 2022/23 or 2021/22.

Off Payroll Engagements

Off payroll engagements relate to individuals employed by the Trust but not remunerated via the organisations payroll function. Typically, this would relate to self-employed individuals or those contracted via agencies. The Department of Health requires NHS bodies to report any off-payroll engagements as at 31 March 2023, for more than £245 per day*

	Number
Number of existing engagements as of 31 March 2023	61
Of which, the number that have existed:	
for less than one year at the time of reporting	37
for between one and two years at the time of reporting	16
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	3
for 4 or more years at the time of reporting	4

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

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day:

	Number
No. of temporary off-payroll workers engaged between 1 April 2022 and 31 March 2023	130
Of which...	
No. not subject to off-payroll legislation (2)	0
No. subject to off-payroll legislation and determined as in-scope of IR35 (2)	127
No. subject to off-payroll legislation and determined as out of scope of IR35 (2)	3
the number of engagements reassessed for compliance or assurance purposes during the year	127
Of which: no. of engagements that saw a change to IR35 status following review	0

The 130 engagements reported above all relate to individuals contracted to work for the Trust via employment agencies and therefore the Trust have not been required to introduce contractual clauses.

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

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year (1)	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements (2)	0

Expenditure on consultancy

The Trust spent £56k on consultancy during 2022/23 compared to £35k in the previous year. This equates to just 0.017 per cent of the Trust's turnover in 2022/23.

Compensations for loss of office

No compensation payments were made for loss of office in 2022/23. This has been subject to audit.

Part C – Financial performance

Financial performance

Statutory basis

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

Financial Performance

During the COVID-19 global pandemic, NHS England removed uncertainty from provider financial positions by putting block arrangements in place for the full financial year. In addition to covering these core costs the funding provided gave extra support to cover the additional costs of responding to COVID-19 and provided additional support for staff parking and lost income from out of area sources. During the second half of 2021/22 they also introduced an elective recovery fund to support the recovery of elective services with the system being able to earn additional income if it delivered activity levels based upon differing levels of pre pandemic activity.

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

Financial Break-even

In 2022/23, the Trust delivered an unadjusted surplus of £5,386k. Once adjustments for the reversal of impairments and donations are accounted for this equates to an adjusted deficit of £6,512k. The table below indicates the overall value of the deficit once factors relating to the change in value of tangible assets and other technical adjustments are accounted for.

Trust Break-even Duty

The Trust break-even duty is calculated based on the retained Surplus/(Deficit) for the year adjusted for asset impairments and revaluations and the impact of donated assets and capital grants received. There was also a small impact relating to centrally held and issued inventory linked to COVID-19. In 2022/23 the Trust reported an adjusted deficit of £6.5m which was in line with the annual plan agreed with NHSE.

	2022/23
Adjusted financial performance (control total basis):	**£000**
Surplus / (deficit) for the period per SOCI	5,386
Remove net impairments not scoring to the Departmental expenditure limit	-8,523
Remove I&E impact of capital grants and donations	-3,498
Remove net impact of inventories received from DHSC group bodies for COVID response	123
Adjusted financial performance surplus / (deficit)	**-6,512**

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

	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
Break-even duty in-year financial performance	-42,219	-17,058	2,347	1,536	-6,512
Break-even duty cumulative position	-123,107	-140,165	-137,818	-136,282	-142,794
Operating income	186,020	231,646	267,580	304,155	330,289
Cumulative break-even position as a percentage of operating income	-66.2%	-60.5%	-51.5%	-44.8%	-43.2%

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

- pay a public dividend capital (PDC) dividend to the DHSC each year. In 2022/23 we paid £2,617k (£2,100k in 2021/22)
- manage within a pre-set external financing limit (EFL). The Trust is permitted to underspend but not overspend its EFL.

	2022/23	2021/22
	£000	£000
Cash flow financing	7,402	4,544
External financing requirement	7,402	4,544
External financing limit (EFL)	7,402	4,544
Under / (over) spend against EFL	0	0

- meet the capital resource limit (CRL)

	2022/23	2021/22
	£000	£000
Gross capital expenditure	14,437	18,650
Less: Disposals	0	-305
Less: Donated and granted capital additions	0	-4,813
Charge against Capital Resource Limit	14,437	13,532
Capital Resource Limit	14,689	15,131
Under / (over) spend against CRL	252	1,599

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

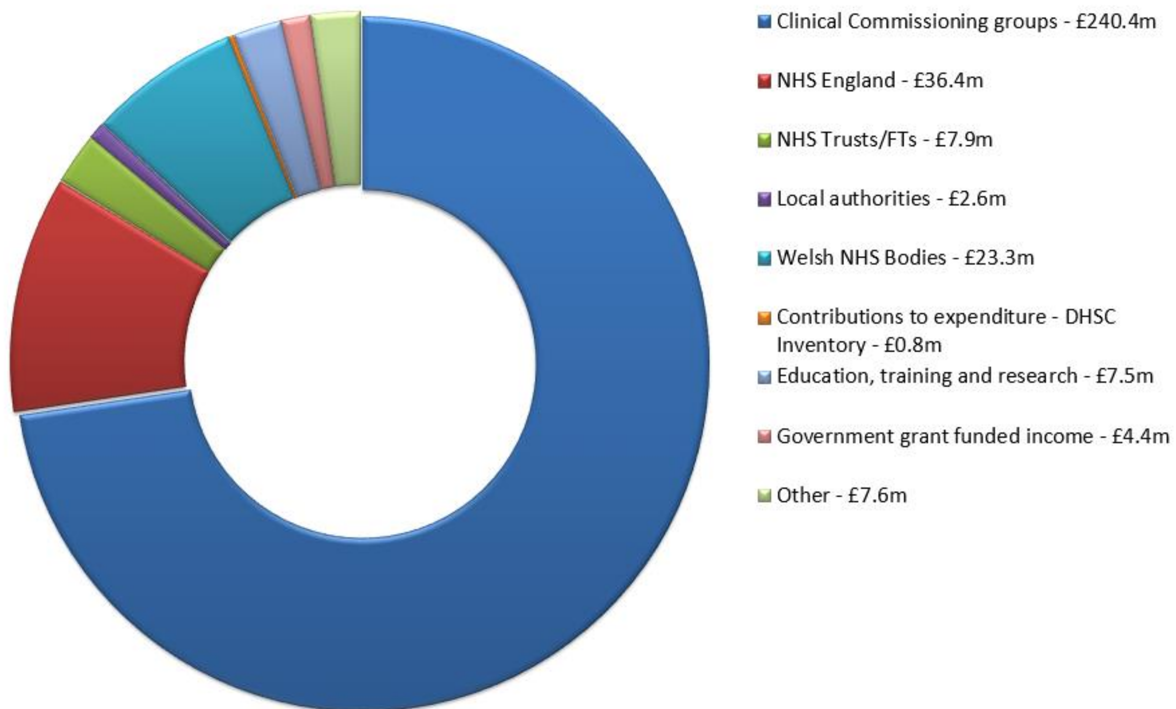
Cost productivity improvement programme (CPIP)

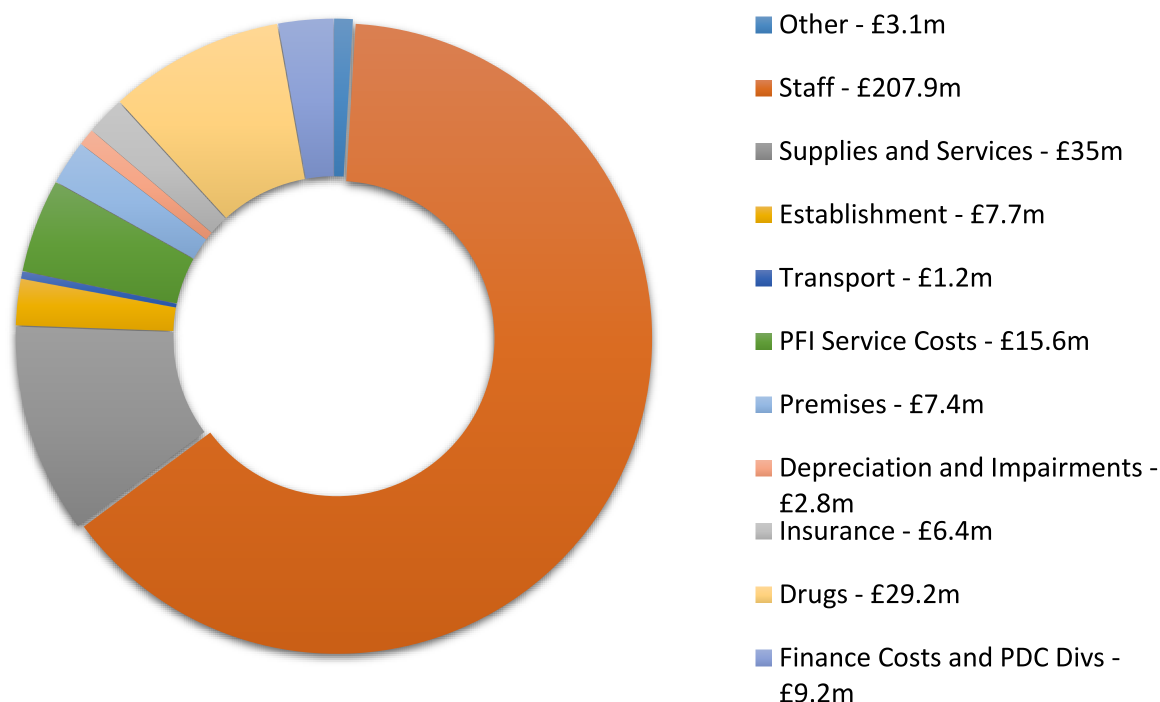
The Trust delivered £8.8m of savings from a broad range of best value for money, pay and non-pay saving initiatives. This was against a plan of £11.8m. £3.5m of the savings were delivered recurrently with a resulting benefit in future years.

Resources – Income and Expenditure

The Trust generated income of £330m during 2022/23. The first pie chart, overleaf, identifies income received from different sources for health related activity. The largest share of income is derived from Clinical Commissioning Groups (CCG) and successor ICB's. The primary source of income was from NHS Herefordshire and Worcestershire CCG/ICB.

The second pie chart identifies annual expenditure incurred in the year. Salaries and wages paid to permanent and temporary staff, including those employed through agencies, totalled £208m. Total expenditure on goods and services amounted to £108.3m and finance costs plus PDC dividends totalled £9.2m.





Resources - How the Trust spends its capital

The Trust spent £14.4m on capital investments during 2022/23. The most significant elements within the capital programme were:

2022/23 Capital Expenditure	2022/23 £k
Clinical Equipment	2,165
Ward Replacement Scheme	1,218
Other Estates schemes	1,049
Digital (incl. Electronic Patient Record/Prescribing)	3,536
Surgical Robot Scheme	1,330
Elective Surgical Hub	3,507
Radiology MES Recognition of Building Assets	1,633
Total Capital Expenditure	**14,438**

Pension Liabilities

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

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

Better payment practice code

The trade creditor payment policy of the NHS is to comply with both the Confederation of British Industry (CBI) prompt payment code and the government accounting rules. The Government

accounting rules stipulate that, unless otherwise stated, all invoices should be paid within 30 days of receipt of goods or services.

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

	2022/23	2022/23	2021/22	2021/22
	Number	£000s	Number	£000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	59,842	139,135	55,596	129,766
Total Non-NHS Trade Invoices Paid Within Target	53,931	116,608	51,731	119,776
Percentage of NHS Trade Invoices Paid Within Target	90.1%	83.8%	93.0%	92.3%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	1,353	12,213	1,284	14,507
Total NHS Trade Invoices Paid Within Target	1,023	10,489	928	12,832
Percentage of NHS Trade Invoices Paid Within Target	75.6%	85.9%	72.3%	88.5%
Total bills paid in the year	61,195	151,348	49,544	144,273
Total bills paid within target	54,954	127,097	42,728	132,608
Percentage of bills paid within target	89.8%	84.0%	86.2%	91.9%

It can be seen in the table above that in invoice volume terms the Trust delivered an improvement in its performance against the Better Payment Practice Code during 2022/23. This was aided by changes to processes. Further improvements continue to be made in efforts to achieve the 95 per cent target.

Counter fraud and corruption

The Trust has in place effective arrangements to ensure a strong counter fraud and corruption culture exists across the organisation and to enable any concerns to be raised and appropriately investigated. These arrangements are underpinned by a dedicated local counter fraud specialist and a programme of counter fraud education and promotion. The fitness for purpose of these arrangements is overseen by the Audit Committee which has confirmed them as being effective and proportionate to the assessed risk of fraud.

The Trust employs RSM Risk Assurance Services LLP to provide a service. This service undertakes investigations in addition to doing proactive work in relation to fraud in the NHS. There were six referrals received during the year and one which was carried over from 2021/22. Of the seven referrals investigated five had no fraud proven and there was two referrals where fraud was proven.

Going Concern

International Accounting Standard 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading

entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity. During 2022/23 the Trust's operations were fulfilled within the context of an annual financial plan. In 2022/23 the Trust delivered an adjusted deficit of £6.5m. In its initial 2022/23 plan produced in April 2022 the Trust forecasted a deficit of £6.6m. In the 2023/24 plan the Trust forecasts an adjusted deficit of £22.3m. This has been agreed in conjunction with Herefordshire and Worcestershire ICB.

The Directors have carefully considered the principle of going concern. The Trust has agreed contracts with its local commissioners for 2023/24. Services continue to be commissioned in the same manner as in prior years and there are no discontinued operations. The Trust's strategic partnership with the Foundation Group also continues to provide executive leadership and support to the Trust. The Board has thus concluded that the Trust remains a going concern and the going concern basis has been adopted for the preparation of the accounts. Further details on going concern can be found within the disclosure within the financial statements.

Statement of disclosure for auditors

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

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

Part D – Annual Accounts

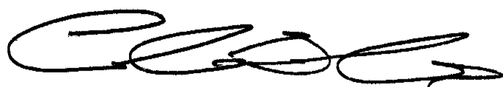
Statement of the chief executive's responsibilities as the accountable officer of the Trust

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

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

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

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



Signed..Chief Executive

19th September 2023

Date.........................

Statement of directors' responsibilities in respect of the accounts

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

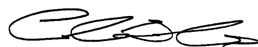
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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

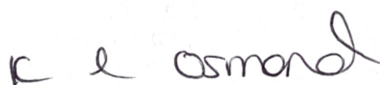
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

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

By order of the Board



.....19/09/23.............Date..Chief Executive



.....19/09/23..............Date...Finance Director

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the trust as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by the Secretary of State.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 37.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General, the Local Audit and Accountability Act 2014 (the 'Act') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual, which require entities

to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it:

- determination of whether expenditure is capital in nature is subjective: we tested the expenditure on a sample basis to assess whether it met the relevant accounting requirements to be recognised as capital in nature and has been recognised in the correct accounting period.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters

In our opinion:

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

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and the Act, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

Our work in respect of the trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the 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 trust's resources.

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

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

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

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023. Other findings from our work, including our commentary on the trust's arrangements, are reported in our separate Auditor's Annual Report.

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

We have a duty under the Act to refer a matter to the Secretary of State without delay if we have reason to believe that the trust, or an officer of the trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

On 13 September 2023 we referred a matter to the Secretary of State under section 30 of the Act in relation to the trust breaching its duty to breakeven over the three-year period ending 31 March 2023 as required under paragraph 2(1) of Schedule 5 of the National Health Service Act 2006.

We are also required to report to you if:

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

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report) and 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 or on our value for money conclusion.

Use of our report

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

Ian Howse (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Cardiff/United Kingdom
3 October 2023

Wye Valley NHS Trust

Annual accounts for the year ended 31 March 2023

Statement of Comprehensive Income

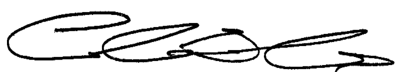
	Note	2022/23	2021/22
		£000	**£000**
Operating income from patient care activities	3	306,637	278,264
Other operating income	4	23,652	25,891
Operating expenses	6, 8	(316,244)	(299,167)
Operating surplus/(deficit) from continuing operations		**14,045**	**4,988**
Finance income	10	563	-
Finance expenses	11	(6,605)	(6,429)
PDC dividends payable		(2,617)	(2,100)
Net finance costs		**(8,659)**	**(8,529)**
Other gains / (losses)	12	-	(29)
Surplus / (deficit) for the year	37	**5,386**	**(3,570)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Revaluations	16	4,705	1,699
Total comprehensive income / (expense) for the period		**10,091**	**(1,871)**

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	13	18,462	14,226
Property, plant and equipment	14	118,828	109,197
Right of use assets	17	6,677	-
Receivables	20	573	879
Total non-current assets		**144,540**	**124,302**
Current assets			
Inventories	19	5,316	5,092
Receivables	20	21,085	12,860
Cash and cash equivalents	21	34,969	39,708
Total current assets		**61,370**	**57,660**
Current liabilities			
Trade and other payables	22	(45,361)	(38,382)
Borrowings	23	(5,779)	(4,974)
Provisions	24	(55)	(42)
Total current liabilities		**(51,195)**	**(43,398)**
Total assets less current liabilities		**154,715**	**138,564**
Non-current liabilities			
Borrowings	23	(31,138)	(33,969)
Provisions	24	(1,686)	(1,564)
Total non-current liabilities		**(32,824)**	**(35,533)**
Total assets employed		**121,891**	**103,031**
Financed by			
Public dividend capital		270,216	261,447
Revaluation reserve		21,051	16,346
Income and expenditure reserve		(169,376)	(174,762)
Total taxpayers' equity		**121,891**	**103,031**

The notes on pages 6 to 59 form part of these accounts.

Name
Position
Date



Chief Executive Officer

19th September 2023

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**261,447**	**16,346**	**(174,762)**	**103,031**
Surplus/(deficit) for the year	-	-	5,386	**5,386**
Revaluations	-	4,705	-	**4,705**
Public dividend capital received	8,891	-	-	**8,891**
Public dividend capital repaid	(122)	-	-	**(122)**
Taxpayers' and others' equity at 31 March 2023	**270,216**	**21,051**	**(169,376)**	**121,891**

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**254,596**	**14,647**	**(171,192)**	**98,051**
Surplus/(deficit) for the year	-	-	(3,570)	**(3,570)**
Revaluations	-	1,699	-	**1,699**
Public dividend capital received	6,851	-	-	**6,851**
Taxpayers' and others' equity at 31 March 2022	**261,447**	**16,346**	**(174,762)**	**103,031**

Information on reserves

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

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

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

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		14,045	4,988
Non-cash income and expense:			
Depreciation and amortisation	6.1	11,248	8,044
Net impairments	7	(8,523)	9,431
Income recognised in respect of capital donations	15	(4,433)	(4,813)
(Increase) / decrease in receivables and other assets		(8,044)	(2,338)
(Increase) / decrease in inventories		(224)	(686)
Increase / (decrease) in payables and other liabilities		5,709	3,787
Increase / (decrease) in provisions		74	(104)
Net cash flows from / (used in) operating activities		**9,852**	**18,309**
Cash flows from investing activities			
Interest received		563	-
Purchase of intangible assets		(2,686)	(2,165)
Purchase of PPE and investment property		(10,481)	(16,802)
Sales of PPE and investment property		-	27
Receipt of cash donations to purchase assets		4,433	4,813
Net cash flows from / (used in) investing activities		**(8,171)**	**(14,127)**
Cash flows from financing activities			
Public dividend capital received		8,891	6,851
Public dividend capital repaid		(122)	-
Capital element of finance lease rental payments		(2,110)	(869)
Capital element of PFI, LIFT and other service concession payments		(3,996)	(3,845)
Interest paid on finance lease liabilities		(254)	(230)
Interest paid on PFI, LIFT and other service concession obligations		(6,287)	(6,150)
PDC dividend (paid) / refunded		(2,542)	(2,346)
Net cash flows from / (used in) financing activities		**(6,420)**	**(6,589)**
Increase / (decrease) in cash and cash equivalents		**(4,739)**	**(2,407)**
Cash and cash equivalents at 1 April - brought forward		**39,708**	**42,115**
Cash and cash equivalents at 31 March	21.1	**34,969**	**39,708**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and

appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

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

The Trust reported deficits in its accounts from 2015/16 to 2019/20. Note 36 identifies the value of deficits incurred in recent years. In 2020/21 and 2021/22 the trust reported a small surplus on an adjusted basis, removing the impact of impairments and Government grants. In 2022/23 the Trust reported an adjusted deficit of £6.5m which was in line with the annual plan agreed with NHSE. Further details of the performance adjusted deficit are provided in note 37.

The high level of deficit delivered over recent years reflects the underlying structural nature of the Trust's financial deficit.

The Trust has also previously been subject to a referral by its external auditors to the Secretary of State under Section 30 of the Local Audit and Accountability Act, 2014 relating to its deficit position and an adverse value for money conclusion relating to its financial resilience. The Trust's underlying financial position is still in deficit and the Trust plans for a deficit of £22.3m (including impairments) in 2023/24. The Trust is very clear about the scale of the accumulated deficit in relation to turnover.

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

Nevertheless, the Directors concluded that assessing the Trust as a going concern remained appropriate. The Trust's contractual arrangements for 2022/23 were governed by rules put in place by the DHSC due to COVID-19. Consequently the Trust has been fully funded for its activities during 2022/23 and there are no discontinued operations. Plans have been agreed for funding for 2023/24 through the Herefordshire and Worcestershire ICB and a financial plan has been prepared accordingly. The Trust's strategic partnership with South Warwickshire NHS Foundation Trust and George Eliot NHS Trust provides executive leadership and support. No decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of support from the Department of Health (NHS Act 2006 s42a) to continue to deliver the full range of services for the foreseeable future.

Note 1.3 Consolidation

NHS Charitable Fund

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

Note 1.4 Revenue from contracts with customers

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

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's 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 are termed 'aligned payment and incentive' contracts.

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.

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the 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.

The Trust has recognised a significant Government grant received as funding for the integrated energy scheme undertaken during 2022/23.

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

The contributions are charged to operating expenses as and when they become due.

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at:

https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Measurement

Valuation

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

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

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.
- Plant and Equipment - revaluation based upon the application of relevant inflation indices to gross cost and accumulated depreciation on an annual basis.
- IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.
- Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

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

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

Subsequent expenditure

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

Depreciation

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

Property, plant and equipment which 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 as an item of ‘other comprehensive income’.

Impairments

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

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

In 2022/23 this includes assets purchased via Government grant funding relating to the integrated energy scheme. As defined in the GAM, the trust applies the principles of donated and grant funded asset accounting to assets that the trust controls and is obtaining economic benefits from at the year-end.

In previous years this has included 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.

Private Finance Initiative (PFI) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's *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 of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

However, as the initial contract only quoted an overall value of such works per year and did not specify the individual elements of work to be undertaken, the Trust is unable to assess whether lifecycle works have been performed to the assumed timetable. Therefore, in accordance with the accounting methodology adopted in previous financial years, all costs have been charged to the year's operating expenses in line with the original contract.

The above treatment of lifecycle also identifies that there is a potential risk arising to the Trust of the assets not being in the condition prescribed by the contract at the point at which the assets are handed back to the Trust.

Assets contributed by the NHS Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Trust's Statement of Financial Position.

Useful lives of property, plant and equipment

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

	Min life years	Max life years
Buildings excluding dwellings	30	52
Dwellings	42	45
Furniture and fittings	6	34
Information Technology	6	20
Plant & Machinery	6	28
Transport	9	19

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

Intangible assets are amortised over their expected useful 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 Years	Max life Years
Intangible Assets - purchased		
Software licences	6	20

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

The trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

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

The Trust differentiates between NHS and Non NHS receivables when assessing credit losses. Credit losses relating to NHS bodies are not recognised other than through the maintenance of a credit note provision to account for variable contracts where activity is not finalised. A credit provision is identified for Non NHS receivables and is based on the recognition of a proportion of longstanding receivables within the provision.

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

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

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

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

Note 1.13 Leases

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

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

Recognition and initial measurement

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

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

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

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

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

Subsequent measurement

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

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

Initial application of IFRS 16

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

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

The Trust as lessee

Initial recognition and measurement

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

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

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

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

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

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

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

A lessee may use one or more of the following practical experience, when applying the standard retrospectively in accordance with paragraph C5B to leases previously classified as operating leases, applying IAS 17. A lessee is permitted to apply these practical expedients on a lease by lease basis:

A) a lessee might apply a single discount rate to a portfolio of assets, we have applied the HM Treasury discount rate

B) A lessee my rely on Its assessment of whether leases are onerous as an alternative to performing and impairment review. As part of calculating carrying amounts and liabilities, we have not identified any onerous leases.

C) a lessee may elect not to apply the requirements in paragraph C8 to leases for which the lease term ends within 12 months. We have applied HM Treasury direction not to account for short-term leases (under 12 months) in accordance with IFRS 16

D) a lessee may exclude initial direct costs from the measurement of the right of use as it had the date of initial application. We have not included any initial direct costs in measurement of Right of use assets.

E) a lessee may use hindsight, such as in determining the lease term if the contract contains options to extend, or terminate the lease. We have use the standard lease term, in the contract, in determining the right of use assets, and liabilities et cetera, until such time as a decision is made re terminating or extending the lease.

Leases previously classified as finance leases: If a lessee elects to apply the standard in accordance with paragraph C5b, for leases that we are classified as finance leases applying IAS 17, the carrying around to the right of use asset and the lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS17. For those leases, a lessee shall account for the right of se asset and the lease liability applying this standard from the date of initial application. We had a pre-existing finance lease arrangement, covering the radiology managed equipment service (MES), which is now accounted for under IFRS 16, with no resultant changes to right of use asset or lease liability values

2021/22 comparatives

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

Note 1.14 Provisions

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

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 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 to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 24.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

No contingent assets or liabilities have been identified.

Note 1.16 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined 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.

Note 1.17 Value added tax

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

Note 1.18 Climate change levy

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

Note 1.19 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

Note 1.20 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 28 is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 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. These are disclosed in note 29.

Note 1.22 Early adoption of standards, amendments and interpretations

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

Note 1.23 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust’s PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Note 1.24 Critical judgements in applying accounting policies

Critical judgements in applying accounting policies

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

PPE

Note 1.8 describes the MEA approach for valuation of PPE. The MEA model has been updated to take account of changes to the Trust's PPE valuation. The Trust has made a judgement regarding the required size and location of assets required in order to deliver health care services using the MEA basis of valuation. This methodology was adopted some years ago based on professional advice.

Radiotherapy unit

Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT) has a built a Radiotherapy unit at the County Hospital site on land owned by the Trust. GHNHSFT have financed the build. Completion of the project was delivered in 2014/15 and on completion GHNHSFT took control of the unit. The Trust receive a nominal rent for the land from GHNHSFT and the Trust will receive the unit at nil consideration at the end of the agreement in 25 years’ time. Any costs incurred by the Trust are being recovered from GHNHSFT. The Trust has determined that, as it does not control the use of the unit, it is not its asset and will not be included in its SoFP. The asset will be recognised when the asset is transferred to the Trust in 16 years’ time. The trust is accruing a deferred debtor over the period of the contract to reflect the eventual value of the asset transfer.

Radiology MES

The Trust entered in to a Managed Equipment Service with Philips for the provision of Radiology services in April 2018. The contract is operational until March 2029. The service includes the provision to replace assets over the life of the contract and is accounted for through the use of a financial model that recognises the assets and liabilities inherent within the contract and accounts for changes in assets and liabilities within the SoFP as well as recognising expenditure related to the service within the SoCI. Judgement is exercised in accounting for the value of assets and liabilities relating to the MES as at 31 March 2023.

Note 1.25 Sources of estimation uncertainty

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:

The estimates identified below carry a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 1.8 refers to the measurement of the value of Property, plant and equipment. The valuation uses the MEA method and is undertaken by the Trust's professional advisor. Such valuations will always be subject to a degree of uncertainty. The carrying value of land, buildings and dwellings is £95m. Asset lives and indices are disclosed in note 1.8.

Note 2 Operating Segments

The Trust reports its performance as a single business segment which relates to the provision of healthcare.

Under IFRS 8 (Operating Segments), the Trust has determined that, within its internal Business Unit management structure, one unit has similar characteristics to another and can, therefore, be aggregated under the standard. This particularly relates to the similarities of services offered by each area and the patient population that they serve. Overall, each area's main objective is the delivery of acute health care to NHS patients.

The income from external sources for the Trust is £330,289k and further analysis is provided within Notes 3 (Operating income from patient care activities) and 4 (Other operating income).Expenditure is £316,244k, interest income is £563k, interest expense is £6,605k, depreciation and amortisation amount to £11,248k and net impairments total (£8,523k). The surplus for the year is £5,386k and there are no other non cash items or other items of income and expense disclosed on the face of the SoCI.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	**2022/23**	**2021/22**
	£000	**£000**
Acute services		
Income from commissioners under API contracts*	191,566	201,753
Other NHS clinical income	37,166	27,720
Community services		
Income from commissioners under API contracts*	41,805	35,006
Income from other sources (e.g. local authorities)	12,753	3,057
All services		
Private patient income	212	238
Elective recovery fund	9,852	1,895
Agenda for change pay offer central funding***	6,246	-
Additional pension contribution central funding**	7,037	6,675
Other clinical income	-	1,920
Total income from activities	**306,637**	**278,264**

*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 documents.

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.

*** accrual of the pay settlement offer announced by the Secretary of State and agenda for change unions on 16 March 2023 (The 2022 to 2023 component of the offer, the element relevant to the 2022 to 2023 accounts, contained a non-consolidated payment of 2% plus a backlog bonus of at least £1,250 per member of staff that will only be applicable for employees in post on 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	**2021/22**
Income from patient care activities received from:	**£000**	**£000**
NHS England	27,891	20,378
Clinical commissioning groups	54,219	228,510
Integrated care boards	190,319	-
Other NHS providers	7,584	5,053
NHS other	23,122	20,539
Local authorities	2,979	3,057
Non-NHS: private patients	212	238
Non-NHS: overseas patients (chargeable to patient)	2	10
Injury cost recovery scheme	309	203
Non NHS: other	-	276
Total income from activities	**306,637**	**278,264**
Of which:		
Related to continuing operations	306,637	278,264

Injury cost recovery income is subject to a provision for impairment of receivables of 24.86% to reflect expected rates of recovery.

NHS Other income includes income from Welsh NHS bodies of £21,500k (2021/22 £16,874k, some of which relates to Note 4, Other Contract Income).

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2022/23	2021/22
	£000	£000
Income recognised this year	2	10
Cash payments received in-year	2	10

Note 4 Other operating income

	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	394	-	**394**	360	-	**360**
Education and training	6,439	424	**6,863**	5,344	373	**5,717**
Reimbursement and top up funding	1,580	-	**1,580**	3,907	-	**3,907**
Receipt of capital grants and donations and peppercorn leases	-	4,433	**4,433**	-	4,813	**4,813**
Charitable and other contributions to expenditure	-	849	**849**	-	1,532	**1,532**
Other income	9,533	-	**9,533**	9,562	-	**9,562**
Total other operating income	**17,946**	**5,706**	**23,652**	**19,173**	**6,718**	**25,891**
Of which:						
Related to continuing operations			23,652			25,891

Other income includes £9,533k of cross charges to other NHS bodies including Powys LHB recharges (£1,120k; 2021/22 £873k), Gloucestershire Health and Care NHS Trust, (£0k; 2021/22 £217k) Herefordshire and Worcestershire Health and Care NHS Trust (£224k, 2021/22 £0k) and NHS England (£439k; 2021/22 £0k). The balance of £7,750k is made up of income generation and other non-contract related sources.

Note 5 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2023 £000	31 March 2022 £000
within one year	2,227	3,893
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	**2,227**	**3,893**

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

The Trust does not have any performance obligations arising from contracts. Healthcare contracts held are of one year duration and no balances remain at the year-end.

Analysis of performance obligations	31 March 2023 £000	31 March 2022 £000
Cancer Alliance	914	912
Digital Pathology	192	452
Health Education England	150	594
Research and development	195	210
Other	776	1,725
Total	**2,227**	**3,893**

Note 6.1 Operating expenses

	2022/23	2021/22
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	2,038	1,591
Staff and executive directors costs	207,566	183,958
Remuneration of non-executive directors	117	128
Supplies and services - clinical (excluding drugs costs)	31,476	28,594
Supplies and services - general	2,421	2,217
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	29,228	26,854
Consultancy costs	56	35
Establishment	5,134	5,146
Premises	7,397	7,080
Transport (including patient travel)	1,205	1,017
Depreciation on property, plant and equipment and right of use assets	8,169	5,631
Amortisation on intangible assets	3,079	2,413
Net impairments	(8,523)	9,431
Movement in credit loss allowance: contract receivables / contract assets	50	302
Change in provisions discount rate(s)	64	48
Fees payable to the external auditor		
audit services- statutory audit	81	105
Internal audit costs	94	87
Clinical negligence	6,332	6,835
Legal fees	(99)	378
	83	93
Research and development	47	39
Education and training	1,335	1,092
Expenditure on short term leases (current year only)	452	-
Operating lease expenditure (comparative only)	-	787
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	15,637	12,560
Hospitality	3	1
Losses, ex gratia & special payments	37	253
Other	2,765	2,492
Total	**316,244**	**299,167**
Of which:		
Related to continuing operations	316,244	299,167

Total Other costs include amounts relating to ICT services, £1,395k (2021/22, £1,357k); professional fees, £737k (£307k) and Other, £619k (£816K).

Note 6.2 Limitation on auditor's liability

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

Note 7 Impairment of assets

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(8,523)	9,431
Total net impairments	**(8,523)**	**9,431**

Following a revaluation in 2022/23, a number of previous asset impairments were reversed to reflect the increase in valuation of the main hospital site in 2022/23. The net impact to the operating surplus/ deficit was (£8,523k) and arose as a result of the following;

Annual revaluation of the Trust's estate as at 31 March 2023:

- Gross reversal of impairments previously charged to the operating /surplus deficit of (£9,426).
- Impairment of £903k relating to the new wards link corridor coming into use during the year.

The overall value of the buildings and dwellings held by the trust increased by £9,864k in 2022/23.

The impairment to assets in 2021/22 totalling £9,431k arose as a result of the following during the financial year: - Annual revaluation of the Trust's estate as at 31 March 2022; - Reduction in the valuation of Trust held Buildings of £9.431m.

Note 8 Employee benefits

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	147,821	135,270
Social security costs	15,184	13,470
Apprenticeship levy	693	649
Employer's contributions to NHS pensions	23,030	21,091
Temporary staff (including agency)	23,196	15,860
Total staff costs	**209,924**	**186,340**
Of which		
Costs capitalised as part of assets	2,151	2,135

Employer contributions to NHS pensions for 2022/23 include £7m (2021/22 £6.7m) of contributions to reflect the increase in employer contribution rate.

The above note includes a restatement of the 2021/22 comparative values to address a prior period error as required by IAS 8.49.

The error related to the inclusion of internal bank staff costs against the temporary staff costs line. Internally managed bank staff costs have been moved to the Salaries and Wages line. The correction has reduced 2021/22 temporary staff costs by £14.9m with a corresponding increase on Salaries & Wages.
The 2021/22 figures are now consistent with those reported for 2022/23.

Note 8.1 Retirements due to ill-health

During 2022/23 there were no early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £0k (£368k in 2021/22).

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 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 at 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.

Note 10 Finance income

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	563	-
Total finance income	**563**	**-**

Note 11 Finance expenditure

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 lease obligations	255	230
Main finance costs on PFI and LIFT schemes obligations	1,160	1,290
Contingent finance costs on PFI and LIFT scheme obligations	5,129	4,860
Total interest expense	**6,544**	**6,380**
Unwinding of discount on provisions	61	49
Total finance costs	**6,605**	**6,429**

Note 12 Other losses

	2022/23	2021/22
	£000	£000
Losses on disposal of assets	-	(29)
Total gains / (losses) on disposal of assets	**-**	**(29)**

Note 13.1 Intangible assets - 2022/23

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**17,334**	**4,743**	**22,077**
Additions	2,365	321	**2,686**
Reclassifications	9,336	(4,707)	**4,629**
Valuation / gross cost at 31 March 2023	**29,035**	**357**	**29,392**
Amortisation at 1 April 2022 - brought forward	**7,851**	**-**	**7,851**
Provided during the year	3,079	-	**3,079**
Amortisation at 31 March 2023	**10,930**	**-**	**10,930**
Net book value at 31 March 2023	**18,105**	**357**	**18,462**
Net book value at 1 April 2022	**9,483**	**4,743**	**14,226**

Note that although Reclassification of assets for the above note does not balance, overall asset reclassification including Note 13.1 and 14.1 reconciles to zero..

Note 13.2 Intangible assets - 2021/22

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**14,605**	**5,307**	**19,912**
Additions	659	1,506	**2,165**
Reclassifications	2,070	(2,070)	**-**
Valuation / gross cost at 31 March 2022	**17,334**	**4,743**	**22,077**
Amortisation at 1 April 2021 - as previously stated	**5,438**	**-**	**5,438**
Provided during the year	2,413	-	**2,413**
Amortisation at 31 March 2022	**7,851**	**-**	**7,851**
Net book value at 31 March 2022	**9,483**	**4,743**	**14,226**
Net book value at 1 April 2021	**9,167**	**5,307**	**14,474**

Note 14.1 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equip-mint	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**3,378**	**76,536**	**1,744**	**5,333**	**24,364**	**37**	**6,258**	**5,982**	**123,632**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(6,388)	-	-	-	**(6,388)**
Additions	-	3,555	-	3,741	3,750	-	699	6	**11,751**
Impairments	-	(903)	-	-	-	-	-	-	**(903)**
Reversals of impairments	-	9,426	-	-	-	-	-	-	**9,426**
Revaluations	85	825	516	-	780	-	-	242	**2,448**
Reclassifications	-	270	-	(5,224)	250	-	75	-	**(4,629)**
Disposals / derecognition	-	-	-	-	-	-	-	-	**-**
Valuation/gross cost at 31 March 2023	**3,463**	**89,709**	**2,260**	**3,850**	**22,756**	**37**	**7,032**	**6,230**	**135,337**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**10,917**	**37**	**2,654**	**827**	**14,435**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(2,163)	-	-	-	**(2,163)**
Provided during the year	-	2,449	75	-	2,150	-	1,047	603	**6,324**
Revaluations	-	(2,449)	(75)	-	403	-	-	34	**(2,087)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**11,307**	**37**	**3,701**	**1,464**	**16,509**
Net book value at 31 March 2023	**3,463**	**89,709**	**2,260**	**3,850**	**11,449**	**-**	**3,331**	**4,766**	**118,828**
Net book value at 1 April 2022	**3,378**	**76,536**	**1,744**	**5,333**	**13,447**	**-**	**3,604**	**5,155**	**109,197**

Note that although Reclassification of assets for the above note does not balance, overall asset reclassification including Note 13.1 and 14.1 reconciles to zero.

Note 14.2 Property, plant and equipment - 2021/22

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equip-mint	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021	**3,225**	**58,882**	**1,676**	**27,564**	**20,000**	**37**	**5,019**	**985**	**117,388**
Additions	-	6,883	-	486	3,097	-	1,178	4,841	**16,485**
Impairments	-	(9,638)	-	-	-	-	-	-	**(9,638)**
Reversals of impairments	115	92	-	-	-	-	-	-	**207**
Revaluations	38	(833)	68	-	311	-	-	14	**(402)**
Reclassifications	-	21,150	-	(22,717)	1,279	-	146	142	**-**
Disposals / derecognition	-	-	-	-	(323)	-	(85)	-	**(408)**
Valuation/gross cost at 31 March 2022	**3,378**	**76,536**	**1,744**	**5,333**	**24,364**	**37**	**6,258**	**5,982**	**123,632**
Accumulated depreciation at 1 April 2021	**-**	**-**	**-**	**-**	**8,472**	**37**	**1,804**	**695**	**11,008**
Provided during the year	-	2,169	83	-	2,378	-	879	122	**5,631**
Revaluations	-	(2,169)	(83)	-	141	-	-	10	**(2,101)**
Disposals / derecognition	-	-	-	-	(74)	-	(29)	-	**(103)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**10,917**	**37**	**2,654**	**827**	**14,435**
Net book value at 31 March 2022	**3,378**	**76,536**	**1,744**	**5,333**	**13,447**	**-**	**3,604**	**5,155**	**109,197**
Net book value at 1 April 2021	**3,225**	**58,882**	**1,676**	**27,564**	**11,528**	**-**	**3,215**	**290**	**106,380**

Note 14.3 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	3,463	37,407	1,866	3,850	10,499	-	3,331	310	**60,726**
On-SoFP PFI contracts and other service concession arrangements	-	50,846	394	-	-	-	-	-	**51,240**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	1,456	-	-	950	-	-	4,456	**6,862**
Total net book value at 31 March 2023	**3,463**	**89,709**	**2,260**	**3,850**	**11,449**	**-**	**3,331**	**4,766**	**118,828**

Note 14.4 Property, plant and equipment financing - 31 March 2022

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	3,378	34,757	1,377	5,333	7,947	-	3,604	460	**56,856**
Finance leased	-	-	-	-	4,214	-	-	4,695	**8,909**
On-SoFP PFI contracts and other service concession arrangements	-	40,362	367	-	-	-	-	-	**40,729**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	1,417	-	-	1,286	-	-	-	**2,703**
Total net book value at 31 March 2022	**3,378**	**76,536**	**1,744**	**5,333**	**13,447**	**-**	**3,604**	**5,155**	**109,197**

Note 14.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	-	-	-	-	-	-	-	**-**
Not subject to an operating lease	3,463	89,709	2,260	3,850	11,449	-	3,331	4,766	**118,828**
Total net book value at 31 March 2023	**3,463**	**89,709**	**2,260**	**3,850**	**11,449**	**-**	**3,331**	**4,766**	**118,828**

Note 15 Donations of property, plant and equipment

The Trust has engaged in a contract with a Government backed organisation and as a result has received £4.4m in grant funding to further develop assets as part of an expanded integrated energy system. In 2021/22 the Trust received Government grant funding of £4.8m for phase 1 of the integrated energy system.

Note 16 Revaluations of property, plant and equipment

The Trust's estate was valued as at 31 March 2023 by Mr Neil Rayner BSc (Hons) MSc DIC MRICS, Principal Surveyor at the District Valuation Service (DVS).

The valuations took the form of a full asset valuation report as at 31 March 2023. The valuation basis used was on an optimised MEA basis. This represented a continuation of valuation methodology. The valuation has been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Professional Standards 2014 UK edition.

Impact of the Estate valuation

The valuation of the Trust's estate has resulted in an £85k increase in the value assigned to land. The valuations relating to buildings changed significantly due to an update in the PFI building valuation methodology applied by the valuer and applicable on a national basis. The impact of the revaluation has resulted in a reversal to prior year impairments having been made and reflected in the SoCI. The balance of the revaluation is reflected in the revaluation reserve. The valuation methodology using the optimised MEA approach to valuing specialised assets has been retained and is consistent with the prior year.

Note 17 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	6,388	-	**6,388**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	2,894	1,188	45	**4,127**	101
Revaluations	-	257	-	**257**	-
Valuation/gross cost at 31 March 2023	**2,894**	**7,833**	**45**	**10,772**	**101**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	2,163	-	**2,163**	-
Provided during the year	681	1,153	11	**1,845**	18
Revaluations	-	87	-	**87**	-
Accumulated depreciation at 31 March 2023	**681**	**3,403**	**11**	**4,095**	**18**
Net book value at 31 March 2023	**2,213**	**4,430**	**34**	**6,677**	**83**
Net book value of right of use assets leased from other DHSC group bodies					83

Note 17.1 Revaluations of right of use assets

The trust is not measuring right of use assets applying the revaluation model in IAS 16 other than for equipment which has been subject to indexation of gross value and depreciation to date.

Note 17.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 23.1.

	2022/23
	£000
Carrying value at 31 March 2022	**4,712**
IFRS 16 implementation - adjustments for existing operating leases	4,077
Interest charge arising in year	255
Lease payments (cash outflows)	(2,364)
Carrying value at 31 March 2023	**6,680**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.
These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 17.3 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023	**31 March 2023**
	£000	**£000**
Undiscounted future lease payments payable in:		
- not later than one year;	1,681	14
- later than one year and not later than five years;	4,999	70
- later than five years.	-	-
Total gross future lease payments	**6,680**	**84**
Finance charges allocated to future periods	-	-
Net lease liabilities at 31 March 2023	**6,680**	**84**
Of which:		
Leased from other NHS providers		-
Leased from other DHSC group bodies		84

Note 17.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

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

	31 March 2022
	£000
Undiscounted future lease payments payable in:	
- not later than one year;	980
- later than one year and not later than five years;	3,144
- later than five years.	588
Net finance lease liabilities at 31 March 2022	**4,712**
of which payable:	
- not later than one year;	980
- later than one year and not later than five years;	3,144
- later than five years.	588
Total of future minimum sublease payments to be received at the reporting date	-

Note 17.5 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.

	2021/22
	£000
Operating lease expense	
Minimum lease payments	787
Total	**787**

	31 March 2022
	£000
Future minimum lease payments due:	
- not later than one year;	370
- later than one year and not later than five years;	557
- later than five years.	19
Total	**946**
Future minimum sublease payments to be received	-

Note 17.6 Leases - other information

There are no lease commitments for short term leases at the end of the reporting period.

The Trust identified 12 short terms expiring during the period. These were not extended or renewed.

Note 17.7 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 1.13

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

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	**946**
Impact of discounting at the incremental borrowing rate	**(79)**
IAS 17 operating lease commitment discounted at incremental borrowing rate	**867**
Less:	
Commitments for short term leases	**(79)**
Public sector leases without full documentation previously excluded from operating lease commitments	**101**
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	**395**
Other adjustments	**2,793**
Lease liabilities under IFRS 16 as at 1 April 2022 for existing operating leases	**4,077**
Finance lease liabilities under IAS 17 as at 31 March 2022	**4,712**
Total lease liabilities under IFRS 16 as at 1 April 2022	**8,789**

Most of the Trust's lease portfolio that comes within IFRS16 relate to equipment leases or property leases where the terms of the lease are not related to measures of inflation or turnover. The one exception is the Radiology MES which is subject to annual uplift by CPI. The MES has previously been accounted for as a finance lease.

Note 18 Disclosure of interests in other entities

The Trust retains a 16% share in Hoople Limited, established in 2011 as a joint venture between Herefordshire County Council and local health organisations. The value of the Trust's share in the company is estimated to be £526k based on the company's 2021/22 accounts (2020/21, £380k).
The Trust is not aware of any specific contingent liabilities relating to its share in the joint venture.

Note 19 Inventories

	31 March 2023	31 March 2022
	£000	£000
Drugs	2,115	1,751
Consumables	3,148	3,290
Energy	53	51
Total inventories	**5,316**	**5,092**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £34,774k (2021/22: £29,059k). 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 £849k of items purchased by DHSC (2021/22: £1,532k).

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

Note 20.1 Receivables

	31 March 2023	31 March 2022
	£000	£000
Current		
Contract receivables	17,138	8,309
Allowance for impaired contract receivables / assets	(672)	(622)
Prepayments (non-PFI)	2,890	2,046
PDC dividend receivable	114	189
VAT receivable	1,066	1,256
Other receivables	549	1,682
Total current receivables	**21,085**	**12,860**
Non-current		
Contract receivables	85	437
Other receivables	488	442
Total non-current receivables	**573**	**879**
Of which receivable from NHS and DHSC group bodies:		
Current	13,349	3,963
Non-current	488	442

Note 20.2 Allowances for credit losses

	2022/23		2021/22	
	Contract receivables and contract assets	**All other receivables**	**Contract receivables and contract assets**	**All other receivables**
	£000	**£000**	**£000**	**£000**
Allowances as at 1 April - brought forward	**622**	**-**	**320**	**-**
New allowances arising	50	-	16	-
Changes in existing allowances	-	-	286	-
Allowances as at 31 Mar 2023	**672**	**-**	**622**	**-**

This applies to non-NHS debts only and also excludes Welsh NHS bodies.

Although the Trust employs the services of a debt collection agency, the impairment was calculated whilst being mindful of whether such outstanding amounts were uneconomic to recover. Furthermore, where extenuating circumstances
Contractual cash flows have been modified without derecognition of the receivable / financial asset (IFRS 7, para 35J)

Amounts written off in the year are still subject to enforcement activity (IFRS 7, para 35L)

Note 20.3 Exposure to credit risk

Credit Provision - 2022/23	Opening balance	New provisions	Closing balance
RTA	573	50	623
General bad debt provision	49	0	49
Total	**622**	**50**	**672**

The RTA provision reflects an increased recognition of RTA income over the value of claims settled. This has resulted in an increase in the credit provision which is based on 24.86% of accrued income.
The general provision is calculated based on a set percentage of Non NHS receivables as at 31 March 2023.

Note 21.1 Cash and cash equivalents movements

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

	2022/23	2021/22
	£000	£000
At 1 April	**39,708**	**42,115**
Net change in year	(4,739)	(2,407)
At 31 March	**34,969**	**39,708**
Broken down into:		
Cash at commercial banks and in hand	48	47
Cash with the Government Banking Service	34,921	39,661
Total cash and cash equivalents as in SoCF and SoFP	**34,969**	**39,708**

Note 22.1 Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Current		
Trade payables	5,973	5,452
Capital payables and accruals	4,719	3,449
Other accruals	23,509	17,099
Annual Leave accrual	1,804	2,402
Receipts in advance and payments on account	2,227	3,893
Social security costs	1,974	1,927
Other taxes payable	1,815	1,629
Pension contributions payable	2,235	2,136
Other payables	1,105	395
Total current trade and other payables	**45,361**	**38,382**
Non-current		
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	4,655	5,656

Note 23.1 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Lease liabilities*	1,681	980
Obligations under PFI, LIFT or other service concession contracts	4,098	3,994
Total current borrowings	**5,779**	**4,974**
Non-current		
Lease liabilities*	4,999	3,732
Obligations under PFI, LIFT or other service concession contracts	26,139	30,237
Total non-current borrowings	**31,138**	**33,969**

*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.

Note 23.2 Reconciliation of liabilities arising from financing activities - 2022/23

	Lease Liability	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2022	**4,712**	**34,231**	**38,943**
Cash movements:			
Financing cash flows - payments and receipts of principal	(2,110)	(3,996)	**(6,106)**
Financing cash flows - payments of interest	(254)	(1,158)	**(1,412)**
Non-cash movements:			
Impact of implementing IFRS 16 on 1 April 2022	4,077	-	**4,077**
Application of effective interest rate	255	1,160	**1,415**
Carrying value at 31 March 2023	**6,680**	**30,237**	**36,917**

Note 23.3 Reconciliation of liabilities arising from financing activities - 2021/22

	Lease Liability	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2021	**4,715**	**38,076**	**42,791**
Prior period adjustment	-	-	**-**
Carrying value at 1 April 2021 - restated	**4,715**	**38,076**	**42,791**
Cash movements:			
Financing cash flows - payments and receipts of principal	(869)	(3,845)	**(4,714)**
Financing cash flows - payments of interest	(230)	(1,290)	**(1,520)**
Non-cash movements:			
Additions	866	-	**866**
Application of effective interest rate	230	1,290	**1,520**
Carrying value at 31 March 2022	**4,712**	**34,231**	**38,943**

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2022	**222**	**942**	**442**	**1,606**
Change in the discount rate	7	57	(441)	**(377)**
Arising during the year	23	(37)	495	**481**
Utilised during the year	(15)	(20)	(5)	**(40)**
Unwinding of discount	6	55	10	**71**
At 31 March 2023	**243**	**997**	**501**	**1,741**
Expected timing of cash flows:				
- not later than one year;	21	21	13	**55**
- later than one year and not later than five years;	87	150	29	**266**
- later than five years.	135	826	459	**1,420**
Total	**243**	**997**	**501**	**1,741**

Legal claims relate to permanent injury benefit for two former employees which is paid quarterly until death and employer liability claims which are currently being processed by the Trust's insurers. The provision for 2022/23 has been revised using updated actuarial life tables provided by the Office for National Statistics. The Post-employment benefits discount rate applicable to these and pensions provisions has been changed to 1.70% in 2022/23 (2021/22 - 1.30%) as advised by HM Treasury.

The Other category relates to a provision relating to the potential tax liability on Consultant's superannuation contributions. The Trust participates in a national scheme to indemnify Consultants against additional tax liabilities.

Note 24.2 Clinical negligence liabilities

At 31 March 2023, £93,050k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Wye Valley NHS Trust (31 March 2022: £112,033k).

Note 25 Contractual capital commitments

	31 March 2023	31 March 2022
	£000	£000
Property, plant and equipment	6,907	1,093
Intangible assets	161	502
Total	**7,068**	**1,595**

Note 26 On-SoFP PFI, LIFT or other service concession arrangements

The PFI project involved the redevelopment of the site at Hereford County Hospital to enable the Trust to integrate its existing operations on that one site, thus ensuring that the previous sites at the General Hospital and Victoria Eye Hospital became surplus to requirements. The 30 year contract saw the Trust's PFI partner become responsible for the provision of design, construction, insurance, ongoing maintenance and hotel services at the County Hospital. Furthermore, the contract replaced some major equipment within the Radiology department.

The contract start date of the scheme was 16 April 1999 with the end of the concession period being 15 April 2029. At this date, the assets revert to the ownership of the Trust.

Under the terms of the Trust's PFI contract, its PFI partner has leased, with full title guarantee, the land at Hereford County Hospital over a period of 125 years at peppercorn rent. However, the lease will automatically cease on expiry of the PFI agreement.

Under IFRIC 12, the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and payments comprise two elements – imputed finance lease charges and service charges. Both elements are shown in the tables below.

The information below is required by the Department of Heath for inclusion in national statutory accounts.

Note 26.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2023	31 March 2022
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**33,960**	**39,115**
Of which liabilities are due		
- not later than one year;	5,123	5,155
- later than one year and not later than five years;	23,256	22,633
- later than five years.	5,581	11,327
Finance charges allocated to future periods	(3,723)	(4,884)
Net PFI, LIFT or other service concession arrangement obligation	**30,237**	**34,231**
- not later than one year;	4,098	3,994
- later than one year and not later than five years;	20,741	19,458
- later than five years.	5,398	10,779

Note 26.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2023	31 March 2022
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**196,584**	**192,004**
Of which payments are due:		
- not later than one year;	30,930	25,499
- later than one year and not later than five years;	132,342	108,314
- later than five years.	33,312	58,191

Note 26.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2022/23	2021/22
	£000	£000
Unitary payment payable to service concession operator	**25,920**	**22,555**
Consisting of:		
- Interest charge	1,160	1,290
- Repayment of balance sheet obligation	3,994	3,845
- Service element and other charges to operating expenditure	14,529	11,340
- Revenue lifecycle maintenance	1,108	1,220
- Contingent rent	5,129	4,860
Total amount paid to service concession operator	**25,920**	**22,555**

Note 26.4 Payments committed to in respect of all off SOFP PFI and the lifecycle element of on SOFP PFI	**2022/23**	**2021/22**
Analysed by when PFI payments are due	**£000**	**£000**
No later than one year	**796**	1,108
Later than one year, no later than five years	**415**	1,170
Later than five years	**0**	42
Total	**1,211**	2,320

Note 26.5 Payments committed to in respect of all off SOFP PFI and the interest element of on SOFP PFI	**2022/23**	**2021/22**
Analysed by when PFI payments are due	**£000**	**£000**
No later than one year	**1,025**	1,160
Later than one year, no later than five years	**2,516**	3,175
Later than five years	**183**	548
Total	**3,724**	4,883

Note 26.6 Present Value Imputed 'finance lease' obligations for on SOFP PFI contracts due	**2022/23**	**2021/22**
Analysed by when PFI payments are due	**£000**	**£000**
No later than one year	**4,098**	3,994
Later than one year, no later than five years	**20,740**	19,458
Later than five years	**5,398**	10,779
Total	**30,236**	34,231

Note 26.7 Number of on SoFP PFI Contracts

Total number of on SoFP PFI contracts	1
Number of on PFI contracts which individually have a total commitments value in excess of £500m.	0

Note 26.8 PFI Lifecycle Costs

The Trust accounts for lifecycle costs in line with the operators model. All lifecycle costs are expensed due to the uncertainty in the timing of the capital programme. The capital element expensed in the contract in-year is £1,108k (2021/22 £1,220k). The future total commitments for lifecycle costs is disclosed in Note 27.4.

The current operator model does not include inflation although the future liabilities disclosed in Note 27.1 have been adjusted to reflect the impact of future years inflation assumptions.

Note 27 Financial instruments

Note 27.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with its NHS commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. All treasury activity is subject to review by the Trust's internal auditors.

Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk
In prior years the Trust has borrowed from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The Trust's borrowing was restructured in 2020/21 when all DHSC loans were re-financed as Public Dividend Capital. This eliminated DHSC loans and risk relating to interest payments.

The Trust has entered in to an MES agreement for Radiology services and in addition holds leases for the medical equipment. These agreements incorporate implied interest rates which are fixed under the contractual agreements.

The Trust therefore has low exposure to interest rate fluctuations.

Inflation risk
The Trust's contract with its PFI provider allows for an annual uplift of non-pay related elements of the contract linked to the RPI. This represents a risk in relation to ongoing high levels of inflation.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 2022/23 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are incurred under contracts with clinical commissioning groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 27.2 Carrying values of financial assets

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	17,065	-	-	**17,065**
Cash and cash equivalents	34,969	-	-	**34,969**
Total at 31 March 2023	**52,034**	**-**	**-**	**52,034**

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	8,313	-	-	**8,313**
Cash and cash equivalents	39,708	-	-	**39,708**
Total at 31 March 2022	**48,021**	**-**	**-**	**48,021**

Note 27.3 Carrying values of financial liabilities

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
Obligations under leases	6,680	-	**6,680**
Obligations under PFI, LIFT and other service concession contracts	30,237	-	**30,237**
Other borrowings	2,350	-	**2,350**
Trade and other payables excluding non financial liabilities	36,960	-	**36,960**
Total at 31 March 2023	**76,227**	**-**	**76,227**

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 leases	4,712	-	**4,712**
Obligations under PFI, LIFT and other service concession contracts	34,231	-	**34,231**
Trade and other payables excluding non financial liabilities	30,770	-	**30,770**
Total at 31 March 2022	**69,713**	**-**	**69,713**

Note 27.4 Maturity of financial liabilities

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

	31 March 2023	31 March 2022
	£000	£000
In one year or less	46,114	36,905
In more than one year but not more than five years	28,255	25,777
In more than five years	5,581	11,915
Total	**79,950**	**74,597**

Note 27.5 Fair values of financial assets and liabilities

Book value (carrying value) is deemed to be a reasonable approximation of fair value for all the financial assets and liabilities disclosed.

Note 28 Losses and special payments

	2022/23		2021/22	
	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	253	5	421	5
Stores losses and damage to property	23	184	23	126
Total losses	**276**	**189**	**444**	**131**
Special payments				
Ex-gratia payments	16	14	34	18
Total special payments	**16**	**14**	**34**	**18**
Total losses and special payments	**292**	**203**	**478**	**149**
Compensation payments received	-	-	-	-

Note 29 Gifts

No gifts were made by the Trust in 2022/3 or 2021/22 above the disclosure threshold of £300.

Note 30 Related parties

The Department of Health and Social Care is regarded as a related party. During the year 2022/23, Wye Valley NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. Those entities where transactions during the year were greater than £100k and/or outstanding balances at 31 March 2023 were greater than £50k are listed below:

NHS Trusts/Foundation Trusts
Oxford Health NHS Foundation Trust
South Warwickshire University NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
Yeovil District Hospital NHS Foundation Trust
St Helens And Knowsley Hospital Services NHS Trust
Worcestershire Acute Hospitals NHS Trust
Herefordshire and Worcestershire Health and Care NHS Trust
Gloucestershire Hospitals NHS Foundation Trust
Gloucestershire Health and Care NHS Foundation Trust
Sandwell And West Birmingham Hospitals NHS Trust
The Royal Wolverhampton NHS Trust

NHS Commissioning bodies
NHS Black Country ICB
NHS Coventry and Warwickshire ICB
NHS Gloucestershire ICB
NHS Herefordshire and Worcestershire ICB
NHS Shropshire, Telford and Wrekin ICB
NHS Gloucestershire CCG (demised 01/07/22)
NHS Herefordshire and Worcestershire CCG (demised 01/07/22)
NHS Shropshire, Telford and Wrekin CCG (Y07) (demised 01/07/22)

Other NHS organisations
NHS England
UK Health Security Agency
NHS Resolution
Care Quality Commission
Health Education England
Supply Chain Coordination Limited
NHS Property Services

In addition, the Trust has had a number of material transactions (within the limits defined above) with other government departments and other central and local government bodies. These include the following:

Welsh Government bodies
Welsh Health Bodies - Aneurin Bevan Local Health Board
Welsh Health Bodies - Cwm Taf Morgannwg University Local Health
Welsh Health Bodies - Hywel Dda Health Board
Welsh Health bodies - Powys Local Health Board
Welsh Government

Other Government bodies
Herefordshire Council

Income Tax, NI, VAT and Superannuation transactions
HM Revenue & Customs
NHS Business Services Agency

Other organisations
Wye Valley NHS Trust Charitable Fund

Note 31 Events after the reporting date

None to report.

Note 32 Better Payment Practice code

Non-NHS Payables	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Total non-NHS trade invoices paid in the year	59,842	139,135	54,342	127,579
Total non-NHS trade invoices paid within target	53,931	116,608	48,756	106,386
Percentage of non-NHS trade invoices paid within target	90.1%	83.8%	89.7%	83.4%
NHS Payables				
Total NHS trade invoices paid in the year	1,353	12,213	1,224	11,512
Total NHS trade invoices paid within target	1,023	10,489	941	10,231
Percentage of NHS trade invoices paid within target	75.6%	85.9%	76.9%	88.9%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 33 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2022/23 £000	2021/22 £000
Cash flow financing	7,402	4,544
External financing requirement	**7,402**	**4,544**
External financing limit (EFL)	7,402	4,544
Under / (over) spend against EFL	**-**	**-**

Note 34 Capital Resource Limit

	2022/23 £000	2021/22 £000
Gross capital expenditure	14,437	18,650
Less: Disposals	-	(305)
Less: Donated and granted capital additions	-	(4,813)
Charge against Capital Resource Limit	**14,437**	**13,532**
Capital Resource Limit	14,689	15,131
Under / (over) spend against CRL	**252**	**1,599**

Note 35 Breakeven duty financial performance

	2022/23 £000	2021/22 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(6,512)	1,536
Breakeven duty financial performance surplus / (deficit)	**(6,512)**	**1,536**

Note 36 Breakeven duty rolling assessment

The Trust has a statutory duty to deliver a cumulative breakeven position over a five year period. Note 1.2 describes how, although this has not been met, the Trust has delivered to it's control totals agreed with NHSE and remains a going concern. The table below shows the cumulative performance against the breakeven duty.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,165	46	(1,958)	294	1,029	844	(20,456)
Breakeven duty cumulative position	1,510	2,675	2,721	763	1,057	2,086	2,930	(17,526)
Operating income		116,785	121,544	171,898	175,798	173,450	182,637	178,046
Cumulative breakeven position as a percentage of operating income		2.3%	2.2%	0.4%	0.6%	1.2%	1.6%	(9.8%)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(37,204)	(26,158)	(42,219)	(17,058)	2,347	1,536	(6,512)
Breakeven duty cumulative position	(54,730)	(80,888)	(123,107)	(140,165)	(137,818)	(136,282)	(142,794)
Operating income	177,567	188,498	186,020	231,646	267,580	304,155	330,289
Cumulative breakeven position as a percentage of operating income	(30.8%)	(42.9%)	(66.2%)	(60.5%)	(51.5%)	(44.8%)	(43.2%)

Note 37 Adjusted financial performance

The Trust's breakeven duty and financial performance is measured against an 'Adjusted financial performance surplus/ deficit'. This takes the SOCI position and removed the impact on the items listed below;

Adjusted financial performance (control total basis):	Note	2022/23 £000	2021/22 £000
Surplus / (deficit) for the period per SOCI		5,386	(3,570)
Remove net impairments not scoring to the Departmental expenditure limit	7	(8,523)	9,431
Remove I&E impact of capital grants and donations		(3,498)	(4,368)
Remove net impact of inventories received from DHSC group bodies for COVID response		123	43
Adjusted financial performance surplus / (deficit)		**(6,512)**	**1,536**